



**DOING OUR  
PART TO MAKE  
A DIFFERENCE  
AROUND THE  
GLOBE**



**Genuine Parts Company**  
2019-2020 Corporate  
Sustainability Report

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## ABOUT THIS REPORT

Genuine Parts Company (GPC) publishes a biennial Corporate Sustainability report. This report is prepared in accordance with the Sustainability Accounting Standards Board's (SASB) Multiline and Specialty Retailers and Distributors sector standard. SASB-related information is found throughout this report and summarized in the SASB Index on page 23.

Unless otherwise indicated, the information presented in this report covers the period of January 1 through December 31, 2019, including data from all business units owned by the Company during the period.

Follow our sustainability initiatives and related news at [www.genpt.com](http://www.genpt.com)

## FORWARD-LOOKING STATEMENTS

All statements in this report that are not historical, including our sustainability plans and goals, the expected execution and effect of our sustainability strategies and initiatives and the amounts and timing of their expected impact, constitute forward-looking statements that are based on current societal, market, competitive and regulatory expectations. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, which could cause actual results to vary materially. These statements speak only as of the date they are made and, except to the extent required by the law, Genuine Parts Company undertakes no obligation to update publicly any forward-looking statement included in this report, whether as a result of new information, future events, changes in assumptions or otherwise. Please see Genuine Parts Company's latest Form 10-K and subsequent SEC filings for a discussion of risk factors as they relate to forward-looking statements.

## TO OUR STAKEHOLDERS:

**At GPC, we embrace our responsibility to innovate in ways that provide for our environment, our employees, and the communities in which we operate. While preparing and publishing this report, we all continue to be tested by an exceptionally challenging year.**

In recent months, the COVID-19 pandemic has taken a toll on our way of life and, in far too many cases, has robbed us of loved ones, friends and acquaintances. At GPC, we have seen the impact of COVID-19 firsthand.

The safety of our employees is a top priority, and we are taking actions to keep them safe, including enhancing cleaning procedures, implementing screening protocols, providing protective equipment, and implementing an emergency employee relief fund to help those employees impacted by COVID-19.

At the same time, we are also faced with the very different, but equally urgent challenges

of ensuring racial equality and fair treatment for all citizens. We denounce racism and bigotry wherever it exists around the globe and support those who peacefully advance the ideals of inclusiveness, non-violence and equal treatment.

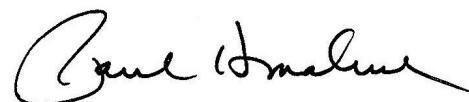
Turning to our broader sustainability initiatives, I am proud of the progress we continue to make. For example, during 2019 and so far in 2020, we have:

- + Reduced the environmental footprint of our operations through efforts to reduce energy use and emissions, while increasing recycling opportunities across the globe.

- + Taken steps to grow, develop and protect our talented workforce as we pursue our growth objectives and expand our product and service offerings.

- + Carried on GPC's legacy of giving back by donating time, talent and treasure to communities and causes that make a difference.

I look forward to continuing our sustainability journey and welcome feedback from all of our stakeholders on how we can continue to make a meaningful difference. To share your ideas on how we can achieve further progress toward our sustainability objectives, please contact us at [sustainability@genpt.com](mailto:sustainability@genpt.com).



**Paul Donahue**  
Chairman and Chief Executive Officer



## OUR BUSINESS

Genuine Parts Company (GPC) is a service organization engaged in the distribution of automotive replacement parts and industrial parts.

For 92 years, GPC's commitment and reputation for excellent service and quality products have made the Company a critical partner in our customers' success.

Headquartered in Atlanta, Georgia, we serve hundreds of thousands of customers from an extensive network of locations around the world.

### GPC BY THE NUMBERS\*

HEADQUARTERS  
ATLANTA,  
GEORGIA, USA

COUNTRIES SERVED  
14

EMPLOYEES  
~50,000

2019 REVENUES  
\$19.4B

## OUR STAKEHOLDERS

Our stakeholders consist of many individuals and groups across our value chain and beyond who are touched by our activities.

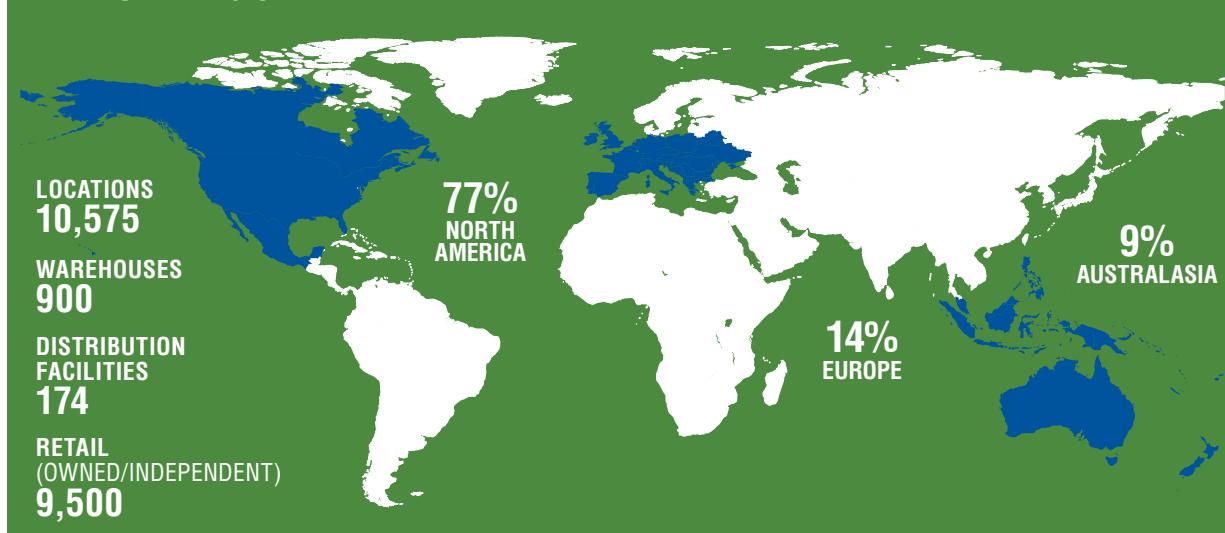
To ensure strong and enduring relationships with all our constituents, we actively engage with internal and external stakeholder groups through a variety of channels to better understand their unique expectations and concerns.

Aligning our business practices with their expectations helps us achieve our mission to be a world-class service organization.

We strive to be:

## GPC GLOBAL FOOTPRINT

REVENUE BY REGION\*



\*As of June 30, 2020.



# 2019-2020 SUSTAINABILITY HIGHLIGHTS



Maintained **BUSINESS ETHICS** and **COMPLIANCE** programs, including ongoing enforcement and employee training.



Gained **EFFICIENCIES IN TRANSPORTATION** and **FUEL MANAGEMENT** through route optimization, anti-idling policies and electronic monitoring.



Donated time, talent and treasure to **PHILANTHROPIC** and **COMMUNITY EFFORTS** such as United Way, American Cancer Society, Starlight Children's Foundation and other community and diversity initiatives around the world.



Established our first **DIVERSITY** and **INCLUSION** committee, designed to broaden GPC's business practices and strategy.



Reduced **GREENHOUSE GAS EMISSIONS** by 5.3 percent while increasing global sales by 3.5 percent.



Reduced the number of **COMMUTING HOURS** experienced by employees by providing flex scheduling and remote work protocols.



Enhanced our **HEALTH** and **WELLNESS** platform to promote and advance the physical, emotional and financial goals of employees.



**REDUCED ENVIRONMENTAL IMPACTS FROM OUR PRODUCTS** by purchasing and using products that are reusable, recycled or recyclable.



Enhanced **WORKPLACE SAFETY** through the establishment and implementation of policies and procedures relating to COVID-19.



Enforced **SUSTAINABLE SUPPLY CHAIN** policies among our vendors and continued to monitor their compliance with our social supply chain expectations.



Recycled **THOUSANDS OF TONS** of waste through our comprehensive waste recycling program.



Supported employees in need of accommodation through **EXTENDED LEAVES OF ABSENCES** and assisted those in hardship with **GRANTS AND OTHER FORMS OF AID**.



## RECOGNIZED FOR SUSTAINABILITY



Motion Industries, a GPC subsidiary, was honored with Honda North America's 2020 Indirect Procurement Award for Sustainability for its commitment to corporate sustainability—social, ethical and environmental.



We are proud to have been recognized by the Metro Atlanta Chamber of Commerce. The E3 Award recognizes companies, organizations and individuals working to conserve metro Atlanta's natural resources, develop clean technologies to enhance our economy and environment, support sustainable projects and initiatives and to collaborate on solutions through university connections, marketing and education.



## OUR GUIDING PRINCIPLES

Responsible and ethical practices enhance the value of our business and our brand. That approach is central to our mission to sustain our workforce, support our community, and preserve and protect the environment. Our commitment to earnest and sound business practices has resulted in significant gains relating to our sustainability efforts, corporate governance structure, business ethics and compliance practices, and data security measures.

### SUSTAINABILITY

At GPC, our approach to sustainability balances the priorities of our business with those of our stakeholders to ensure we protect our people, our communities, and our planet. It is this approach that allows us to be nimble in responding to environmental and social concerns, and to respond to market challenges as they emerge.

### SUSTAINABILITY INITIATIVES

Our sustainability mission outlines the primary objectives of our sustainability efforts:

- + **Sustaining Our Workforce:** keeping our diverse team members safe and secure.
- + **Sustaining Our Community:** supporting and uplifting the communities we serve.
- + **Sustaining Our Environment:** working to positively impact our environment.

GPC's *Roadmap for Sustainability* is a comprehensive look at how we are formalizing and reporting on our sustainability progress as an organization, giving our employees a clear

view of GPC's sustainability approach, progress, and future plans.

GPC's Sustainability Ambassadors and Safety Council perform essential functions designed to advance sustainability throughout the organization. The Sustainability Ambassadors group, consisting of the Chief Human Resources Officer, VP of Compliance and Corporate Secretary, VP of Safety and Sustainability, Director of Risk Management, Director of Community Relations, as well as the Director of Safety, Environmental, and OSHA, serves as a formal, cross-functional ▼



**Derek B. Goshay**  
Vice President of Safety  
and Sustainability



## ROADMAP FOR SUSTAINABILITY

**GPC's Roadmap for Sustainability is a comprehensive look at how we are formalizing and reporting on our sustainability progress as an organization, giving our employees a clear view of GPC's sustainability approach, progress, and future plans.**

**As our sustainability program continues to grow and evolve, we will continue to update the Roadmap to clearly illustrate our future initiatives and focus, which will adapt from year to year to an ever changing and evolving business environment.**



diverse corporate committee. The group is responsible for the organization's sustainability and Environmental Social and Governance (ESG) practices, as well as on-the-ground oversight of the sustainability program.

The Safety Council serves as an internal sustainability advisory group that works alongside representatives from Human Resources, Safety, Operations, and the Sustainability Ambassadors group to approve safety-related policies, sustainability initiatives, and communications. For example,

the Council is currently overseeing a multi-year project focused on enhancing workplace safety.

## STAKEHOLDER ENGAGEMENT

Continued success for our sustainability programs requires being responsive to employees, investors, suppliers, partners, communities and customers. It follows that we systematically incorporate stakeholder feedback into the planning and ongoing management of our programs. We recently conducted a stakeholder prioritization exercise and are currently engaging our external stakeholders,

often with the involvement of our senior leadership, to understand their interests and concerns regarding our sustainability efforts and disclosure. Through use of the Company bimonthly newsletter, *Aspire*, GPC educates and informs its employees on a wide range of sustainable practices.

## LOOKING AHEAD

In the near term, we will continue to focus on further formalizing our sustainability program and ensuring ongoing communication with our stakeholders about sustainability and ESG issues.



**Jennifer Ellis**  
VP of Compliance and  
Corporate Secretary



## CORPORATE GOVERNANCE

**The Board of Directors is committed to sound corporate governance. The Board of Directors exercises oversight of the Company to ensure that it is well-run and focused on delivering sustainable long-term value—value that ultimately benefits our shareholders and other stakeholders.**

We believe that strong and effective corporate governance practices support our strategic, financial, and sustainability goals. The Corporate Governance Guidelines adopted by our Board serve as a guide for various corporate governance matters. These Guidelines and the Charters for our Board committees that describe their work in more detail can be found on the corporate governance section of genpt.com. The Compensation, Nominating, and Governance (CNG) Committee of our

Board of Directors has oversight responsibility for GPC's sustainability program and disclosure. Working closely with relevant members of our leadership team, the CNG Committee discusses ESG topics relevant to GPC business throughout the year.

Investors and shareholders' perspectives inform GPC's decision-making and help to guide our actions in continuing to enhance our sustainability efforts and ESG disclosures.

Their feedback was an important consideration in our decision to incorporate SASB sector standards into this 2019-2020 Corporate Sustainability Report.

### OUR BOARD

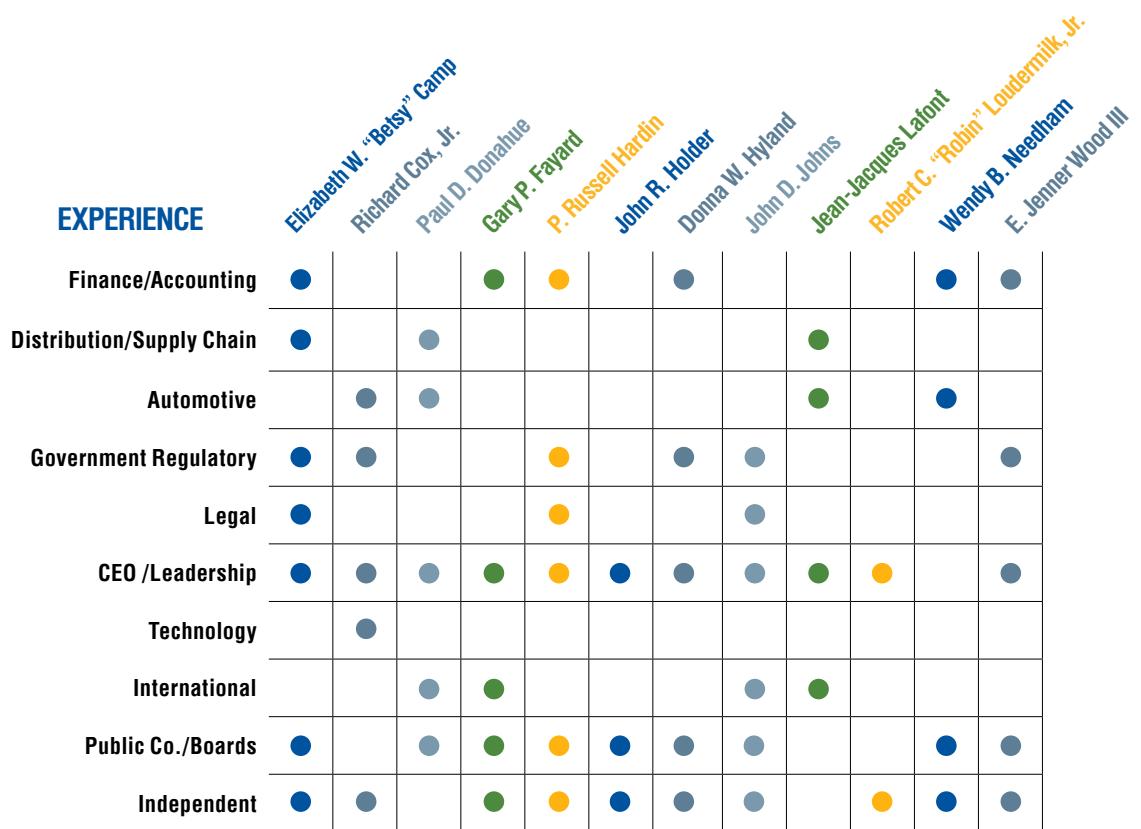
Our board includes a diverse group of leaders with a wealth of experience in their respective fields. The varied backgrounds, skills, and experiences of our Board are a significant asset for the Company, its leadership, and its stakeholders.

# BOARD OF DIRECTORS



To ensure effective and proper governance, the Board, annually:

- + Reviews the Board's leadership structure
- + Reviews the experience, skills and characteristics required of Board members
- + Conducts a self-evaluation to determine whether it and its committees are functioning effectively



**41.7%**  
DIVERSE

5 out of 12  
directors are diverse\*



**83%**  
INDEPENDENT

10 out of our 12  
directors are independent



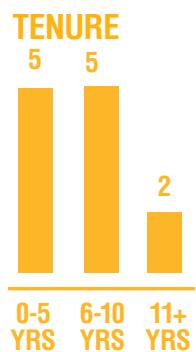
**62**  
AVERAGE AGE

4 directors are in their 50s and  
8 directors are in their 60s



**25%**  
FEMALE

3 out of 12  
directors are women



**42%**  
5 YEARS OR LESS

Average board tenure  
is 6-8 years

# BUSINESS ETHICS AND COMPLIANCE

At GPC, we represent two distinct global business segments, and although we may work in various locations and support a diverse set of industries, we share a common goal – providing great service to our customers.

Our growth is the result of decades of hard work and high levels of integrity. We maintain the trust we have earned with our stakeholders by consistently conducting business with the highest standards of ethical behavior and honesty. [Our Code of Conduct](#) applies to all employees across the world and represents our shared commitment to doing the right thing. We require employees to read and acknowledge the Code of Conduct upon hire and then at least every two years thereafter.

## ETHICS HOTLINE

We promote our open-door policy and want employees to feel comfortable speaking up and sharing their concerns with management. Where employees wish to voice

### INTEGRITY AT WORK

We believe in having a positive impact on people and our world, so we set high standards for ourselves and our business partners. In 2019, we updated the GPC Code of Conduct. The Code provides coverage for all our operations globally.

comments or concerns anonymously, the Company provides an [Ethics Hotline](#) for employees to report their concerns. Every employee worldwide has access to the anonymous reporting hotline and on-line submission for any concerns they may have.



## DATA PRIVACY AND CYBER SECURITY

We are committed to being good stewards and custodians of our stakeholders' data and are dedicated to ensuring appropriate controls are effective and align with current best practices.

Our Data Security Standards and cyber security program provide the framework for responsible collection, storage, transfer, use, and destruction of data. The cyber security program covers all GPC information, systems, data, and media, and applies to all individuals with authorized access to GPC systems, data, or network infrastructure.

We continuously monitor the Company's network and infrastructure and conduct

quarterly tabletop simulations to test the strength of our data security systems, and to practice and continually improve our incident response plan.

The cyber security program is overseen at the executive level by the Cyber Security Committee, which is comprised of the CEO, CFO, CHRO, CIO, CISO, GC and Corporate Secretary. The Audit Committee is responsible for this oversight at the board level.



## SECURITY TRAINING

All GPC employees are required to complete Security Awareness and Phishing training modules annually.



## SUSTAINING OUR WORKFORCE

At GPC, we are a global company with a rich blend of people, products and services coming together to make a difference in the lives of customers all over the world.

More than ever before, we rely on the skills of our talented and diverse workforce as we pursue our growth objectives and expand our product and service offerings. Although we may represent different business segments and work in various locations, we share the goal of providing great service to our customers.

Our people are our most valuable asset and the greatest contributors to our success. As a result, we are committed to:

- + Recruiting, retaining, and developing top talent
- + Offering resources and opportunities to improve overall health and wellbeing
- + Listening to employee feedback
- + Creating an inclusive culture in which our dedicated employees can thrive
- + Providing a safe work environment and ensuring all members of the GPC team are properly trained in all aspects of their work



## TALENT MANAGEMENT

**At GPC, people don't just have jobs; they have careers that span many years and satisfy their need for professional and personal growth. We believe in attracting, developing, and retaining talented employees so as to best serve our customers and communities.**

### RECRUITMENT AND RETENTION

We have designed our recruiting practices to attract both qualified and diverse candidates who will help us continue our legacy of ingenuity, innovation and integrity. In all areas of recruitment and retention, we adhere strongly to the principles of equal employment opportunity and affirmative action.

In 2019, we hired our first Chief Transformation Officer, who oversees our transformation team that includes

new and existing talent, to help us not only adapt, but better position ourselves as the employer of choice for top talent. We also continued to take a data-driven approach to assessing GPC's talent needs in hopes of better understanding those qualifications necessary for employee success.

### DEVELOPING THE NEXT GENERATION

GPC and its businesses offer a variety of opportunities for college students

and recent graduates. At GPC Headquarters, for example, the robust summer internship program spans over 16 departments and lasts from mid-May to early August. The HQ program has also grown significantly since its inception in 2016, having expanded from five interns to more than 40 interns in 2019.

Within the U.S. Automotive Group, we have a dynamic Executive Management Trainee (EMT) program that targets recent college graduates. ▼





**“My internship with GPC was an outstanding launch pad to understanding corporate culture, learning the best practices in my field, and networking with professionals at all levels of the organization. I participated in complex projects, career development and even volunteer opportunities within the community, which allowed me to smoothly transition into my current role as a Talent Management Specialist.”**

**Claire Graff**  
Talent Management  
Specialist

The EMT program is designed to offer high potential leaders the opportunity to gain exposure to all areas of the NAPA business through a comprehensive list of business processes, experiences and training that must be completed over the 18-month program. Each year, we typically launch two classes and graduate 30 EMTs.

The Motion Industries internship program has a foundation centered on relationships forged with the Industrial Distribution degree programs at Texas A&M University, University of Nebraska-Kearney, East Carolina State University and the University of Alabama at Birmingham. Approximately 80 interns are hired each summer, most

of whom work in a branch location and complete a curriculum established with the help of the Power Transmission Distribution Association (PTDA) that exposes each intern to the primary job classifications found at each branch. In addition, interns recruited from Auburn or the University of Alabama fill functional intern roles at the Motion headquarters building, located in Birmingham, Alabama. Most every student that successfully completes the program is tracked for the remainder of their university career and offered a position with Motion upon graduation.

## LEARNING AND DEVELOPMENT

We believe that learning and development is essential for growth. Through

our Learning Management System (LMS), we offer a library of GPC training content. All employees can sharpen their knowledge and skills by completing courses on topics such as leadership, safety, and communication.

We also offer in-person development opportunities to employees. Specifically, our Management Development Seminar (MDS) convenes high-potential global leaders for two weeks of experiential learning and networking. At our MDS in 2019, a group of 40 participants gained invaluable cross-training relating to our businesses, toured distribution facilities, and had multiple opportunities to get to know their counterparts throughout the world.

This group reconvenes six months later at Emory University for Executive MBA classes and additional networking opportunities. In addition, GPC sends high potential executives each year to the Wharton School of Business at the University of Pennsylvania.

These executive development efforts help with succession planning and the transfer of institutional knowledge.

## PERFORMANCE EVALUATIONS

At GPC, we believe that feedback is a crucial ingredient for the development of all employees. All salaried employees receive a formal mid-year and annual performance review.





## LISTEN TO EMPLOYEES

In 2019, we used feedback from our employee engagement survey and implemented new training and development programs, updated our corporate dress code, and instituted flexible work schedules.

# EMPLOYEE ENGAGEMENT

We take pride in our people and our unique corporate culture. We know that healthy, engaged employees do their best work. For this reason, we strive to create a positive work environment that includes a competitive benefits package and includes a wide variety of resources to promote overall wellbeing.

## BENEFITS

At GPC, we understand that we are only as good as the team members who support us. To ensure our team members are motivated and secure, we offer a variety of benefit options to meet the full range of our employees' needs, including, but not limited to:

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

## HEALTH AND WELLBEING

We are committed to helping our employees improve their physical, emotional and financial wellbeing. In 2019, we launched the "What Moves You?"<sup>1</sup> wellbeing program to help our people get started, maintain momentum, and make progress toward their top wellbeing goals. The program includes:

- + An online platform that offers an interactive way to accomplish wellbeing goals;
- + A personal progress chart to monitor completion of GPC-sponsored competitions and earned incentives;
- + A rewards platform where participants can redeem incentive dollars for a variety of e-gift cards; and

- + Opportunities to create personal wellbeing goals and competitions.

## LOOKING AHEAD

We are preparing to conduct an employee survey later this year. We want to understand the engagement of our employees across the globe and their perspective on a variety of topics, including: our COVID-19 response, work environment, safety programs, diversity and inclusion progress, and culture.



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



## DIVERSITY AND INCLUSION

As a global company, GPC employs people from all around the world because we believe our business should reflect the communities and cultures we serve. GPC is currently refining our diversity and inclusion strategy. We strive to:

- + Recruit talent that is representative of the communities we serve
- + Train employees to mitigate unconscious bias and model inclusive behaviors
- + Strengthen external partnerships that support diversity and inclusion initiatives
- + Ensure pay equity
- + Embed diversity and inclusion into the strategic work of the organization
- + Measure progress toward diversity and inclusion goals

GPC currently maintains policies designed to make employees feel safe, valued, and connected. We have also provided sensitivity training to further promote an environment in which individual differences are valued and contribute to GPC's success, and plan to continue offering these training opportunities.

In 2019, we conducted a workforce analysis and began conducting an audit of our U.S. compensation practices. Results of these assessments help us better understand our progress on various diversity, inclusion, and equity

goals. In addition, we increased our support for the United Way's African American Partnership (AAP) and Young Professional Leaders (YPL) programs. These programs engage the next generation of leaders by cultivating and growing the spirit of philanthropy, community advocacy, volunteerism and leadership in underrepresented communities.

This year, GPC established a Diversity and Inclusion Committee. The group, comprised of representatives from throughout the organization, is leading the effort to advance a more diverse ▼



### PEOPLE OF COLOR REPRESENTATION AT GENUINE PARTS COMPANY

**20.6%**  
of U.S. Managers

**33.5%**  
of U.S. Non-managers\*



\*From 2018 EEO-1 Report

and inclusive workplace within our organization. GPC will continue to champion new initiatives related to:

- + **Diversity – We believe in affirming similarities and finding value in differences. We will seek to proactively engage, understand and draw on a variety of perspectives**
- + **Equality – We believe in creating an environment built on respect, dignity and fairness**
- + **Inclusion – We believe in an environment where there is a sense of belonging and all voices are welcome and valued**
- + **Racial Equity – We believe in creating an environment where society can reach its full potential because racial equity is achieved**

## OUR COMMITMENT TO DIVERSITY

Genuine Parts Company is and has always been committed to diversity and inclusion throughout all levels of the organization. To advance this commitment, the Company relies on its equal employment opportunity policies, its affirmative action initiatives, the



Diversity & Inclusion Committee and its long-standing objective to promote and advance qualified individuals of all races and genders.

With respect to its Board of Directors, Genuine Parts Company demonstrates diversity as to gender and people of color. Specifically, women represent 25% of the Board while minorities represent just under 10% of the Board. These levels reflect an increased presence on the part of both women and individuals of color. It is the Company's objective to continue to achieve added diversity on the Board as opportunities become available.

In the U.S., women represent 19.6% of our managers. Most notably, the Company's Chief Financial Officer and Executive Vice President has successfully served in her role since 2013. Further, people of color represent 20.6% of all managers within the U.S. workforce. Here again, through utilization of the Company's strong commit-

ment for internal advancement and promotion, as well as the external hiring of qualified applicants, it is the Company's goal to continue to increase these levels in future years.

As for all positions within the organization, Genuine Parts Company is committed to the investment of both economic and human resources to advance diversity. This begins with the external recruitment, hiring and retention of qualified females and minorities. Once individuals become part of the organization, the Company engages in succession planning in an effort to provide structure to its internal advancement and promotion practices.

## LOOKING AHEAD

We will continue working toward formalizing our diversity and inclusion strategy, ensuring that diversity and inclusion is embedded into our employee hiring, training, development, and engagement efforts.



## FEMALE REPRESENTATION AT GENUINE PARTS COMPANY

**19.6%**  
of U.S. Managers

**23.1%**  
of U.S. Non-managers\*

\*From 2018 EEO-1 Report



## EMPLOYEE SAFETY

**At GPC, our people are our most important asset. Every Company environment should be one where our team members feel safe, secure, and comfortable. We ensure our people have the necessary knowledge and resources to maintain safe work environments through:**

- + Workplace safety training
- + Frequent messaging on safety topics
- + Employee safety quizzes and prizes
- + Safety audits of workplace safety performance and conditions

### LIVESAFE

Our LiveSafe program, in which we encourage every GPC employee to participate and take personal responsibility for their safety, underscores our commit-

ment to the safety of our team. We believe that proper vigilance by all GPC employees through the LiveSafe program can substantially impact workplace safety.

The program includes our safety toolbox, a comprehensive inventory of safety guidelines, policies and requirements that specify safety responsibilities of all employees at a particular site, safety training requirements, safety committee activities, safety inspections, accident reporting and investigation, safe driving, strain reduction, and slip and fall prevention. Additionally, we issue a monthly safety message that takes a tactical approach to some of the

key safety concerns our employees face on a daily basis.

### MAKE IT SAFE, MAKE IT HOME

In GPC's Asia-Pacific region, the "Make it Safe, Make it Home" program has successfully improved safety performance by inspiring behavioral change. This unique approach, designed around an employee engagement model, emphasizes the importance of prevention rather than reaction, and ensures that employees know safety is everyone's responsibility. Since the program's launch, there has been a significant reduction in workplace injuries and workers' compensation claims. ▼

### INVESTING IN SAFETY

In 2019, GPC invested considerable resources to enhance the safety of the work environment. This multi-year project included: replacing mezzanine gates, installing dock lock systems, implementing a high-visibility wearables requirement, a safety shoe program, installing DriveCam in delivery vehicles, and implementing a forklift technology platform.

An employee survey also revealed that 92.9% of respondents are comfortable reporting a safety issue and 88.7% believe the Company provides a safe working environment.

## SUPPLY CHAIN RESPONSIBILITY AND HUMAN RIGHTS

GPC plays a key role in the supply chain from a procurement and distribution perspective. As part of our Code of Conduct, we are keenly focused on strengthening our commitment to responsible and sustainable sourcing through identifying and selecting partners who share similar values as GPC. We are similarly committed to ensuring we deliver safe and high-quality products for our customers.

## VENDOR POLICIES

GPC expects our vendors 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 Conduct and Social Responsibility Standards and Policy.

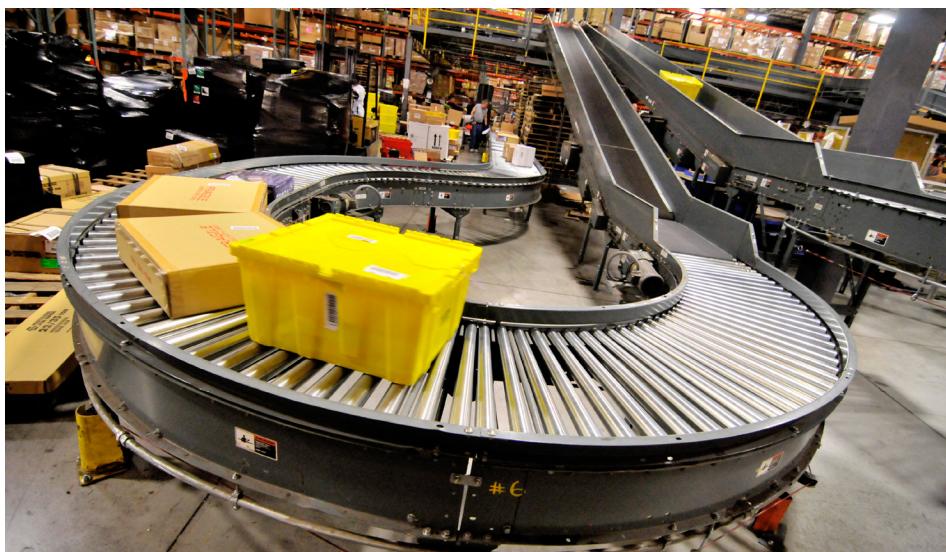
These policies, which are part of our international supplier agreement, provide a clear statement of GPC's expectations and requirements as well as an explanation of how vendors will be monitored and audited, including the consequences of non-compliance. At a minimum, GPC requires that vendors meet social standards relating to:

- + Child labor
- + Forced labor
- + Human Trafficking
- + Health and safety
- + Anti-Discrimination
- + Disciplinary practice
- + Working hours/wages and compensation
- + Work & break environments

We regularly measure and enforce vendor compliance under our policies. Together with third-party auditors, GPC utilizes the SA8000 supply chain audit standard, which focuses on improving working conditions, ensuring fair compensation, and enhancing worker safety. We have conducted hundreds of vendor audits since adopting the standard in 2015. Vendors that do not meet the social compliance standards must take corrective action in a timely manner or risk termination of the business relationship. We continue to audit potential and active GPC vendors to ensure compliance.

## LOOKING AHEAD

To demonstrate our commitment to protecting human rights, GPC has developed and will institute a Human Rights Policy that will outline responsibilities and expectations for each of our partners and suppliers throughout our global supply chain.



**84**  
SOCIAL  
COMPLIANCE  
AUDITS  
CONDUCTED  
IN 2019

**398**  
SOCIAL  
COMPLIANCE  
AUDITS  
COMPLETED  
SINCE 2015

# SUSTAINING OUR ENVIRONMENT

With our global expansion comes tremendous responsibility — and opportunity. Given our expanding operational footprint, we continue to seek new ways to conduct business in a manner that protects the quality of the environment, conserves natural resources, and complies with laws and regulations that protect our planet.

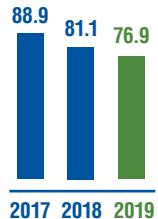
We believe that we have a duty to protect and preserve our planet and, as such, we are committed to the following:

- + Enhancing the fuel efficiency in our transportation fleet
- + Reducing our greenhouse gas (GHG) emissions
- + Conserving water and energy resources
- + Handling hazardous materials and waste safely
- + Reducing waste, increasing recycling and sourcing recycled materials
- + Sourcing responsibly with vendors that are equally committed to environmental protections

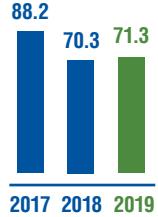


## U.S. FLEET FUEL CONSUMPTION AND CARBON EMISSIONS REDUCTIONS

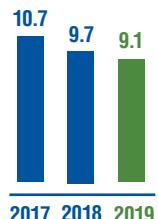
**Greenhouse Gas Emissions**  
(Thousand Metric Tons)



**Carbon Emissions**  
(Thousand Metric Tons)



**Fuel Consumption**  
(Million Gallons)



**Number of Vehicles**  
(Thousands)



## FLEET MANAGEMENT AND TRANSPORTATION

GPC has changed our fleet profile with the goal to enhance fuel efficiency and reduce GHG emissions. While our revenue has increased steadily over the past three years, our fleet-related impacts have been decreasing. When our vehicles are on the road, we employ numerous strategies to deliver our products more efficiently and lessen any environmental impact:

- + Route Optimization: Utilizing route optimization software has positioned our fleet with multiple cross-docks across different regions to better optimize our network.
- + Anti-Idling: Each truck in our fleet is equipped with technology to automatically shut down the engine after five minutes of idling, helping to save on fuel consumption and cost.
- + Auxiliary Power Units: We utilize auxiliary power units across our fleet to provide creature comforts — notably heating and air conditioning — without the need to run a truck's engine, significantly cutting down on idling.
- + Electronic Monitoring: We electronically monitor driver hours, length of drive and idling time through in-cab mounted electronic devices. ▾



In 2019, we continued to enhance fleet management programs to reduce miles driven without impacting customer service. The adoption of Lytx, a delivery vehicle event recording system, drives accountability by providing oversight of driver behavior. We also launched a delivery tracking system to enable better route optimization and began a pilot program for electric vehicles.

### INTERMODAL RAIL

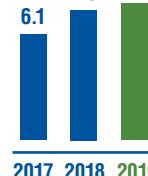
Taking trucks off the road while maintaining shipping efficiency is yet another way we are working to move product sustainably. While we use trucks to move containers and trailers across short distances at the beginning and end of the transportation journey, we utilize rail for the longer hauls. This approach, known as intermodal transportation, reduces fuel consumption and carbon emissions by 71.4 percent on average per month, compared to shipping the same goods entirely by truck.

### ENERGY CONSUMPTION AND EMISSIONS SAVINGS

**Electricity Consumption (Million kWh)**



**Gas Consumption (Million kWh)**



**Carbon Emissions (Million Pounds)**

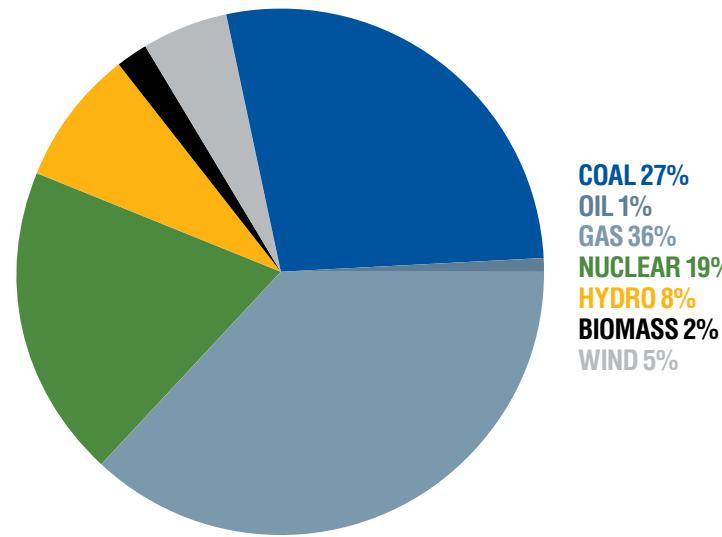


## ENERGY AND EMISSIONS

Because Company facilities account for the vast majority of GPC's annual energy use around the world, we aggressively seek solutions to improve energy efficiency in every building we operate, with a particular focus on our larger buildings, such as distribution centers and corporate campuses.

To manage our energy consumption, we utilize HVAC and lighting automation systems. In addition, GPC has installed lighting retrofits across hundreds of retail locations and distribution centers. Together, these initiatives have offset 60 million pounds of carbon. We also continue to explore renewable energy opportunities. Since 2012, solar installations at our facilities in North America have produced nearly 1.5 million kilowatt hours of clean energy. ▼

### GPC U.S. GENERATION SUMMARY





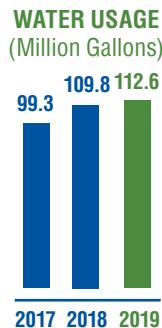
In 2019, PartsPoint, a division of GPC in the Netherlands, began using energy from wind turbines to generate sustainable energy to power its new distribution center. This facility received an “Excellent” certification from [BREEAM](#), one of the world’s leading sustainability assessment organizations, which measures the environmental sustainability of building, infrastructure and masterplan projects. Our new state of the art Nashville, TN and Charlotte, NC automotive distribution centers save energy and time, and serve our customers much more efficiently than our older DCs could. These investments in the future benefit our customers, our employees, and our shareholders.

## WATER AND EFFLUENTS

At GPC, we recognize that water represents a significant component of our environment and we are taking steps to do our part to conserve this precious resource. Water is addressed specifically through UN Sustainable Development Goal 6: ensure availability and sustainable management of water and sanitation for all. As water consumption increases at a historic pace, freshwater

availability is declining with one in nine people today lacking access to safe water.

To conserve water in our operations around the world, many of our facilities have been updated with low-flow devices and motion-sensing fixtures to automatically shut off faucets in kitchens and restrooms. Water leakage from pipes is also a concern, and GPC is conducting regular inspections of water lines to detect and repair leaks. Outside our buildings, we are limiting the use of irrigation sprinklers and adjusting sprinkler times and durations according to season, rainfall, and soil types.



Motion Industries continues to advance sustainability within its organization by expanding the corporate recycling program.

**1,072**  
total tons recycled

**4.78**  
million kWh of electricity saved

**131,221**  
gallons of oil saved

**12,874**  
mature trees saved

**7.51**  
million of gallons of water saved

Reduced greenhouse gas emissions by

**3,412**  
metric tons

Reduced net energy consumption by

**16,309**  
MBTU

## WASTE

We focus on minimizing the amount of waste from our facilities that is transported to landfills. Our recycling efforts are the primary means by which we avoid directing material into the waste stream. In 2019, we recycled nearly 6,400 tons of waste.

While recycling remains our largest diversion of waste, we are taking additional steps to avoid sending materials to the landfills, including donating damaged retail products, recycling product cores, minimizing paper waste and encouraging employees to use permanent ware (mugs, utensils, dishes, towels) rather than disposables.

YEAR	TRASH (TONS)	RECYCLED MATERIAL (TONS)	DIVERSION RATE
2017	26,825	5,953	18.2%
2018	27,476	6,445	19.0%
2019	28,021	6,397	18.6%

In partnership with Australian Packaging Covenant, GPC Asia Pacific has created a multi-year plan outlining waste reduction and recycling initiatives. Examples include:

- + **Battery recycling:** 24,646 batteries were recycled in 2019, representing a 123% increase from the previous year.
- + **Packaging:** A significant majority of the 2,981 product SKUs introduced in 2019 are packaged in cardboard and exhibit the appropriate recycling symbols.
- + **Landfill diversion:** 379 stores, 12 distribution centers, and the corporate headquarters have dedicated recycling arrangements. 52 percent of the total waste collected was diverted from landfill.



## PRODUCTS AND SERVICES

GPC's automotive and industrial businesses offer customers a wide array of recycled or remanufactured products and components. Each remanufactured or recycled part or product we sell reduces the environmental impact associated with mining or sourcing virgin material, including related energy and transportation costs, reduces landfill waste, and results in cost savings for customers.

We also have policies and processes in place to assess and manage the risks associated with chemicals in products, and continually evaluate suppliers to upgrade and replace goods in our product lines with newer, cleaner, greener versions — many of which are reusable, recycled or recyclable.

### ENERGY SERVICES TEAM

In our Industrial segment, the energy services team is responsible for conducting energy efficiency assessments at customer facilities. Since the creation of the team in 2015, the greatest improvement in energy efficiency came through deploying better energy and conservation solutions to reduce operating costs.

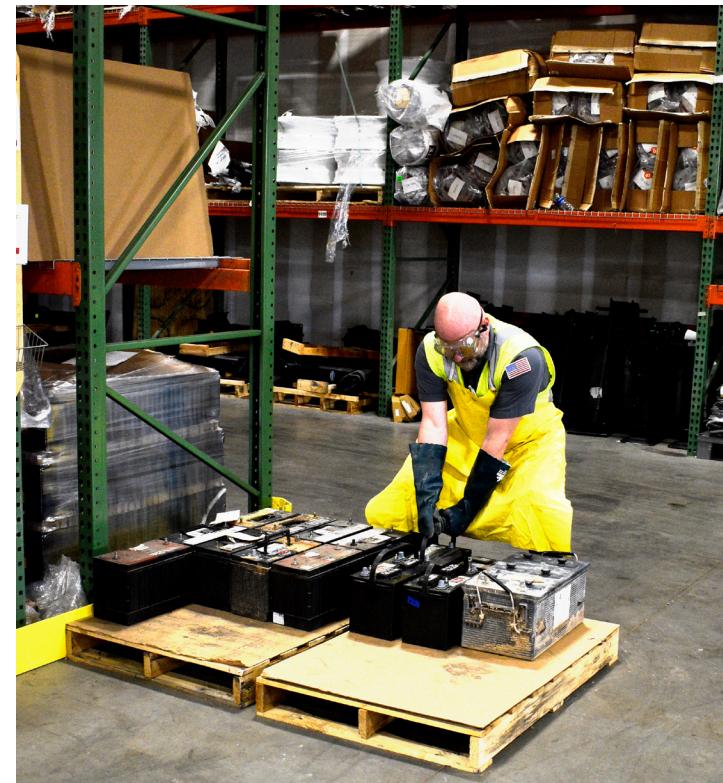
Though their work began with planned air systems, a full range of energy-efficiency consultation, including turnkey solutions in compressed air, steam, lighting, water, HVAC/refrigeration, power quality and mechanical performance have been implemented.

During the 2018-2019 timeframe, the team performed 95 assessments at customer facilities. Cumulatively, these assessments accounted for over:

- + 265 GWh in savings
- + 230 million pounds of carbon emission reductions
- + \$18 million in realized operational savings

GPC Asia Pacific encourages an environmental ethos within their suppliers, including with respect to packaging. Suppliers have received guidance on how to align with GPC Asia Pacific's expectations regarding reducing the amount of packaging and increasing the amount of recycled and recyclable content in packaging.

In addition, all GPC private label-branded packaging features recycling symbols and guidance for appropriate disposal.





## SUSTAINING OUR COMMUNITY

**At the heart of GPC's culture is the strong sense to look beyond our responsibilities as a business. By living our values and giving back through fundraising, raising awareness, and volunteerism, we are doing our part to make a genuine difference around the globe.**

We maximize our impact in communities by supporting and forming partnerships with numerous non-profit and community-based organizations. Our efforts are organized around five areas of priority:

HOMELESSNESS AND BASIC NEEDS	YOUTH OUTREACH	HEART DISEASE AND CANCER	VETERANS AND MILITARY	DISASTER RELIEF
Habitat for Humanity Salvation Army United Way	Boys and Girls Club Junior Achievement Save the Children Starlight Children's Foundation	American Cancer Society American Heart Association Make-A-Wish Foundation	Intrepid Fallen Heroes Fund	Australian Red Cross American Red Cross

GPC's legacy of charitable giving also takes the focus of thousands of GPC employees donating time, talent and treasure each year. Among the most meaningful programs we supported in 2019 through philanthropic gifts and volunteerism include:

**+ Bush fire relief:** In response to the unprecedented wildfires, GPC Asia Pacific organized support for various disaster relief and recovery funds. Through a fundraising effort targeted at team members, vendors and customers, GPC Asia Pacific was able to donate towards supporting the thousands of people displaced by these tragic fires.

**+ Cancer research:** The Real Men Wear Pink breast cancer campaign raised money and awareness for the American Cancer Society. The initiative, held in October 2019, was full of pink, cancer trivia, live music, survivor stories, a truck drag competition, and critical awareness raising.

**+ Basic needs:** United Way has been a valued GPC partner for more than 60 years. During the 2019 Giving Campaign, GPC team members' fundraising efforts and payroll deductions were donated to advance opportunities in education, income, and health.

**+ Addressing heart disease:** As part of their strong partnership with the American Heart Association, team members from Motion Industries participate in annual walks in various cities and engage in fundraising activities, raising awareness of the risk factors of heart disease.

In 2019, our teams at GPC Asia Pacific and Motion Industries launched programs designed to organize their philanthropic efforts. The GPC Asia Pacific Foundation focuses on five action areas most important to their organization: disaster relief, volunteering, external charity support, a team member hardship fund, and an internal charity geared toward supporting education resources in disadvantaged communities.

Through the MI Cares program, Motion Industries employees are connected to volunteering and fundraising initiatives that bring resources and attention to the causes that need it most. In 2019, Motion Industries employees participated in community clean-ups and Habitat for Humanity events, among others.

## LOOKING AHEAD

In 2019, we launched YourCause, an internal philanthropy platform that connects our employees to the causes that they care about most. In addition to helping our employees schedule events, the platform collects, tracks, and organizes comprehensive data on their donations of time, talent, and treasure.



## COVID-19 RELIEF

At GPC, our top priority during these uncertain and trying times is the health and safety of our employees, customers and communities. We are proud to support communities suffering from the effects of the pandemic as well as healthcare workers and first responders on the front lines. We have donated cleaning supplies, food, care packages, automotive services and financial support to organizations in need. We have also donated PPE, including 48,000 masks donated as part of the Million Mask Challenge, and partnered with organizations to maximize the impact of our relief efforts.

# Genuine Parts Company 2019-2020 SASB Index

Multiline and Speciality Retailers & Distributors Sustainability Accounting Standard 2018\*

SASB CODE	ACCOUNTING METRIC	ANSWER, CROSS-REFERENCE, OMISSIONS, AND EXPLANATIONS					
<b>Energy Management in Retail &amp; Distribution</b>							
CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Planet, p. 19 GPC uses renewable energy from the company's own wind and solar installations, but overall renewable energy use does not represent a material percentage of total energy consumption at this time.					
<b>Data Security</b>							
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Our Guiding Principles, p. 10 2020 Proxy Statement, p. 14					
CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	GPC did not experience a reportable data breach during the reporting period. Our cyber incident response plan provides the framework for incident identification, assessment, management and impact mitigation.					
<b>Labor Practices</b>							
CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	GPC is not disclosing average hourly wage because we consider it sensitive competitive data. 100% of our in-store employees earn at least minimum wage (Federal/State/Municipal) in every U.S. region.					
CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	<table border="1"> <tr> <td><b>2020 TURNOVER RATES<sup>1</sup></b></td> </tr> <tr> <td><b>Total Turnover Rate</b> <span style="float: right;">46.3%</span></td> </tr> <tr> <td>Voluntary Turnover <span style="float: right;">36.9%</span></td> </tr> <tr> <td>Involuntary Turnover <span style="float: right;">6.9%</span></td> </tr> <tr> <td>Turnover Due to Job Elimination <span style="float: right;">2.6%</span></td> </tr> </table>	<b>2020 TURNOVER RATES<sup>1</sup></b>	<b>Total Turnover Rate</b> <span style="float: right;">46.3%</span>	Voluntary Turnover <span style="float: right;">36.9%</span>	Involuntary Turnover <span style="float: right;">6.9%</span>	Turnover Due to Job Elimination <span style="float: right;">2.6%</span>
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Turnover Due to Job Elimination <span style="float: right;">2.6%</span>							
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Monetary losses as a result of legal proceedings associated with labor law violations during the reporting period were an immaterial amount.					
<b>Workforce Diversity &amp; Inclusion</b>							
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees <sup>2</sup>	People, p. 14-15					
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Monetary losses as a result of legal proceedings associated with employment discrimination during the reporting period were an immaterial amount.					
<b>Product Sourcing, Packaging &amp; Marketing</b>							
CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	To be reported in next Sustainability Report.					
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Planet, p. 21					
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Planet, p. 20					
SASB CODE	ACTIVITY METRIC	ANSWER, CROSS-REFERENCE, OMISSIONS, AND EXPLANATION					
CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	retail locations: ~1,375 distribution centers: ~81					
CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	retail locations: ~131,220,099 ft <sup>2</sup> distribution centers: ~7,847,084 ft <sup>2</sup>					

\*GPC's 2019-2020 Corporate Sustainability Report applies the 2018 version of the Multiline and Speciality Retailers & Distributors Sustainability Accounting Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

<sup>1</sup>Data is accurate as of June 1, 2020 and covers the retail employees of our U.S. Automotive Parts Group.





**Genuine Parts Company**  
2019-2020 Corporate  
Sustainability Report