

2021 SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY



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A MESSAGE FROM OUR CEO



Although this year has continued to bring new challenges, it is our hope that our collective efforts will transform these challenges into opportunities to make a better world.



On behalf of our entire SMP family, I am pleased to share with you the 2021 Corporate Social Responsibility and Sustainability Report of Standard Motor Products, Inc. Our second report discusses the actions and achievements that we have made over the past year to enhance our environmental, social and governance profile and to exemplify our commitment to be environmentally and socially responsible to all of our stakeholders. Specifically, this report highlights our ambition to achieve net-zero by 2050 and our reduction targets regarding our scope 1 and 2 greenhouse gas emissions (“GHG”).

For over 100 years, SMP has endeavored to embody the values of ethics, integrity and common decency. These values are the foundation for our increased focus on environmental stewardship, reduction in GHG emissions, diversity, equity and inclusion, and the health and safety of our employees. Last year, our inaugural sustainability report provided examples of activities that we performed to enrich the lives of our employees and the communities within which we work. Since then, I am proud to say that we have doubled down on our efforts to improve our environmental and socially responsible initiatives.

SMP is committed to protecting the environment and supports the goals set forth in the Paris Agreement. Part of our climate change strategy will include promoting a greener car parc through improving the efficiency of internal combustion engine vehicles with our premium replacement parts and remanufacturing program, and expanding our product offering with alternative energy technologies for electric and hybrid vehicles. We are also working continuously to reduce our carbon footprint by investing in green building technologies, reducing our GHG emissions, and improving our operations with regards to waste management and recycling.

Of equal importance are our efforts regarding social issues. In 2021, we established a Diversity, Equity & Inclusion steering committee to develop key structures within our organization to promote equality, inclusion and awareness among our employees. In addition, we are pleased to have surpassed our goal of increasing the diversity of our SMP family with 65% of our new salaried hires and 68% of transfers and promotions being diverse in terms of gender, race and ethnicity. While we

are pleased with all we have accomplished, we recognize that we still have a long ways to go, but we are committed to continue to improve the diversity of SMP.

We at SMP would also like to offer our condolences to those who have lost loved ones and have otherwise felt the devastating impact of the COVID-19 pandemic. The pandemic has created incredible challenges worldwide, but at the same time, there have been countless individuals and institutions that rose to meet these challenges. I commend our employees who are among those that have demonstrated resiliency and grit to ensure that our operations continued to function at high levels. It is in times like these that I could not be more proud of our employees who exemplify the strength of SMP’s values and culture. I cannot thank them enough for all of their efforts and hard work.

In addition, as we publish this report, we find ourselves both shocked and saddened to witness the unfolding events in Ukraine. Our hearts go out to the innocent people who are and will be suffering as a result this tragedy. We are humbled by how our employees have stepped up to help those in need. We have raised tens of thousands of dollars through employee contributions, and our employees in the region are helping refugees through volunteer work and provision of supplies. The outpouring of generosity and support exemplifies who we are at SMP and our culture.

Although this year has continued to bring new challenges, it is our hope that our collective efforts will transform these challenges into opportunities to make a better world. Thank you for your interest in SMP’s environment, social and governance initiatives. As always, I encourage and welcome all stakeholder feedback on these matters.

Sincerely,

Eric P. Sills

CHIEF EXECUTIVE OFFICER & PRESIDENT



THE STANDARD CULTURE

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

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

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

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

Our culture can be summed up in one word,
RESPECT

Respect for our Customers

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

Respect for our Employees

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

Respect for our Heritage

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

Respect for our Planet

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



TIMELINE - A 100+ YEAR HISTORY



1919

1919 SMP is founded on April 19, 1919. Elias Fife and Ralph Van Allen establish Standard Motor Products in New York City, a company specializing in ignition and electrical products.



1920s

1921 Elias Fife leads SMP's first sales force vowing to have a "sales force second to none."

1926 SMP begins manufacturing automotive ignition parts. Shipped in bulk, these parts were stored by installers in glass jars.

1926 The SMP® product line expands to include wire and cable products.



1930s

1934 Elias Fife markets Blue Streak®, a premium line of automotive products designed to combat a growing perception about aftermarket replacement parts.

1935 Bernard Fife, son of founder Elias Fife, joins SMP.



1940s

1936 SMP moves to its current location at 37-18 Northern Blvd. in Long Island City, Queens, NY.

1947 Nathaniel Sills, Elias Fife's son-in-law, joins the company.



1950s

1947 Acquiring Hygrade Products, SMP expands its product line to include carburetor repair parts, fuel pumps, shock absorber parts, and speedometer cables.

1950 In July 1950, SMP begins The "25 Year Club" honoring the service and dedication of employees who have been with our Company for 25 years; a tradition that continues at SMP more than 70 years later with more than 1,000 members.



1960s

1955 SMP establishes Blue Streak/Hygrade Motor Products, Ltd. in Canada.

1960 SMP becomes a publicly owned company with stock being first traded over-the-counter.

1967 Larry Sills, grandson of Elias Fife and a member of the family's third generation, begins his SMP apprenticeship.

1969 SMP celebrates 50 years in business.

1977 Standard Motor Products is listed on the New York Stock Exchange under the symbol "SMP".

1980 SMP begins wire and cable production in the Edwardsville, KS facility. The line is introduced in Canada shortly thereafter.

1985 SMP Temperature Control Division is formed as Four Seasons and Carco consolidate.

1991 Eric Sills, great-grandson of founder Elias Fife, joins SMP.

1995 Responding to the need for technician training, SMP opens its corporate training center in Irving, Texas.

2000 Larry Sills is named Chairman of the Board.

2003 SMP acquires a significant portion of Dana's Engine Management operations. BWD®, Niehoff®, and Echlin® brands join SMP.

2006 SMP opens a manufacturing facility in Bialystok, Poland.

2016 Eric Sills becomes only the fourth CEO in SMP's history.

2019 SMP celebrates its 100th anniversary in business!

2020 SMP announces the launch of its SMP Cares® website, a new site dedicated to highlighting SMP's efforts supporting local communities through service, volunteerism and donations.

2021 SMP publishes its inaugural Corporate Social Responsibility and Sustainability Report.

2021 SMP expands into specialized OE channels, including medium and heavy duty vehicles, construction and agricultural equipment, power sports and other sub-segments.

1970s



1980s



1990s



2000s



2010s



2020s





OVERVIEW

OUR VISION OF ESG

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

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

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

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



In 2015, the United Nations adopted seventeen Sustainable Development Goals as a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. We support the Sustainable Development Goals and the United Nations’ efforts to achieve these goals by 2030. Throughout this report, we will refer to those Sustainable Development Goals that we believe we have the greatest opportunity to positively impact through commitments to our company, our employees, our customers and business partners, and the communities within which we operate.



BOARD'S ROLE IN ESG

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

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

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



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

ENVIRONMENT



OUR PLANET

Providing Solutions for a Greener Car Parc

As a leading automotive parts manufacturer and distributor, we recognize that we have an important role to play as a solutions provider to promote a greener car parc. In our core automotive aftermarket business, we supply premium parts utilized in the maintenance, repair and service of vehicles. Many of our parts are used to extend the service life of vehicles by replacing critical components that have failed over time. These parts are necessary for vehicles to operate safely and efficiently, as designed.

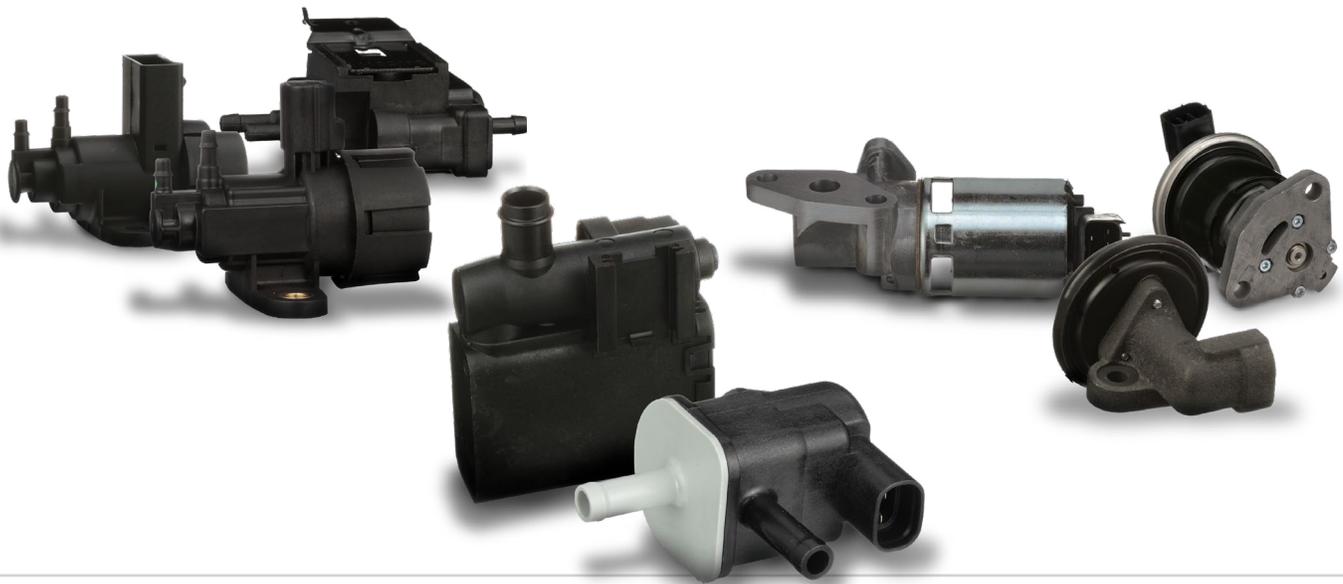
In the 100-plus years that we have been in business, improvements to the internal combustion engine (“ICE”) and the proliferation of technological advancements throughout the car parc have created opportunities for us to develop and supply premium replacement parts for systems designed to improve the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

OUR PRODUCTS

Emissions Controls

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

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



Fuel Injectors

The adoption of gasoline direct injection systems over earlier multi-port fuel injection systems provided more precise control of fuel delivery and increased the overall fuel economy of vehicles, resulting in the further reduction of emissions harmful to the environment. Today, fuel injection is one of our most important replacement part categories.

Our fuel injectors are designed and manufactured at our vertically integrated **ISO 9001:2015 certified** manufacturing facility in Greenville, South Carolina. As a result, we are able to produce fuel injectors that satisfy our strict quality control standards. We believe that controlling the manufacturing process enables us to maintain higher standards of product functionality and reliability, which ensures that this important replacement part will consistently deliver better fuel economy and reduced emissions.



Remanufactured Products

We also believe that we contribute to a better environment by providing solutions with our Remanufacturing Program, which diverts certain types of used automotive parts from traditional waste streams and reprocesses and returns them to same-as-new condition and performance. We remanufacture key product categories within our product portfolio, such as air conditioning compressors, diesel injectors and diesel pumps, resulting in the production of like new premium remanufactured parts through processes that **save energy and reduce waste**. Our remanufacturing processes reduce landfill waste through the diversion of used parts, and conserve the materials and energy consumed in the production of those used parts. In addition to utilizing remanufacturing processes as a solution to lessen natural resource depletion, it also provides for an overall greener car parc.

We estimate that our remanufacturing processes **in 2021 prevented more than 8,868 metric tons of material from entering landfills**, and avoided the need to process certain base metals, such as aluminum, **saving more than 156 million kWh of electricity**.

This savings is equivalent to CO₂ emissions from:



122,194,027
pounds of coal burned

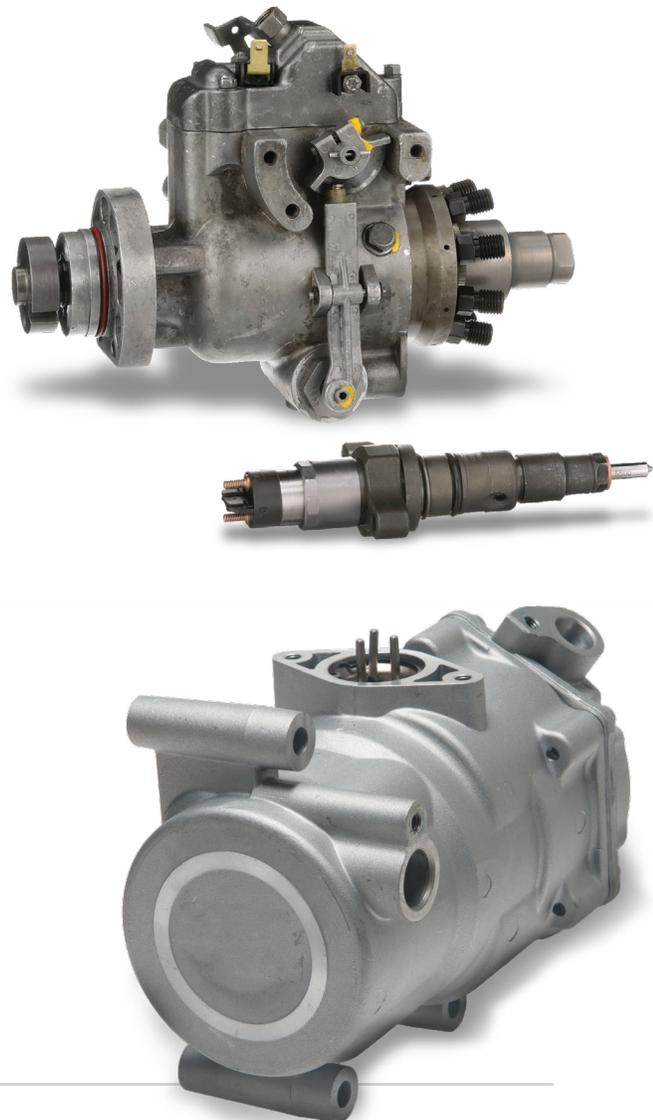


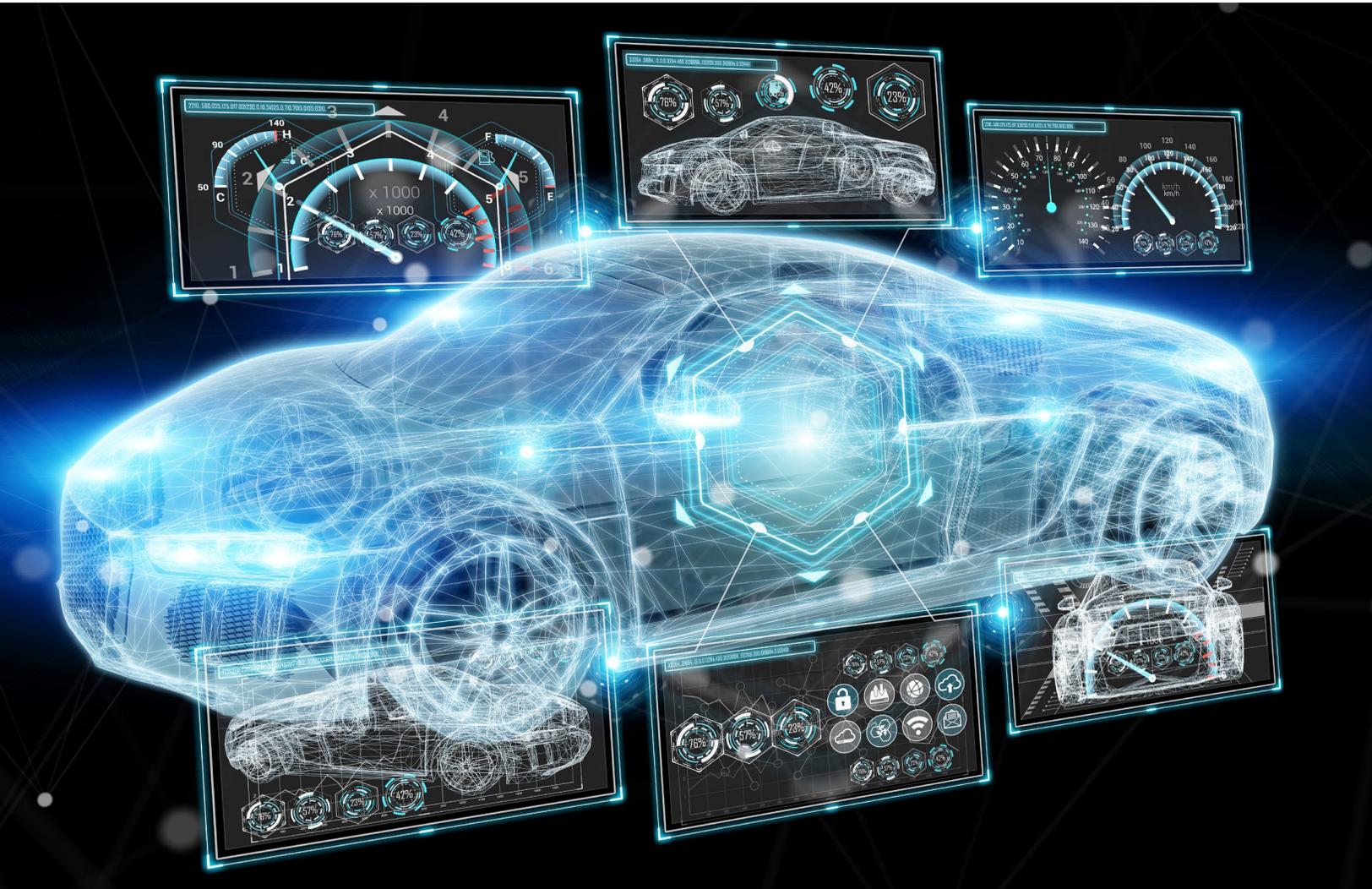
255,957
barrels of oil consumed



20,081
homes' electricity use for one year

Approximately 92%
of our remanufactured
products (by weight) are
derived from recycled and
remanufactured content



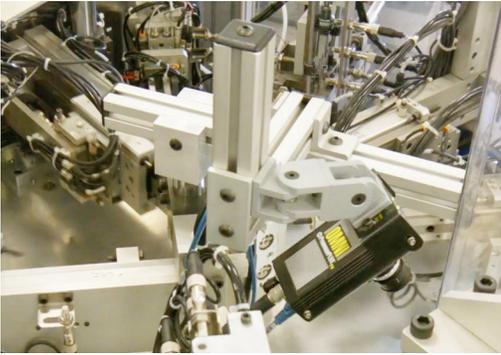


Alternative Energies

We leverage our years of experience in automotive technologies to develop and bring to market solutions for electric, hybrid electric and/or alternative energy vehicles.

We estimate that approximately half of our sales are in product categories that are powertrain neutral, or suitable for use in electric, hybrid electric and/or alternative energy vehicles.

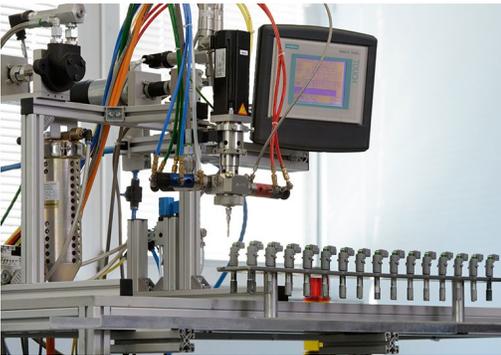
As we look to the future and the evolution of new technologies and systems to improve the efficiency of ICE vehicles and the adoption of electric and hybrid electric vehicles, our engineers and product development teams are hard at work evaluating new opportunities to add value with our product offering. These efforts will not only apply to the traditional aftermarket but will also focus on our newer specialized OE segments such as agriculture, construction, heavy equipment and motor sports. We see our role as a solutions provider in developing and supplying premium parts to the next generation of vehicles as no different from the role we have played historically in our 100-plus years of business. As we position ourselves for the future, we estimate that approximately half of our sales are in product categories that are powertrain neutral, or suitable for use in electric, hybrid electric and/or alternative energy vehicles.



GREENVILLE, SOUTH CAROLINA

CNG/LNG/HYDROGEN FUEL INJECTORS

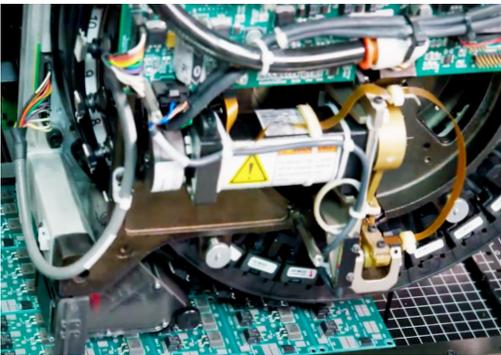
Our engineers in Greenville, South Carolina successfully designed and developed fuel injectors for engines using compressed natural gas, liquid natural gas and hydrogen. These fuels allow engine manufacturers to move away from more polluting diesel fuel to clean burning fuel sources. We manufacture more than one million of these alternate fuel injectors per year, with distribution worldwide and in growing markets such as China and India.



FOSHAN CITY, CHINA

ELECTRIC COMPRESSORS

We invested in an original equipment manufacturer of electric drive compressors utilized in electric vehicles and hybrid electric vehicles for HVAC and battery cooling applications.



MILWAUKEE, WISCONSIN

ELECTRONIC CONTROLS

In 2021, we acquired Trombetta and expanded our business into specialized OE channels. Trombetta offers a wide range of powertrain neutral products to OE customers in various markets, and participates in the technology advances in non-passenger vehicle industries such as agriculture, construction, heavy equipment, lawn/garden and powersports.

We look forward to building on these inroads and contributing to the SMP legacy of developing and supplying premium parts that promote a greener, more environmentally friendly vehicle population.



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

ENVIRONMENTAL STEWARDSHIP

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

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

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

Throughout this section of the report, we refer to our “principal facilities”, which we define as our principal manufacturing, distribution and administrative facilities, but excluding the facilities operated by Trumpet Holdings, Inc. (“Trombetta”) and its subsidiaries, Stabil Operative

Group GmbH (“Stabil”) and its subsidiaries, and our China-based joint ventures. We completed the acquisitions of Trombetta and Stabil in May and September 2021, respectively, and are in the process of integrating our ESG strategy and activities into their operations. We are also committed to working with our China-based joint venture partners to develop an ESG strategy that will be tailored to their businesses.

The primary metrics that we use to measure our environmental impact include our consumption of energy (i.e., electricity, natural gas and propane), our generation and disposal of waste (i.e., non-hazardous, hazardous and recycled), our management of water, and our Scope 1 and Scope 2 greenhouse gas emissions. For each metric, we have also selected 2019 as our baseline year against which we measure improvements in our performance.

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



OUR AMBITION TO ACHIEVE NET-ZERO GHG EMISSIONS

As we look to build on our legacy of promoting a greener, more environmentally friendly car parc, we recognize that we are responsible for doing our part to proactively address climate change by addressing our own carbon footprint. Our ambition is to achieve net-zero GHG emissions by 2050, and we have established the following goals to get there:

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

To reach our goal of achieving net-zero GHG emissions by 2050, we have adopted a two-prong strategy - the first, focused on reducing our direct GHG emissions (Scope 1), and the second, focused on reducing our indirect GHG emissions from the consumption of purchased electricity (Scope 2). We are proud of the progress that we have made in both areas to date, but we have much to do to achieve our net-zero goal. We intend to modify our Scope 1 and Scope 2 GHG emission targets further as we develop our climate transition strategy to align with the Paris Agreement. Furthermore, we are evaluating other indirect emissions not covered in Scope 2 that occur in our value chain, including upstream and downstream emissions, known as Scope 3 GHG emissions. We plan to report a strategy to address Scope 3 GHG reduction targets at a later date.



GHG EMISSIONS
(METRIC TONS)

	2019	2020*	2021
Scope 1 GHG (MT CO2e) - Actual	5,145	4,981	4,653
Scope 1 GHG (MT CO2e / \$mm Net Sales) - Intensity	4.6	4.5	3.8
Scope 2 GHG (MT CO2e) - Actual	31,817	27,625	31,785
Scope 2 GHG (MT CO2e / \$mm Net Sales) - Intensity	28.3	24.7	25.7
Total Scope 1 & 2 GHG (MT CO2e) - Actual	36,963	32,606	36,438
Total Scope 1 & 2 GHG (MT CO2e / \$mm Net Sales) - Intensity	32.8	29.2	29.4

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

For example, we are transitioning the vehicles that we provide to our sales force employees to hybrid electric vehicles to help improve our fleet fuel economy, lower fleet fuel costs and reduce our Scope 1 GHG emissions. Through 2021, we transitioned approximately 26% of our sales fleet vehicles, which is estimated to have achieved a total annual reduction of approximately 92.4 metric tons of carbon dioxide equivalent (MT CO2e), representing a 40% reduction compared to prior vehicles.

We expect to complete this transition by 2024, which is estimated to achieve a total annual reduction of approximately 354.2 MT CO2e, representing a 40% reduction compared to previous vehicles.

We have also completed facility upgrades and have similar projects underway at some of our most energy intensive plants that are designed to reduce our carbon footprint resulting from our consumption of electricity. Once complete, these projects are estimated to achieve a combined annual reduction of approximately 936,000 kWh or 430.6 MT CO2e, representing a reduction of 4.6% compared to 2020.



26%
of our sales
fleet vehicles
have been
transitioned to
hybrid electric
vehicles

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

ENERGY MANAGEMENT

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

ENERGY

	2019	2020*	2021
Electricity - Actual (mWh)	67,766	61,116	67,691
Intensity (mWh / \$mm Net Sales)	60.2	54.7	54.7
Natural Gas (mcf)	75,776	72,678	67,827
Propane (mcf)	2.1	2.3	2.0

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



In 2021, we completed multiple facility upgrades to improve energy efficiency. For example, we

- replaced high-pressure sodium fixtures and fluorescent fixtures with LED lighting;
- installed automatic controls to operate light fixtures; and
- managed the heating, ventilation and air conditioning of work spaces to manage more efficiently the environment of our facilities.

Today, one hundred percent of the electricity that we consume is purchased from the grid. However, we continue to evaluate opportunities to source electricity used in our operations directly from renewable sources, such as wind farms, and to generate our own energy from solar panel installations.

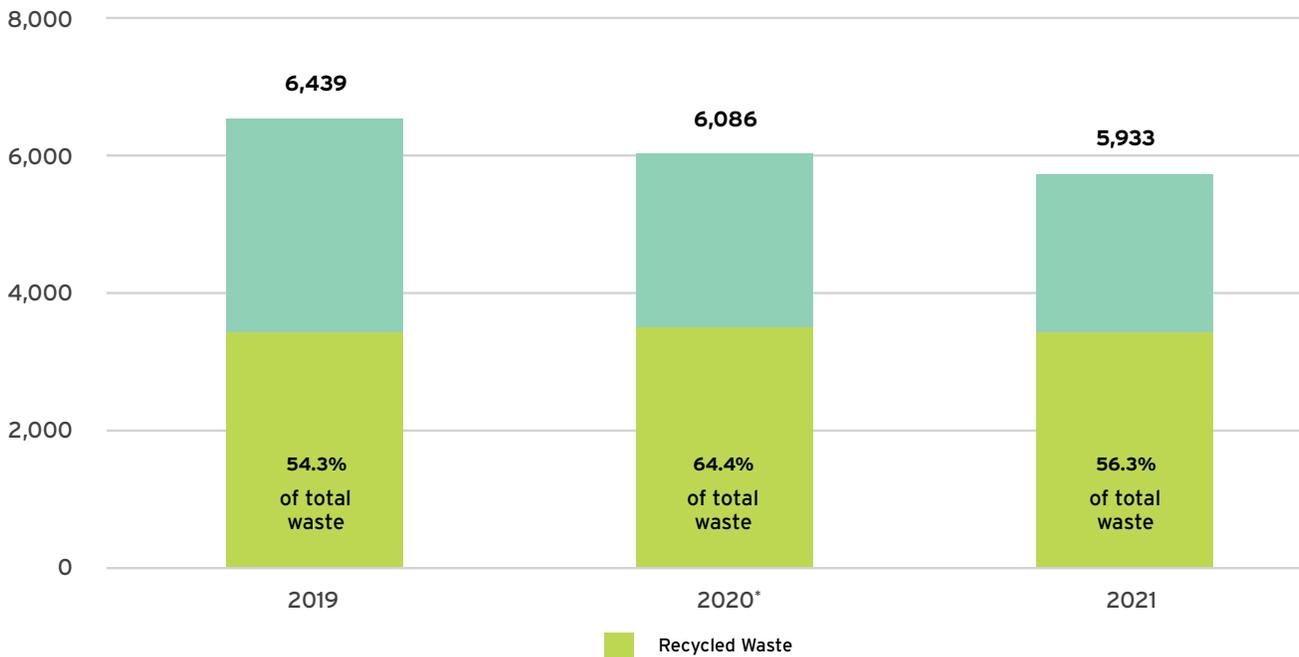


WASTE MANAGEMENT

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

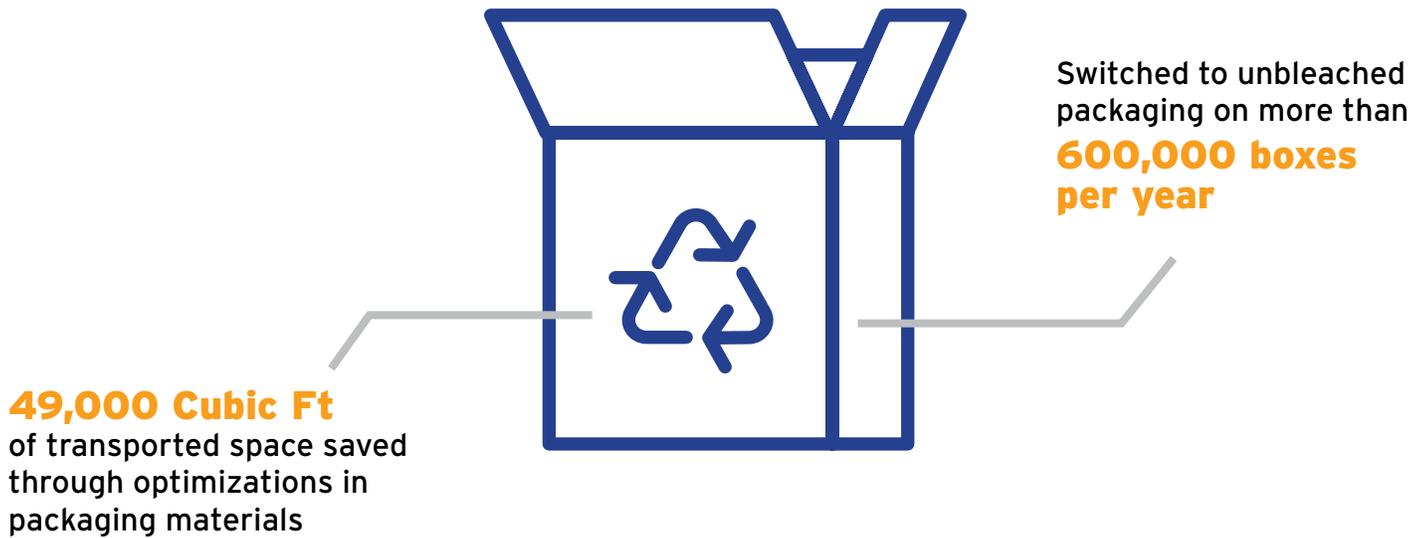
In our production and distribution operations, we place significant emphasis on improving efficiencies and asset utilization to minimize waste and improve our cost position. Our commitment to continuous improvement is a key element of this strategy. Our waste management and recycling programs in our production and distribution environments focus on corrugated boxes, shrink wrap and other packaging materials, pallets, spools and trays, batteries, light bulbs, scrap metal, chemicals and used oils, among others. The following chart depicts SMP's year-to-year total actual waste and the percentage of such waste that was recycled.

WASTE
(METRIC TONS)

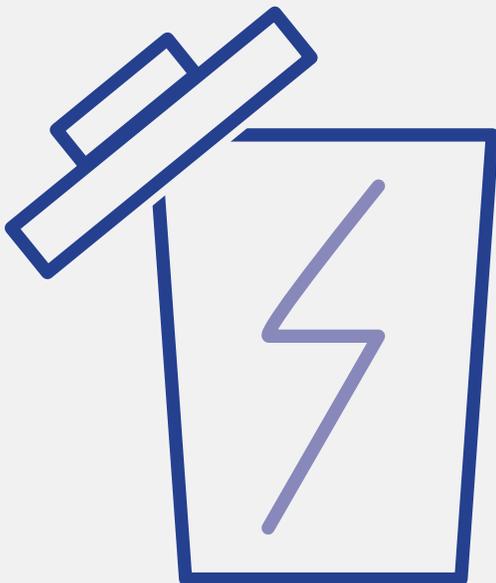


*We believe our 2020 results were impacted by the Covid-19 pandemic and its effect on our normal business operations.

Our continuous improvement initiatives seek to identify used packaging materials, such as corrugated corner pieces and cartons that may be reused in our shipping functions instead of being directed to traditional waste streams or recycled.

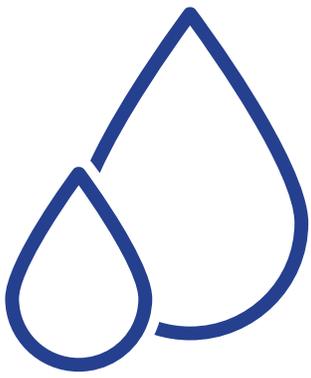


We seek to optimize packaging materials. Through these efforts, we have saved in total approximately 49,000 cubic feet of transported space in 2020 and 2021, resulting in reductions in transportation costs, fuel consumption and carbon emissions.



Electronic Waste

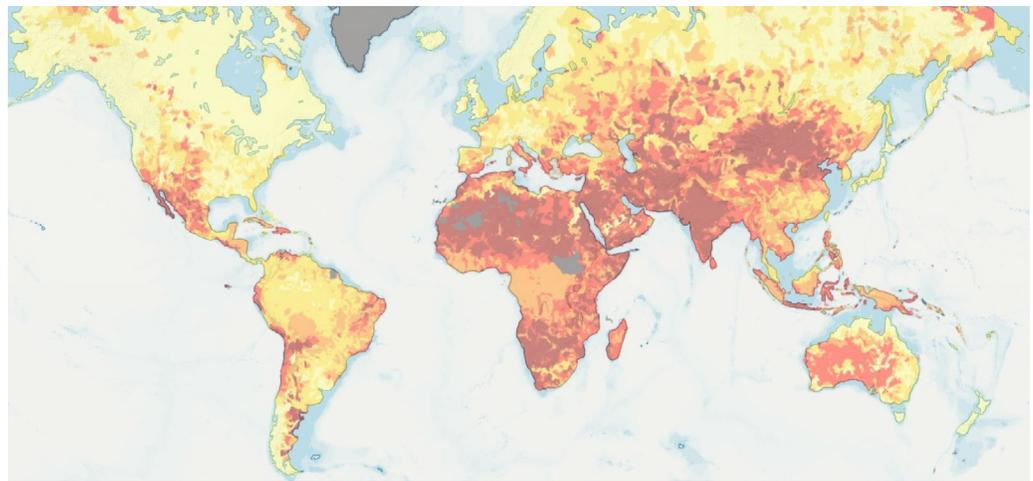
We are aware of the environmental and public health risks caused by the improper disposal of electronic waste. In 2018, we implemented specific procedures to collect and recycle electronic waste, such as obsolete computers, phones, printers, scanners and other electronic devices. Through this program alone, we have recycled more than 18 metric tons of electronic waste since 2018.



Water

Our manufacturing processes are not water intensive; however, we recognize the importance of managing our use of this critical resource as a key ESG initiative. We source all of our water from local municipal services. Therefore, we recognize that we have a role to play to conserve water usage, and we have invested in facility upgrades to reduce our water consumption, such as low flush toilets, and low-flow and automated water faucets.

In 2021, we undertook a water risk assessment of our principal facilities. Although none of our facilities are located in regions designated by the World Resources Institute Aqueduct Water Risk Atlas as having “high” or “extremely high” risk of water depletion, we plan to undertake water risk assessment annually and use the results to inform our focus on water-use reductions.

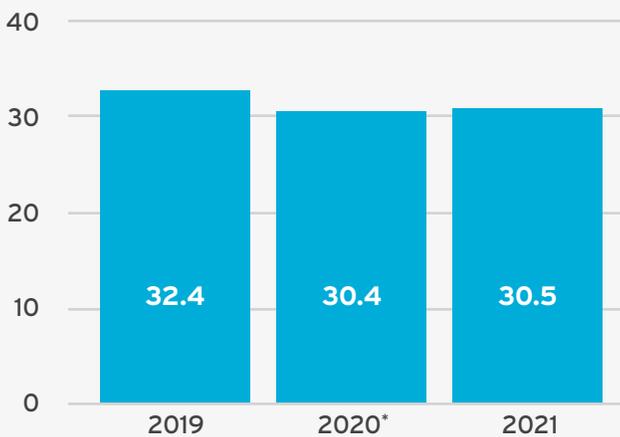


Source: WRI Aqueduct, accessed in December 2021. Available at: aqueduct.wri.org

WATER USE

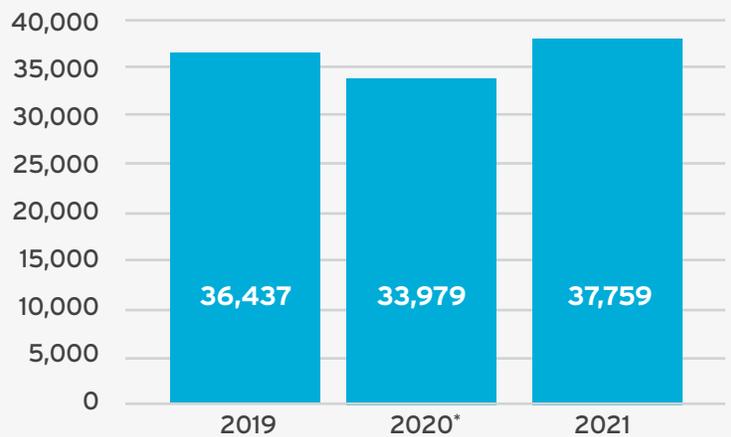
INTENSITY

(MILLION GALLONS / \$MM NET SALES)



ACTUAL

(THOUSAND GALLONS)



* We believe our 2020 data reflects disruptions to normal operations resulting from the Covid-19 pandemic.

SOCIAL

OUR PEOPLE AND COMMUNITIES

Our most important asset is not listed on our balance sheet, but resides in our workforce. Our workforce represents enormous value in skills and experience. Our employees' health and happiness are important to our productivity and profitability. We invest in our employees through training, benefits, health and safety. We prioritize diversity, equity and inclusion in an effort to sustain the most innovative and talented work force. We believe these investments pay off through high employee satisfaction and low employee turnover. Not only do we invest in our employees, but also through our philanthropic and volunteer initiative SMP Cares®, we give back to the communities of which we are a part. SMP believes being a good corporate citizen means supporting the people and communities that have made our success possible.



DIVERSITY, EQUITY & INCLUSION



We strive to promote diversity, equity and inclusion (“DEI”) in our policies and practices because we believe an equitable and inclusive environment of diverse people, working together, aids our success. A single person or a singular mindset cannot sustain a global operation such as SMP. We achieve our DEI goals by supporting a workforce where each employee feels valued, empowered, and fully engaged in their work.

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

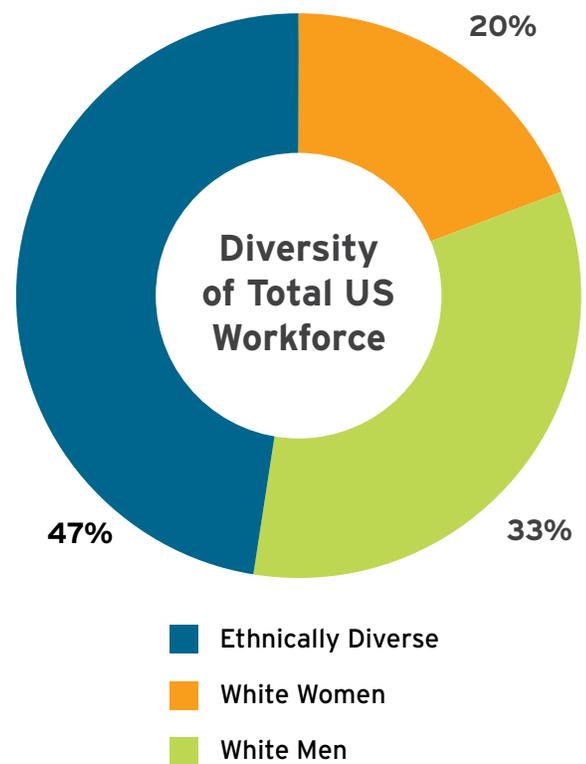


- 1 DIVERSE REPRESENTATION AT ALL ORGANIZATIONAL LEVELS**
- 2 EQUITABLE TREATMENT AND OPPORTUNITY FOR EVERYONE**
- 3 AN INCLUSIVE WORK EXPERIENCE FOR EVERYONE**
- 4 IMPROVE ORGANIZATIONAL PERFORMANCE**

We also use feedback from our employees to help shape our approach in our DEI initiatives. In 2021, we conducted a DEI survey on our employees' experiences as it pertains to these issues. We also formed small focus groups at each facility, including managers and non-managers, to facilitate conversation about DEI. These meetings were hosted by a third party consultant to encourage open and honest discussion, and the consultant provided a report indicating areas of challenge and strengths, which SMP will use to guide its DEI efforts.

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

The following charts display our workforce diversity for SMP employees in the United States, as well as the diversity of our non-management and management employees, as of December 31, 2021.



Gender Representation by Management Level

	Non-Management*	Management**
Men	57%	77%
Women	43%	23%

Ethnic Representation by Management Level

	Non-Management*	Management**
White: Not Hispanic or Latin American	49%	76%
Ethnically Diverse: Black or African American, Hispanic or Latin American, Asian or American Indian or Alaskan Native	51%	24%

* Non-Management: All other employees besides Management.

** Management: Employees that have at least 1 employee directly report to them.

2022 Diversity, Equity & Inclusion

In 2022, we plan to further enhance our DEI initiatives and the involvement of our employees. We will embark on a thorough pay equity analysis to determine if there are any gender or race related inconsistencies. In addition, we plan to require DEI employee training programs for all employees in an effort to root out unconscious bias. We will continue to review our hiring practices and affirmative outreach programs to ensure proper applicant flow from diverse candidates.

You can find more about our DEI efforts on our corporate website located at smpcorp.com/DEI where we have diverse employee profiles and our DEI corporate mission statement. Through diversity of backgrounds and perspectives, we gain the benefit of different ways of looking at our business, which leads to innovation. A wider pool of diverse candidates means we have access to the best talent. For these reasons, we prioritize Diversity, Equity and Inclusion at SMP.

EMPLOYEE BENEFITS & RETENTION INITIATIVES

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



- **Tuition reimbursement** to support advancement of employee education;
- **Family-friendly benefits**, including 16 weeks of paid maternity leave, 6 weeks of paid leave for the non-child bearing partner with flexible hours both before and after childbirth and on-demand support throughout the pregnancy journey such as lactation consultants, infant care experts, mental health support and family planning guidance; and
- **Fertility benefits** designed to provide all-inclusive coverage for cutting-edge treatments, including artificial insemination, frozen embryo transfer, in vitro fertilization and more.

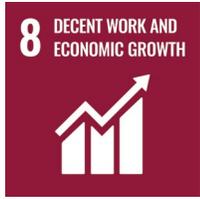
SMP's retirement plans are structured to assist SMP employees in preparing for retirement. When comparing SMP employee retirement readiness to benchmark numbers provided by Fidelity Investments, SMP outperforms in both participation rates and percentage savings. 88% of SMP employees who are eligible to participate in a defined contribution plan are contributing to the plan compared to 72% of participants as reported in Fidelity's Building Financial Futures report.¹ Regarding savings in defined contribution plans, on average SMP participants are saving 19% of their salary versus 14% as reported in Fidelity's Building Financial Futures report.¹



¹This data is current as of December 31, 2021.

²Average Retirement savings data includes 401K and ESOP, and employee and employer contributions.

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



SMP's 25 Year Club has over

1,000
members

Average length of employment

14.3
years

In addition to the substantial benefits package that we provide our employees, we promote talent retention in a variety of ways. Employee satisfaction and engagement are important elements in our talent retention strategy. As such, we conduct periodic employee surveys and in 2021 we achieved a well above average engagement score for employees who would recommend working for SMP. We also strive to provide employees with the tools that they need to succeed and grow in their SMP careers. Our development initiatives include yearly performance reviews, training, and formal and informal mentorship opportunities.

Additionally, we survey salaries to insure that we offer competitive compensation in the markets in which we operate. We also apply a comprehensive market analysis of positions to determine competitiveness and fairness with respect to outside market conditions. We provide frequent and varied communication to our employees on topics of interest, including employee question and answer town hall sessions with senior management. Furthermore, we post all of our job openings internally to encourage employee application for open positions. We believe these efforts aid in retention of talented employees, as demonstrated by our current salaried employees in the United States average length of employment of 14.3 years. Another example of our employee longevity is our 25 Year Club, made up of employees who have worked for SMP for more than 25 years since our founding, which has over 1,000 members.

EMPLOYEE TRAINING INITIATIVES



Our employees are key to our success and our most valued and long-term resource. SMP supports and encourages each employee's contribution and personal growth by providing all employees proper training and supervision. For example, we offer our sales personnel extensive instruction and continuing education at our training facility in Irving, Texas, which allows our sales force to stay current on technical and non-technical skills. These continuing education courses along with monthly supplemental web-based training are an integral part of our sales force development strategy. We also engaged third party training programs for skills such as leadership and public speaking and we support employees pursuing training and education courses they have identified and selected.

In 2021, we began offering SMP employees free access to an online learning library, filled with thousands of courses to help employees learn new skills, stay up-to-date on current skills, and take ownership of their professional and personal development. Additionally, we make sure our workforce is educated on important human rights, anti-harassment, anti-discrimination, DEI, code of ethics and compliance topics through online training programs, which are mandatory for all employees.

HEALTH & SAFETY

We are dedicated to the physical safety and peace of mind of our employees. We ensure compliance with the Occupational Safety and Health Administration (OSHA), the National Fire Protection Association (NFPA) and the United States Environmental Protection Agency (EPA), and offer regular trainings for our employees to strengthen our safety measures. We train our employees on Safety Data Sheets (SDS) pursuant to the Hazard Communication Standard (29 CFR 1910.1200(g)) and hazardous material handling. Each year, we invest in safety equipment and training at each of our manufacturing and distribution facilities, because employee safety is our number one priority.

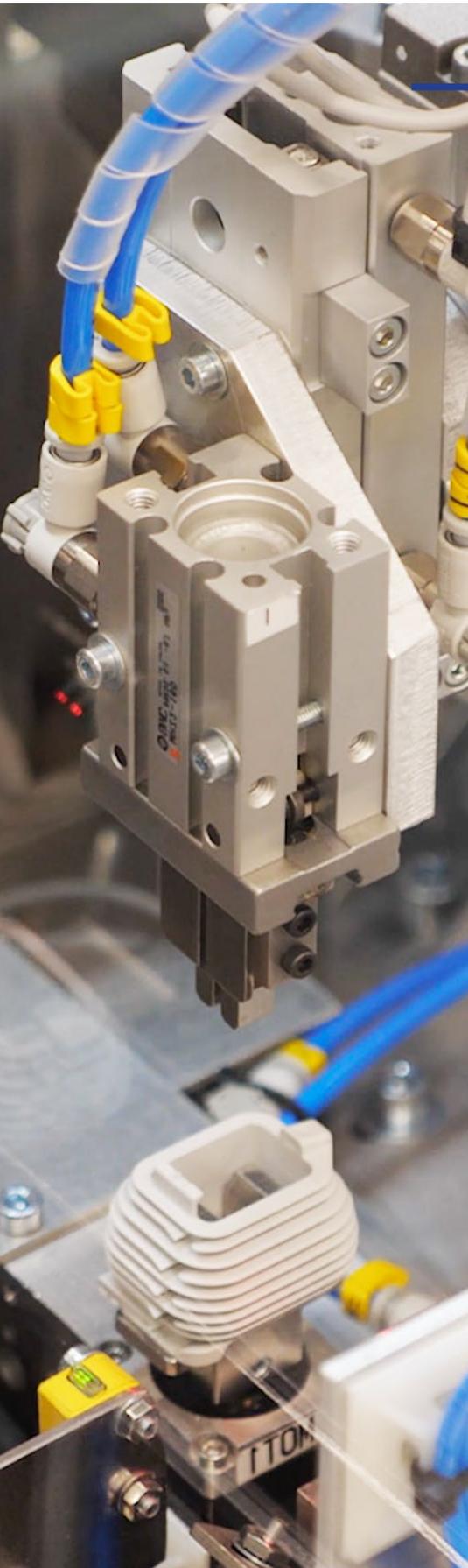
These measures are reflected in our average Recordable Injury Rates for our United States locations in 2021, as shown in the table below, which are lower than the most recent national averages recorded by the U.S. Bureau of Labor Statistics by approximately 69% for General Warehousing and Storage and 52% for Manufacturing. Additionally, pursuant to our Human Rights Policy Statement, we ensure the safety of our employees through ethical security arrangements that respect human rights of the greater community. The health and safety of our employees, vendors and visitors has always been and will continue to be a top priority at SMP.

SMP 2021 Incident Rates

	Incident Rate*
<u>Warehouse and Storage</u>	
National average based on the United States Bureau of Labor Statistics for 2020	4.8
SMP United States Warehouse Locations	1.5
<u>Motor Vehicle Parts Manufacturing</u>	
National average based on the United States Bureau of Labor Statistics for 2020	3.0
SMP United States Manufacturing Locations	1.5

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





PRODUCT QUALITY & SAFETY

SMP utilizes automotive expertise and supply chain excellence to design and build the best aftermarket automotive parts in the world, at a level of quality that meets or exceeds original equipment. Our commitment to quality starts with customer safety. We are dedicated to ensuring quality throughout our supply chain and rigorous compliance with all laws and regulations regarding quality, safety, and performance where we offer our products.

To uphold quality in our supply chain, we require supplier facilities and processes to be certified and audited by either the International Organization for Standardization (“ISO”) or SMP. We require our suppliers of material purchases to go through an audit or certification process, and we are in the process of conducting such audits or certifications. Additionally, many of our suppliers perform quality checks for their raw material suppliers, and this control is a part of their submission to us, as required by ISO certification. This process allows us to maintain quality control at each tier of the supply chain resulting in zero product recalls in 2021.

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

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

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

COVID-19 RESPONSE

SMP evidenced its commitment to its employees' health and safety during the COVID-19 crisis. To keep our employees and communities safe during this time, we implemented a number of COVID-19 policies and practices at our facilities. Where possible, we have turned to a hybrid work schedule in which employees are given the freedom to work from home at times, especially during increased COVID-19 spread. SMP took additional measures to keep its employees safe from COVID-19 in 2021 by encouraging vaccinations. We organized information sessions where doctors educated employees about the benefits of the vaccine. We also kept our employees updated with the most current information about eligibility and access to the vaccine. We even arranged for medical professionals to administer vaccinations to employees on site at many of our various locations.

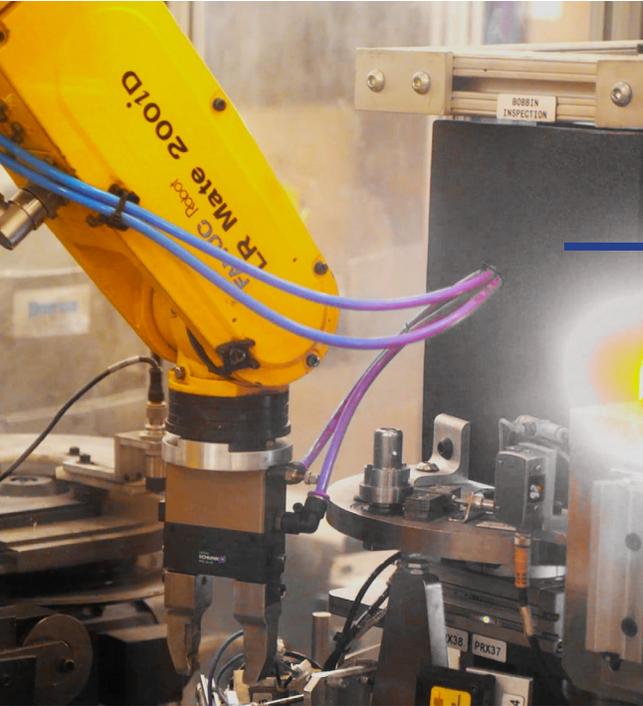


SMP CARES® & COMMUNITY ENGAGEMENT

Our commitment to our people and community sets us apart from the competition. The SMP Cares® initiative prioritizes the livelihood and longevity of the communities where we operate. We aim to act as a positive influence in our community through volunteerism, community efforts and philanthropy. SMP is proud to invest in our local communities as a means to recognize and give back to those who help contribute to our success. Current SMP Cares® initiatives are updated regularly on our corporate website, available at smpecares.smpcorp.com. For example, SMP helped 159 children of SMP employees receive COVID-19 vaccinations at the United States border because they were not able to get vaccinated in Mexico. Also, this past year, we donated sixty-seven used laptops to charitable organizations in an effort to protect the environment while providing members of the local community the valuable resource of connectivity in an increasingly digital world. SMP's volunteering efforts also include blood drives with the American Red Cross, fundraising for the March of Dimes, United Way, the Salvation Army, and many others. In addition, we are proud of our employees based in Germany, Hungary, and Poland who have stepped up to provide money, food, clothing and other supplies to help Ukrainian refugees who have been displaced by the war in their country.



SMP gives back to the community through donations and scholarships. In 2021, SMP collaborated with our generous employees to donate over \$50,000 to local community organizations, hospitals, schools, shelters, and universities. Regarding the tragedy in Ukraine, as of the date of this report, SMP employees raised over \$60,000 for refugees fleeing Ukraine, with a total of over \$120,000 with SMP matching each employee donation dollar-for-dollar. Since we believe that supporting the next generation of technicians and automotive professionals is an important way to sustain and give back to our industry, SMP is a lifetime trustee of the University of the Aftermarket Foundation and donates \$10,000 annually to fund several scholarships. SMP is proud to sponsor annual scholarship contests for future automotive technicians, including our Women in Auto Care scholarship that aims to empower women entering the automotive industry. Since our first scholarship contest in 2015, we have given away \$265,000 in scholarships. We have continued to expand our scholarships, and in 2021, we gave 10 students scholarships of \$5,000, totaling \$50,000.



GOVERNANCE

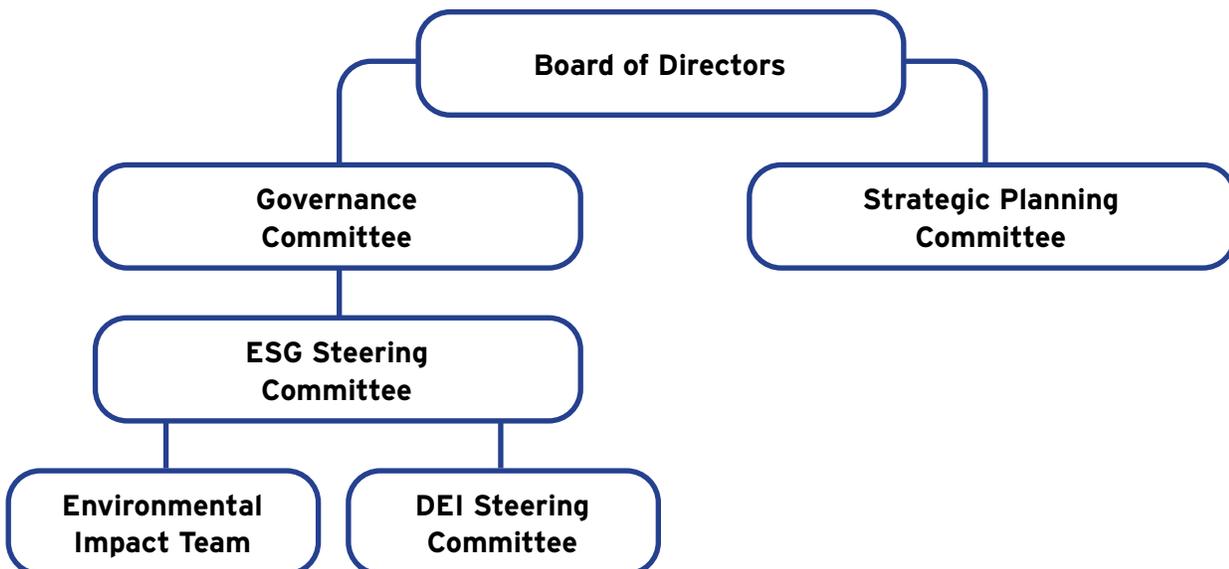
BOARD OVERSIGHT

Over the years, the automotive industry has evolved at a rapid pace. With the increasing concern of social justice issues and the threat of climate change, ESG has become more significant than ever before. Consistent with SMP's values, our Board of Directors oversees an enterprise-wide approach to risk management and opportunities that are intended to achieve SMP's long-term strategic and organizational objectives while enhancing shareholder value. The Board also reviews all stakeholder ESG-related communications to ensure that all their concerns are considered and addressed.

The Governance Committee of the Board oversees senior leadership on ESG strategies, initiatives, policies and practices, as well as the Company's public disclosures of ESG matters, including annually reviewing the

Corporate Social Responsibility and Sustainability Report. The Strategic Planning Committee oversees SMP's response to long-term climate-related issues, such as the transition to electric and hybrid electric vehicles. Management regularly reports to the Board on its strategic short, medium and long term initiatives and objectives in these areas as well as other ESG issues. As part of the Board's oversight function, the Board intends to approve the Company's climate transition strategy, which is currently in development by management, to achieve our **ambition to be net-zero by 2050**.

Board of Directors Oversight



CORPORATE GOVERNANCE

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

- Annual election;
- Linked part of executives' 2021 annual compensation bonus to the accomplishment of ESG initiatives including metrics regarding greenhouse gas emissions, energy and waste management, diversity, and safety, as well as enhancing our DEI initiatives;
- In 2021, SMP's directors and executive officers did not engage in any material related party transactions;
- Robust stock ownership guidelines and post-vesting restricted stock holding periods;
- Annual Board and committee self-evaluations; and
- Confidential voting.

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

Additionally, our Board has four standing committees:



Audit Committee

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



Compensation and Management Development Committee

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



Nominating and Corporate Governance Committee

Assists the Board in discharging its duties, including identifying new Board members, improving policies, conducting annual assessments of Board members and providing oversight of ESG initiatives.



Strategic Planning Committee

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

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

BOARD COMPOSITION AND SKILLS

The following information is based on the composition of our Board of Directors as of December 31, 2021.



Lawrence I. Sills
Chairman of the Board



William H. Turner
Presiding Independent Director and Chair of the Audit Committee



John Gethin
Director



Pamela Forbes Lieberman
Director and Chair of the Strategic Planning Committee



Patrick S. McClymont
Director



Joseph W. McDonnell
Director



Alisa C. Norris
Director and Chair of the Compensation and Management Development Committee



Pamela S. Puryear
Director



Eric P. Sills
Director, Chief Executive Officer and President



Richard S. Ward
Director and Chair of the Nominating and Corporate Governance Committee

Composition

10

BOARD MEMBERS

70%

PERCENT INDEPENDENT

66.9

AVERAGE AGE

13

AVERAGE TENURE

30%

GENDER DIVERSITY

10%

ETHNIC DIVERSITY

Skills and Expertise

Senior Leadership	●	●	●	●	●	●	●	●	●	●	10/10 Directors
International	●	●	●	●	●	●	●	●	●	●	10/10 Directors
Risk Management	●	●	●	●	●	●	●	●	●	●	8/10 Directors
Financial Expertise	●	●	●	●	●	●	●	●	●	●	6/10 Directors
Automotive Industry	●	●	●	●	●	●	●	●	●	●	5/10 Directors
ESG / DEI	●	●	●	●	●	●	●	●	●	●	4/10 Directors
Information Technology & Information Security	●	●	●	●	●	●	●	●	●	●	3/10 Directors

EXECUTIVE OVERSIGHT

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

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

The ESG Steering Committee meets to identify, assess and manage these risks and to advance our corporate social responsibility program. The ESG Steering Committee, along with other members of management, provide periodic reports on climate-related matters to the Board of Directors, the Governance Committee, and the Strategic Planning Committee.

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



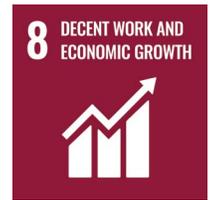
ETHICS AND COMPLIANCE POLICY

SMP's Code of Business Conduct and Ethics Policy was crafted to ensure the highest level of integrity throughout our organization. Our Board of Directors and executive team oversee SMP's ethics program to ensure the compliance of employees across our facilities. To this end, our leadership team establishes and provides regular training across a variety of topics, including antidiscrimination, SMP's Code of Ethics, the Foreign Corrupt Practices Act, and our whistleblower procedures. Each year, the Board of Directors reviews our training procedures to determine their effectiveness, the level of employee participation, and any improvements that should be made. Employees across our facilities are required to participate and complete our ethics training programs. In 2021, 100% of our salaried U.S. employees were required to undergo ethics, anti-bribery and anti-corruption training.



HUMAN RIGHTS

We are committed to policies and practices that support internationally recognized human rights standards. As such, we strive to protect the rights of minority groups and women, and aim to foster diversity by stopping unlawful discrimination. We take measures to protect against harassment, forced labor, child labor and human trafficking. We comply with laws that afford our employees freedom of association and collective bargaining rights. These policies apply globally and throughout our supply chain, including our suppliers, vendors and other business partners. Our operations seek to conform to the standards of the Organisation for Economic Co-operation and Development, the United Nations Guidance Principles on Business and Human Rights, and the International Labour Organization's Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights. Additionally, we require that our vendors meet the requirements outlined in our Vendor Code of Ethics and our Human Rights Policy Statement.



WHISTLEBLOWER PROCEDURES AND PROTECTIONS

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



CONFLICT MINERALS

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



You can view our Code of Ethics, Whistleblower, and Human Rights policies on our investor relations site at ir.smpcorp.com.



DATA PRIVACY AND CYBER SECURITY

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

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

You can view our [Privacy Policy](https://ir.smpcorp.com) on our investor relations site at ir.smpcorp.com.

CONCLUSION



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

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

Thank you for your interest in SMP and our sustainability efforts. Additional information about our company is available at smpcorp.com.

About this Report

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

Forward Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this Report are indicated by words such as "anticipates," "expects," "believes," "intends," "plans," "estimates," "projects," "strategies" and similar expressions. These statements represent our expectations based on information and assumptions as of the date hereof and are inherently subject to risks and uncertainties. Our actual results could differ materially from those which are anticipated or projected as a result of certain risks and uncertainties, many of which are difficult to predict and generally beyond our control. Such risks and uncertainties include risks noted in reports that we file with the Securities and Exchange Commission, including the Risk Factors identified in our Annual Report on Form 10-K for the year ended December 31, 2021, as well as additional factors we may describe from time to time in other filings with the U.S. Securities and Exchange Commission. Forward-looking statements are made only as of the date of this report, and SMP undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise except as required by law. In addition, historical information should not be considered as an indicator of future performance.

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

Unless otherwise indicated, references to "Standard Motor Products", "the Company", "we", "our" and "us" in this report refer to Standard Motor Products, Inc. and its consolidated subsidiaries. The content of this report generally covers subject matter for the 2021 calendar year unless otherwise noted and is limited to operations owned and/or operated by Standard Motor Products.

Sustainability Accounting Standards Board (SASB)

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

Accounting Metrics ¹	SASB Code	2021
Energy Management		
Total Energy Consumed (GJ)	TR-AP-130a.1	315,586.75
Percentage Grid Electricity (%)	TR-AP-130a.1	~100%
Percentage Renewable (%)	TR-AP-130a.1	0%
Waste Management		
Total amount of waste from manufacturing (MT)	TR-AP-150a.1	5,932.6
Percentage Hazardous (%)	TR-AP-150a.1	14.5%
Percentage Recycled (%)	TR-AP-150a.1	56.3%
Product Safety		
Number of recalls issued	TR-AP-250a.1	0
Total units recalled	TR-AP-250a.1	0
Materials Sourcing		
Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	See our Conflicts Minerals section above.
Materials Efficiency		
Percentage of products sold that are recyclable	TR-AP-440b.1	Approx. 21% of products sold (by revenue) are able to be remanufactured. We estimate the total percentage of products sold that are recyclable to be higher, and we look forward to updating this metric at a later date.
Percentage of input materials from recycled or remanufactured content	TR-AP-440b.2	Approx. 92% of remanufactured products (by weight) are derived from recycled or remanufactured content.
Competitive Behavior		
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AP-520a.1	In 2021, there were no allegations of anti-competitive behavior.

¹) Data excludes the operations of Trumpet Holdings, Inc. and its subsidiaries, Stabil Operative Group GmbH and its subsidiaries, and our China-based joint ventures.

ANNEX B

Task Force on Climate-Related Financial Disclosures (TCFD)

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

Governance

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

Oversight of our climate-related risks and opportunities lies with our Board of Directors. Specifically, the Nominating and Corporate Governance Committee ("Governance Committee") of our Board of Directors oversees the Company's environmental, social and governance (ESG) strategy and activities, including our identification, assessment and management of climate-related risks and opportunities. Our Board of Directors has also appointed the Strategic Planning Committee to oversee the Company's long-term planning, including our strategies to address industry trends impacted by climate-related issues such as the transition to electric and hybrid electric vehicles.

The Board of Directors typically meets eight times a year while the Governance Committee and the Strategic Planning Committee typically meets two-three times a year. All members of the Board routinely attend meetings of the Governance Committee and the Strategic Planning Committee.

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

Our Governance Committee has tasked day-to-day ESG responsibilities, including climate-related risks and opportunities, to the ESG Steering Committee led by our Chief Executive Officer & President, Chief Legal Officer & Secretary, Chief Human Resources Officer and Senior Vice President of North American Operations. The ESG Steering Committee, along with other members of management in operations, engineering, supply chain, human capital management, finance, legal and other fields, meet periodically to identify, assess and manage climate-related risks and opportunities within their areas of expertise and

throughout our business. The ESG Steering Committee also provides overall oversight and reporting of ESG matters to the Board of Directors, the Governance Committee, and the Strategic Planning Committee.

We have also formed an environmental impact team, appointed an environmental champion at each of our principal facilities, and implemented an environmental scorecard system for our facilities to track our Scope 1 and Scope 2 greenhouse gas emissions, among other metrics. These efforts enable us to monitor and oversee our progress in addressing climate-related issues over time. Lastly, we are evaluating Scope 3 greenhouse gas emissions, which cover other indirect emissions not included in Scope 2 that occur in our value chain, including upstream and downstream emissions. We plan to report a strategy to address Scope 3 reduction targets at a later date.

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

Strategy

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

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

Physical Risks

Physical risks emanating from climate change, such as increases in the frequency and severity of weather events, including hurricanes, tornadoes, earthquakes, floods and other natural disasters, could disrupt our operations in the short term. The occurrence of these events could cause physical damage to our plants, machinery, equipment and other tangible assets; disrupt transportation of our raw materials and products; affect our production capacity and the production capacity of our customers and suppliers; and delay their delivery of products to customers, resulting in increased operating costs and capital costs and reduced revenue. Operations located in highly vulnerable areas could also lead to an increase in our insurance premiums. For example, in February 2021, the State of Texas experienced a severe winter storm that resulted in power grid failure, blackouts and ultimately the tragic loss of life. Operations at our facility located in Lewisville, Texas were shut down for approximately one week, but through proper planning and the swift actions of our employees, we were able to prevent significant property damage or lost revenue and resume operations promptly to recover lost time.

Longer-term trends, such as shifts in climate patterns, could also affect the demand for our products. In particular, warm summers, such as the ones we experienced in 2020 and 2021, ordinarily result in an increase in demand for our temperature control products.

Transition Risks

Regulation

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

Consumer Demand

The impact of technological changes, such as the adoption of new technologies and systems to make internal combustion engine vehicles more efficient and the shift to electric and hybrid electric vehicle architectures, will depend on the proliferation of these technologies within the car parc. Shifts in consumer preferences for these technologies are also likely to impact the timing and scope of proliferation. As such,

our business may be impacted by the extent and speed at which consumers adopt these vehicle technologies.

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

Responses to Physical Risks

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

Responses to Transition Risks

Regulation

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

Consumer Demand

Although we expect the growth of alternative energy vehicles to be a long-term risk, we are committed to expanding our parts coverage to include a broader product mix in categories such as electrification, including electric vehicles (EVs) and hybrid electric vehicles (HEVs), and connectivity to meet the growing needs of our customers. Currently, we estimate that approximately half of our sales are in product categories that are powertrain neutral, or suitable for use in electric, hybrid electric and/or alternative energy vehicles. We also continue to pursue opportunities to develop parts for new technologies and systems designed to improve the efficiency of ICE vehicles. In 2021, we formed a Product Innovation Team to lead these efforts.

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

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

Risk Management

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

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

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

The Governance Committee of our Board of Directors oversees the management of climate-related risks under the purview of its responsibility for ESG matters. To strengthen oversight and reporting of climate-related risks, our Board of Directors tasked ESG responsibilities to our senior executives and formed an ESG Steering Committee comprised of the Chief Executive Officer & President, Chief Legal Officer & Secretary, Chief Human Resources Officer and Senior Vice President of North American Operations to lead these efforts.

The ESG Steering Committee and other senior leaders within each functional area meet with the Office of Chief Executive periodically to review strategy and activities across our business. With respect to climate-related issues, we utilize these meetings to assess our risks and opportunities and refine our strategy and

priorities, if necessary, to achieve desired outcomes. Our assessments commonly take into account the following elements, among others:

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

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

Through the processes described above, we integrate the identification, assessment and management of climate-related risks into our enterprise-wide risk management processes. Our Board of Directors is updated by senior leadership on risks that may affect our business, strategy and financial planning, including those climate-related physical and transition risks described above. Our ESG Steering Committee is tasked with day-to-day oversight responsibilities of ESG matters, and the committee works with senior leaders across our organization to identify, assess and manage these climate-related risks and opportunities. Our senior leaders in each functional area, including operations,

engineering, supply chain, human capital management, finance, legal and other fields, routinely communicate and coordinate with one another with respect to the execution of our environmental initiatives.

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

Metrics and Targets

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

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

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

Disclose Scope 1 and Scope 2 GHG emissions.¹

Scope 1 GHG Emissions (2021): 4,653.3 metric tons of carbon dioxide equivalent.

Scope 2 GHG Emissions (2021): 31,784.6 metric tons of carbon dioxide equivalent.

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

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

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

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

¹ Data excludes the operations of Trumpet Holdings, Inc. and its subsidiaries, Stabil Operative Group GmbH and its subsidiaries, and our China-based joint ventures.





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