



Genuine Parts Company

2023  
SUSTAINABILITY  
REPORT

WE KEEP *THE WORLD*  
*MOVING*

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# Message to Our Stakeholders



**Paul Donahue**  
Chairman & CEO

At GPC, we embrace our responsibility to build a more sustainable, equitable and resilient future for people and the planet. As a global automotive and industrial parts distributor and solutions provider, we are part of an extensive network that includes our teammates, suppliers, customers, communities and investors. That's why our approach to sustainability looks both inward to our operations and outward to how we can help improve the network.

This year, we launched our new values that celebrate the way we have always treated people. They work in partnership with our purpose, mission and vision, and they are a vital part of keeping our unique culture thriving. Our values are also foundational to the work we are doing to advance our sustainability strategy, and they are featured throughout this year's report.

In fiscal year 2022, we worked together as One GPC Team to make significant progress on our environmental, social and governance initiatives. We remain committed to our sustainability journey and are proud to share details of our accomplishments in this year's report.

## Caring for Our Planet

We started implementing our carbon emissions abatement strategies, analyzing our results and sharing best practices across our global footprint. We based this work on the first global Greenhouse Gas (GHG) footprint we completed in 2021, and we will continue to refine how we capture data to provide a more comprehensive, precise and accurate assessment of our emissions.



Additionally, we believe GPC has a unique opportunity to position ourselves as an industry disruptor. As more electronic vehicles (EVs) hit the road, we aim to become the #1 aftermarket EV supplier for EV owners. We are building an extensive supply chain for EV parts and providing state-of-the-art training to help auto technicians learn how to repair EVs safely and effectively. Our work is just beginning, and we are committed to taking actions that result in tangible, lasting change.

## Investing in Social Good

Our teammates are at the heart of what we do, and we strive to create a positive, productive work environment where they feel supported and engaged in their work. As part of our commitment to advance diversity, equity and inclusion (DEI), we launched four business resource groups (BRGs) last year to empower teammates to come together with others who share their interests and experiences. This year, we added three additional BRGs to further support teammates who want to enhance and develop their leadership skills and networks.



We are in the process of formalizing our focus areas for community philanthropy and outreach, which we will preview in this year's report. These focus areas will guide our efforts to strengthen our communities both financially and through volunteer efforts for our teammates.

## Ensuring Good Governance

We believe continuous improvement is vital to how we govern our business. As such, in 2022 the board engaged a leading governance advisory firm to assist it with enhancing its effectiveness, with one of the outcomes being the board's decision to split the Compensation, Nominating and Governance Committee into two separate Committees: the Compensation and Human Capital Committee and the Nominating and ESG Committee. Having separate committees will provide enhanced focus and oversight, which will ultimately improve the effectiveness of our board and help drive long-term shareholder value.



As One GPC, we are making great progress on our sustainability initiatives, and our team has what it takes to keep the momentum going. We know that when we invest in running a responsible, sustainable company, we make our business stronger, more agile and more resilient. Thank you to our GPC teammates, partners and suppliers who strive for excellence every day and deliver exceptional service for our customers and the communities in which we work and live.

A handwritten signature in black ink that reads "Paul D. Malone".

# About This Report

Our 2023 Sustainability Report outlines environmental, social and governance (ESG) metrics for fiscal year 2022 (January 1, 2022, to December 31, 2022, unless otherwise noted). Based on the report's publication date, we highlight ESG activities from January 1, 2022, to July 31, 2023.

We issue a full report on our sustainability progress and performance annually. Our transparent reporting process began in 2018 with our first Corporate Sustainability Report, which focused primarily on our North American operations. Prior to our 2022 report, we published the results of our efforts biannually with progress updates in non-reporting years.

We continue expanding our global reporting efforts, and except where noted, this report covers our global operations. As part of our commitment to transparency and continuous improvement, we will improve our reporting precision year-over-year as we further formalize the data capture and calculation processes. Some of the progress in this year's metrics may be a result of increased rigor in our reporting processes and not necessarily from our sustainability initiatives.

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

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

*GPC recommends viewing this report online versus printing.*

# Forward-Looking Statements

Some statements in this report constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements in the future tense and all statements accompanied by words such as “expect,” “likely,” “outlook,” “forecast,” “preliminary,” “would,” “could,” “should,” “position,” “will,” “project,” “intend,” “plan,” “on track,” “anticipate,” “to come,” “may,” “possible,” “assume,” or similar expressions are intended to identify such forward-looking statements. These forward-looking statements include our view of business and economic trends for the remainder of the year and our expectations regarding our ability to capitalize on these business and economic trends and to execute our strategic priorities. Senior officers may also make verbal statements to analysts, investors, the media and others that are forward-looking.

We caution you that all forward-looking statements involve risks and uncertainties, and while we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements. Actual results or events may differ materially from those indicated as a result of various important factors. Such factors may include, among other things, changes in general economic conditions, including unemployment, inflation (including the impact of tariffs) or deflation, financial institution disruptions and geopolitical conflicts such as the conflict between Russia and Ukraine; volatility in oil prices; significant cost increases, such as rising fuel and freight expenses; public health emergencies such as the COVID-19 pandemic, including the effects on the financial health of our business partners and customers, on supply chains and our suppliers, on vehicle miles driven as well as other metrics that affect our business, and on access to capital and liquidity provided by the financial and capital markets; our ability to maintain compliance with our debt covenants; our ability to successfully integrate acquired businesses into our operations and to realize the anticipated synergies and benefits; our ability to successfully implement our business initiatives in our two business segments; slowing demand for our products; the ability to maintain favorable supplier arrangements and relationships; changes in national and international legislation or government regulations or policies, including changes to import tariffs, environmental and social policy, infrastructure programs and privacy legislation, and their impact to us, our suppliers and customers; changes in tax policies; volatile exchange rates; our ability to successfully attract and retain employees in the current labor market; uncertain credit markets and other macroeconomic conditions; competitive product, service and pricing pressures; failure or weakness in our disclosure controls and procedures and internal controls over financial reporting, including as a result of the work from home environment; the uncertainties and costs of litigation; disruptions caused by a failure or breach of our information systems, as well as other risks and uncertainties discussed in our 2022 Annual Report on Form 10-K and from time to time in our subsequent filings with the SEC.

Forward-looking statements speak only as of the date they are made, and we undertake no duty to update any forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-K, 10-Q, 8-K and other reports filed with the SEC.

## Materiality

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

# We Are GPC

For the past 95 years, Genuine Parts Company has embodied our purpose: *We Keep the World Moving*. Our rich history started in 1928 when our founder Carlyle Fraser purchased Motor Parts Depot, an auto parts store in Atlanta, Georgia, with annual sales of \$75,000 and six teammates. He renamed the business Genuine Parts Company, and the rest is history.

Today, we are a global service organization engaged in the distribution of automotive and industrial replacement parts with more than \$22 billion in annual revenues (Jan. 1-Dec. 31, 2022) and a consistent track record of success. We have more than 10,000 locations across 17 countries in North America, Europe and Australasia.

## GPC Snapshot

Founded:

**1928**

Headquarters:

**ATLANTA, GA**

Countries Served:

**17**

Employees:

**58K**

Annual Revenues:

**\$22.1B**

Locations:

**~10,600**

Warehouses:

**~765**

Distribution Facilities:

**~205**

Retail  
(Owned & Independent):

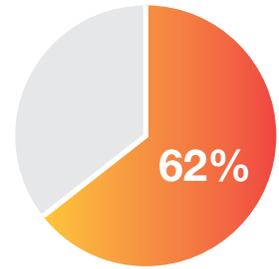
**~9,630**

**Our 58,000 teammates proudly serve hundreds of thousands of customers through two business segments and leading global brands.**



Our market-leading global automotive business distributes automotive replacement parts, accessories and service items throughout North America, Europe and Australasia. We go to market with the largest network of parts and care in the U.S. and globally with approximately 9,600 auto parts stores and 30,000 partner workshops.

We sell more than 725,000 parts under the NAPA brand name in North America, and we continue our NAPA expansion in Europe, where we serve countries under a variety of banners, including GROUPAUTO, Precisium Group, Pièces Auto, UAN, Alliance Automotive Group and PartsPoint. GPC Asia Pacific serves the Australasian markets primarily under the Repco and NAPA brand names.

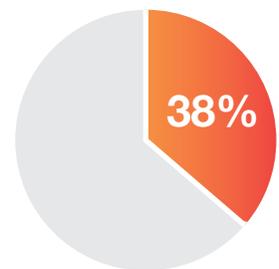


Our Automotive Group contributed **62% of GPC's total annual net sales**

(as of Dec. 31, 2022).



Our industrial parts business is the leading industrial parts distributor and solutions provider as Motion Industries in North America and Mi Asia Pac in Australasia. We have a distribution network of approximately 800 locations with access to more than 19 million replacement parts and related supplies. We serve more than 200,000 maintenance, repair and operations (MRO) and original equipment manufacturer (OEM) customers across multiple industries, including food and beverage, equipment and machinery, primary metals, pulp and paper, mining and automotive.



Our Industrial Group contributed **38% of GPC's total annual net sales**

(as of Dec. 31, 2022).

# Our One GPC Culture

Since the beginning, our unique company culture has been a competitive advantage and essential to our long-term success. As we continue evolving our business, we believe it's our culture that will help propel us into our next 100 years.



We work together as One GPC Team to deliver exceptional service for our customers and the communities in which we live and work. Our 58,000 teammates rally around the One GPC culture, which includes the following core elements:

- **Purpose:** Drives everything we do.
- **Mission:** Serves as the guiding force that shapes our decisions, actions and behaviors.
- **Vision:** Provides a clear directive for the future so that our teammates know where we are going as a company as they strive for excellence.
- **SPiRiT Values:** Ensure we create a positive, productive work environment where our teammates feel supported and engaged in their work.

The One GPC approach is more than just words on a page; it's where our culture and operating strategy intersect. It leverages shared values and teamwork to capture opportunities uniquely available to GPC based on our global business mix and scale that translate into differentiated performance and shareholder value.

Our culture is foundational to how we win and how we accomplish work. Every teammate plays an important role in fostering and promoting our culture with how they embody our purpose, mission, vision and values. We will continue supporting a culture to attract and develop top talent, build strong relationships with our customers and achieve our goals together.

# Our Purpose

We Keep the World **MOVING**



## Our Mission

BE THE  
**Employer  
of Choice**

BE THE  
**Investment  
of Choice**

BE THE  
**Supplier  
of Choice**

BE A  
**Good  
Corporate  
Citizen**

BE THE  
**Valued  
Customer**

## Our Vision

Be the leading global automotive and industrial parts distributor and solutions provider.

## Our Values

Serve **P**erform Influence **R**espect Innovate **T**eam

We launched our SPIRIT Values this year to formalize the beliefs and principles that have always made our culture unique. They are both core to who we are and aspirational, designed to support our purpose, vision and mission. By living our values across the globe, our teammates keep our culture thriving through their interactions with our suppliers, customers, communities and each other.

## GPC SPIRIT Values

### **Serve**

Deliver exceptional service for our customers and the communities in which we work and live.

### **Perform**

Strive for excellence and consistently exceed our commitments to our teams, customers, suppliers, investors, communities and the environment.

### **Influence**

Embody our purpose, mission, vision and values to foster and promote our culture.

### **Respect**

Create a safe, ethical, equitable and inclusive environment and treat individuals the way they would like to be treated.

### **Innovate**

Inspire new and creative solutions to continuously improve our teammate and customer experiences.

### **Team**

Win together by creating an environment where every individual puts the team first.



# Sustainability at GPC

Our commitment to sustainability is fundamental to achieving our mission and vision, and it influences how we interact with our teammates, suppliers, customers, communities and investors. Sustainable business practices are not only essential for the well-being of our communities and the planet but also critical to the long-term success of the company and how we deliver value to our stakeholders.



## Our Approach

We believe doing good moves our business forward, and we aim to incorporate sustainability priorities into every aspect of our operations and culture. Our sustainability efforts can strengthen our business model, inspire investor confidence, enhance customer satisfaction, attract and retain the next generation of talented leaders and generate goodwill in our communities.

Sustainability is a journey, and we are committed to assessing our performance regularly, setting new goals and adapting our strategies to address emerging opportunities. To guide our efforts, we have a robust governance model that includes our board of directors and ESG Leadership Council. We routinely seek feedback from our internal and external stakeholders to inform business decisions, prioritize initiatives and reduce risk.



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

## Our Focus Areas

When we launched our Roadmap for Sustainability in 2017, it marked the start of an intentional, company-wide journey that aligns our sustainability efforts into one managed program.

We completed an assessment of material sustainability topics that align with two leading ESG frameworks — the Task Force on Climate-related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) — and we have since added some metrics from the Global Reporting Initiative (GRI).

Based on the assessment results and stakeholder feedback, we have three focus areas for our sustainability program that align with our purpose: *We Keep the World Moving*.

## ESG Governance

### Board of Directors

Nominating and ESG Committee

### ESG Leadership Council

- Chairman & Chief Executive Officer
- President & Chief Operating Officer
- Executive Vice President & Chief Financial Officer
- Executive Vice President & Chief Human Resources Officer
- Senior Vice President & General Counsel
- Vice President, Compliance & Corporate Secretary
- Vice President, Safety, Sustainability & DEI
- Vice President, Strategic Communications
- Senior Director, Investor Relations
- Director, Strategic Business Transformation

## Our Pillars

### Caring for Our Planet



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

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

### Investing in Social Good



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

- **Health & Wellbeing**
- **Diversity, Equity & Inclusion**
- **Social Responsibility**

### Ensuring Good Governance



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

- **Business Ethics**
- **Cyber Security**
- **Robust Audit Practices**

# Global Sustainability Highlights

We are proud of what we have achieved working together as One GPC Team. Check out some of our exciting highlights.



Reduced our 2022 combined total Scope 1 and Scope 2 emissions by 10.46% from 2021.



Expanded NexDrive to provide electric vehicle owners with aftermarket parts and service.



Launched three new BRGs in the U.S. and started expanding BRGs internationally.



Expanded our GPC Wellbeing Live 365 program to include more activities and incentives.



Aligned our corporate giving, community sponsorships and volunteerism to four new philanthropic priorities.



Completed a board assessment and expanded to three board committees to better support our business goals.



# Caring for Our Planet



Genuine Parts Company

Environmental stewardship is an integral part of who we are and how we do business. Our commitment to protect and preserve the environment focuses on high-impact areas where we can make a measurable difference for our teammates, suppliers, customers, communities and investors.

We believe every teammate plays a role in caring for the planet, and we are operationalizing sustainability within our businesses to drive ownership and accountability. While we work as One GPC team to achieve our goals, we follow a “locally around the globe” approach that empowers our businesses to tailor their initiatives to the unique needs of our locations.

At this time, our sustainability reporting is aligned to SASB and TCFD frameworks. We continue monitoring the regulatory landscape in the U.S. and internationally, including the recent proposed rule from the U.S. Securities and Exchange Commission (SEC) to mandate standardized ESG disclosures for public companies, as well as the Corporate Sustainability Reporting Directive (CSRD) rules in Europe. We will update our approaches and reporting to comply with regulatory changes as they occur.

## Environmental Focus Areas



Global Emissions Reduction



Building Efficiency



Waste Management



Circular Economy



Fleet Management



# Reducing Our Global Emissions

Reducing GHG emissions is a vital part of protecting the planet for future generations and slowing the negative effects of climate change. We continue to enhance our data capture and measurement process to best understand how we can minimize our impact on the environment.

We require all our businesses to include emissions reduction goals in their annual strategic objectives.



## Understanding the Metrics

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

Abbreviation	Name	Definition
<b>MTCO2e</b>	<b>Metric Tons of Carbon Dioxide equivalent</b>	At standard temperature and pressure, one metric ton of carbon dioxide (CO2) would fill a sphere 32 feet (about 9.8 meters) in diameter.
<b>CO2e</b>	<b>Carbon Dioxide equivalent</b>	“CO2e” represents an amount of a GHG whose atmospheric impact has been standardized to that of one unit mass of carbon dioxide (CO2).
<b>CO2</b>	<b>Carbon Dioxide</b>	CO2 only accounts for carbon dioxide, while CO2e accounts for carbon dioxide and all the other gases as well, including methane, nitrous oxide and others.
<b>MT</b>	<b>Metric Tons</b>	A unit of weight equal to 1,000 kilograms (2,205 lbs)
<b>kWh</b>	<b>Kilowatt Hours</b>	One kilowatt of power for one hour
<b>GHG</b>	<b>Greenhouse Gas</b>	A greenhouse gas (GHG or GhG) absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect.  GHG by Revenue is calculated by dividing Scope 1 and 2 GHG emissions by revenue stated in USD.
<b>GWP</b>	<b>Global Warming Potential</b>	A term that describes the relative potency, molecule for molecule, of a greenhouse gas, taking account of how long it remains active in the atmosphere.

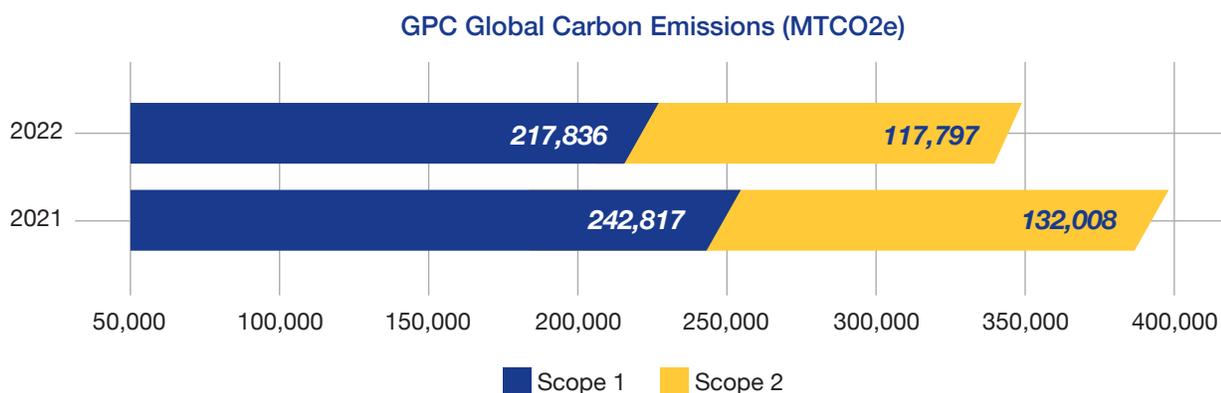
During the preparation of last year's report, we worked with a leading sustainability partner who conducted and verified our first global GHG footprint for Scope 1 (direct-owned or operated) and Scope 2 (purchased electricity) emissions. As part of the measurement process, we also established global governance and data collection methods for all our facilities and operations.

This year's report includes our first global update measuring against the baseline we conducted last year. Our 2022 combined total Scope 1 and 2 GHG emissions were approximately 335,633 MTCO<sub>2</sub>e, a 10.46% reduction from last year. This number includes all emissions associated

with our facilities and our fleet worldwide. Our total 2022 Scope 1 and 2 GHG emissions intensity based on revenue decreased to 1.5187E-05 MTCO<sub>2</sub>e down from 1.98321E-05 in the previous year.

For 2022, we reported a significant reduction in GHG emissions that we attribute to a combination of improved data capture, expanded availability of operational data, increased precision in measurement and our carbon reduction initiatives. With better data collection, we replaced many assumptions with actual data, and as such, we now have a more comprehensive, precise and accurate assessment of our emissions. In future reporting years, we anticipate lower levels of variance.

## Our Global Energy Consumption



### GPC MTCO<sub>2</sub>e Carbon Emissions Status (FY'22)

North America			Europe			Australasia		
2021	2022	+ / -	2021	2022	+ / -	2021	2022	+ / -
Scope 1	Scope 1	Scope 1	Scope 1	Scope 1	Scope 1	Scope 1	Scope 1	Scope 1
173,569	148,971	(14.17)%	52,161	54,009	3.54%	17,087	14,856	(13.06)%**
Scope 2	Scope 2	Scope 2	Scope 2	Scope 2	Scope 2	Scope 2	Scope 2	Scope 2
107,228	100,372	(6.39)%	3,720	3,518	(5.43)%	21,060	13,907	(33.97)%**
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
280,797	249,343	(11.20)%	55,882	57,527	2.94%	38,147	28,763	(24.60)%**
GHG Intensity by Revenue decreased to 1.46526E-05*			GHG Intensity by Revenue decreased to 1.85931E-05*			GHG Intensity by Revenue decreased to 1.4461E-05*		

\* GHG Intensity by Revenue is stated in USD and includes currency translation effects.

\*\* Australasian emissions reduction primarily due to improved data capture and expanded availability of operational data.



# Improving Efficiency in Our Facilities

Our facilities are making large-scale changes to improve efficiency, while our teams are finding innovative ways to work smarter and make incremental improvements that add up. A key part of operationalizing our sustainability approach is empowering facilities to make upgrades based on their local needs, regulations and impact on their communities.



## Water Consumption

We continue local efforts to use less water at all our facilities, including retail stores and distribution facilities.

### Initiatives include:

- Installing low-flow faucets with motion sensors in the U.S.
- Conducting regular inspections of water lines to find, repair and prevent leaks in the U.S.
- Evaluating water conservation projects for our operations in Europe and Australasia

## Energy Usage

We are making proactive changes to our facilities to improve how we use traditional sources of energy. In addition, we are encouraging teammates to make behavior changes and think differently about how they use energy to complete their tasks.

### Initiatives include:

- Replacing conventional lighting with energy-efficient LED lights at facilities around the world
- Installing energy-efficient HVAC systems and controls in stores and distribution centers around the world, including a project to replace HVAC units in 48 stores in Australasia
- Installing motion-sensing lighting in facilities around the world
- Installing variable frequency drives (VFDs) and HVAC controls in U.S. stores and distribution centers
- Implementing building management systems in North American facilities
- Launching teammate awareness initiatives, including videos and posters, in Europe
- Replacing oil heaters with hybrid heat pumps at facilities in the U.K. and Germany



## Renewable Energy

We continue exploring how we can improve energy usage from renewable sources around the world. After several successful pilot programs, we are increasing our use of renewable energy at many of our facilities.

### Initiatives include:

- Installing solar panels on certain distribution centers in Europe and Australasia
- Switching energy contracts to sustainable energy sources in the U.K. (100%), France (96%) and Benelux (27%)
- Procuring wind energy for our automotive business in the Netherlands
- Exploring viability of solar energy for certain retail locations in Australasia
- Introducing renewable hydrotreated vegetable oil (HVO) diesel for trucks in Europe

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**In Australia, solar power accounts for about half of the energy used at the distribution center in Melbourne and more than 40% of the energy used at the distribution center in Chullora.**

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## Efficiency in New Buildings

As we explore ways to improve our geographic footprint, supply chain and productivity, we are adopting a sustainability mindset for new facilities.

- In June 2023, we opened our new state-of-the-art distribution center in Melbourne, Australia (below), as part of the city's first industrial estate to target a Green Star certified communities rating. Our facility achieved a 5 Star Green Star certified buildings rating from the Green Building Council Australia.



- UAP is repurposing its former Montreal distribution center into a new headquarters, which received the Zero Carbon Building – Design Standard v3 certification from the Canada Green Building Council. The facility eliminates fossil fuel and gas energy and adds LED lighting, skylights, dynamic ventilation, motion detection lighting and a building management system.



# Reducing Operational Waste

We are actively working to reduce the volume of waste we produce at all our facilities while increasing the materials we divert from landfills through recycling and other diversion programs. Our efforts originally focused on the U.S., but our businesses have expanded waste reduction efforts around the globe.



## Here are some of our localized programs:

- **Canada:** UAP is expanding its RecycleSmart program from 85 stores to 238 stores. The program includes activities to increase diversion, reduce waste costs and integrate waste management into the culture.
- **U.K.:** AAG is using existing transports to return waste from regional warehouses to the national distribution center for recycling.
- **Europe:** AAG only sends 13% of waste to the landfill. The team recycles 58% of waste, including wood, paper and plastic.
- **Australasia:** GPC has had a diversion rate of 44% for the past 12 months. Paper and cardboard make up the largest category of diverted waste.



## Using Sustainable Packaging

Our businesses are working to remove single-use plastic packaging from their operations.

- Encouraging vendors to replace plastic packaging in Australasia **removed approximately four metric tons** of plastic from the supply chain.
- The Motion team is currently **developing plans to reduce the environmental impact** of packaging in their facilities.
- AAG **uses reusable totes in place of cartons** in its national distribution center and participates in the EPAL Euro Pallet program, the most widely used pallet exchange program in the world.

In North America, our Motion team continues to be a role model in sustainability with their corporate recycling program. In 2022, the team recycled 1,085 tons of material, which equals:



**663**

Households' electricity use



**16,388 MBTUs**

Net energy reduction (million British thermal units)



Carbon sequestered by

**4,037 Acres**

of US forests



**7,890 Barrels**

of oil consumed



**383,469 Gallons**

of gasoline consumed



**734**

Gasoline-powered passenger vehicles driven



**3,408 Metric Tons**  
of GHG emissions reduction



# Operating in the Circular Economy

Given our business model, we are uniquely positioned to be a leader in the circular economy. We provide parts and service so that our customers can repair and maintain their vehicles and heavy machinery — and ensure they continue operating for the long term instead of replacing them. Additionally, by promoting recycling and exploring innovative ways to repurpose materials, we aim to minimize waste across our supply chain and extend the life of our quality products.



## Sustainable Manufacturing

NAPA Auto Parts and UAP work with BBB Industries to collect used vehicle parts and recycle them into remanufactured quality parts for customers. Our parts account for 15% of BBB's return volume and comprise 12%, or 18,925 MTCO<sub>2</sub>e, of total circular economy benefit.



**2.8 Million Cores Returned to BBB for Sustainable Manufacturing**

~80% of Core Material Reutilized equals **30M Pounds of Material Not Entering the Waste Stream**

**3.8M LBS ALUMINUM** | **2.6M LBS COPPER** | **12M LBS STEEL**

BBB Industries Returned a Product to Market **70% - 90% LESS Carbon Intensive** than new

**29,000 MTCO<sub>2</sub> AVOIDED** | **74M MILES OFF THE ROAD**

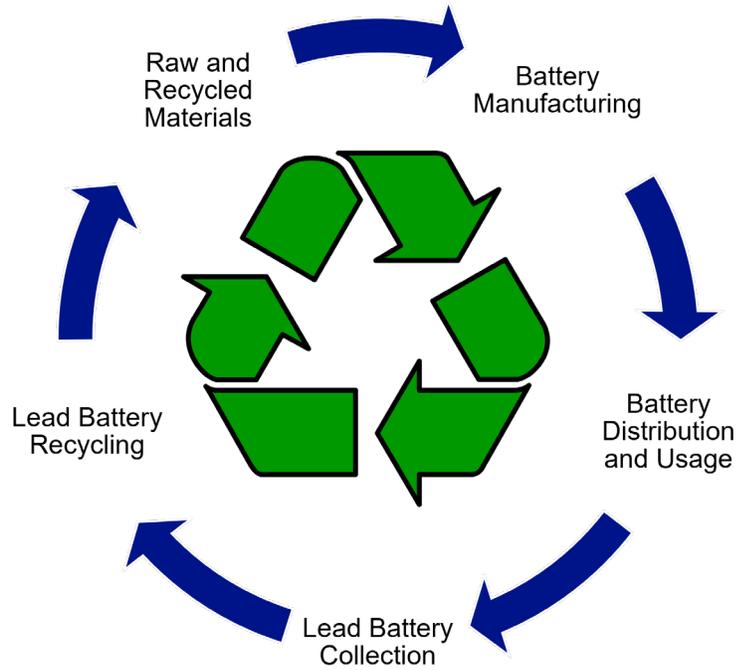


**Millions of Sustainably Manufactured, Quality Parts to NAPA Customers**



## Recycling Lead Batteries

Lead batteries — made of lead, plastic and acid — are virtually 100% recyclable. Our U.S. Automotive Group (USAG) business collects old lead batteries from customers and works with one of our battery supplier partners to recycle them into core parts for making new batteries. **USAG sold 7.5 million batteries in 2022 and recycled 7.2 million for a recycling rate of more than 96%.**



## Saving Used Parts

The AAG team in France created the Back2Car program that collects and disassembles damaged cars. Customers can then purchase the tested, refurbished parts that are guaranteed for life on a special Back2Car website. In 2022, the program handled **more than 28,000 cars and 387,000 parts.** **It received the first Green Innovation of the Year award from Auto Plus Awards.**



# Managing Our Fleet Responsibly

Around the globe, our ability to use our fleet of vehicles ensures we deliver exceptional service for our customers. However, our fleet emissions account for approximately 69.52% of our Scope 1 emissions, or roughly 151,429 MTCO<sub>2</sub>e. We are actively changing how we manage our fleet to reduce emissions without sacrificing service excellence.



## Electronic Monitoring and Route Optimization

Many fleet vehicles are equipped with electronic monitoring and route optimization systems, so we can better understand driver hours, drive length, idling time and other key vehicle metrics. We use the data to improve the overall driver experience and identify ways to reduce emissions through more efficient deliveries and less “empty miles.”

In Europe, our team is using **route optimization to improve “last mile” deliveries** — the final stop to reach customers. Based on the data, they shift customers to their closest store and are considering reduced daily deliveries.

## Anti-Idling and Auxiliary Power Units

Most of our heavy-duty fleet trucks use anti-idling technology to shut off the engine automatically after idling for five minutes. With auxiliary power units, drivers can use heating and cooling without running vehicle engines. These features minimize idle time, improve fuel consumption and reduce fuel cost.

**The UAP Improve Driving Behaviours initiative** works with teammates to provide training on the types of driving behaviors that can impact emissions, like idling, hard accelerations and route optimization.



## Hybrid and Electric Vehicle (EV) Programs

After successful pilot programs, many of our businesses are actively replacing some internal combustion engine vehicles in their fleets with hybrid and EVs. This initiative includes installing charging stations at headquarters, retail stores and distribution centers.



In 2022, GPC installed 14 Autel EV charging stations at its Atlanta headquarters buildings. Since then, we have **avoided 9,058,855 kg CO2 emissions – the equivalent of 416 trees planted.**



**UAP**

**48** EVs on the road

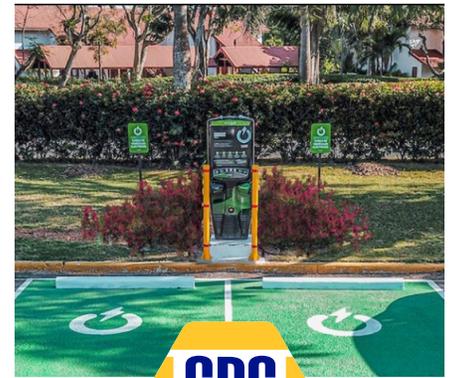
**51** Charging stations installed



**ALLIANCE  
AUTOMOTIVE GROUP**

**4** EVs piloted for “last mile” deliveries

**37** Charging stations installed



**31** Hybrid vehicles ordered to transition small vehicle fleet

SPECIAL FEATURE:

# NexDrive Powered by NAPA

“

*EVs are coming; there's no doubt. Today, there are 275 million combustion engine vehicles, but that will shift over time. Our goal is to be the disruptor in our industry, to be out ahead and ready to serve our customers' changing needs.*”

**Paul Donahue,**  
**Chairman and CEO of GPC**

S&P Global Mobility forecasts that electric vehicle (EV) sales in the U.S. could reach 40% of total passenger car sales by 2030. That's why we are preparing now to ensure our customers have the replacement parts and service they need — regardless of what they drive.

We aim to lead in emerging technologies by leveraging our unique position, global scale and One GPC approach.

**We are focused on the following three pillars to build a global network to keep EVs on the road.**

## **1. Training & Access to Information**

Upskilling auto technicians is a cornerstone of our approach because EVs are more complex and have a greater safety risk from the presence of electricity. We provide a robust training program and continue building on our extensive offerings for safety, vehicle technical information and advanced diagnostic testing and repair.



### **Autotech Training in Emerging Technology**

NAPA offers hands-on EV training to prepare technicians for working with EVs and hybrids.

## 2. Services & Equipment

We are committed to supporting our workshops with services and equipment to fulfill the demand for modern solutions to run their businesses effectively. That includes providing different tools and personal protective equipment (PPE) to keep technicians safe as they work with EVs.



### NexDrive Powered by NAPA

These three pillars come together as NexDrive powered by NAPA, which is building a service network for next-generation car care. The novel program started in Europe, and it is now expanding across our global markets.

NexDrive solves two challenges. Customers want an aftermarket alternative for vehicle service, and workshops need support to lead in the EV space. The program provides select GPC workshops with training, marketing, technical support, workshop audits, specialized equipment and store training.



## 3. Parts in Retail Stores

Through partnerships with premium suppliers, we ensure that our customers have full access to parts, service, training and information for their EVs. Many of our retail stores already carry an array of aftermarket parts and equipment for EVs, and they are often installing charging stations for customer use. While 90% of the parts on an internal combustion engine (ICE) vehicle and EV are the same, we have opportunities to add new EV product categories and advanced electronics to our automotive parts offering.



### TEAMMATE SPOTLIGHT

*When Susan Starnes joined NAPA Auto Parts, she accepted a big challenge — to prepare the business and its stakeholders for the future of transportation.*

*As the vice president of emerging markets, she is the face of change for NAPA and the impact of evolving technologies on aftermarket parts and service.*

*“I embrace change. Throughout my career, I have been drawn to challenges that require innovative solutions,” said Susan, who joined the company in 2021.*

*Susan is leading the charge to ensure autocare workshops, retail stores and customers are ready for the rise of electric vehicles (EVs) and hybrid vehicles on the road. As part of these efforts, NexDrive Powered by NAPA is a key differentiator across the globe. This program is preparing workshops to safely work on, maintain and repair EVs and hybrids.*

*“As America’s largest network of parts and care, we feel well-positioned to help autocare businesses move into the future,” said Susan. “We feel it’s our responsibility to support them, and we are excited about it.”*



# Investing in Social Good



Genuine Parts Company

# Supporting Our Genuine People

Our 58,000 teammates are at the heart of everything we do. We are incredibly proud of the positive energy and the diverse perspectives they bring to work every day around the world.

We are committed to providing a safe, equitable and uplifting work environment where our teammates can thrive and feel welcomed, heard, included, engaged and supported.



A core part of our mission is to be the employer of choice. As expectations of work have changed over the years, we are evolving our teammate experience to meet them where they are while cultivating the unique culture that's been a hallmark of our success.

We recognize that attracting, retaining and developing diverse and skilled professionals not only drives our business forward but also plays a pivotal role in nurturing our unique culture. We strive every day to ensure our purpose, mission, vision and values come to life.

## Genuine People Focus Areas



Teammate Engagement



Talent Acquisition & Retention



Talent Development



Safety & Wellbeing



Diversity, Equity and Inclusion (DEI)



# Engaging Our Teammates

We value feedback from our teammates and actively listen to what they have to say. Their insights help inform our goals and initiatives to ensure their experience is relevant and rewarding both today and in the future.

Every 18 to 24 months, we conduct a global engagement survey where all teammates can formally share their feedback on the company and their work environment. The survey is administered during a four-to-six-week period, and it's available in seven languages on personal or work computers and mobile devices.

We purposefully include questions in the survey to help us measure progress on the people-focused initiatives in our sustainability strategy. Business units receive their metrics and work with HR partners to develop localized action plans and introduce new programs or processes.

Our next full survey is planned for the Fall of 2024, and we are currently working on targeted pulse surveys for several groups.



**In 2022, 78% of our global workforce completed the latest engagement survey. Here are some results from our survey:**

As part of our annual Teammate Appreciation Day, we launched new recognition cards so that teammates can share handwritten notes celebrating their colleagues.

**78%** Global Engagement Score

**83%** I have a clear understanding of the goals and objectives of the company

**81%** I see a clear link between my work and the success of the company.

**82%** I intend to stay with the company for at least the next 12 months.



# Attracting and Retaining Top Talent

In today's competitive labor market, it's vital that we find, hire and keep the best talent. We need to present ourselves and our brands as attractive career options for prospective teammates.

## Talent Acquisition

We believe that to hire the best talent, we must start by reaching out to the broadest talent pool possible. Our team follows a global talent acquisition strategy with local implementation. That means we empower our on-site teams to recruit their own prospective teammates in the most relevant ways using centralized tools and processes for consistency.

Our Talent Acquisition team actively recruits at technical schools, colleges and universities, while members of our business resource groups (BRGs) reach out to their networks, including alumni organizations, professional organizations, fraternities and sororities. We've also increased our support for the United Way's African American Partnership and Young Professional Leaders programs to engage with the next generation of leaders.



*Left to right: Chairman and CEO Paul Donahue, Group President GPC North America Randy Breaux, Senior Director – HR Work Tech and Analysis Rebecca Wood (Workday project lead), Senior Director – Eng Corp Systems Stacy McCormack, Senior Director ESC Keith Cooper, EVP and CIDO Naveen Krishna, EVP and CHRO Jim Neill, President and COO Will Stengel*



We are modernizing our digital platforms to enable our One GPC Team and provide teammates with common tools and systems across businesses and geographies.

We launched a new intranet platform in  North America called

GPC Connect that improves engagement and connects teammates to the information they need to be successful. In the first six months, we had 37,647 site visitors and more than 3,800,000 page views! The platform will launch in Europe in 2024 and Australasia in 2025.

We are also rolling out a new HR platform that will streamline people management, performance management, onboarding, talent acquisition and more into one global centralized system. Thanks to a dedicated cross-functional project team, the platform launched successfully in North America, where they are enhancing it before expanding it to all 58,000 teammates globally.

In addition to impacting how we work, the new platforms improve productivity and collaboration, and they ensure we have valuable analytics to measure progress on many of our people-related sustainability initiatives.

## Compensation and Benefits

Our market-competitive compensation and benefits packages are designed to attract and retain people who deliver exceptional service. We are committed to rewarding our teammates equitably around the globe, regardless of gender, age or ethnicity. We conduct a pay equity audit every two years and are currently completing our 2023 analysis.

The comprehensive rewards packages are tailored to job level and the local requirements in different countries. They are designed to help our teammates meet their financial goals, as well as support their physical and mental health and wellbeing. With a menu of non-salary benefits, our full-time and part-time teammates can customize their programs with affordable options that best support themselves and their families.

Our benefits<sup>1</sup> include, but are not limited to, the following:

- **Medical, Dental and Vision Insurance**
- **Life and AD&D Insurance**
- **Disability Plans**
- **401(k) with Matching**
- **Paid Time Off**
- **Tuition Reimbursement**
- **Discounts**

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



*Teammates from Talent Acquisition and the Melbourne Distribution Center (MDC) attend the annual job expo hosted by Workskil Australia, a nonprofit organization that transforms lives through employment and Indigenous, youth and disability services.*

### TEAMMATE SPOTLIGHT



*Carlos Spinola has seen the world, and he brings his unique experiences to work every day. He grew up in Cape Verde, Africa, spent six years studying and interning as a material engineer in Brazil, South America, and has lived as a resident in the U.S. for seven years. He joined Motion Industries as a Manufacturing Engineer as part of the Kaman Distribution Group acquisition. In March 2023, he was recognized as the Motion Ai Franklin Branch Quality Engineer and has been a vital contributor to passing several significant audits.*

*“I appreciate the chance I’ve been given to develop personally and professionally while being part of the Motion team. Through constant exposure and mentorship, I have gained valuable expertise and expanded my skillset across multiple areas of the business,” Carlos said.*



# Investing in Our Teammates

A fundamental part of our sustainability journey is our commitment to supporting and developing our people. We offer a wide range of upskilling opportunities, mentorship programs and career development initiatives. Our programs align to career pathways and are tailored to locations, positions and career interests. While some of the programs are required, teammates are empowered to choose the opportunities that align with their personal goals.

## Training and Capability Building

Our training programs ensure teammates have the skills and knowledge they need for success. We offer a learning management system (LMS) for required and voluntary on-demand courses to develop their technical and soft skills. In addition, our businesses develop relevant online and in-person training to ensure everyone can do their job safely and effectively.

New hires are required to complete mandatory training modules aligned to our Code of Conduct. We also provide online trainings throughout the year for data security awareness.

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**Our Motion business invested \$4 million in a new world-class Learning and Development Center at its headquarters in Birmingham, Alabama.**

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## Career Development Programs

By fostering a culture of continuous learning, we are helping our teammates grow at every stage in their career—from early career support to senior leadership. We offer a wide range of programs designed to help with career advancement opportunities.



*GPC women from around the globe came together in Atlanta to attend the Emory University – Goizueta Business School Management Development Program, including several Motion teammates who joined from Asia Pacific.*

**Here are some highlights from our leadership development programs:**

**LEAD**

Our UAP team kicked off a new nine-month leadership development program in 2022. Fifty teammates graduated in 2023 and are helping to create a learning culture within their teams.

**Management Development Seminar (MDS)**

A specialized global training program, MDS engages selected teammates from all business units in learning about our business operations and developing strategies and improvement plans for their careers. We also have an MDS program in Europe, which recently hosted 29 teammates from Germany, France and the UK.

**Momentum**

GPC Asia Pacific recently launched a nine-month development program to help teammates who currently or could potentially lead a team, department or business. In addition to knowledge and skill-building, the program includes executive coaching, mentoring and career planning.

**Diverse Talent Development**

Starting in 2022, we partnered with McKinsey's Management Accelerator Program on a development program to retain top diverse talent. The program is open to people of color in the U.S. who are early-to-mid career and aspire to be leaders at GPC, Motion or U.S. Automotive Group.



**TEAMMATE SPOTLIGHT**

*For Michael Yakymishen, the last five years at UAP have been “incredible.” Based in Alberta, Canada, the Manager of Store Compliance and Assets participated in GPC’s Management Development Seminar (MDS) and UAP’s new LEAD program — both designed to help high-performing teammates prepare for leadership roles.*

*“I would not have been able to do this if it weren’t for the leadership team and their commitment to training and empowering leaders to be empathetic, make decisions based on feedback and put people first.”*

*He added that the culture of learning and teamwork is vibrant, and with the new focus on diversity and inclusion, UAP will keep attracting world-class teammates and leaders.*

*“I am sincerely excited about my future, the future of my team and the future of UAP as we continue to grow and do what is right as an organization.”*



Some of the 111 summer interns from GPC and Motion came together at the Motion headquarters in Birmingham, Alabama. Group President, GPC North America Randy Breaux and Motion's COO Joe Limbaugh spoke to the group about our industrial business and the company's history.

## Internships and Apprenticeships

We are investing in tomorrow's talent today through highly engaging internships, apprenticeships and rotational programs for college students, recent college graduates and aspiring future leaders. Our programs provide hands-on education, mentoring opportunities, volunteer service projects and access to leaders to learn about the business and build strong relationships.

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**NAPA offers a two-year paid apprenticeship program. There are currently 900 apprentices who will receive four Automotive Service Excellence (ASE) certifications by the time they finish the program.**

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## Performance Management

Our approach to performance management focuses on providing regular feedback. Performance conversations are an opportunity for teammates and their managers to collaborate on progress and development opportunities throughout the year. They provide a platform for transparent, open dialogue so that everyone understands how their work impacts the company and our broader goals.

Each year, teammates work with their managers to set short- and long-term goals for themselves and as part of their team. Throughout the year, there are opportunities for progress discussions on goals and opportunities, with formal mid-year and year-end reviews.



### TEAMMATE SPOTLIGHT

*Alara Birkan, IT compliance, is a graduate of the dual study program in business administration at AAG Germany. As part of the program, she participated in a six-week exchange to AAG France to learn more about internal audit, compliance and SOX processes and how our international teams work together. During her trip, Alara worked on local projects, attended our Internal Audit, Compliance and Cyber Summit with fellow AAG and GPC colleagues, visited the Levallois offices and new distribution center and managed to fit in some free time for sightseeing.*

*"I am thankful for the opportunity to have gained important experience on a professional and personal basis," Alara said.*



# Keeping Everyone Safe and Healthy

We take a holistic view of health and safety. That means that in addition to providing a safe environment at work with the knowledge and tools to identify and manage hazards, we are also supporting our teammates' wellbeing outside of work.



## A Culture of Safety

Our goal is to ensure that everyone goes home in the same condition that they came to work. We have a comprehensive approach for Employee Health and Safety (EHS) that provides a global foundation for safety excellence and enables local customization based on protection and safety legislation in the various places where we do business.

All teammates receive regular safety training about occupational health and safety measures relevant to their role. While there is some global training, most safety training is localized. For example, the NAPA team hosts monthly training webinars, while UAP developed an annual training on how to handle loads at stores and distribution centers with the goal of reducing musculoskeletal injuries.

Given the unique risk profile for our industrial business, the Motion team in Asia Pacific launched the “Take 2 for Safety” program. It encourages teammates to take two minutes before starting a task to assess the risk, understand the task and think about how to perform work safely.

## 2022 Health and Safety Training by the Numbers

**50,140**

hours of safety training completed at Motion

**206**

emergency officer certifications at AAG Europe

**59%**

increase in hazard reporting at GPC Asia Pacific Automotive business

**89%**

U.S. Automotive Group teammates who completed quarterly safety training

**5,000**

hours of safety and wellbeing training completed at UAP

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

We are launching a global safety system to track and report on safety concerns, injuries and hazards for teammates, customers and visitors at all of our locations. It's the first time this information will be in one database, and the data will help identify hazards before they cause injuries.

The UAP team is making **mental health training mandatory** for all leaders, so they can support their team safely through any mental health issue. Training is also available for teammates on how to create their own mental health first aid kit.

In 2018, U.S. Automotive Group partnered with Lytx, Inc. to implement the DriveCam program on its delivery vehicles.

The program helps teammates improve their driving skills, and if an accident does occur, the program streamlines the accident investigation.



Auto Accidents decreased

**↓ 59%**



Auto Claims (liability and physical damage) decreased

**↓ 65%**

From 2018 to 2023



## Wellbeing at GPC

We seek to improve the quality of life for our teammates at work and away from work. Our refreshed and expanded healthy living program — GPC Wellbeing Live 365 — provides people in the U.S. and Canada with on-demand access to tools, information activities and incentives to support living a healthy lifestyle.

We offer prizes for participation in monthly activities, like completing the wellbeing assessment, doing biometric screenings and tracking hydration, sleep and steps.

**New for 2023, participants can earn up to \$400 a year for completing activities, up \$100 from previous years, to use for electronic gift cards, HSA contributions or medical plan premium credit.**

In addition to GPC Wellbeing Live 365, we offer additional wellness activities, including financial wellness assessments, the **Livongo® Diabetes Management Program** and local biometric screening events.

**1,177 teammates** enrolled in Livongo

## Program Participation

**57%** Teammates Registered on Wellbeing Site

**10,279** Wellbeing Assessments Completed

**5,941** Hydration Activities Completed

**5,470** Biometric Screenings Completed



*AAG teammates from Germany and the Netherlands participated in the E.ON Company Run in Essen, Germany.*



# Advancing Diversity, Equity & Inclusion (DEI)

At GPC, we embrace diversity; seek to ensure fair treatment, equality of opportunity and fairness for all; and strive to foster an inclusive culture where all teammates — regardless of race, gender or other differences — feel safe and supported to be their true selves at work.



In 2021, we focused on building the foundation for our DEI program, including appointing our first director of DEI, creating the DEI Leadership Council and launching our DEI Global Roadmap. Most of our initial efforts were intentionally focused in the U.S., so we could pilot our new approach and adjust before launching globally.

“ At GPC, we strive to ensure diversity, equity and inclusion in opportunity, advancement and contribution by promoting inclusive teams and leadership throughout the company. Our actively expanding approach to these goals is both local and global in scope. We endeavor to be comprehensive in the application of our core elements, as we empower our teams to customize their initiatives in alignment with their local needs and the goals of the company. ”



**Letty Ashworth**  
Director, Diversity, Equity & Inclusion

People of Color	Women	Military Service
<b>23.0%</b> of Managers	<b>20.0%</b> of Managers	<b>1.4%</b> of Workforce
<b>32.8%</b> Non-Managers	<b>21.6%</b> Non-Managers	
<b>14.3%</b> of the Board of Directors	<b>29.0%</b> of the Board of Directors	

Data is U.S. only.



The NAPA Auto Parts team in Sacramento, California, hosted a Multicultural Day where attendees could experience food from different countries.



“

*“I’m so grateful to lead UAP’s Diversity, Equity and Inclusion Working Group. We have incredible team members from various business areas and corporate services, gathering in a safe space to challenge the status quo and shape the business future. These folks are so engaged and ready to have an impact on our people with their humanistic vision.”*

”

*Tri-Tam Chau-Vo,  
Advisor – Organizational  
Development & Culture*

## **Drive DEI Awareness and Accountability Across the Entire Organization**

We sponsor an array of Business Resource Groups (BRGs) to promote engagement and help create a more inclusive workplace. The BRGs encourage teammates to explore diversity issues in a safe environment and embrace their differences.

In 2022, we expanded our commitment to the BRGs. As they develop and expand, they are communicating with and connecting to our teammates and communities in four key areas:

- **Engaging and developing group members who seek leadership positions within their group or across the company.**
- **Increasing our diverse pipeline of candidates and helping identify teammates for promotion within the company.**
- **Connecting their work to our business and sustainability initiatives and priorities.**
- **Sharing their perspectives with leaders on corporate-level goals, decisions and policies.**



*In honor of Memorial Day, teammates across the U.S. visited military cemeteries and placed U.S. flags on the graves of fallen service members.*



*Members of the BOLD Business Resource Group joined teammates from Motion to visit the Peace & Justice Memorial and The Legacy Museum in Montgomery, Alabama.*

After the successful launch of four BRGs for corporate teammates in the U.S., we've focused on building the infrastructure for groups to share their messages and events with the rest of the organization. We recently launched three additional groups in the U.S., and several groups have expanded internationally.

## Our Business Resource Groups



### Asian Network

**A3** celebrates the diversity of Asian American voices and provides connection and development opportunities for members.



### African American Network

**BOLD** discusses social issues impacting diverse teammates and supports African American teammates on their professional journey.



### Creating Real Equity for Women (CREW)

raises awareness for issues impacting women and provides a network to support women as they grow their careers.



### Veteran's Network

**BRAVE** helps veterans transition to civilian life and teaches nonveterans about the diversity and skills of their military teammates.

## Welcome Our Newest BRGs



### ABLE Network

The **ABLE Network** strives to provide support and access to resources for people with disabilities and their allies



### Hispanic Network

The **Hispanic Network** promotes the contributions of the Hispanic community and facilitates collaboration and cross-cultural opportunities.



### LGBTQ+ Network

The **LGBTQ+ Network** celebrates the community of LGBTQ+ teammates and their allies and provides resources for growth, development and connection.

## Source and Hire Diverse Candidates

We strive to be the employer of choice for all our teammates, and we are working to break down barriers that may prevent qualified candidates from joining us. By sourcing and recruiting from a broader talent pool, we can ensure we have more diverse slates of candidates for our open positions. In addition, we are also using internal promotion and advancement for qualified women and minorities.

### Here are some examples of localized inclusive recruiting activities:

- Our GPC Asia Pacific team partners with community organizations to share weekly job listings with job seekers from underrepresented groups.
- At AAG, hiring managers receive training on how to conduct unbiased interviews and select the best candidates.
- Motion is working with Bradley-Morris, one of the largest military recruiting firms in the U.S., to participate in specialized veteran recruiting events.
- Our UAP team is launching inclusive recruitment training for the Talent Acquisition team, HR teammates and hiring managers. They are also reviewing inclusive job descriptions, recruitment practices and interviewing approaches to remove potential biases.



*CREW, the Women's Business Resource Group, hosted their first panel, A Conversation About Equity in the Workplace, in their Connecting With Your C.R.E.W. series. The panelists spoke to the importance of mentorship, confidence and work-life balance for women in GPC and corporate careers.*

## Utilize Our DEI Platform to Drive Engagement and Experiences

We believe incorporating DEI into the teammate experience is vital to supporting our unique culture. In addition to our BRGs, we are expanding our unconscious bias training and providing mentorship opportunities for teammates in underrepresented groups.

Our UAP team offers voluntary diversity and inclusion training in addition to unconscious bias training. More than 600 teammates have completed the training, and more than 290 managers and vice presidents have participated in a special clinic to learn how to foster inclusion on their teams.

In addition, local teams are empowered to create their own DEI communications. Our AAG team uses their monthly mAAGazine, internal newsletter and video series called "Everybody, Together" to promote diversity and inclusion.

# Uplifting Our Communities

Supporting our communities started with our founder, Caryle Fraser, more than 95 years ago. He created a fund — now named in his honor — that uses the annual stock dividend to give back to community organizations that support the communities we are so proud to call home.



That philanthropic spirit continues today as a vital part of our mission to be a good corporate citizen. We believe in doing our part to better the communities where our 58,000 teammates live and work. In addition to our corporate giving, we encourage our businesses to support local causes and programs that can effect positive change.

## Communities Focus Areas



Corporate Philanthropy



Community Partnerships



Teammate Giving and Volunteerism

### TEAMMATE SPOTLIGHT



*Laurelin Bird embodies the spirit of community everywhere she goes. The Recruitment Manager for GPC Asia Pacific seeks out opportunities to volunteer at work and in her community. Her teammates say she's always supportive of others and generous with her time and resources.*

*In her free time, Laurelin serves as chairperson for the Echuca Winter Blues Festival, a committee member for Colliban Water, a strategic committee member for the Echuca Country Fire Authority and a committee member for Kyabram Blue Light. She's in the 2023 Fairley Leadership Program, a radio presenter on Radio EMFM and a host family for exchange students.*



# Investing in Our Communities

We invest in our communities through corporate philanthropy partnerships, community sponsorships and the time, talent and treasures of our teammates. Like many of our initiatives, we empower our local teams to support their communities in relevant ways.



## Corporate Philanthropy Partnerships

At GPC, we support our stakeholder communities through strategic partnerships with nonprofits in the Atlanta area and across the globe. We partner with organizations that align with our sustainability strategy and business capabilities and will benefit most from our support. Our partnerships often include financial contributions, leadership engagement, product donations and employee giving and volunteerism.

Here are some of our corporate partnerships:

- American Cancer Society
- American Heart Association
- Boy Scouts of America
- Boys and Girls Club
- Center for Civil and Human Rights
- Children’s Healthcare of Atlanta
- City of Refuge
- Fernbank
- Goodwill
- Habitat for Humanity
- Morehouse School of Medicine
- Red Cross
- Salvation Army
- Shepherd Center
- Woodruff Art Center
- United Way

### Giving Back



Our teams in Australia and New Zealand came together for the first-ever Foundation Give Back. Teammates supported charity partners and local community nonprofits, and together, they raised more than \$150,000 for organizations, including the Red Cross, Starlight and Lifechanger.

## We have hundreds of partnerships and sponsorships across our businesses. Here are some of the ways we are making a difference in our communities:



### American Heart Association (AHA)

In February, we support the AHA with our Go Red campaign. Teammates show their support by wearing red, participating in fundraising activities and learning about ways to prevent heart disease. The Motion team has been the top contributor for the Birmingham Heart Walk in Alabama for nine of the last 11 years. In addition to sponsorships, the team has raised more than \$70,000 for the AHA.



### Intrepid Fallen Heroes Fund

Every June and July, NAPA customers and our teammates donate to the Intrepid Fallen Heroes Fund to help provide care for military personnel suffering from traumatic brain injury, posttraumatic stress disorder and amputations. Since 2012, NAPA has donated over \$16 million to help build Spirit Centers across the country.



### International Red Cross

We have been a long-standing partner of the International Red Cross. In 2022, we hosted blood drives at stores and other locations globally, including on the corporate headquarters campus where teammates donated 186 pints of blood.



### Junior Achievement (JA)

We support many JA programs, including "JA in a Day," an annual event where teammates from Motion and our corporate headquarters teach fifth and sixth grade students about finance, budgeting and the importance of a good education. Our Motion team also takes part in fundraising activities, including an annual bowling classic (raised \$12,000 in 2022) and golf tournament (raised \$78,000 in 2022).



### Opération Enfant Soleil

For more than 20 years, our teammates at UAP in Canada have partnered with Opération Enfant Soleil. In 2022, the team raised \$15,545 to support pediatric centers, regional hospitals and other organizations in need.



### Shepherd Center

We established the GPC Vocational Rehabilitation Program at the Shepherd Center to help people get back to work after experiencing complex conditions, including spinal cord and brain injuries, multi-trauma, traumatic amputations, stroke, multiple sclerosis and chronic pain.

## Teammate Giving and Volunteerism

At GPC, our teammates give back to their communities by volunteering or contributing to causes that align with their values. Through our online platform, they can make one-time or recurring contributions through payroll deduction or credit card payments to support charities of their choice.

### Giving Back in the U.S.

**~15,000**

**Teammate Volunteer Hours**

**\$4M**

**Corporate and Employee Donations**

January 1-December 31, 2022



### TEAMMATE SPOTLIGHT

*For the past nine years, Mark Willingham and Grant Hetherington have served their respective communities as volunteer firefighters.*

*Mark, the Regional Sales Manager for AMX Superstores in Australia, serves on the Eynesbury Fire Brigade, and in addition to his firefighting responsibilities, he often supports local police and emergency services. In his spare time, he participates in running and fundraising events to support the county fire authority.*

*Grant, Store Manager at Repco Hornby in New Zealand, volunteers with the Rangiora Volunteer Fire Brigade, a small team that attends to 350-400 emergency calls a year. "I'm proud of Repco and GPC for supporting me when I am attending an overnight or early morning call or even getting called away during the day for major events."*



**The GPC Employee Relief Fund** is primarily funded through contributions from our U.S.-based teammates, and an internal committee distributes the funds to co-workers facing financial hardships.

**Through the Hardship Fund**, GPC Asia Pacific teammates donate to help colleagues in need. Last year, the fund issued more than \$22,000 in financial support.



# Giving Back With Purpose

We are launching new priorities for our philanthropic activities that combine our efforts and ensure we are making the biggest impact where it matters most. While these focus areas are new, they align with how our teams have been supporting their communities for decades.

- **Stable Housing**
- **Education and Career Readiness**
- **Food Insecurity**
- **Health & Wellbeing**



## Stable Housing

We recognize that stable housing is not only a basic necessity but a fundamental building block for individuals and communities to thrive. We are committed to addressing the critical issue of homelessness and making a lasting impact on the lives of those affected.



GPC is a long-time partner of **Habitat for Humanity of Metro Atlanta**, and proudly sponsored a full house build. For nine weeks, **166 teammates from our Atlanta campus spent 1,328 hours building a beautiful home** with the new homeowner and her family.



## Food Insecurity

Access to nutritious food is a basic human need. We strive to support initiatives that fight hunger and alleviate food insecurity in our communities.

**FEED THE CHILDREN** 

**40,774** lbs of food collected 

**37** PARTICIPATING LOCATIONS across **27** states 

**30M** STUDENTS  receive school meals on average day

FOOD INSECURITY IN THE U.S. Almost **13%** of U.S. children are food insecure 

**one GPC**



The team at the Salt Lake City Automotive distribution center **collected 10,384 pounds of food** to help facilities in Utah.



The team at the New Zealand distribution center **prepared meal packages** to support Kura Kai, a charity that distributes food to people in need.



Motion teammates packed **16 pallets of food** for the Greater Chicago Food Depository, enough for **more than 17,000 meals**.

## Education and Career Readiness

We believe in the transformative power of education. By supporting programs that improve access to quality education and career readiness, we can help unlock the full potential of individuals and uplift entire communities.

### Scholarship Programs

#### U.S.-Based GPC Scholarship Program:

In partnership with Scholarship America, we award college scholarships to eligible children of U.S. teammates. Students enrolling at Historically Black Colleges and Universities (HBCUs) are strongly encouraged to apply.

**This year, we presented 10 scholarships to deserving students.**

#### Scholarships for Children of Motion

**Teammates:** In 2022, the Motion team awarded 10 scholarships totaling \$25,000 to ensure that future generations have access to advanced education opportunities.



We are a proud partner of Universal Technical Institute (UTI), one of the nation's leading providers of automotive technician training. Together, we are building state-of-the-art, hands-on classrooms, like this one at UTI's campus in Austin, Texas.

## APA Automotive Skills Center at the City of Refuge

The NAPA Automotive Skills Center provides a 16-week, full-service auto mechanic training program for people who face barriers to employment. Since 2015, NAPA has partnered with Atlanta's City of Refuge to provide 219 graduates with instruction in ten different areas of auto mechanics and help with job placement after graduation. Newly trained automotive technicians complete the program with the CDX Auto certification, multiple SP2 certifications, MAC609 and the entry MLR ASE certification.



The 18th graduating class included eight new technicians who received rolling toolboxes as a gift from the NAPA team.



Teammates spent a day at the Tuskegee Airmen Global Academy in Atlanta reading to and speaking with students as part of their annual college and career day.

## Health and Wellbeing

A healthy community is a thriving community. We are passionate about improving access to healthcare, promoting mental well-being and addressing critical health issues.



Summer interns at GPC assembled **500 toiletry kits for patients** at Children's Healthcare of Atlanta.



The team from the GPC Global Technology Center and AAG Poland came together to **repaint Rozwijanka, a therapeutic kindergarten.**



The Motion team has been **the top contributor for the Birmingham Heart Walk** in Alabama for nine of the last 11 years.





Every year, we nominate two leaders to serve as representatives for the American Cancer Society's Men Wear Pink program to raise awareness for breast cancer. The 2022 honorees were **Chris Galla from GPC**, who came in third place nationally with **\$131,207 raised**, and **Jamie Walton from NAPA Auto Parts**, who came in first place with **\$161,232 raised!**



Our NAPA team is a proud **partner of the Make-a-Wish Foundation** and helps make wishes come true with the help of NASCAR Cup Series driver Chase Elliott.



Store Manager Scott Snyder and his team at the NAPA Carlisle Berwick store in Pennsylvania **worked with their local police department to raise \$1,600 for sensory playground equipment.**



# Ensuring Good Governance



Genuine Parts Company

At GPC, we embrace our responsibility to operate our business fairly and ethically, and we remain committed to doing the right thing, no matter what. Our comprehensive approach to corporate governance enables us to make smart business decisions that are good for our teammates, suppliers, customers, communities, investors and the planet. We believe strong governance can drive our continued growth and help us chart a sustainable path for the future.

## Governance Focus Areas



Governance Structure



Values and Ethics



Human Rights and Responsible Sourcing



Data Privacy and Security



Enterprise Risk Management

## Supporting Policies

The following governance-related documents are available publicly as part of our commitment to transparency.

[2023 Proxy Statement](#)

[2022 Annual Report](#)

[Corporate Governance Guidelines](#)

[Code of Conduct](#)

[Code of Conduct for Senior Financial Officials](#)

[Human Rights Policy](#)

[Political Contributions Policy](#)

[Charter of the Audit Committee](#)

[Charter of Compensation and Human Capital Committee](#)

[Charter of Nominating and ESG Committee](#)



*Our strong corporate governance and diverse, experienced board of directors strongly support GPC's mission, vision and values, which underpin the delivery of sustainable long-term value for all of our stakeholders.*



**Johnny Johns,**  
*Lead Independent Director*



# Understanding Our Governance Structure

Our board of directors and business leaders work together to create, execute and oversee strategies that impact every aspect of our business, including our sustainability programs. They ensure our plans are ethical, actionable and relevant and that they create customer success and stakeholder value.



## Board of Directors

Our 14-member board of directors is structured to provide independent oversight for the management of the company. It is responsible for overseeing the company's governance programs, processes, commitments and strategic planning, while the GPC executive leadership team is charged with implementation, management and daily oversight.

The board is comprised of three committees that meet regularly: the Audit Committee, the Compensation and Human Capital Committee, and the Nominating and ESG Committee. In 2022, the board engaged a leading governance advisory firm to assist it with enhancing its effectiveness, with one of the outcomes being the board's decision to split the Compensation, Nominating and Governance Committee into two separate Committees: the Compensation and Human Capital Committee and the Nominating and ESG Committee. Having separate committees will provide enhanced focus and oversight, which will ultimately improve the effectiveness of our board and help drive long-term shareholder value.

To ensure the board aligns its strengths with the evolving business landscape, the Nominating and ESG Committee assesses the board's composition annually and evaluates whether members collectively possess the expertise and experience to effectively support the company's strategic planning and risk oversight. As a result, the board has added three independent directors in the past five years to add new skills and perspectives and improve gender and minority representation.



## Genuine Parts Company Board of Directors

Left to right: Gary P. Fayard, Jean-Jacques Lafont, Robert C. “Robin” Loudermilk, Jr., John D. Johns, Juliette W. Pryor, Richard Cox, Jr., Elizabeth W. “Betsy” Camp, Wendy B. Needham, Paul D. Donahue, John R. Holder, E. Jenner Wood III, P. Russell Hardin, Donna W. Hyland. Not pictured: Darren M. Rebelez.

### **Elizabeth W. “Betsy” Camp**

President & CEO  
DF Management, Inc.

### **Richard Cox, Jr.**

Senior Vice President –  
Reservation Sales & Customer Care  
Delta Air Lines

### **Paul D. Donahue**

Chairman & CEO  
Genuine Parts Company

### **Gary P. Fayard**

Retired CFO  
The Coca-Cola Company

### **P. Russell Hardin**

President  
Robert W. Woodruff Foundation

### **John R. Holder**

Chairman  
Holder Properties

### **Donna W. Hyland**

President & CEO  
Children’s Healthcare of Atlanta

### **John D. Johns**

Retired Chairman & CEO  
Protective Life Corporation

### **Jean-Jacques Lafont**

Executive Chairman  
Alliance Automotive Group

### **Robert C. “Robin” Loudermilk Jr.**

President & CEO  
The Loudermilk Companies, LLC

### **Wendy B. Needham**

Retired Managing Director  
Global Automotive Research  
Credit Suisse First Boston

### **Juliette W. Pryor**

Executive Vice President  
CLO & Corporate Secretary  
Lowe’s

### **Darren M. Rebelez**

Chairman, President & CEO  
Casey’s General Stores, Inc.

### **E. Jenner Wood III**

Retired Executive Vice President  
SunTrust Banks, Inc.



## Meet Our Newest Board Member

**Darren M. Rebelez, Chairman, President and CEO of Casey's General Stores, Inc.**, joined the board of directors on June 1, 2023. Previously, he served in executive roles at IHOP Restaurants, 7-Eleven, Inc., ExxonMobil and Thornton Oil Corporation.

Mr. Rebelez was an Army Ranger and Gulf War veteran and is a graduate of the U.S. Military Academy at West Point where he earned a Bachelor of Science degree in foreign area studies. He also earned an MBA from the University of Houston.

He brings a wealth of experience as a business leader and senior executive in the convenience retail, fuel and restaurant industries. His expertise in strategic planning, operations, marketing and merchandising makes him a valuable addition to our board.

### Board Snapshot

The board is composed of experienced members who represent different backgrounds, skills, experiences, genders, races and ethnicities. With their different perspectives, they can effectively facilitate the oversight of the company's strategy and governance. Since our last report, we added a new independent director, which improved board diversity and expanded areas of expertise and experience.

#### Board Composition

**86%** Independent Directors

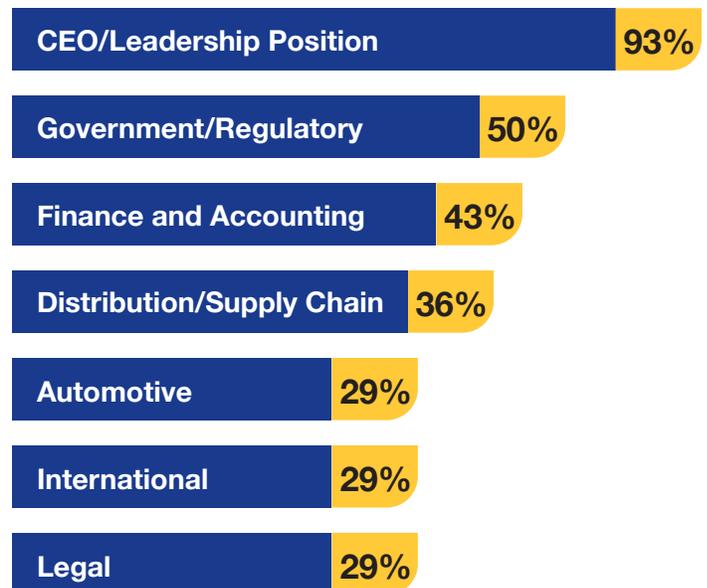
**29%** Women

**50%** Diverse<sup>1</sup>

**9 YEARS** Average Tenure

<sup>1</sup> Gender, race, ethnicity and/or nationality

#### Expertise and Experience



## ESG Oversight and Governance

We have a robust governance model to ensure our commitment to sustainability is embedded throughout our business.

Through the Nominating and ESG Committee, the board of directors provides primary oversight of ESG-related policies, strategies and initiatives. Committee members assist the full board and GPC management team on evaluating how the company integrates sustainability into the business strategy and decision-making. They lead stakeholder engagement to gather feedback and ensure priorities align with stakeholder expectations and the needs of the business. The Nominating and ESG Committee receives updates from the management team quarterly and then provides the full board with regular updates on company progress and broader sustainability trends.

The ESG Leadership Council is comprised of senior business and functional leaders from across the company who are responsible

for the strategic direction and oversight of the sustainability program. They ensure the company is making progress on its goals, and all parts of the business are incorporating ESG priorities into their strategic planning. Select members of the Council meet quarterly with the Global ESG Committee for progress updates and then with the CEO, president and CFO to present the consolidated progress.

The Global ESG Committee includes business unit and functional leaders who are responsible for the implementation and day-to-day management of the sustainability strategy within their parts of the business, including achieving DEI progress and carbon emissions reduction targets. They meet quarterly with select members of the ESG Leadership Council to report on initiative progress, raise concerns, identify barriers and share best practices.

### Our ESG Governance Model





# Living Our Values and Ethics

Our values guide every interaction we have with teammates, suppliers, customers, communities and investors.



## Code of Conduct

The GPC Code of Conduct — which is titled “Integrity at Work” — is the primary way we communicate our expectations for teammate conduct. It represents a shared commitment from the One GPC Team to always do the right thing.

The Code of Conduct is maintained by our internal Compliance team with oversight from the board of directors. It applies to all teammates across our global operations, including full-time and part-time workers, and extends to people working on our behalf.

As part of onboarding and at designated times during their time at GPC, all teammates are required to complete training on the Code of Conduct, as well as other relevant ethics trainings based on their roles and responsibilities. Upon completion, they must affirm their understanding of all contained policies and

procedures. The Compliance team assesses the trainings regularly to ensure they are tailored to department and teammate needs.

Business leaders and managers are responsible for integrating ethics compliance into regular business processes and workflows. They also reinforce the Code of Conduct to ensure compliance within their teams and across the company.

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



## Our Code

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

## Our People

- Diversity, Inclusion and Equal Opportunity
  - Harassment-Free Workplace
  - Healthy, Safe and Secure Workplace
  - Positive Supplier Relationships
- 

## Our Company

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

## Our Customers and Suppliers

- Anti-Corruption and Anti-Bribery
  - Anti-Money Laundering
  - Conflicts of Interest
  - Competition and AntiTrust
  - Gifts and Entertainment
  - Import, Export and Trade Compliance
  - Product and Service Quality and Safety
- 

## Our Community

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

## Whistleblower and Non-Retaliation Policies

The Code of Conduct provides teammates with direction on how and when to speak up if they experience a situation that does not align with our company values or policies. They can raise ethical concerns to their managers, senior leaders or HR representatives. If they wish to report a concern anonymously, we offer a toll-free ethics reporting hotline available to teammates globally 24 hours a day, seven days a week.

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

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



# Protecting Human Rights

Respect is one of our values, and it drives our commitment to ensure a safe, ethical, equitable and inclusive environment at GPC and for all people. We do not tolerate discrimination, bullying or harassment of any kind, and we expect our suppliers to share our commitment to high ethical standards and safe working environments.



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

All suppliers in our value chain are required to adhere to GPC policies that ensure they promote human rights in their business. Our Human Rights Policy for suppliers aligns with the United Nations Universal Declaration on Human Rights.



**Human Rights Policy**

**Supplier Code of Conduct**

**Social Responsibility Standards and Policy**



The UAP team participated in the Montreal Pride Walk in Canada.



# Ensuring Responsible Sourcing

We have a complex supply chain that reaches around the globe. Our Automotive Group has access to more than 725,000 parts and supply items from hundreds of suppliers. In North America, our Industrial Group stocks or distributes more than 19 million different items purchased from more than 49,000 suppliers.



We believe our suppliers should have the same commitment that we do to people and the planet. Our Global Sourcing team maintains a three-part approach to ensure we evaluate, select and retain trusted suppliers. We regularly review the evaluation criteria and update the auditing process as needed.

**Supplier Quality Audits:** Our team manages universal audits for more than 600 offshore suppliers in partnership with authorized independent auditing agencies. They ensure suppliers adhere to strict quality standards, including ISO-9001 and IATF 16949. We also complete necessary audits to maintain our certification as part of the U.S. Custom Trade Partnership Against Terrorism (C-TPAT) program.

**Supplier Social Audits:** We conduct social audits based on SA8000 Social Certification Standards for suppliers in high-risk countries in partnership with a recognized auditing and reporting agency. The audits assess suppliers' human rights records, working conditions, labor practices, compensation and other metrics that can help us determine if the supplier is a good fit for our company.

**Product Compliance:** We adhere to international and local product safety standards and compliance guidelines across North America, Europe and Australasia. Our Global Sourcing team monitors all products for required compliance and regulatory testing and verification, including California's Prop65 and numerous programs in the U.K. and European Union. We work with an outside engineering firm to review and edit product labels and user manuals, as necessary, and include appropriate warning symbols and graphics.

By forging partnerships with suppliers who prioritize sustainable practices, we aim to create a ripple effect of positive change throughout our value chain and ensure that the quality products we bring to market demonstrate a profound respect for people and the planet.



# Keeping Our Data Safe and Secure

Data is one of our competitive advantages, and we are committed to doing everything we can to keep our data — and our stakeholders' data — safe and secure. How we collect, store, use and protect data sits at the center of our strategy to position technology at GPC as a strategic enabler that helps drive growth and create value.



Our data security standards provide a framework for the responsible collection, storage, transfer, use and destruction of data. The comprehensive approach covers all GPC information, systems, data and media, and it applies to all individuals with authorized access to GPC systems, data or network infrastructure.

We continue enhancing our data privacy efforts globally to improve governance and better protect teammate and customer data. This work includes updating our identity and access management framework and systems that control user access to critical data and corporate resources.

Our cybersecurity program follows the National Institute of Standards and Technology (NIST) Framework and prioritizes data security activities based on our business requirements, risk tolerances and resources. We continuously monitor our global infrastructure and evolve our program to predict, protect, mitigate and manage increasingly complex cybersecurity threats. In addition, we conduct regular tabletop simulations to test our systems and improve our incident response plan.

The board of directors is engaged and aware of changes to our data security standards and cybersecurity program. Our Chief Information and Digital Officer (CIDO) and Chief Information and Security Officer (CISO) update our Audit Committee on progress regularly. The full board also receives an annual cybersecurity and IT risk update.

## Data Security Training

All teammates play a role in keeping our data safe. In addition to communication campaigns, teammates take regular data security training.

**27,343**  
teammates &  
contractors trained

**35,825**  
teammates completed  
phishing simulation



# Managing Risk Across the Enterprise

Our commitment to sustainability extends to how we identify, assess and manage risks that could impact our business, stakeholders or the environment. We have a robust Enterprise Risk Management (ERM) framework to anticipate and respond effectively to potential threats that could prevent us from delivering on strategic goals and objectives.



As part of our ERM governance, the board provides oversight for how the senior management team handles risk. The Compensation and Human Capital Committee oversees risks related to our compensation policies and practices; management development; and talent strategy, including DEI and leadership succession. The Nominating and ESG Committee oversees ESG principles and initiatives, as well as director nominations. The

Audit Committee oversees risks related to financial accounting and audit risks, internal control risks, and IT and cybersecurity risks.

We have communication channels in place to ensure leaders and teammates are aware of risks that may impact their part of the business. In addition, ERM results are included in the Risk Factors section of SEC filings for the investor community.

## Key Components of our ERM Framework

### Risk Identification

Our business unit management follows a rigorous process to identify, assess and score potential risks that pose a threat to achieving their business goals or objectives.

### Risk Assessment

The GPC Risk Committee reviews those risks to gauge severity, possible consequences and potential to disrupt our business. The committee then categorizes them to determine the company's top risks.

### Mitigation and Response

The business unit management then develops proactive, targeted mitigation plans for identified risks that align with the company's strategic planning and quota setting process.

### Monitoring and Reporting

We maintain a continuous monitoring process to track the effectiveness of our risk mitigation efforts and report regularly to the GPC management team, external auditors and board of directors.

# Sustainability Accounting Standards Board (SASB) Index

SASB Code	Accounting Metric	Category	Unit of Measure	Answer, Cross-references, omissions and explanations
<b>Energy Management in Retail and Distribution</b>				
CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	GPC 2023 Sustainability Report, Reducing Our Global Emissions p.18-19
<b>Data Security</b>				
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Discussion and Analysis	N/A	GPC 2023 Sustainability Report, Keeping Our Data Safe and Secure, p. 64; 2023 Proxy Statement: Board Oversight of Risk,
CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	GPC did not experience a reportable data breach during the reporting period. Our cyber incident response plan provides the framework for incident identification, assessment, management and impact mitigation
<b>Labor Practices</b>				
CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Reporting currency, Percentage (%)	100% of our in-store employees earn at least minimum wage (Federal/ State/ Municipal) in every U.S. region. GPC is not disclosing average hourly wage because we consider it sensitive competitive data
CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative	Rate	Total Turnover Rate: 35% Voluntary Turnover: 27.3% Involuntary Turnover: 5.6% Turnover Due to Job Elimination: 1.2%
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	Reporting currency	Monetary losses as a result of legal proceedings associated with labor law violations during the reporting period were an immaterial amount

SASB Code	Accounting Metric	Category	Unit of Measure	Answer, Cross-references, omissions and explanations
<b>Workforce Diversity and Inclusion</b>				
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	GPC 2023 Sustainability Report, Advancing Diversity, Equity and Inclusion (DEI), p. 41
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	Reporting currency	Monetary losses as a result of legal proceedings associated with employment discrimination during the reporting period were an immaterial amount.
<b>Product Sourcing, Packaging &amp; Marketing</b>				
CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting currency	GPC does not disclose this.
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	GPC 2023 Sustainability Report, Ensuring Responsible Sourcing, p. 63
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	N/A	GPC 2023 Sustainability Report, Reducing Operational Waste, p. 22
CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	9,630 retail locations, 205 distribution centers
CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	Quantitative	Square Feet	17,499,431 square feet of retail locations 8,260,342 square feet of distribution centers

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

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

Topic	Disclosure	Answer, cross-reference, omissions and explanations
<p><b>Governance-</b> Disclose the organization’s governance around climate-related risks and opportunities</p>	<p>The board, guided by the Genuine Parts Company Corporate Governance Guidelines, is responsible for the strategic direction of the company and the management of risk to the company. This includes environmental, social, and governance (ESG) oversight by the Nominating and ESG Committee (NESG) of the Board of Directors, which is comprised of all independent Directors. At each meeting, the NESG Committee is provided a full update on the company’s ESG initiatives, risks and opportunities, including those related to the environment and climate change. The full board also receives an update on climate-related risks and opportunities from the chair of the NESG Committee at each board meeting as well as from management. Learn more about our board governance in our 2023 Proxy Statement and in our committee charters available on our Investor Relations website. The company’s management team engages its stakeholders each year to assess what is important to each of them as it relates to all areas of ESG, including climate-related risk. The ESG Leadership Council, an internal committee comprised of senior leadership including the CEO, the CFO, the President and COO, the Chief Human Resources Officer, the SVP and General Counsel, the VP of Strategic Communications, the VP of Safety and Sustainability, the VP - Compliance and Corporate Secretary, and the Sr. Director and Head of Investor Relations provides strategic direction and oversight of the company’s ESG and sustainability initiatives. Members of the Sustainability Leadership Council meet quarterly with global ESG leaders to understand global progress, and it updates the NESG Committee and the board on a regular basis. The company continues to formalize its carbon emission reduction program, and in 2021, it engaged an expert in the area to help measure its global carbon footprint, set reduction targets and analyze abatement strategies. We continue to monitor and measure renewable and carbon neutral energy sources and will pursue economically favorable low carbon energy solutions where they make sense for the company.</p>	<p>GPC 2023 Sustainability Report, Managing Risk Across the Enterprise, p. 65; 2023 Proxy Statement; Corporate Governance Guidelines; Committee Charters</p>

<p><b>Strategy -</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material</p>	<p>Genuine Parts Company's Sustainability Committee completed the GPC Sustainability Roadmap in 2017, consulting Global Reporting Initiative (GRI) sustainability reporting standards and the Sustainability Accounting Standards Board (SASB) standards to determine the material focus areas for GPC's sustainability program. The company's commitment to its people, the planet, and giving back are the framework of the sustainability focus areas. Our risks and opportunities are detailed in this Sustainability Report and the risk-factors section of our 2022 Annual Report.</p>	<p>GPC 2023 Sustainability Report, Managing Risk Across the Enterprise, p. 65; 2022 Annual Report</p>
<p><b>Risk Management -</b> Disclose how the organization identifies, assesses, and manages climate-related risks</p>	<p>Genuine Parts Company's Internal Audit team facilitates the use of the company's Enterprise Risk Management Framework (RMF) to define, measure and monitor risk across the organization. The RMF establishes a common language and methodology to measure and prioritize risks and opportunities and define a process for monitoring risk. As part of this framework, there is an enterprise risk rating scale that provides guidelines for risk scoring/magnitude. The board has overall responsibility for risk oversight, with the Audit Committee assisting the board in performing this function. The board's role is to oversee the company's enterprise risk management (ERM) programs, including risk assessment and risk management processes and policies used to identify, assess, monitor and address potential financial, compensation, operational, strategic and legal risks on an enterprise-wide basis. Our 2023 Sustainability Report outlines our proactive approach to reduce climate-related impacts across our business. This includes information about our efforts to improve energy efficiency in all our operations world-wide, reduce our global carbon footprint and embed sustainability into our strategic planning process, our operations and our value chain.</p>	<p>GPC 2023 Sustainability Report, Managing Risk Across the Enterprise, p. 65; 2023 Proxy Statement; Corporate Governance Guidelines; Committee Charters</p>
<p><b>Metrics -</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	<p>In 2021 the company measured and analyzed its global carbon emissions. In prior years, only U.S. metrics were measured and disclosed. This year, global scope 1 and scope 2 emissions are disclosed on page 18-19 of this report. The company has set internal reduction targets, which have been communicated to each business unit and have been integrated into the annual strategic planning process. Abatement measures are being analyzed and implemented, and we continue to monitor and measure renewable and carbon neutral energy sources and will pursue economically favorable low carbon energy solutions where they make sense for the company. We look forward to sharing our continued progress in this area.</p>	<p>GPC 2023 Sustainability Report, Reducing Our Global Emissions p. 18-19</p>