



Driving Our Community Forward



**2020 CORPORATE SOCIAL  
RESPONSIBILITY AND  
SUSTAINABILITY REPORT**

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#### To Our Stakeholders:

I am pleased to share with you the inaugural 2020 Corporate Social Responsibility and Sustainability Report of Standard Motor Products, Inc. This report provides an overview of the various actions that we have taken to be environmentally and socially responsible, such as developing and marketing products to improve the environmental impact of the car parc, reducing the carbon footprint of our operations, pursuing increased diversity and inclusion among our team members, enhancing employee health and safety training, and engaging in community outreach.

For over 100 years, SMP has strived to be a good corporate citizen to our employees, customers, business partners and the communities within which we operate. We were founded on the values of ethics, integrity, common decency, and most importantly respect for others, and to this day, we pride ourselves on being diverse and inclusive. Our “SMP Cares—Driving Our Community Forward” tag line promises to keep advancing these ideals into the future.

I am proud to highlight the actions that we have achieved in 2020, including:

- Expanded our product offerings to promote a greener car parc;
- Prevented over 4,230 tons of waste from entering landfills and recycled an additional 18,210 gallons of used oil;
- Saved over 100 million kWh of electricity and prevented more than 2,000 tons of material from entering landfills through our remanufacturing processes;
- Reduced our safety incidents globally;
- Enhanced employee safety training;
- Established a Diversity and Inclusion Taskforce and increased diversity hiring and promotions;
- Expanded company outreach to our communities and industry, including \$70,000 in scholarships to students in need; and
- Supported employee charitable efforts in our communities.

In addition to these initiatives, I would be remiss not to mention the on-going COVID-19 pandemic. This year has been a difficult year for all of us. Our top priority was, and remains, the health and safety of our employees. In response to the pandemic, we implemented a number of operational changes to keep our employees safe, including enhancing cleaning procedures, implementing screening protocols, providing protective equipment, establishing remote work arrangements, and implementing an emergency employee relief fund to help those employees impacted by COVID-19. Our employees stepped up to the challenge with our frontline employees often working six or seven days a week to keep our company operating. I cannot be more proud of them or thank them enough for all efforts during these times.

Thank you for your interest in SMP's sustainability initiatives. We recognize that we still have much to do, but our goal is to integrate a social responsibility and sustainability mindset in all of our employees and make it a part of doing business every day. As always, I encourage and welcome all stakeholder feedback on these matters.

Eric Sills  
Chief Executive Officer & President



# SMP Timeline – A 100+ Year History

## 1919

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



Elias Fife

## 1920 - 1929

**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.

**1926** Standard Motor Products markets its products overseas, headed by, Dorothy Lewes, SMP's first Export Manager.

## 1930 - 1939

**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.



Bernard Fife (right)

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



## 1940 - 1949

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



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

## 1950 - 1959

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

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



## 1960 - 1969

**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** Standard Motor Products celebrates 50 years in business.

## 1970 - 1979

**1972** Taking the first steps to becoming a basic manufacturer of electronic ignition parts, SMP creates a separate Electronics Engineering group.

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



## 1980 - 1989

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

**1985** SMP Temperature Controls Division is formed as Four Seasons and Carco consolidate and move to Grapevine, TX.

**1989** SMP consolidates three smaller warehouses into one 400,000 sq. ft. mega distribution center in Disputanta, Virginia.



## 1990 - 1999

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



**1992** SMP makes the Fortune 500 of America's largest industrials.



**1994** SMP celebrates 75 years.

**1995** SMP establishes Unimotor in Ontario, Canada to manufacture blower and radiator fan motors.

## 2000 - 2009

**2003** SMP acquires a significant portion of Dana's Engine Management operations. BWD, Niehoff, and Echlin brands join SMP. SMP becomes a supplier to NAPA® with the Echlin® brand.



**2006** SMP opens a manufacturing facility in Bialystok, Poland.

**2009** SMP launches Intermotor brand in the U.S. establishing the company as a leader in the engine management import market.

## 2010 - 2019

**2015** SMP appoints Eric Sills as President of the company.

**2016** SMP President Eric Sills becomes only the fourth CEO in SMP's history. Larry Sills is named Executive Chairman of the Board.

**2019** April 19, 2019 SMP celebrates its 100th anniversary in business!



## 2020 - Present

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



**2020** With the recent high demand for oxygen and ventilating equipment due to the COVID-19 pandemic, SMP's Temperature Control Division has delivered heat exchangers suitable for oxygen concentrators and oxygen generators, key components used in the production of medical ventilators.





# The Standard Culture



Standard Motor Products celebrated 100 years of operation in 2019, 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 descendants of our founder, Elias Fife, continuity of leadership has allowed SMP to survive upheavals from the Great Depression through the Great Recession, and come out of those crises stronger than before.

Stability is our hallmark. With consistency of management, a strategy that promotes long-term growth and that eschews short-term thinking, and careful decision-making, we have proven to be a trusted and reliable partner to our 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 success.



Nathaniel Sills (left), Elias Fife (middle), Bernard Fife (right)



Eric Sills (left), Larry Sills (right)

## The Values we share are captured in the acronym **DRIVEN**

**D**edicated to our customers  
**R**esults-Focused  
**I**nnovative  
**V**alues-Centered Leadership  
**E**thical  
**N**etworked

Our values, prominently displayed in all of our facilities worldwide, provide the summary of who we are as an organization. We measure our people both on performance and alignment with our value system. Our culture is our strength, creates competitive advantage in the commercial market and in the recruitment of employees, and gives meaning to all that we do.

If our culture could be summed up in one word, it would be **RESPECT.**

### **Respect for our customers** **Respect for our employees** **Respect for our heritage**

**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 safe and healthy work environment. We strive for a true family feel in our work environment. 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 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. We take pride in our products; we take pride in our people; and we take pride in our culture.

# Our Vision of ESG – Environmental, Social and Governance

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, our inaugural Corporate Social Responsibility and Sustainability Report, we are pleased to share with you some of the specific ways that we pursue the environmental and socially responsible business practices and corporate governance 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 issues strengthens our company in several critical ways, including through the achievement of operating efficiencies and cost reductions, the identification and mitigation of risk, 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.

Our company was founded by Elias Fife on April 19, 1919, over one hundred years ago. As we look to the next one hundred years, 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.



## SUSTAINABLE DEVELOPMENT GOALS



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.





# Our People and Communities



## 8 DECENT WORK AND ECONOMIC GROWTH



**UN Sustainable Development Goal No. 8:** To promote inclusive and sustainable economic growth, employment and decent work for all.

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 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 through SMP Cares™ we give back to the communities that we are a part of through philanthropy and volunteer efforts. In addition, SMP was able to step up during the COVID-19 pandemic to supply needed medical components. SMP believes being a good corporate citizen means supporting the people and communities that have made our success possible.

## 5 GENDER EQUALITY



**UN Sustainable Development Goal No. 5:** To achieve gender equality and empower all women and girls.

## Diversity & Inclusion

We strive to promote diversity and inclusion in our policies and practices because we believe an equitable 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 diversity and inclusion goals by supporting a workforce where each employee feels valued, empowered, and fully engaged in their work. We are developing a comprehensive diversity and inclusion strategy as a roadmap for our collective success. These measures include the formation of a Diversity and Inclusion Taskforce, which will work to devise strategies for training, education and empowerment of employees as well as recruitment and retention of a diverse workforce. Concrete actions include review of hiring practices and affirmative outreach to insure proper applicant flow from communities of color and women. We also plan to develop training programs to root out unconscious bias, apply a comprehensive pay equity review to determine any inconsistencies, and add a diversity analysis to our annual talent review process, to name just a few.



**More than 50% of new hires and promotions for salaried positions were diverse persons**

## 10 REDUCED INEQUALITIES



**UN Sustainable Development Goal No. 10:** To reduce inequalities within and among countries.

In 2020, a majority of our new hires and promotions for salaried positions were diverse persons, taking into account race and gender. 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 and inclusion at SMP.



**UN Sustainable Development Goal No. 3:** To ensure healthy lives and promote well-being for all at all ages.

## Employee Benefits & Wellness Programs

SMP offers an array of benefits that are competitive and cost effective including health, vision and dental insurance, prescription drug coverage, tuition reimbursement, disability and life insurance. We maintain various defined contribution plans, which include profit sharing and provide retirement benefits for substantially all of our employees. We are also proud to offer family-friendly benefits, including 16 weeks of maternity leave and 4 weeks of parental leave with flexible hours both before and after childbirth.

Our wellness program encourages healthy behaviors in the workplace and at home. The program includes nutrition and exercise education and personalized electronic health coaching and support. Additionally, SMP incentivizes employees who enroll in an SMP-sponsored medical plan to complete an annual physical and report their tobacco-use status. We believe these measures encourage a healthy lifestyle that supports happy productive employees.



**UN Sustainable Development Goal No. 4:** Ensure inclusive and quality education for all and promote lifelong learning.

## 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. 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. During the COVID-19 pandemic, when our salespeople were not able to work due to protective restrictions, we focused on their training, keeping them fully employed and enrolled in online training courses on a variety of valuable topics. We also have a robust technician training program that is accredited by the National Institute for Automotive Service Excellence ("ASE") Training Managers Council and taught by ASE certified instructors. The classes for our sales personnel were taught by these instructors, product managers, and various other guest presenters. These continuing education courses along with monthly supplemental web-based training are an integral part of our sales force development strategy. Additionally, we make sure our workforce is educated on important human rights, anti-harassment, anti-discrimination, code of ethics and compliance topics through online training programs.



**UN Sustainable Development Goal No. 8:** To promote inclusive and sustainable economic growth, employment and decent work for all.

Training is a continuing process for all employees, and we work cooperatively to establish a positive working environment where our employees' training and learning needs are met. We are also committed to empowering our employees to be decision-makers, and where possible, delegate responsibility and authority to those performing the work. We believe that this promotes accountability and aids in creating an environment that will foster innovation necessary to employees' development.

## 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. Each year, we invest in safety equipment and training at each of our manufacturing facilities, because employee safety is our number one priority. These measures are reflected in our Recordable Injury Rate for General Warehousing and Storage, which is approximately 75% lower than the national rate. 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.

SMP showed its commitment to its employees’ health and safety during the recent 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. We provided personal protection equipment, including face masks and gloves, to all our employees and require their usage while at work, installed plexiglass partitions where appropriate, and required temperature checks for employees upon entering our facilities. We established protocols for individuals who tested positive, and for employees who have symptoms or have been exposed to the virus. All of our facilities are thoroughly cleaned and sanitized daily, and state mandated protocols are constantly monitored and followed when employees return to work after the lifting of shelter-in-place orders. Through these efforts, we believe that we have successfully prevented the transmission of the virus within our facilities. The health and safety of our employees, vendors and visitors has always been and will continue to be a top priority at SMP.

**SAFETY FIRST**

**Our Recordable Injury Rate for General Warehousing and Storage is approximately 75% lower than the national rate**

## COVID-19 Response

When our community is in distress, SMP strives to help. Because of the strict manufacturing standards and efficiency of our Reynosa, Mexico facility, SMP employees were able to make and deliver heat exchangers suitable for oxygen concentrators and oxygen generators, key components used in the production of medical ventilators during the COVID-19 pandemic. When SMP received an emergency request for 1,000 units in one month, employees were able to swiftly turn around the needed units and expedite them to the state of California the next day.







**UN Sustainable Development Goal No. 4:** Ensure inclusive and quality education for all and promote lifelong learning.



**UN Sustainable Development Goal No. 5:** To achieve gender equality and empower all women and girls.

## 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 [smpcares.smpcorp.com](http://smpcares.smpcorp.com). SMP's volunteering efforts include blood drives with the American Red Cross, fundraising for the March of Dimes, United Way, the Salvation Army, and many others.

SMP gives back to the community through donations and scholarships. Over the last few years, SMP has collaborated with our generous employees to donate over \$100,000 to local community organizations, hospitals, schools, shelters, and universities.

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 ("UAF") 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 \$215,000 in scholarships. We have continued to expand our scholarships, and in 2020, we gave 14 students scholarships of \$5,000, totaling \$70,000.



# Our Planet



**UN Sustainable Development Goal No. 13:** Taking urgent action to tackle climate change and its impact.

## Climate-Related Risks & Opportunities

We believe the effects of carbon dioxide and other greenhouse gas emissions on the Earth's climate will lead to significant environmental, political and social changes that will present both risks and opportunities for our business.

Climate-related risks include, among others, the increase in frequency and severity of weather events and natural disasters, which could disrupt our operations, and longer-term shifts in climate patterns, which could affect the seasonal demand for our products. We believe that our efforts to mitigate these and other climate-related risks also present opportunities.

Our investments in facility upgrades, changes to operating procedures, plant rationalization programs and implementation of other programs in this space have led to improvements in operating efficiencies and reductions in cost. We also continuously look to expand our product offering by adding new product categories in response to new and evolving vehicle technologies, including products that help vehicles run cleaner and reduce emission as highlighted in this report.



# Promoting a Greener Car Parc

## Emission Control System Products

The emission control systems of motor vehicles are designed to reduce emissions and improve fuel economy during vehicle operation. We offer more than 3,100 individual products that play a critical role in these important systems, such as evaporative emission pressure sensors, control solenoids and EGR valves.



## Alternative Energy Products

Building a better future is part of our DNA. As a leader in the manufacture and distribution of automotive replacement parts, we leverage our years of experience with traditional automotive technologies to bring to market products that are suitable for cleaner burning fuels or electric or hybrid electric vehicles. We offer more than 2,800 individual products across our Engine Management and Temperature Control segments that may be used to service alternative energy vehicles. Two notable examples of our achievements in this area include our work on alternate fuel injectors and electric compressors.

Through the dedication of our engineering resources, we have successfully designed and developed fuel injectors for compressed natural gas, liquid natural gas and hydrogen. 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.

Electric vehicles and hybrid electric vehicles utilize electric drive compressors, representing a change from the more traditional belt drive technology. In response to these changes, in 2019, we invested in a China-based electric compressor manufacturer focused on original equipment and aftermarket product development.





# Product Quality and Safety



## 3 GOOD HEALTH AND WELL-BEING



### UN Sustainable Development Goal

**No. 3:** To ensure healthy lives and promote well-being for all at all ages.

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 rigorous compliance with all laws and regulations regarding quality, safety, and performance where we offer our products.

SMP assesses and manages risks associated with the chemicals used in our products and sets high standards, focusing on continuous improvement. For example, we are constantly updating our labeling guidelines and policies to ensure compliance with the strict requirements of California's Proposition 65. 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.

# Environmental Stewardship

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## UN Sustainable Development Goal

**No. 12:** To enable  
sustainable consumption  
and production patterns.

We believe that operating our business in an environmentally responsible manner begins with awareness. In May 2019, we formally adopted a corporate Environmental Policy Statement, which emphasizes awareness of the environmental impact of our operations, such as our use of natural resources, our generation of waste and our use and disposal of regulated and non-regulated materials. Through this policy, we challenge ourselves to identify and implement solutions to reduce our impact while achieving our business goals.

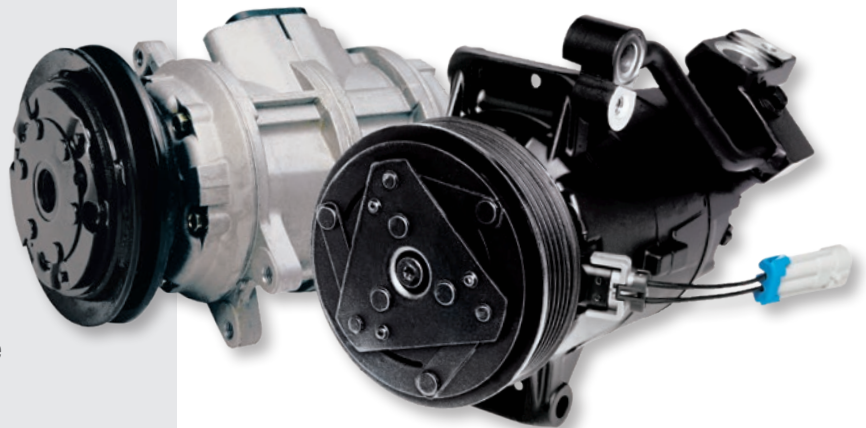
We firmly believe that managing our use of environmental resources, such as energy and water, implementing effective environmental management systems, reducing waste and improving efficiencies make sound business sense that will drive shareholder value.

You may read more about our Environmental Policy on our Investor Relations site at [ir.smpcorp.com](http://ir.smpcorp.com).

## Sustainable Manufacturing

We are proud of our sustainable manufacturing processes by which previously used automotive products are returned to same-as-new, or better, condition and performance. A process that we refer to as “remanufacturing”. We remanufacture key product categories within our product portfolio, such as air conditioning compressors, diesel injectors and diesel pumps, resulting in the production of premium automotive products within these categories through processes that save energy and reduce waste. Through our remanufacturing processes in 2020, we have prevented more than 2,000 tons of material from entering landfills, and we have eliminated the need to process certain base metals, such as aluminum, saving more than 100 million kWh of electricity.

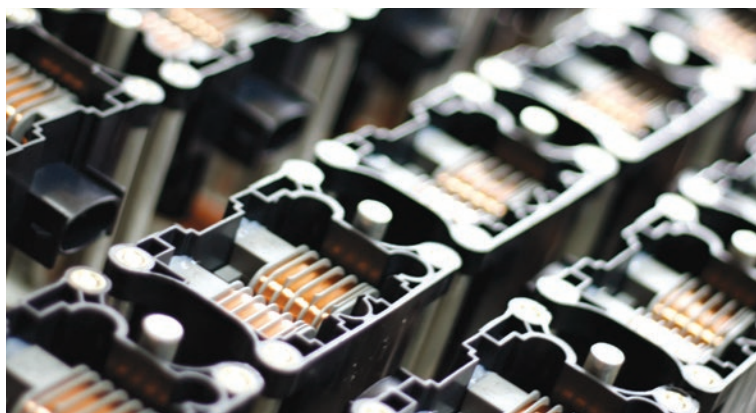
When we sell our remanufactured products, we charge our customers a deposit for the return of a used core component. The deposit is intended to encourage our customers to return these cores to us so that they can be recycled through our remanufacturing processes.



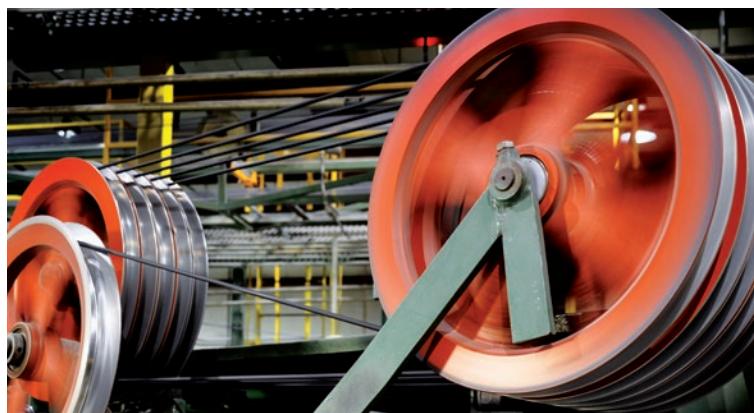


## Environmental Management Systems

All of our principal manufacturing facilities maintain Environmental Management Systems that are certified or attested to ISO 14001:2015, and Quality Management Systems that are certified or attested to ISO 9001:2015.



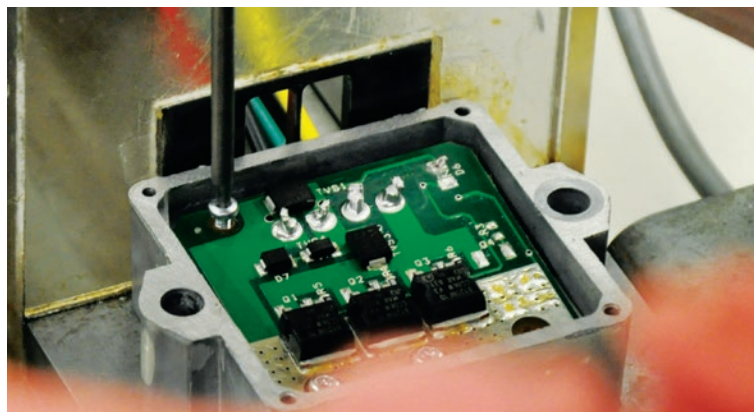
Bialystok, Poland



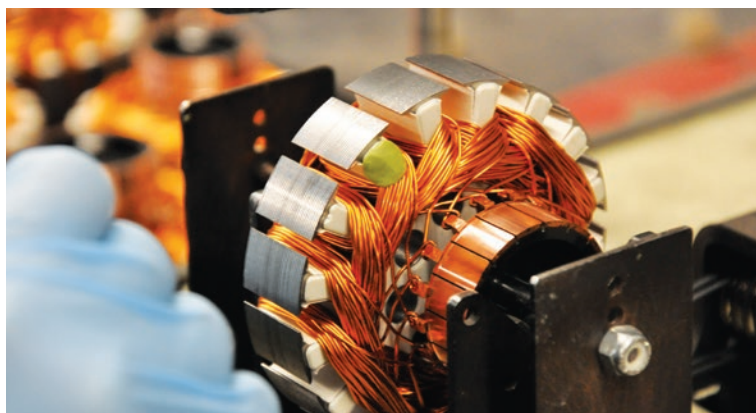
Mishawaka, Indiana



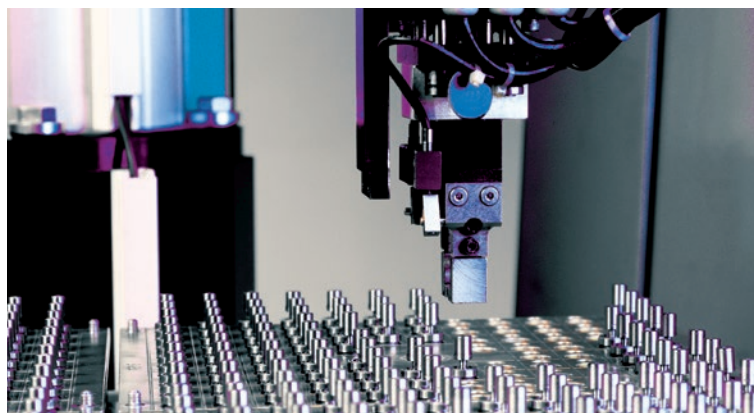
Reynosa, Mexico



Independence, Kansas



St. Thomas, Canada



Greenville, South Carolina



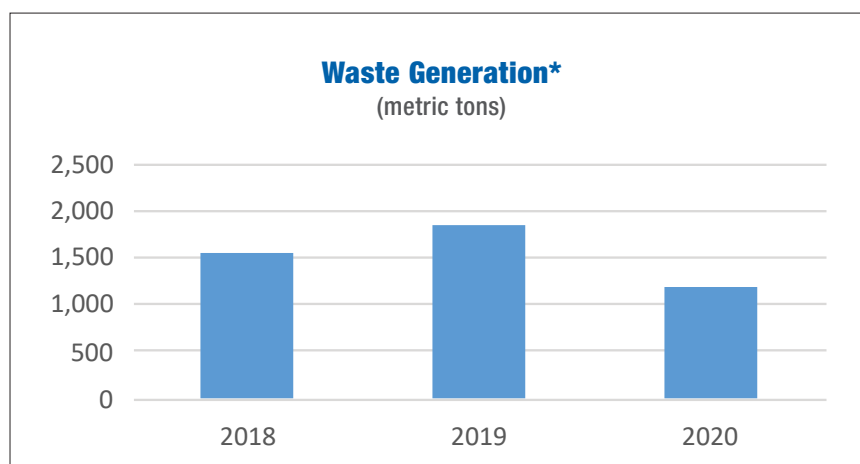
# Waste Management



We operate administrative, manufacturing and distribution facilities throughout the United States, Canada, Mexico, 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.

In our administrative operations, each facility implements practices designed to reduce business waste and increase the recycling of materials used, such as paper, plastic, glass, electronic equipment and ink cartridges—to name a few of the more common items. We also encourage employees to use disposable items less while in the office, and we have distributed employee care packages to aid in this endeavor. Care packages typically include a mug, re-usable water bottle, tote bag and notebook made from recycled products.

In our production and distribution operations, we place significant emphasis on improving efficiencies and asset utilization to minimize waste and improve our cost position. We believe that our commitment to continuous improvement is a key element of our business strategy. Our waste management and recycling programs in our production and distribution environments include increased 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.



\* Total amount of non-hazardous waste, in metric tons, transported to landfills by our principal facilities, except for certain facilities for which data was not available for the period covered. In certain instances, estimates were used to calculate reported quantities.

One program seeks to identify used packaging materials, such as corrugated corner pieces and cartons, which are then reused in our shipping functions instead of being directed to traditional waste streams or sent externally for further recycling.

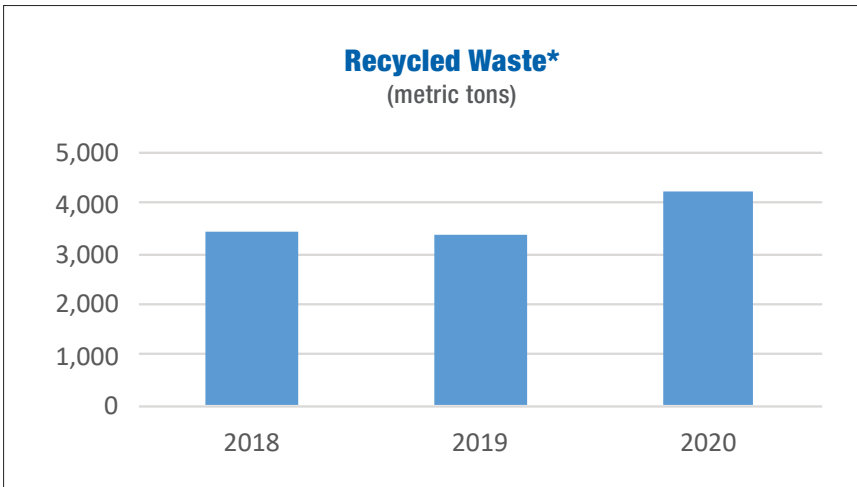


Through optimizations in packaging materials, we have saved approximately 43,000 cubic feet of transported space in 2020, resulting in reductions in transportation costs, fuel consumption and carbon emissions.

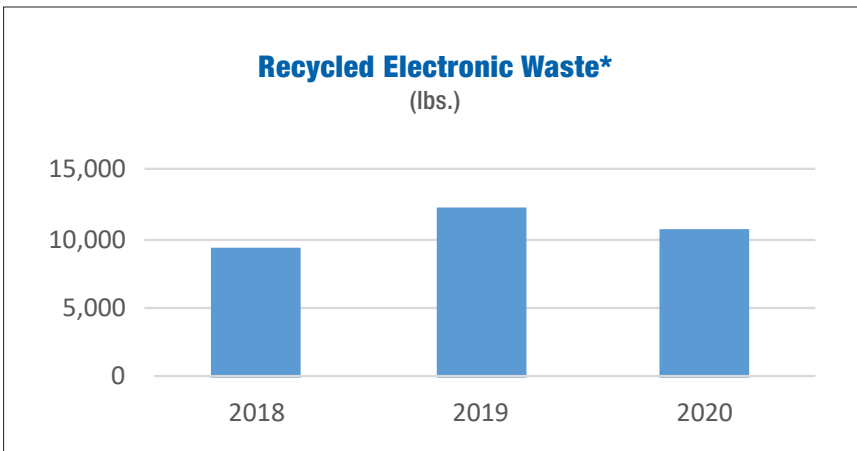
We switched to unbleached packaging on more than 600,000 boxes per year.

We are transitioning the vehicles that we provide to our sales force employees to hybrid electric vehicles to help improve fuel economy, lower fuel costs and reduce emissions.





\* Total amount of waste recycled (including electronic waste), in metric tons, at our principal facilities.



\* Total amount of electronic waste recycled, in pounds, at our principal facilities.



Our production waste management programs also focus on reducing scrap, or excess material resulting from our manufacturing operations. Our manufacturing sites use a combination of lean tools to measure, monitor and improve scrap rates with the ultimate goal of reducing production waste and achieving cost savings.

## Electronic Waste

We recognize the environmental and public health risks caused by the improper disposal of electronic waste. Therefore, we have implemented procedures throughout our operations to collect and recycle our electronic waste, such as obsolete computers, phones, printers, scanners and other electronic devices, through third party recyclers.

We are committed to ensuring our compliance with environmental laws and regulations and the management of waste in ways that protect human health and the environment. In particular, we implement operating procedures designed to ensure the safe management of hazardous waste from the point of generation, through treatment, storage and ultimately the recycling or disposal of the waste.



# Natural Resources

We are committed to managing our use of natural resources, such as energy and water, in an environmentally responsible manner by assessing our usage and identifying and implementing initiatives to reduce our impact.



**UN Sustainable Development Goal No. 7:** To ensure access to affordable, reliable, sustainable and modern energy for all.

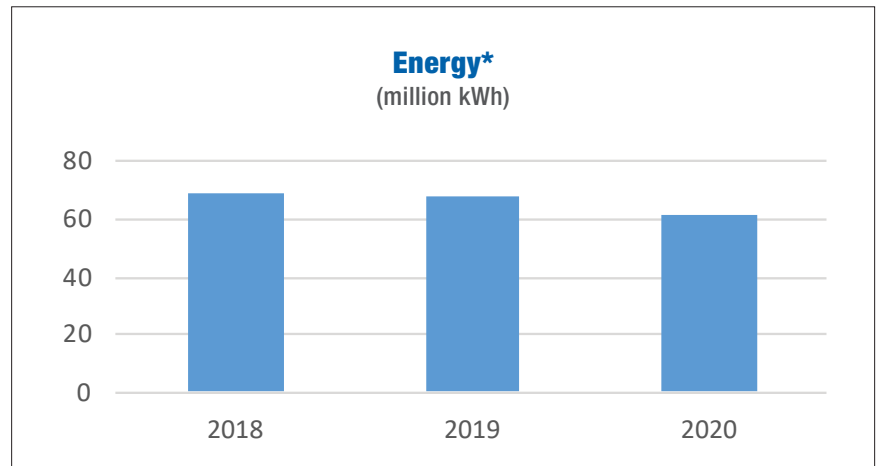
## Energy Consumption

In the last several years, we have invested in a number of initiatives at our facilities to reduce our energy consumption. We have installed LED lighting, automatic controls to operate light fixtures and manage the heating, ventilation and air conditioning of work spaces and power-factor correction devices, and we have implemented additional measures to manage more efficiently the climate of our work spaces. All of these initiatives have helped us to achieve our business goals while reducing both operating costs and our consumption of natural resources.

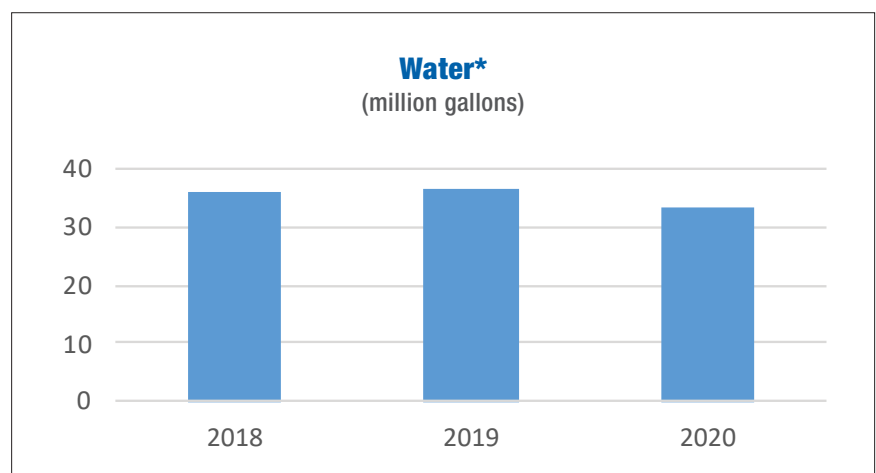
## Water

Access to clean drinking water and sanitation is critically important to all communities, yet many communities around the world face significant challenges accessing this essential resource due to water scarcity, pollution and other causes.

We rely on access to water at our facilities for drinking and sanitation, and for the wellbeing and protection of our employees. For example, water is used in our HVAC systems, fire protection systems, and for several production processes at our principal manufacturing facilities. We source our water from public water systems. Therefore, we recognize the role that we can play in our community and shaping its use of this important resource, and we have implemented practices to reduce our water consumption.



\* Total amount of electrical power derived from the electricity grid, in million kilowatt hours, at our principal facilities.



\* Total amount of water used, in gallons, at our principal facilities, except for certain facilities for which data was not available for the period covered.



**UN Sustainable Development Goal No. 6:** To ensure access to safe water sources and sanitation for all.

# Board Involvement



The Nominating and Corporate Governance Committee (“Governance Committee”) of our Board of Directors sets the tone at the top and provides oversight of sustainability issues. Reporting directly to our Governance Committee, our senior management, led by our Chief Executive Officer, is primarily responsible for identifying, assessing and managing sustainability-related risks within their areas of expertise, and we have formed a steering committee to coordinate these efforts. The steering committee is comprised of our Chief Executive Officer, Senior Vice President General Counsel, Senior Vice President North American Operations and Senior Vice President Human Resources. In this manner, we take a multidisciplinary approach to managing environmental and social risks, which we believe leverages our expertise across various fields to identify, assess and manage these risks effectively under the umbrella of our enterprise-wide risk management processes.

## Corporate Governance Highlights

- Our Board has appointed a Presiding Independent Director, and a majority of the Board and all members of the Audit Committee, Compensation Committee and Governance Committee are independent under the New York Stock Exchange standards and SEC rules.
- Our independent directors meet periodically in executive sessions, without management, chaired by the Presiding Independent Director.
- Our Board conducts an annual self-evaluation designed to enhance the overall effectiveness of the Board and each of its committees. Evaluations cover the structure, culture and performance of the Board and its committees, and the experience, qualifications, attributes and skills of the individual members of the Board.
- Our Corporate Code of Ethics applies to all Company employees, officers and directors to promote honest and ethical conduct, and propagate a culture of compliance from the top down.
- We have a Whistleblower Policy with various reporting channels, including a dedicated website and toll-free helpline operated by an independent third party, which are available to employees, suppliers, customers, shareholders and other interested third parties.
- Our Stock Ownership Guidelines are designed to align the interests of our directors and officers with the interests of our shareholders and includes a post-vest holding period.

We also believe that our Board of Directors should reflect a mix of experience, qualifications, attributes, skills and tenure. In recommending candidates for election to the Board, the Governance Committee considers the specific qualities and skills desired to complement and enhance the existing board composition, taking into account diversity in experience, skills and background, race, gender and ethnicity, among others. In particular, the Governance Committee is committed to actively seeking candidates who are diverse in terms of race, gender or ethnicity when developing the pool of candidates to be considered for selecting nominees to the Board.

**20%**  
**FEMALE**

**67.5**  
**AVERAGE AGE**

**70%**  
**INDEPENDENT**

**13.5**  
**YEAR AVERAGE TENURE**



**UN Sustainable Development Goal No. 8:** To promote inclusive and sustainable economic growth, employment and decent work for all.

## Code of Ethics

Our Board of Directors has adopted a Corporate Code of Ethics to guide our decision-making and reinforce our commitment to the highest level of ethical and legal conduct in all aspects of our business. Our Corporate Code of Ethics applies to all Company employees, officers and directors. You may read more about this important policy on our Investor Relations site at [ir.smpcorp.com](http://ir.smpcorp.com).

We also seek to establish and maintain mutually beneficial, long-term relationships with business partners who demonstrate a commitment to the principles embodied in our Corporate Code of Ethics. We developed a Vendor Code of Conduct to communicate these important principles and our expectations that our business partners adhere to them in all aspects of their business.







**UN Sustainable Development Goal No. 5:** To achieve gender equality and empower all women and girls.



**UN Sustainable Development Goal No. 10:** To reduce inequalities within and among countries.

## Human Rights

We are committed to policies and practices that support internationally recognized human rights standards. These policies apply globally and throughout our supply chain, including our suppliers, vendors and other business partners. We expect every level of our supply chain to share our commitment to responsible and sustainable sourcing. At a minimum, we require that our vendors meet the requirements outlined in our Vendor Code of Ethics and our Human Rights Policy Statement, which are posted on our corporate website at [ir.smpcorp.com](http://ir.smpcorp.com).

As part of SMP's initiative to respect human rights, we strive to protect the rights of minority groups and women and 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. We achieve our human rights goals by developing and implementing due diligence processes to identify potential concerns while encouraging the reporting of potential violations of our Human Rights Policy through appropriate channels.



## 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 in compliance and 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 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. Every member of the SMP team does their part to keep stakeholder's data safe.

# 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 corporate responsibility and sustainability activities internationally, 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.

The SMP team is committed to doing its part to achieve a sustainable future for our environment and our business because future generations are counting on us to protect both people and planet. We are encouraged in our sustainability journey as a team, including not only SMP and its employees but also our customers and suppliers, 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 and efforts as a corporate citizen is available at [www.smpcorp.com](http://www.smpcorp.com).

## **EXECUTIVE OFFICES**

Standard Motor Products, Inc.  
37-18 Northern Boulevard  
Long Island City, NY 11101

## **ENGINE MANAGEMENT DIVISION**

### **Offices:**

- Long Island City, NY

### **Manufacturing and Distribution Centers:**

- Fort Lauderdale, FL
- Greenville, SC
- Mishawaka, IN
- Disputanta, VA
- Edwardsville, KS
- Reynosa, Mexico
- Independence, KS
- Bialystok, Poland

## **TEMPERATURE CONTROL DIVISION**

### **Offices:**

- Lewisville, TX

### **Manufacturing and Distribution Centers:**

- Lewisville, TX
- St. Thomas, Canada
- Reynosa, Mexico

## **CANADA SUBSIDIARY**

SMP Motor Products Ltd.  
Mississauga, Ontario, Canada

## **HONG KONG SUBSIDIARY**

Standard Motor Products (Hong Kong) Limited  
Hong Kong, China

## **MEXICO SUBSIDIARIES**

Standard Motor Products de Mexico,  
S. de R.L. de C.V.  
Reynosa, Mexico

SMP Automotive de Mexico,  
S.A. de C.V.  
Cuernavaca, Mexico

SMP Automotive Services de Mexico,  
S.A. de C.V.  
Reynosa, Mexico

SMP Engine Management de Mexico,  
S. de R.L. de C.V.  
Reynosa, Mexico

SMP Four Seasons de Mexico,  
S. de R.L. de C.V.  
Reynosa, Mexico

## **POLAND SUBSIDIARY**

SMP Poland sp. z o.o.  
Bialystok, Poland



Standard Motor Products, Inc. (NYSE: SMP) is a leading independent manufacturer and distributor of premium replacement parts for the engine management and temperature control systems of motor vehicles in the automotive aftermarket industry with a complementary focus on heavy duty, industrial equipment and original equipment markets. We strive to be the best full-line, full-service supplier of premium engine management and temperature control products. We employ approximately 4,300 people in more than 25 facilities around the world.



