

THE COMPOSITION OF A **RESPONSIBLE ORGANIZATION**

SUSTAINABILITY REPORT 2023

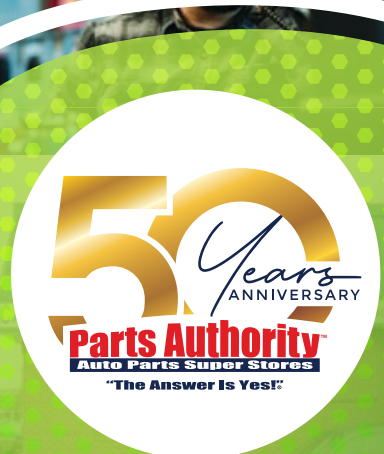
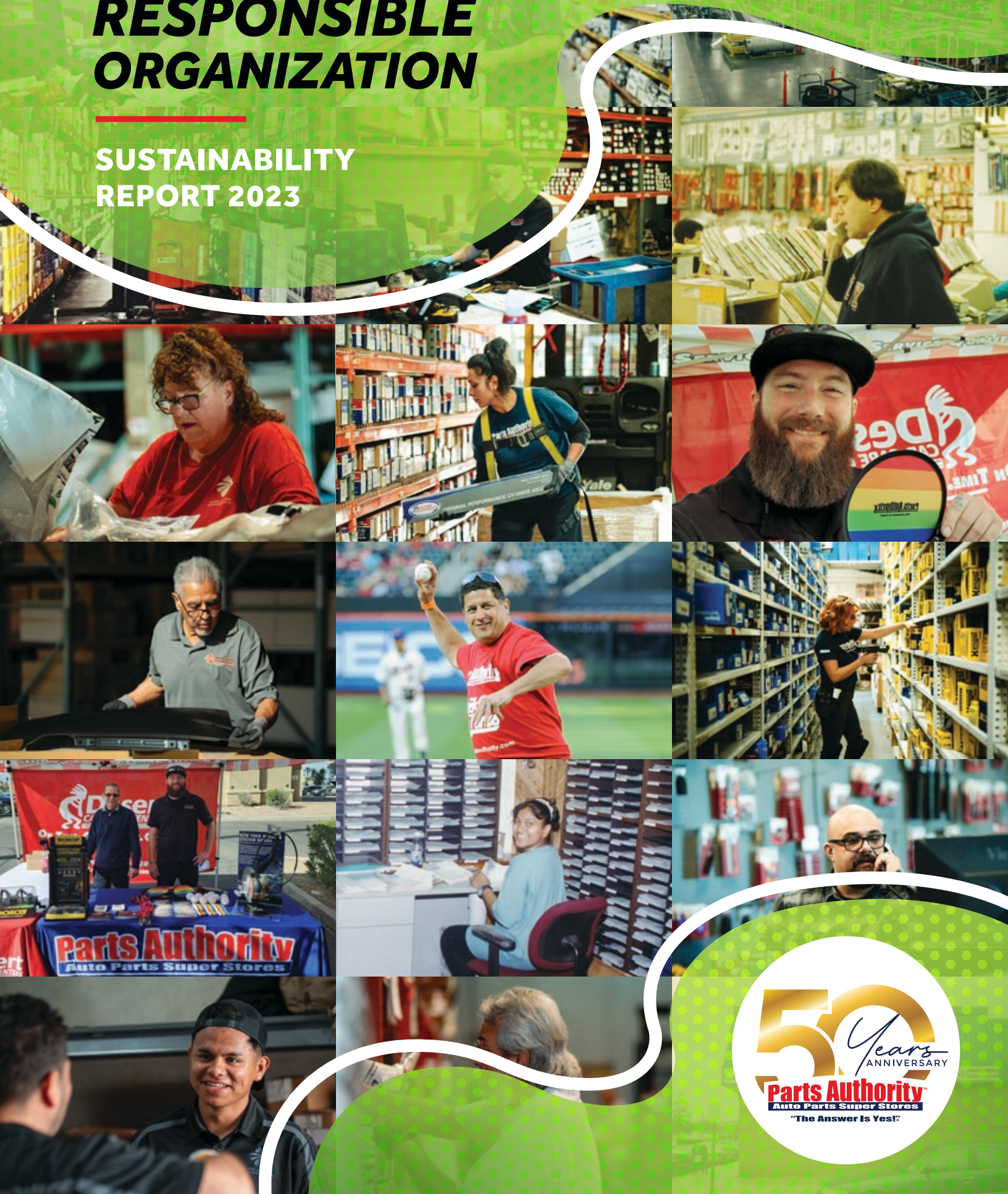


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CEO's Welcome Letter

I am pleased to share this 2023 Sustainability Report, which offers a look at Parts Authority's concerted efforts to achieve business objectives while enhancing lives and preserving the planet we share.

The news, data, updates and feature stories in this report give voice to our team's progress in integrating environmental, social and governance (ESG) concepts into how we conduct business and interact with customers, suppliers, business partners and each other.

Last year's inaugural sustainability report described how Parts Authority serves as *the heart of a sustainable community* by supplying parts that enhance the efficiency and longevity of millions of vehicles. This 2023 report delves more deeply into our expanded sustainability initiatives, metrics and reporting, and our newly formalized policies and procedures. In essence, this report reveals the composition of a responsible organization and how it drives innovation, teamwork and sustainability excellence.

We're publishing this report as we celebrate Parts Authority's 50th anniversary. It's a proud milestone for all team members who have contributed to the company's business growth, cultural richness and passion for excellence over the years. At the core of our company's success has been an intense focus on exceeding customers' expectations, expanding team members' opportunities, and driving positive change in the industry. We believe that our sustainability efforts contribute to all three of these factors, and will continue to propel Parts Authority's success in the years to come.

Throughout this report you will find examples of Parts Authority's success in weaving sustainability themes into our business:

OUR PLANET

Learn how we are saving energy, recycling and reusing materials, adopting planet-friendly packaging and advocating for "right to repair" legislation.

OUR PEOPLE

Learn how our labor, health, safety and other policies help us build a strong diverse team, and meet several of our women leaders.

OUR SUPPLY CHAIN

See how we are engaging suppliers to enhance sustainable practices, and partnering with suppliers to conserve resources.

OUR COMMUNITY

Find out about our many sponsorships, volunteerism and leadership.

We hope that the following stories and themes resonate with you and bring our sustainability commitment to life.



Randy Buller
President and CEO of Parts Authority

PARTS AUTHORITY AT A GLANCE

- A leading national distributor of automotive replacement parts, tools and equipment
- Serving over 70,000 auto repair shops, dealerships, fleets and national account locations
- 800,000 stock keeping units (SKUs) offered and over 550,000 SKUs stocked at any given time
- 700+ suppliers globally, with emphasis on leading brands and highest quality
- Founded in 1973 to provide a range of in-demand parts to auto shops
- Company has grown organically and through ongoing acquisitions
- Over 250 locations in the U.S. and steadily expanding
- More than 6,000 dedicated team members across the country
- Precision service delivered by a professionally trained, experienced counter team



50th ANNIVERSARY OF PARTS AUTHORITY

DRIVEN BY VISION AND INNOVATION

This year, Parts Authority is celebrating 50 years as a company that has grown, innovated and shaped the automotive aftermarket industry in numerous ways. The company currently has more than 250 locations and more than 6,000 team members across the U.S. These facilities and committed individuals serve the needs of 70,000+ commercial customers from an inventory of millions of auto parts.

Founded in 1973, the company launched with a single location in New York – now called Store #1– where it competed with a plethora of other “jobbers” (another name for an auto parts store). In the early 70s far fewer part numbers were needed to satisfy customers. There seemed to be an auto parts store on every corner, and jobbers often competed by offering deep discounts. Parts Authority took a different route, winning business by providing a superior value and an excellent customer experience.

Early on, the company recognized that repair shops were operating inefficiently and unable to maximize their resources. Cars were sitting on lifts and mechanics could not work on them because they were waiting for parts. In that era, the industry was delivering parts on scheduled routes, which profited auto parts suppliers at the expense of the repair shops.

Based on this market insight, Parts Authority developed and pioneered “hot shot delivery,” which aimed to get parts delivered to a shop within 30 minutes. By using this service, shops were able to repair more cars every day and, most importantly, keep their customers happy. Today, “hot shot delivery” is a staple in every auto parts distributor nationwide.

TWO-STEPPER

Building upon this innovation, Parts Authority undertook another initiative, one that would redefine and expand the role of jobber in the aftermarket value chain. In that era, auto parts manufacturers sold their products exclusively to large wholesalers, who would stock parts in warehouses and sell them to jobbers. For the fast-paced Parts Authority, however, this wholesale layer bogged down the flow of parts and added costs. The company challenged the system by buying direct from manufacturers, which offered a distinct advantage in the marketplace. As a so-called “two stepper” Parts Authority was able to get newly released part numbers and to benefit from the manufacturers’ marketing support, including signage, technical training and programs that contributed to the success of both the company and its customer base.

Parts Authority’s building was large enough to carry a deep inventory and was able to fulfill almost every order. They also sourced parts that they did not have in stock, sometimes buying them from dealerships. The focus was on servicing the customer by taking responsibility for sourcing parts, so the shop owner could concentrate on running their businesses.



50th ANNIVERSARY OF PARTS AUTHORITY

GEARED FOR GROWTH

In the 1970s the most popular foreign car brands were Volkswagen, Datsun, Fiat, Peugeot and Mercedes. Parts for these vehicles were only available from dealerships. Seeing a market opportunity, Parts Authority sourced parts from importers and opened a separate company in a different location solely to supply foreign parts. This was another boon for Parts Authority’s customers, who made the company their first call for parts, coming from across the New York metro area.

In the following years, recognizing underserved areas in the marketplace, Parts Authority established new locations throughout New York. Then, in 1996, the company took a transformative step by joining the Pronto Network, a buying group which helps its members grow their businesses by providing marketing programs and support to build customer loyalty. Through their association with Pronto they were able to offer credit cards, tech support, free custom-built websites for customers, and rewards and travel programs.

Parts Authority’s founders saw industry consolidation accelerating and were determined to control their destiny rather than become part of another company’s platform. Acknowledging that neither organic growth nor bank loans could adequately fuel an aggressive acquisition strategy, they engaged with capital partners who shared their vision and would help fund their growth.

TALENT AND INNOVATION

From its earliest days, Parts Authority has invested in and maintained a focus on the people who drive business success – its valued team members. For example, the company took steps to improve the counter professionals’ experience, by improving working conditions and building better facilities.

More broadly, the company has sought continuously to attract and retain people who are eager to learn, grow and advance in their careers. Parts Authority continues to invest in training and development tools to help team members acquire new competencies, and it strives to provide opportunities to advance and contribute to the company’s success in new ways.

In addition to its focus on team member development, Parts Authority continuously invests in expanded levels of inventory in order to have more parts on hand for its customers. The company also invests in a spectrum of technologies, which include custom-made, inner-facing analytical software as well as a customer-facing parts catalog. This award-winning parts catalog has the most complete listing of parts, including OEM numbers.

We reflect with pride on our first 50 years and we are excited by the opportunities ahead for Parts Authority, its team members, its partners and the industry as a whole.

Strategy & Sustainability VP's Letter

THE COMPOSITION OF A RESPONSIBLE ORGANIZATION

In creating our first Sustainability Report in 2022, our team experienced a really steep learning curve. The process was new and exciting and frustrating – all at the same time. Ultimately, we were extremely pleased with the report's positive reception from our customers, our vendor community, our peers and numerous other stakeholders.

Surprisingly, as we composed this second Sustainability Report, our sense of excitement remained, while the newness was replaced by growing confidence...

➤ **Confidence** that we're on the right path

➤ **Confidence** that pursuing sustainability is good for our business and for our planet

➤ **Confidence** that we're building a strong foundation for measuring where we are in our Environmental, Social and Governance (ESG) journey, and

➤ **Confidence** that the investments we make today to demonstrate responsibility in these areas will make us a stronger, more resilient, and more efficient organization.

Creating our 2023 Sustainability Report has been akin to composing and performing a new symphony. We had to map out our musical score and account for all of the contributing elements that would make it successful. These elements included the new policies we've adopted, new sustainability-related indicators we were tracking, and new initiatives we were launching. With this score assembled, we then had to ensure we had all the right pieces of the orchestra in place and in tune. In our case, we had no wind instruments, percussion, or string instruments; the contributions came from our fleet operations, our facilities management, our waste and recycling efforts, our health and safety team, our HR specialists, our legal counselors, our operational managers, and our executive leaders. Ultimately, all of these essential contributors came together, under our CEO's baton, to present a symphony of progress, development and growing environmental responsibility.

In this report you'll read and see documentation of a portion of our efforts. In addition to rich data points that report various ESG metrics, we've provided narrative interludes that provide a human face, a snapshot, a story that illustrates impact in ways that data can't always convey. Like music, such human stories must be experienced, not just read.

Parts Authority's advocacy for Sustainability in the aftermarket industry has led to the music being heard and shared broadly and powerfully across the wider auto care industry. Last year's publication of our Sustainability Report, with its accompanying request that vendors sign our Supplier Code of Conduct, coincided with the formation of the new Sustainability Committee of the Auto Care Association. This committee, which had its inaugural, in-person meeting in May 2023, comprises leading companies in the manufacturing, distribution and service segments of our business. I have the distinct honor of chairing this new committee, and you will find meeting highlights relating to this engaged and motivated group further in this report.

One important point arising from these thought-leaders was the affirmation that our industry is intrinsically sustainable, though rarely appreciated as such. The economic segment that is dedicated to maintaining and repairing motor vehicles has three significant environmental impacts:

1. Keeping a vehicle running efficiently reduces emissions.
2. Components that we provide are directly responsible for reducing emissions.
3. Each vehicle that stays on the road longer cuts down on the emissions generated from manufacturing a replacement vehicle.

Strategy & Sustainability VP's Letter

THE COMPOSITION OF A RESPONSIBLE ORGANIZATION

These themes are woven into the character of industry participants across the supply chain, whether it's manufacturers producing needed components, distributors delivering them efficiently to customers, or service providers repairing and maintaining vehicles. The camaraderie, the willingness to join hands (even among competitors), and the will to articulate and promote additional sustainability initiatives for our industry were particularly moving, a broader symphony of collaboration and inspiration.

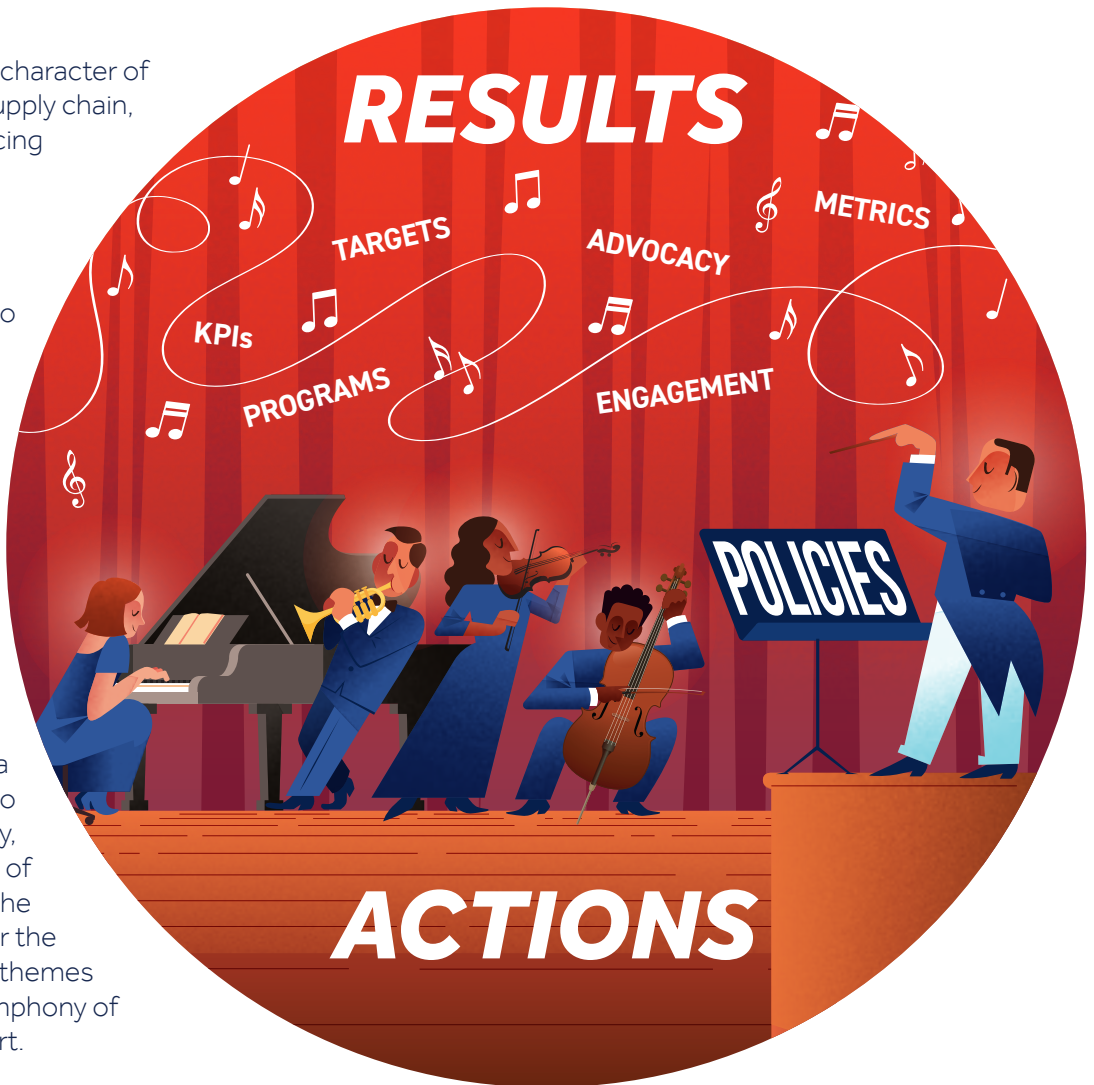
Please read this report with the music of cooperation and joint responsibility playing in the background. Sustainability is truly a collective effort, from our stores, to our regions, to our overall company, and across the industry. Take note of the numerical achievements and the descriptive reporting, but also hear the stories we're telling, tune in to the themes we're sharing, and listen to the symphony of teamwork that pervades this report.

Our sustainability efforts and this report, which seek to capture some of that music, are a labor of love. It is gratifying to witness our team members' continued awareness of the importance of being a responsible company and of our roles as stewards of our planet. Across Parts Authority, we're seeing more recycling activity, improved energy conservation, enhanced transparency, more efficient operations, clearer policies, greater sensitivity, better governance, and a slew of efforts, large and small, that add up to the composition of a responsible organization.

May you enjoy a melodious experience from our 2023 Sustainability Report!



Ben Spitz
VP of Strategy & Sustainability



PARTS AUTHORITY CULTURE

Parts Authority's culture defines how we achieve our vision and fulfill our mission for our stakeholders – customers, team members, suppliers and owners. It's who we are as a company, what we stand for and how we work. We have been building our customer-centered culture across five decades of rapid growth, adapting to a world that's been changing at warp speed. In 2021, we reflected on this journey by clearly articulating our mission, core values and the expectations we have for our team members.

Our Mission

Our Mission is to be the customers' first-choice warehouse distributor of automotive aftermarket parts in multiple market channels, including professional parts technicians, retailers, jobbers, fleets, chains, and e-tailers. Parts Authority is also focused on team member satisfaction, career development and professional growth, which have been core values of the company since its inception.

All team members must be devoted to the success of the organization and meet their own professional goals. We can only reach our goals when our team fires on all cylinders! This can be accomplished through a focused and concerted team effort, and each team member plays a vital role in our success.

Our Pillars for Success

Our team's decisions and actions must keep the interests of all our stakeholders in mind and must strive to create stakeholder value. Our company's success and how we execute our mission are guided by four overarching pillars – which express what we expect from team members:



Passion, "Fire in the Belly": We all must have a passion for our business, for our customers, and most importantly for our people. This means having the courage to take risks, challenge the status quo and go the extra mile to help others. Team members should exhibit "Fire in the Belly" and be determined to seize opportunities, drive results and focus on personal growth and development.



Communication: Team members must be comfortable with direct communication – getting straight to the point, while always being considerate, professional and respectful in all interactions. We are transparent and share knowledge and information about what matters most. This builds trust, which leads to collaboration and collective decision-making.



Technology: We all must be adept at using current technology and tools, while also embracing new technology and innovation that will enhance organizational outcomes and advances in our industry. We transform, engage and evolve – and are empowered to make a difference.



Customers: We put our customers' needs first. This means we take on challenges, switch gears at a moment's notice, find solutions and get results. Our success is our customers' success.

PARTS AUTHORITY CULTURE

Our Values

Parts Authority's Values – which will never change – articulate our foundational beliefs and are part of who we are. They guide us in our decision-making and give us a sense of what is important in executing our Mission. These Values are:



Integrity: We are honest, and always act in the best interests of our stakeholders.



Teamwork: We grow and develop as a group and accomplish more than we ever could on our own.



Pride: As a team we are proud of our accomplishments but remain humble in our success.



Embrace Differences: Our team is the sum of our individual perspectives and experiences.

Team members are responsible for living up to the Values every day and being an example to others in the company. Working together helps us define our legacy.



ESG GOVERNANCE AND MANAGEMENT

Parts Authority has formed an ESG company-level committee to guide its progress in embracing and advocating for sustainability.

Board

The board meets annually to review progress of our ESG activities and offers guidance and direction regarding strategies Parts Authority should pursue to further its ESG progress. The most recent meeting was held in October 2023.

Company-Level ESG Committee

The company-level ESG committee meets bi-annually. The most recent meeting was held online in May 2023. This company-level ESG committee comprises individuals from a spectrum of Parts Authority's departments and divisions. These include people with the following roles:

- EVP, Chief Human Resources Officer
- EVP of Supply Chain
- VP of Strategy & Sustainability
- VP of Marketing
- General Counsel
- Assistant General Counsel
- 2 Regional Vice Presidents
- National Safety & Compliance Director
- National Facilities Manager
- Director of Fleet Operations
- Director of Warehouse Operations
- President, Eastern Warehouse Distributors
- General Manager, IMC
- General Manager, Fast Undercar

The role of the company-level ESG committee is to (A) represent the company's multiple departments and divisions to help gather information related to our ESG activities and to bring their subject-matter expertise to bear on ESG initiatives and decisions; and to (B) help disseminate ESG-related training and education to their respective teams.

The company has updated and formalized a number of policies and guidelines, including:

1. Discrimination, Harassment, Retaliation Prevention Policy
2. Whistleblower Policy
3. Anti-Bribery & Anti-Corruption Policy
4. Sanctions Compliance Policy
5. Telecommuting Policy
6. Vacation & Leave Policy
7. Lactation room & Break room Policy
8. Forced Labor Policy
9. Supplier Code of Conduct
10. Business Ethics & Personal Conduct
11. Disabilities & Religious Accommodation
12. Health & Safety
13. Open Door Policy & Suggestion Program

ESG GOVERNANCE AND MANAGEMENT

To support our Sustainable Procurement efforts, we've also created a Supplier Code of Conduct as well as a Supplier Assessment Questionnaire, which we have shared with our suppliers to complete and sign.

In order to track the multiple metrics related to our various ESG efforts, we've also organized a KPI (Key Performance Indicators) Dashboard.

As part of our effort to improve our ESG standing, we underwent an independent assessment by EcoVadis in the fall of 2022. We are proud that EcoVadis, based on this assessment, assigned its Bronze sustainability rating to our company.

Throughout this report and unless stated otherwise, target goals use 2021 as a baseline year; figures are based on a 2022 reporting year.

The report includes all of our locations throughout the United States, as well as all of our subsidiaries, including Eastern Auto Parts Warehouse (EAPW) and Fast Undercar, but excluding Fast Undercar franchisees.







Like many other businesses today, Parts Authority seeks to grow its business while simultaneously shrinking its environmental impact. Fortunately, we have two advantages as we pursue this two-pronged goal. The first is that our innovations and investments in enhancing operational efficiency often provide parallel benefits in mitigating our effects on the environment. Our second advantage is that the core of our business – extending the lives of automobiles – delivers considerable environmental benefits by helping people reduce their vehicles' lifetime carbon intensity.

We define “the planet” in a way that reaches beyond the natural environment near our operating locations. As you would guess, we embrace recycling, reusing and repurposing resources, and try to reduce reliance on virgin raw materials when possible. We believe that our company's output – auto parts provided to professionals who repair and optimize the performance of millions of cars – has the potential to influence global environmental processes such as climate change. [see for example **“A generalized framework for analyzing car lifetime effects on stock, flow, and carbon footprint”** by Yuya Nakamoto and Shigemi Kagawa]

In this year's report, we are pleased to have expanded some of our reporting, including more details and data on our recycling efforts, as well as figures related to reducing paper use in our offices.

ENERGY MANAGEMENT - RETAIL AND DISTRIBUTION

Energy management for Parts Authority encompasses fuel consumption and purchased electricity consumption at each of our warehouses and stores in 2022 and fuel consumption in all leased and directly owned delivery vehicles and corporate vehicles during the same year. For 2022, our energy management calculations do not cover upstream or downstream third-party suppliers or distributors.

We have started the process of reporting our greenhouse gas emissions. We have identified Scope 1 emissions: those produced directly at our locations or in delivery vehicles; and Scope 2 emissions: indirect production of emissions through purchase of electricity.

We gathered data on natural gas and electricity usage. Estimates of fuel usage have been collected for all 3,620 gas and diesel vehicles leased or owned by Parts Authority and are further discussed under Managing Emissions. Based on this information, we arrived at preliminary Scope 1 and Scope 2 emissions for all fleet vehicles and all locations in 2022, as shown in the figures below.

Beginning in 2021, using data provided by our regional managers, we identified areas of inefficiency at our distribution centers and began a series of energy-efficient upgrades such as: replacing fluorescent lighting across 32 distribution centers with energy-efficient LED bulbs, prioritizing locations with the oldest light fixtures. In addition to a lower carbon footprint, this is helping us reduce our exposure to fluctuating energy prices.

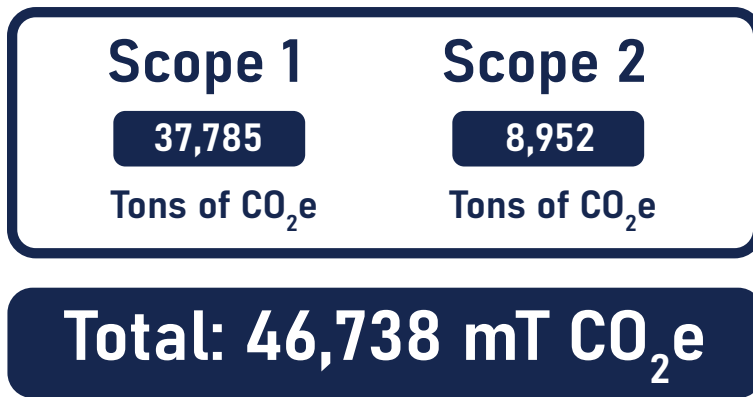
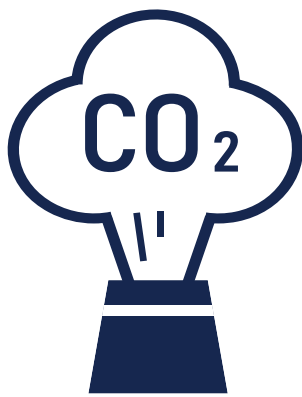
We estimate that in 2022 our continuing program of replacing traditional lights with LED lights saved up to 2.5 million kWh.

More information on energy management can be found under our SASB Disclosures Index.

ENERGY MANAGEMENT

More information on energy management can be found under our SASB Disclosures Index.

Looking forward, we have several initiatives in the pipeline to improve our energy management. To further reduce the Scope 2 emissions of our locations, in 2023 we are installing sensor-enabled lighting in locations nationwide. Our energy management goals are also informed by industry standards developed by the Sustainability Accounting Standards Board (SASB), and the UN Sustainable Development Goals (SDGs). Our goal for 2024, aligned with SDG 12.6, is to have a more comprehensive Scope 1 and Scope 2 emissions calculation. We believe this is the best path forward and intend to set reduction targets once we have calculated our emissions.



MANAGING EMISSIONS

A key priority in our business is to get needed parts to our customers quickly. Customers are repairing cars that are sitting on a hydraulic lift, and they are effectively losing money if they don't yet have the parts they need to finish the job. Hence, prompt delivery of the part for this "last mile" is critical for the efficiency and profitability of our customers' businesses.

To keep vital parts flowing, we maintain our own fleet of vehicles. As of the end of 2022 the Parts Authority fleet was composed of:

- **3,497** gasoline-powered vehicles and **123** diesel vehicles.
- Our gas vehicles drove over **91 million** miles, consumed **3,202,866** gallons of gasoline and produced CO² equivalent emissions of **28,463 mT**.
- Our diesel vehicles drove over **3.2 million** miles, consumed **308,554** gallons of diesel and produced CO² equivalent emissions of **3,140 mT**.

We have invested significantly in initiatives and capabilities involving intelligent and efficient delivery routing algorithms. Our routing algorithms enable us to batch deliveries for pre-programmed delivery zones in order to minimize miles driven while meeting customers' service level expectations. This is in addition to outfitting each vehicle with a tablet that enables route optimization.

WASTE MANAGEMENT

Waste management for Parts Authority involves taking an in-depth look at how we manage several key streams of waste and then discussing how existing protocols can be improved, what new strategies can be implemented, and how data collection can be streamlined for future goal-setting and reporting.

As a major automotive parts distributor, the waste we produce is mainly from packaging materials for inbound and outbound goods. Many locations have locally organized recycling of paper and cardboard packaging and wood pallets. Also, select locations collect scrap metals from customers.

- **Cardboard Recycling** – Collection and baling or compression of cardboard boxes for local pickup.
- **Pallet life cycle management** – Reuse of pallets in good condition, repairing minimally damaged pallets, or looking at ways to recycle broken pallets.
- **Scrap Metal Recycling** – Collection of scrap metal and resale to local recyclers to help keep materials out of landfills.

We collected recycling data for 2022 from 270 of Parts Authority warehouses and stores, which identified recycling or reuse processes at each location. We gathered additional data about the amount of recycled material or waste avoided in most locations.

To assist with our data collection in 2022, we partnered with Integrated Waste, a company that helps businesses assess current waste management and create or optimize recycling programs. Integrated Waste has helped us standardize waste collection nationally, which will enable more accurate data and facilitate end-of-life disposal of the major waste streams.

Our 2022 recycling assessment showed that Parts Authority has robust recycling programs for some wastes, and highlights areas where we can improve the management of products at the end-of-life. **The image on the following page** offers a high-level view of our 2022 activities nationwide.

Additional locations with lower volumes of scrap metal have locally organized resale and reuse of scrap metal.

For 2022 and beyond, we are assembling waste type and weight data for the amount of waste produced in the above categories.



WASTE MANAGEMENT



All Waste

"All waste" encompasses trash, compost, scrap metal, commingled waste, cardboard, pallets, and other materials.



16 Composting Locations
7,433 Tons of Waste Generated
4,451 Tons of Recycled or Repurposed Waste
37% Recovery Rate



Scrap Metal Recycling

61% send scrap to regional warehouses, and 39% handle it through local recycling programs.



100% of Locations have organized Scrap Metal Recycling
536 Tons of Scrap Metal Recycled



Pallet Reuse and Recycling

We reuse pallets whenever possible. Additionally, many locations work with a pallet recycler to give excess or damaged pallets a second life.



96% of Locations Reuse and Recycle Pallets
381 Tons of Pallets Reused and Recycled



Cardboard Recycling At 63% of Locations

20 locations have cardboard balers to help compress used cardboard for easier removal.



462 Tons of Baled Cardboard
1,458 Tons of Loose Cardboard

Digital Documents Reduce Paper Usage

We strive to take advantage of digital technology to reduce the environmental impact of our accounting processes. For accounts receivable, depending on the customer's preference, we may submit invoices and receive payments electronically. Similarly, for accounts payable, we may accept invoices and pay them electronically. Already, we estimate that more than 1 million sheets of paper a year are saved by Parts Authority because we are employing digital tools rather than sending and receiving printed documents through the mail.



Electronic Waste Recycling Initiative

Across the globe, electronic waste, or e-waste, is among the fastest-growing domestic waste streams, according to the UN's Global E-waste Monitor 2020. Electronic waste consists of products with electrical cords or batteries that have reached their end of lives; although many parts can be recycled, these products often wind up in landfills complete with toxic chemicals and hazardous materials.

Parts Authority is beginning to identify electronic waste generated by our operations, with the intent of keeping such waste out of landfills by recycling it. We are partnering with qualified electronics recycling companies to assist us with our own recycling process as they reach their end of life.

Among the types of electronic equipment and devices our teams are recycling are:

- **Computing** – Desktop computers, circuit boards, monitors, keyboards, CD-ROM drives, video cards, docking devices, dongles
- **Peripherals** – Scanners, printers, modems, fax machines, speakers
- **Networking** – Routers, switches, servers
- **Power Units** – Uninterruptible power supply units (UPS), small batteries, surge protectors, converters
- **Transactional Devices** – Check readers, cash registers, calculators, scales
- **Portable devices** – Two-way radios, phones, tablets
- **Environmental devices** – Thermostats, smoke alarms



We intend to set waste reduction goals based upon information gathered in 2022. Key targets include:

- Tracking the amount of waste produced in order to set reduction targets for facilities by 2025.
- Implement a formal, nationwide recycling program concerning paper and cardboard by 2025

WASTE MANAGEMENT

Sustainability in Packaging: Product Sourcing, Packaging & Marketing

Parts Authority provides customers across the U.S. with a variety of auto parts, many of which are delivered by our fleet drivers or sent via shipping services. To protect parts from damage in transit we employ various types of packaging, taking steps to reduce our environmental impact in the process.

Our packaging materials are bought from third-party manufacturers, and our team members use these materials to protect the integrity of auto parts and other products from damage in transit to the end customer. In essence, packaging materials constitute whatever the customer receives that is not the purchased auto part itself.

Packaging materials include but are not limited to:

- Corrugated paper (cardboard) boxes
- Heavy-duty paper mailers
- Inflatable air pillows
- Paper void fill
- Paper cushions

Several years ago, we looked at the third-party packaging materials we buy to seek ways to reduce environmental impact. We assessed the marketplace’s packaging offerings and chose to make sustainability-oriented manufacturer Pregis our exclusive packaging supplier.

In 2022, we generated multiple positive outcomes from this partnership. Two examples were:

Void Fill Paper – By using 100% recycled content paper, rather than non-recycled material, for packaging we achieved:

- 9% reduction in fossil fuel use, saving more than 119 barrels of oil
- 14,594 trees saved due to adoption of recycled paper

Air Pillows – By using pillows comprised of 30% post-consumer recycled (PCR) content, rather than non-recycled material, for packaging we achieved:

- 24% reduction in fossil fuel use, saving more than 520 barrels of oil
- 26% reduction in water use, using 15,500,000 fewer gallons
- 15% reduction in greenhouse gas emissions, equivalent to over 185,000 miles driven by passenger vehicles



We are well on our way to reaching our sustainable packaging targets of:

- Ensuring that more than 80% of our packaging is Forest Stewardship Council® certified by 2025.
- Using plastic packaging composed of more than 20% recycled plastic by 2025 for our shipping filler material.

Our Advocacy: Right to Repair

Empowering Independent Repair Shops to Optimize Vehicle Performance

Automakers generally provide three- to five-year “bumper-to-bumper” warranties for new vehicles, with the stipulation that the car owner visit an official dealer for covered repairs and maintenance. After the warranty period has ended, the owner may choose to continue getting service from an authorized dealer or visit one of more than 200,000 independent repair centers nation-wide. A simple choice, right?

Actually, it's not. The dealer has an advantage in preserving the existing service relationship because it often has exclusive access to data about the car's operation and history – data that's been accumulating since the car was built. This vehicle-specific data, combined with proprietary diagnostics, can give the dealer an edge over independent repair shops that may have limited access to this data and insights such data might provide.

The car owner, who is usually blocked from seeing the data, faces a few less-than ideal choices if a new issue arises with the vehicle:

- Take it to the dealer for service, worried that the repair bill might be substantial due to typically higher labor rates and non-discounted Original Equipment Manufacturer (OEM) parts
- Delay the maintenance to put off the anticipated charges, even if the car behaves or smells “off”
- Trade in the car for a new vehicle, leaving the undiagnosed issues for the buyer to resolve, or
- Take the car to an independent repair shop, which may not have the same level of data access as the dealership.

All of these choices generate confusion, frustration and additional costs for car owners. But, they also have implications for the environment. Every day a car underperforms mechanically it could be emitting more pollutants or consuming more fuel. Also, if a car is traded-in prematurely, it may end up in a scrapyard while triggering demand for a new car to be built, which generates an array of environmental impacts (materials, energy, shipping, etc.)

Fortunately, there is movement across the U.S. and globally – Right-To-Repair – that seeks to create a level playing field among repair service providers, both in the automotive industry and others. Here in the U.S., several legislative initiatives have been put forward in Congress and there is growing bi-partisan support to pass a bill that will regulate automobile-data access to protect consumer interests and foster fair competition in the auto servicing sector.

This effort received a boost in March 2023, when 27 state attorneys general sent a letter to Congress to urge passage of Right To Repair legislation. Parts Authority works with the Auto Care Association and other industry groups both to advocate and encourage legislators to act on an issue of importance to their constituents. We believe that Right To Repair should be codified as the way our auto repair industry should operate.

For more information about automotive Right-To-Repair advocacy in the U.S., visit: <https://www.autocareadvocacy.org>.





OUR SUPPLY CHAIN

Cars are among the most complex mass-produced devices ever created. Yet the capacity and convenience a vehicle provides can make us oblivious to the plethora of moving parts that sustain our access to this mobility mode. And, if something breaks down, as it inevitably does, a robust automotive aftermarket allows for most repairs and maintenance to be done fairly quickly – if the car owner can get the right parts.

Traditional vehicles have 30,000 distinct parts, while some electric vehicles have 15,000 parts. What's more, manufacturers create distinctly different versions of various parts; such "parts proliferation" makes it challenging for distributors to stock parts that are ordered less often.

However, Parts Authority has chosen to differentiate itself in the marketplace by making a significant investment in stocking a larger percentage of the "long tail" of aftermarket components. Today, we stock over 550,000 SKUs from over 700 global suppliers that can support more than 15 million vehicle repair applications.

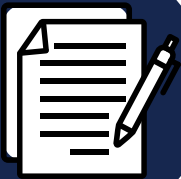
Parts Authority's focus on building an outstanding supply chain organization has made us a leader in the warehouse distribution ecosystem of the automotive aftermarket. As a leader we take responsibility advancing our sustainability, and for supporting the sustainability progress of our broad supplier network. Our company is strengthening its sustainable procurement processes to better assess suppliers' sustainability efforts and to spark collaboration to reach higher sustainability goals – and further enhance their business success.

As a starting point, Parts Authority has developed a Sustainable Procurement Policy, which sets goals for our supply chain from environmental and social perspectives. In support of the policy, we seek to have at least 60% (by sales volume) of our top vendors sign our Supplier Code of Conduct (or share their own equivalent code of conduct) by 2023. Our Code outlines our expectations for suppliers on material topics such as energy consumption, greenhouse gas emissions, health and safety, human rights and other topics. It helps to ensure that we prioritize working with companies who accept the principles of our Supplier Code of Conduct.

To assess our suppliers' maturity on ESG topics, we have a supplier questionnaire to gather information on relevant topics, actions, policies and certifications. The questionnaire supports conversations with our suppliers about how we can provide support to improve their sustainability. In addition, we train our company's buyers on sustainability topics to ensure they grasp both the challenges and benefits of sustainable procurement and how to integrate these factors into supplier selection.

Supplier Policies and Procedures

- **Sustainable Procurement Policy:** Contains objectives and measures for each of Parts Authority's material issues, including general corporate social responsibility performance of our supply chain; social performance; environmental performance; materials sourcing, and supply chain resiliency.
- **Supplier Code of Conduct:** Parts Authority is committed to conducting business in a sustainable manner, which means ensuring that our actions as well as suppliers' are aligned with sustainability principles. We ask them to complete a sustainability-focused questionnaire and to sign our Supplier Code of Conduct.
- **Forced Labor Policy:** Our Purchasing team is responsible for ensuring that our vendors have signed the Supplier Code of Conduct (the "Code"). As part of signing the Code, a supplier affirms that its operations remain free of forced and child labor; the supplier also agrees to respect international agreements regarding human rights, such as the United Nations Declaration on Human Rights.



Auto Care Association Sustainability Committee Formed to Enhance Industry Collaboration, Develop Solutions

Parts Authority, along with other industry partners, advocated for the establishment of this new committee. Subsequently, the Auto Care Association nominated Ben Spitz, our Vice President of Strategy & Sustainability, to chair the new committee. Joining the committee are executives from throughout the aftermarket supply chain, including leaders from top manufacturing, distribution and service companies ([see list of committee members](#)).



The committee plans to focus on legislation, education, best practices, recycling, and supply chain sustainability to drive industry-wide progress towards a greener, more sustainable future. Here is a high-level view of the committee's plans:

Legislation: Fostering an Environmentally Supportive Framework

The committee actively supports legislation that enables the Right To Repair (see page 20) and ensures access to repair information, tools and affordable aftermarket parts. Simultaneously, it seeks balanced legislation that acknowledges the industry's role in reducing waste and environmental impact.

Education: Empowering Professionals and the Public for Sustainability Action

The committee's Education focus group emphasizes equipping industry professionals with the knowledge and skills to drive positive change. It will develop education and training content that raises awareness of sustainability, highlights best practices, and provides practical tools for integrating sustainable approaches. Additionally, the focus group will educate the public about responsible car care and maintenance that can reduce their environmental footprint.

Best Practices: Pioneering Sustainable Strategies

The committee's Best Practices focus group will collaborate with industry leaders to identify and promote sustainable strategies. Such strategies encompass energy efficiency, waste reduction, responsible supply chain management, product lifecycle analysis, and sustainable procurement. The focus group will share insights, develop guidelines, highlight model organizations and take other steps to foster collaboration and adoption.

Recycling: Embracing the Circular Economy

The Recycling focus group seeks to encourage transforming waste into valuable resources. It explores recycling options for used parts, tires, fluids, and other components within the industry. The group will seek partnerships with recycling facilities, develop recycling opportunities, and educate stakeholders on responsible disposal practices that can reduce landfill waste.

Supply Chain: Driving Positive Change

The committee acknowledges the importance of adopting responsible practices throughout the entire automotive aftermarket supply chain. This includes encouraging sustainable manufacturing processes, responsible sourcing of raw materials, and reducing environmental impact.

Collaboration, transparency, and accountability are key to achieving a sustainable supply chain that reduces the industry's carbon footprint. Responsible car care reduces consumer emissions and promotes positive social and environmental outcomes. Ultimately, through the collective efforts of all stakeholders in the value chain we can shape a more sustainable, prosperous and impactful automotive aftermarket for future generations.

Materials Efficiency – Remanufactured Auto Parts

Value for Vehicle Owners, Environmental Benefits for the World

Car owners and repair professionals can access a vast universe of aftermarket parts to keep vehicles running well and lasting longer. Within this universe are parts that have been remanufactured to provide high performance, as well as lower environmental impact and costs, compared to building a new part.

Remanufacturing typically involves complex auto parts that have multiple components. A portion of the components get worn down by daily use while the balance of the part (the “core”) remains undamaged. Remanufacturers salvage the cores and rebuild the worn-out components, thus giving the auto part a “second” life (possibly several more lives, with the right component replacements). Technicians disassemble the used part, clean it, install new components, and conduct tests (see “Reman: How It Works” below). The resulting part is warranted and meets OE specs, while delivering equal or better performance.

Sustainability is at the heart of remanufacturing. When compared to producing a new auto part from raw materials, by some estimates a remanufactured part:

- Consumes less energy (as much as 80% less)
- Requires fewer raw materials (such as aluminum, copper and steel)
- Uses less water (more than 80% less)
- Produces less waste (as much as 70% less)

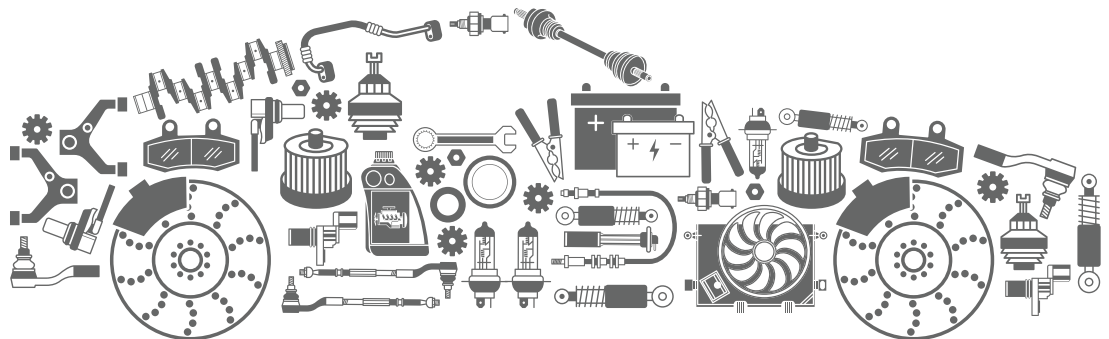
By some estimates, remanufactured products conserve roughly the equivalent of 400 trillion BTUs of energy per year, which can translate into significant reductions in greenhouse gas emissions when compared to creating new parts.

Parts Authority is proud to play a role in the remanufacturing value chain. When customers buy certain parts there is a “core charge” fee, which we refund when they return the part after it is worn. We package returned cores and send them to the suppliers for remanufacturing. We also follow this process for lead-acid batteries, which are technically recycled but still involve a core-charge fee with subsequent refund for returns, and which align with the same “second life” value proposition as remanufacturing.

We conducted a survey of all parts in our inventory that carry a “core charge” to calculate the volume of remanufactured parts we sell:

We estimate that nearly 1 out of every 10 parts (9%) Parts Authority sells is remanufactured.* The following is a sampling of systems which may contain remanufactured components.

- Car battery
- Alternator
- A/C compressor
- Disc brake calipers
- Starter motor
- Rack and pinion
- Power steering pump
- Fuel injectors



* Recycled batteries are included in these calculations

Materials Efficiency – Remanufactured Auto Parts

Value for Vehicle Owners, Environmental Benefits for the World

Alternators and Starters: Sustainability’s Dynamic Duo

Globally, more than a billion cars use traditional internal combustion engines, which means they employ two essential parts: a **starter** and an **alternator**. A starter draws on battery power temporarily to “crank up” a car’s engine until it can operate under its own, fuel-generated power. An alternator also works in concert with the car’s battery, producing the power required for the vehicle’s electrical components.

Remanufacturing a starter or alternator has the potential to greatly reduce energy and natural resource use, when compared to manufacturing a new part. For example, according to one of our suppliers, Motorcar Parts of America (MPA):

A NEW STARTER

Requires 10 times the energy and 9 times the materials to produce than a remanufactured one.



A NEW ALTERNATOR

Requires 7 times the energy and 8 times the materials to produce than a remanufactured one.



Reman: How It Works

Auto parts remanufacturing companies adhere to rigorous quality processes to help ensure that the resulting parts meet or exceed OEM specifications. Here’s how MPA describes its remanufacturing process:

- **Core Sorting and Breakdown** – All cores are disassembled and sorted based on application family; key components are gathered for the next phase.
- **Component Testing and Validation** – All key components are validated and tested to ensure they meet OE specifications; once they pass this phase, they are used for remanufacturing.
- **Sub-Assembly Production and Testing** – Component parts are put together as part of the complete unit assembly; the parts are then validated and tested to ensure they meet OE specifications.
- **Complete Unit Assembly and Testing** – Final assembly is undertaken; all end-of-line units are tested before they are placed in a box for distribution.

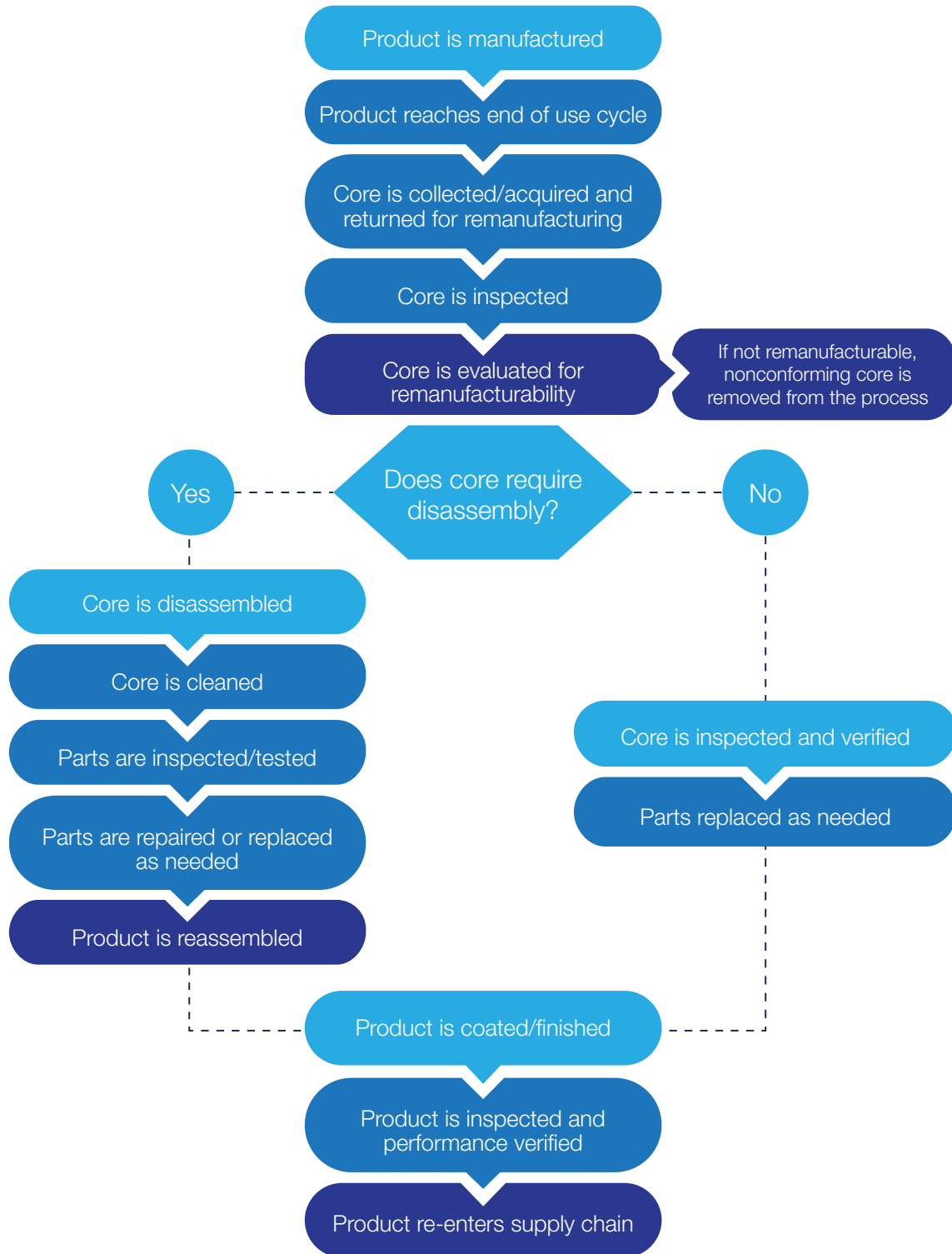
By instituting environmentally friendly practices company-wide, MPA has achieved a number of significant results:

- Saving 64,536 tons of materials in fiscal year 2022
- Recycling 4,000 tons of water each year
- Reusing 5,000 tons of cardboard and 16,000 tons of metal

Positive outcomes such as these have prompted Parts Authority to partner with companies like MPA and others for whom remanufacturing and environmental sustainability are a priority.

Materials Efficiency – Remanufactured Auto Parts

Value for Vehicle Owners, Environmental Benefits for the World



Product Safety – Recalls

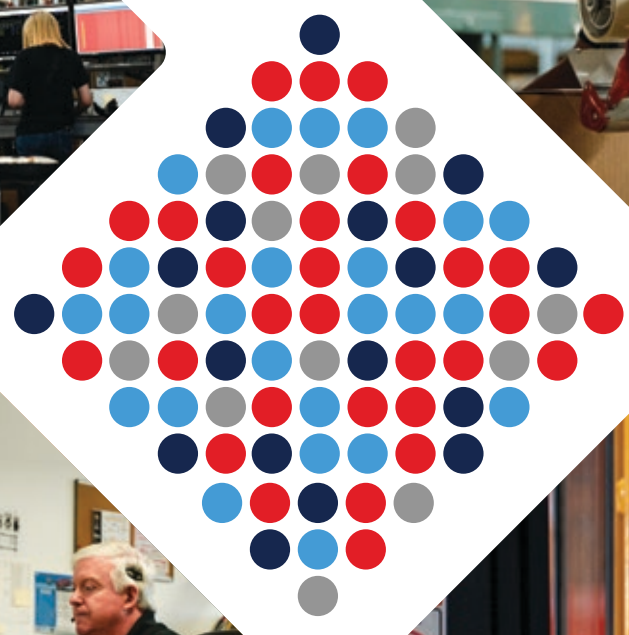
Parts Authority takes pride in the quality of the parts we supply to customers. Although we do not manufacture any parts, we participate in rare product recalls that are directed by our suppliers. We are proud that out of 800,000 stock keeping units (SKUs) offered in 2022, we only had 21 voluntary, supplier-initiated recalls, resulting in no out-of-pocket costs. This means that Parts Authority achieves overall product reliability and labeling integrity of over 99.99% for all of the SKUs we stock.

A product recall typically occurs due to mislabeling of packaging by the supplier and is not linked to technical or mechanical issues. It is important for us to participate in these recalls so that our customers receive correct items for their repair and maintenance needs in a timely manner.

Our purchasing department tracks all recalls as they are issued by vendors, follows their protocol to either return or dispose of unsold parts, and reaches out to customers on any cases that require follow-up. This work may require coordination between our purchasing department, operations team and sales team in order to carry out corrective measures and ensure that our customers come first. Our product safety management process is a great example of Parts Authority's core values of integrity, teamwork and pride.

In general, we rely on the extremely high standards and quality control of our suppliers to minimize the occurrence of product recalls. In all cases, the products recalled in 2022 were due to factors outside of our knowledge or control, and thankfully were rare and of minimal impact.

ONLY 2.6 SKUS RECALLED
OUT OF EVERY 100,000 SKUS STOCKED
WHICH IS THE EQUIVALENT OF 0.0026 PERCENT, OR 2.6 THOUSANDTHS OF 1 PERCENT!



LABOR PRACTICES

OUR PEOPLE

Parts Authority can only achieve its full potential – and supply its customers with high-quality parts – when our team is engaged and firing on all cylinders! Accordingly, we focus on enhancing team member satisfaction, career development and professional growth, which have been core values of the company since its inception.

For this report, we assembled information about our key employee programs, which are designed to create a positive and affirming work environment.

Compensation and Benefits

To support the wellbeing of our team members, Parts Authority provides competitive pay and benefits consistent with our status as an industry leader. These benefits are available to team members after 60 days of employment:

- Sick leave, safe leave and vacation days
- 6 paid company holidays
- 401K plan (eligibility after 90 days)
- Profit-sharing contributions
- Medical insurance
- Dental plan
- Vision plan
- Flexible spending accounts: Health Care FSA, Dependent Care FSA, Limited-Purpose FSA
- Life insurance
- Long-term disability insurance
- Voluntary coverage options: Critical Illness, Accident Insurance, Hospital Indemnity Plan, ID Theft, Legal Plan, Pet Insurance



Our labor practices aim to make Parts Authority a great place to work. Some highlights and targets include:

- Continue to be an equal opportunity employer and assess candidates only based on experience and skills.
- Prohibit all forms of discrimination and harassment during the recruitment phase and after.
- Reduce team member injury by 5% by 2028.
- Reduce lost time cases by 4% by 2028.
- Improve manager/supervisor safety knowledge to address unsafe conditions or behaviors through additional training.
- Provide health and safety training to a majority of team members by 2025.

LABOR PRACTICES

We also encourage healthy lifestyles through our Wellness Program, which is being enhanced to include various local and enterprise-wide activities across multiple dimensions of good health. Beyond educational information on financial wellness, we will emphasize activities such as a one-minute stretch, walk and talk meetings and a cookbook of healthy recipes submitted by team members.

Additionally, in early 2022 we launched a new Employee Assistance Program, which offers no-cost confidential assessments, short-term counseling, referrals and follow-up services to team members who have personal or work-related problems. The Employee Assistance Support team is available 24/7.

Training and Development

Parts Authority Education, our company's learning management system, provides every team member with a single destination for training and development needs involving diversity and inclusion, compliance, safety, health and wellness, and leadership development – in addition to role-based, job skills training. Parts Authority Education blends custom-curated content with proprietary content created in-house by our Education Team. This comprehensive system operates across several delivery modes – interactive e-learning, infographics, and virtual live facilitators-led sessions – to optimize learning and knowledge retention. We currently offer 140 courses and 16 custom curriculums to meet the needs of our team. One custom-built course, for example, covers the essentials of automation and robotics, which are poised to play a role in Parts Authority's warehouse operations in the years ahead.



WOMEN LEADERS – SETTING THE PACE

Parts Authority strives to provide opportunities and cultivate leadership skills among our diverse group of team members. This year, we are featuring women who are leading the way for our company and the industry, each in a unique way. These women are being highlighted for exceptional performance, and we hope their stories – told in their own words – will inspire all of us to embrace opportunities to innovate, lead and help others.



Sara Garcia Director of Customer Relations



I coach the Customer Service Management team and guide support initiatives to help achieve our strategic goals. I also implement sales and customer service programs, and act as a liaison between departments and IT teams to optimize operational performance. I've been with Parts Authority for nine years.

I am a member of Women in Auto Care and I was also recognized by Aftermarket News as a Women at the Wheel Honoree. As a member of Chase Oaks Church and Friends of the Plano Public Library, I enjoy taking part in local fundraisers and community events in Plano.

“Sara’s dedication to the sales team’s success goes beyond numbers. She is committed to cultivating enduring connections.”

– Jeff Beiser, Senior VP of Sales

WOMEN LEADERS – SETTING THE PACE

Christine Stevens Hidalgo

Accounts Receivable Manager

I am responsible for handling accounts receivable matters for our operations across eight regions of the western and central U.S. With eleven years at Parts Authority, I'm proud to have been part of the traveling teams for several acquisitions, welcoming new companies into our family.

My community involvement includes family outreach and support to help prevent adolescent drug abuse. I also have been an advocate for breast cancer support and prevention, having spoken at several seminars.

“Christine is a person of very strong character. She has an unbelievable work ethic, is thorough in her work and is intensely dedicated to her team. I have full confidence that whatever she undertakes will be done right, and I never have to follow up to check.”

– Eric Schwartz, Chief Operating Officer



Tracey Hill

Senior Director of Replenishments

My main responsibility is to manage the flow of inventory from vendors to about 100 locations on the East Coast. I have been with the company for 11 years and believe that supply chain management is the best!

I manage a team of more than 30 professionals who handle orders involving many vendors every day, reviewing, editing and placing multiple Purchase Orders. Our team is an essential part of the wheel that makes Parts Authority go around.

“Tracey is a top performer in the Parts Authority world. She is dedicated to helping others grow within the company and has that fire-in-the-belly attitude to be sure things are done correctly. She goes the extra mile in everything she does.”

– Bill Maggs, Executive VP of Supply Chain



WOMEN LEADERS – SETTING THE PACE

Helan Kuriakose

Senior IT Quality Assurance Analyst

As the leader of a cross-functional quality assurance team, I devote myself to helping team members deliver high-quality results. I collaborate with development teams to understand project goals, work with project managers to set timelines and priorities, and ensure a high-quality testing process. I also train new team members, drawing on my nine years of Parts Authority experience.

I enjoy spending time in the community, as well. I currently work as one of the family unit leaders for my church, coordinating various activities within the parish.

“Helan is an honest, dedicated professional who is committed to Parts Authority’s mission on quality. She champions teamwork and cooperation throughout the organization to promote work of the highest quality.”

– Latha Panickar, Director of Information Technology



Cynthia Moreno

National Returns Manager

I am responsible for communicating Parts Authority’s returns process to our suppliers, customers and company return centers nationally. I establish standard operating procedures for any activities related to product and part returns.

I enjoy working with return managers across the country, striving to provide clear guidance and direction based on nearly 11 years of industry experience.

“I have witnessed how well Cynthia develops future leaders by recognizing talent and drawing out the best in everyone she encounters. She is seen by her team and her peers as a true asset to our organization.”

– Marc Tsutsui, VP of Warehouse Operations



WOMEN LEADERS – SETTING THE PACE

Natalie Rodriguez Westchester Call Center Manager

I'm proud to manage a call center team that strives to deliver excellent customer service. I train team members, analyze call abandonment rates, create sales reports for upper management, invoice stock orders and manage other aspects of customer service.

I have been with the company for ten years, and always try to expand my knowledge. Recently, I joined Women in Auto Care, to take advantage of their educational opportunities.

"Natalie exemplifies Parts Authority's pillars for success: passion, great communication, embracing technology and going above and beyond to put customers' needs first. I am extremely proud of how much she has grown within the company."

– Ryan Prasad, Regional VP of Operations



Leah Russo Territory Sales Manager – Outside Sales

It's my privilege to grow sales and maintain relationships with auto repair shop owners. I enjoy sharing my expertise with business owners to help them make informed purchases for the specific parts they need. I also work with our operations counterparts to achieve the common goal of satisfying our customers.

I have been with Parts Authority for eight years, and outside of the office I enjoy taking part in an all-women's networking group in northern New Jersey.

"Leah always rises to a challenge and constantly looks for ways to grow her book of business. She is a valued member of the New Jersey sales team!"

– Tom Kelly, New Jersey Sales Manager

WOMEN LEADERS – SETTING THE PACE

Amber Ryan General Manager

In my role as a district manager, I oversee the strategy and operations for our locations across New Mexico and Colorado, working closely with branch managers and their teams to grow and enhance our operations and meet business goals. I have spent nearly 34 years in the automotive industry, with about a decade devoted to the Parts Authority Family.

Outside of work, I support 4-H and Future Farmers of America. I also own horses and compete in Ranch Sortings (two-person equestrian competition) while also helping people who are new to the sport.

“What makes Amber a great leader is her passion to get the job done. Not afraid to get down and dirty. That is why she gets the respect of her team. Amber is also a great person and a pleasure to work with.”

– Adam Mahl, Regional VP of Operations



Guiuliana Vilchis Store Manager

I oversee the daily operations and sales of one of the company's California branches. I lead and manage team members, including hiring, training and administration, and promote sales and customer service quality. I have been with Parts Authority for seven years and have previously worked as an auto parts driver and manager.

My team and I are very involved in our community, often taking part in events hosted by the City of Banning's Chamber of Commerce, which keeps us informed of upcoming events such as car shows and other gatherings.

“Guili is an amazing team member – industrious, conscientious and dependable. Her appreciation for the company and the opportunity to manage her own branch is never ending. She works hard to meet her sales goals and constantly strives to improve her branch's appearance and performance.”

– Tom Ogaz, General and Sales Manager, California



SELECT POLICY HIGHLIGHTS

Below you will find a selection of policy summaries that we've instituted in Parts Authority. You will find additional policy summaries throughout this report.

Discrimination, Harassment, Retaliation Prevention Policy

Parts Authority has a strict policy against discrimination and harassment of individuals inside and outside the company based on their traits or characteristics, consistent with federal, state and local laws and ordinances. Also prohibited is any retaliation against individuals who report, among other things, behavior that is or constitute discrimination or harassment.

Telecommuting Policy

The company may allow certain team members to telecommute on a regular basis, subject to advance approval by management. This may be as a fully remote team member or as part of a hybrid work arrangement.

Lactation Room & Break Room Policy

Parts Authority shall provide reasonable break time for team members to express breast milk each time such team member has reasonable need, for up to three years following childbirth. In such cases, the company will provide access to a lactation room and refrigerator, and breaks to express milk.

Whistleblower Policy

Our company's Whistleblower Policy aims to provide current and former team members an avenue to raise concerns if they think actions of the company, agents of the company or team members are in violation of the law. The policy also aims to protect against reprisals or victimization for whistleblowing. In 2022, we added an anonymous hotline for team members to easily report any concerns.

Vacation & Leave Policy

Parts Authority provides paid vacation days for full-time regular status team members, as well as paid sick/safe leave, several paid public holidays and three paid "floating" holidays. Team members also may be entitled to leaves of absence under such federal programs as the Family and Medical Leave Act and Military Family Leave Entitlement.

Open Door Policy & Suggestion Program

Parts Authority encourages team members who have job-related problems or complaints to speak to their supervisors or any management member. This "Open Door" approach can serve as an effective path toward resolution, but is not intended to replace other remedies. Additionally, we encourage team members to share their ideas for improving our company.

HEALTH AND SAFETY

Worker health and safety are paramount at Parts Authority, which is why we strive to create a safer workplace through a multifaceted, nationwide program. Our vision is for every team member to be able to work free of hazards, to return home safely every day, and to avoid preventable accidents and injuries.

Although safety has always been important for our company, we strengthened our commitment to this priority in March 2019 when we appointed the company's first National Safety & Compliance Director. The director has created and implemented a program that strives to address systemic safety risk while also engaging team members in a culture that emphasizes proactive accident mitigation. The program is guided by three principles:

- To ensure that there is strong commitment from team members to prevent accidents and injuries before they happen.
- To manage accidents properly when they do happen (from timely reporting to full closure) and to return the injured person to full duty or alternative work as quickly as possible.
- To approach every aspect of the safety program with a sense of urgency and effective implementation and accountability.

Safety program highlights include: monthly scorecards for locations, which capture metrics related to injuries, accidents, days away and other factors; monthly safety inspections for each branch, and driver-specific training to help reduce preventable accidents on the road.

In the 2022 calendar year, Parts Authority recorded these safety-related results across the company:

- Safety inspections conducted for over **200** locations
- Lost-time workplace accident rate of **4.4**. This is based on **284** lost-time workplace accidents and **106** other recordable accidents (in the context of **12.9 million** total hours worked in 2022 across the company) based on OSHA's calculations, which use 200,000 hours (100 employees working 40 hours a week for 50 weeks a year).
- **9.90** accidents per million miles driven. We experienced **934** total vehicle accidents in 2022.



HEALTH AND SAFETY



Parts Authority has set the following safety goals for 2028 as part of our overall focus on continuous improvement and employee wellbeing:

- Reduce vehicle accident rate by 5%
- Reduce team member injury rate by 4%
- Reduce lost time case rate by 4%
- Improve manager/ supervisor safety knowledge to address unsafe conditions or behaviors across drivers and warehouse and branch team members
- Educate team members on safety policies/procedures

[Note: All percentages are calculated proportionally, as relevant, to the total number of team members, hours worked, or miles driven.]

Managing Risks or Hazards Associated with Chemicals in Products

Parts Authority distributes third-party manufactured auto parts. Any health and safety risks related to the manufacturing of products with hazardous chemicals are not material to our operations.

Still, to manage potential chemical-related risks involving products in our supply chain, Parts Authority primarily sells third-party products from known, regulated (U.S. and/or EU), quality, brand-name manufacturers. Such manufacturers disclose chemical information on product information sheets and they sell products regulated under the U.S. Consumer Product Safety Act.

Parts Authority relies on manufacturers to test, certify and market their products based on applicable laws regarding banned or illegal substances. Additionally, we procure chemical management information, which is updated regularly using a third-party company.

Finally, Parts Authority evaluates locations and relevant activities to ensure proper storage of all chemicals. We provide emergency response equipment such as eye wash stations, first aid kits, absorbent material and other tools and equipment.

Health & Safety Commitment

Parts Authority is committed to maintaining safe workplaces, and may issue guidelines at each location to achieve a safe, healthy, and environmentally conscious workplace in accordance with local laws and regulations. Team members are required to comply with all company rules and guidelines, as well as any applicable laws, while keeping their work areas free of potential hazards.

Employee Engagement, Diversity and Inclusion

Advancing Employee Engagement, Diversity and Inclusion

Achieving Parts Authority's mission relies on the contributions of talented and diverse team members. We value the unique characteristics and experiences that enrich personal perspectives and positively impact our workplace. Accordingly, we work to create an inclusive environment where diverse voices strengthen our organization.

Single Destination for Diversity & Inclusion Resources

Parts Authority Education, our learning management system (LMS), features a dedicated Diversity & Inclusion page, which gives team members a single destination for all D&I education, information and resources. From this page, they can access curated resources such as the Harvard Implicit Association Test, TED Talks and other social-driven media, as well as relevant educational content. Here, too, is where they access our Preventing Discrimination and Harassment training, which is customized for team members and managers.

Connecting with Diverse Job Candidates

As part of our recruiting efforts, the Talent Acquisition Team has been trained on using inclusive language in all of its communications.

Educating About Diverse Beliefs, Traditions, Circumstances

Our Drive Forward communication program, illuminates the array of holidays, celebrations and commemorations that take place in communities across the nation and among various groups of people.

A centerpiece of this program is a friendly educational email campaign. At the time of national heritage and history celebrations (e.g., Black History, Hispanic Heritage, Native American Heritage), our D&I team takes the time to highlight aspects of these celebrations, perhaps using a timeline, little-known facts or a historical snapshot. One example: An explanation of the Stonewall uprising in New York City, the catalyst for the gay rights movement, in its email about Pride Month.

The authors highlight nuances of high-profile celebrations such as Hanukkah, Kwanzaa and Christmas, while also spotlighting lesser-known events such as Diwali, a five-day festival of lights celebrated by those in and from India.

The team also demonstrated its message of inclusion with an email regarding Mental Health Awareness Month. The article encouraged team members to take steps to access mental health support, if needed, and reminded them that Parts Authority's free Employee Assistance Support team is available 24/7.

Industry Participation and Recognition

Jillian Weishaar, our Manager of Education, Diversity and Inclusion, complements these internal programs by engaging in D&I initiatives with groups across the industry. She has served as speaker, panelist, facilitator, and host at events sponsored by CADIA (Center for Automotive Diversity and Inclusion Advancement) Connects, AAPEX (Automotive Aftermarket Expo), and Diversity of Thought. She also has served as a judge for the Impact Awards and the Women in Auto Care Awards.

Parts Authority is proud to have received an industry-recognized Diversity, Equity and Inclusion Certification through CADIA.

Disabilities & Religious Accommodation

The company complies with the Americans with Disabilities Act (ADA), as amended, and applicable state and local laws that provide for nondiscrimination against qualified individuals with disabilities as applicants or team members. Parts Authority also will make reasonable accommodations for an applicant's or team member's bona fide observance of religious holidays, beliefs or practices, in accordance with applicable laws.

Breast Cancer

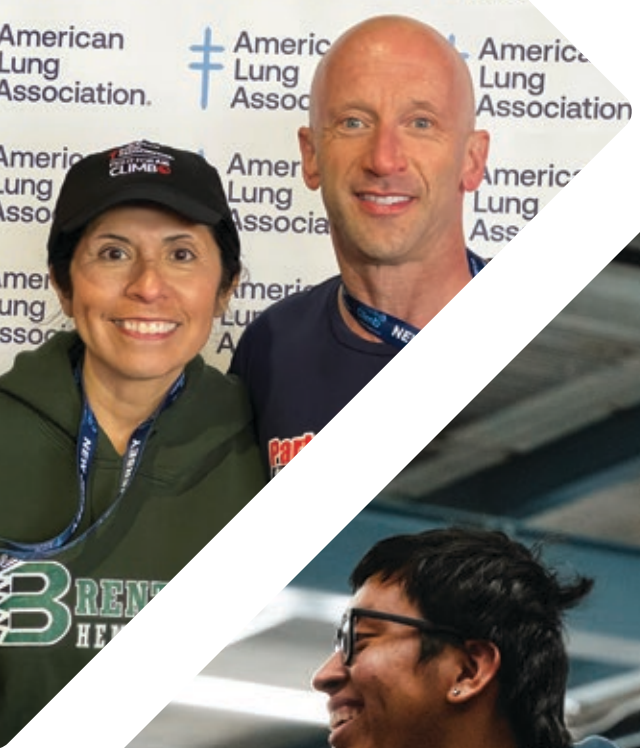
Raising Awareness, Demonstrating Commitment

According to the American Cancer Society, in 2022, breast cancer is estimated to have taken the lives of more than 43,000 women in the U.S., with more than 287,000 new cases being diagnosed. Breast cancer in men is rare, but as a result, it can go undiagnosed and, left untreated, can be deadly.

Parts Authority has endeavored to raise awareness of breast cancer risk and the need for screening by supporting the National Breast Cancer Foundation's "Go Pink" initiative. Across all of our locations, team members have come together to host local events that emphasize breast cancer prevention while paying tribute to loved ones who have suffered from this deadly disease.

On Friday, Oct. 24, 2022, our team members again wore pink and blue (the latter being our company color) to demonstrate their commitment to this important cause. Here are just a few photos among hundreds that capture the spirit of that day.







We understand that we cannot create a more sustainable business solely by refining our processes or making select investments in better tools. True sustainability demands consideration of a broad community of people – whose lives Parts Authority is committed to enhancing through our work. Among those who bring vibrancy to this community are:

- **Team Members** - who drive success in our sustainability efforts and act as volunteers in a range of organizations
- **Suppliers** - who act as our partners in implementing enlightened, high-value programs
- **Customers** - who act on their commitment to sustainability by taking part in our recycling programs and properly disposing of hazardous waste
- **Local Nonprofits** - who make our towns and cities stronger, drawing on resources such as funding from companies like ours

Community Spotlight – Eric Rosen

A Life Devoted to Boy Scouting and Mentorship

Community involvement is one of the hallmarks of Parts Authority: Our team members engage with organizations across the country as volunteers, fund-raisers, donors, planners and boosters. And a few, such as our late colleague Eric Rosen, leave a legacy that will continue to shape lives long into the future.

Eric started on the parts counter, advanced to manager, rose to become assistant general manager for the entire company, and ultimately served as director of East Coast Operations. During his tenure, the company grew from three locations to more than 150. Eric’s strong work ethic and collaborative style both enabled this success and strengthened the company’s culture as it grew.

But, Eric’s career accomplishments were only part of a consequential life. He was a selfless servant of his community, involved in the Freemasons, assisting with many community programs and, most particularly, dedicating countless hours to advancing the goals of The Boy Scouts of America.

As a child Eric was a proud Cub Scout, but did not make the transition to become a Boy Scout. However, many years later he re-engaged with scouting when his son joined the Cub Scouts. Eric’s passion for scouting was rekindled as he took part in the pack’s many activities, such as helping kids build and race Pinewood Derby cars.

In the ensuing years, Eric took on ever-greater leadership responsibilities in the Boy Scouts organization in New York. He became active in the state’s Theodore Roosevelt Council, whose namesake was a founding member of the Boy Scouts of America. To hone his scouting leadership skills Eric traveled twice to the Philmont Scout Ranch Training Center in the rugged mountain wilderness of New Mexico.

He received many honors, such as the Silver Beaver Award, the highest honor bestowed on a volunteer at the Council level, and a Vigil Membership in the Order of the Arrow. Eric also founded a museum at Camp Wauwepex, which is part of the John M. Schiff Scout Reservation in New York. He mentored countless boys as they journeyed along their trail to become Eagle Scouts.

Eric Rosen loved scouting and continued to give generously of his time and money until his untimely death. When he passed away in March 2021 at age 59, he had already been part of the Parts Authority family for 32 years. The Eric P. Rosen Memorial Fund was established in his memory to support the Theodore Roosevelt Council’s Schiff Scout Reservation Endowment Fund with Parts Authority’s active support.



Eric Rosen
1962 - 2021

NATIONAL SPONSORSHIPS

Parts Authority not only competes in the aftermarket industry, but we are committed to keeping this industry thriving by cultivating diverse talent. At the national level, we sponsor two organizations that are doing vital work in this regard:

Women in Auto Care – A community of the Auto Care Association, Women in Auto Care provides opportunities, education and career leadership to women in the auto care industry through conferences, networking, scholarships, education, data, awards and a curated mentorship program that offers women career coaches based on individual goals and experiences.



Parts Authority Founders Steve Yanofsky, Randy Buller, Yaron Rosenthal and David Wotman.

University of the Aftermarket Foundation – For more than 35 years, University of Aftermarket Foundation (UAF) has provided funding for vital aftermarket education programs and research. In 2022 alone, UAF provided more than 460 scholarships to train America’s next generation of automotive pros. Parts Authority has been a steadfast UAF supporter, for many years, becoming a Lifetime Trustee of the Foundation in 2021 and expanding its support to the Diamond Lifetime Trustee level in 2023.



Other Sponsorships

Across the nation, Parts Authority helps to build vibrant communities by providing financial support and volunteer action. Here are just a few of the organizations we support:

- American Youth Soccer Association
- Amityville Police Benevolent Association, LLC – 2021 Fund
- AP Sports Venture Group – Corporate Sponsorship
- Bay Shore Fire District
- California Automotive Wholesalers' Association – Conference General Session
- Charity Golf Tournament for Past Pleasures Car Club
- Chesapeake Automotive Business Association
- D.W. Campbell Annual Charity Fundraiser
- Etowah Touchdown Club
- Lines for Life - Title Sponsor
- Matt Martin Foundation Inc.
- Natraj Center for Performing Arts
- Northern New Mexico Children's Football League
- Pagosa Fun LLC
- Rescue Mission of Middle GA
- Rockville Center Fire Department Donation
- Sally Ann McNulty – Team Sally Sponsorship
- The Rivers Edge Ranch
- Youth Inc.



Team Member Fundraising

A Vertical Sprint to Help Others Breathe

Climbing stairs makes for great exercise. But it's an even more rewarding activity when you climb hundreds of stairs – all at once – to support a vitally important health initiative.

Stairs and eager volunteer climbers were the centerpieces of the Fight For Air Climb New York City, which was held in March 2023 at PENN1 Tower in the heart of Manhattan. The event is one of many that the American Lung Association holds nationally each year to demonstrate the importance of good lung health and to raise funds to help free the world from lung disease.

One hearty and committed climber at the event was Joel Horvath, who is a territory sales manager at Parts Authority's Store #1 in Queens, New York. Joel joined with his wife, Diane, and others on Team Parts Authority to make the vertical trip up the 55-foot tower's 1,210 stairs.

Joel completed the challenging ascent at a very fast pace: He placed sixth overall among 318 runners, and placed first among men in his age category. Parts Authority contributed to the American Lung Association on behalf of Joel and Team Parts Authority and also provided them with customized t-shirts (see photo) for the climb.

Business Ethics and Personal Conduct

The successful business operation and reputation of the Company is built upon the principles of fair dealing and ethical conduct of our team members. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of the Company is dependent upon our customers' trust and we are dedicated to preserving that trust. Team members owe a duty to the Company and its customers to act in a way that will merit continued trust and confidence of the public.

In general, the use of good judgment, based on high ethical principles, guides our team members when making difficult decisions. In addition to the policies set forth in the team member handbook, the following basic principles guide the conduct of all team members:

- Comply with all applicable laws and regulations.
- Perform all aspects of their jobs with honesty, fairness, integrity, pride, trust and loyalty.
- Embrace differences, including individual perspectives and experiences.

Business Ethics and Personal Conduct

Integrity in Conducting Business

The Company expects team members to take personal responsibility for maintaining the highest standards of honesty, trustworthiness, and ethical conduct. Team members are expected to show integrity by promoting the ability of our customers to understand our products and services. All Company leaders have a responsibility to model good behavior and foster an environment where compliance is achieved. Leaders also have a responsibility to promote a culture that prioritizes integrity and compliance, and team members are expected to be active participants in the maintenance of integrity standards.

Anti-Bribery Anti-Corruption Policy

Parts Authority prohibits team members from offering, paying, receiving or soliciting a bribe. Conversely, the company does not tolerate bribery by any third party with whom the Company does, or seeks to do, business. Team members cannot ignore signs of bribery.

Data Security

Our technology team plans and executes a range of strategies to identify and address data security risks across the enterprise. Parts Authority maintains a written information security program, which encompasses policies, standards, procedures, and guidelines. Taken together, these elements establish operational security controls to govern security for processing, storage, and transmission of customer data.

We define data security as the protection of company, client, partner, and customer information through a combination of strategy, technology, and professional skill. This data encompasses proprietary and personal information such as, but not exclusively:

- Customer contracts, orders, and invoices
- Customer credit information
- Location data
- Supplier information
- Email communications

Data Security

Our work in pursuing data security encompasses all company processes aimed at protecting our valued customers' data from accidental or unlawful destruction, loss, alteration, unauthorized disclosure, or access.

We developed our security program using best practices based on industry standard frameworks, including the National Institute of Standards and Technology (NIST) CSF and NIST 800-171; ISO 27001; the Center for Internet Security (CIS) as it relates to procedures, processes, training and awareness and critical technology controls; and SANS CSC. Parts Authority periodically tests the security program's effectiveness by facilitating both internal and external independent assessments.

The technology team has enhanced cybersecurity this year by implementing an Advanced Endpoint Threat Protection System, Intrusion Detection/Protection System, Security Information and Event Management System, Security Operations Center, Threat Intelligence Reporting, Managed Defense, Malware Forensics, Network Forensics, and Advanced Persistent Threat Hunting. The Company intends to continue to provide cybersecurity awareness training to its team members.

COMPANY RECORDS & DOCUMENT RETENTION

Records created, received or used during the conduct of Parts Authority's business are at all times the property of the company wherever those records may be located (including emails sent and received through our email system). At any time, Parts Authority and, in certain circumstances, third parties (including government officials), may review these records in accordance with applicable law.

ABOUT THE SUSTAINABILITY REPORT

We are committed to advancing sustainable practices across our organization, and to measuring our progress with rigor and transparency. Our process is aligned with global principles and best practices to help improve our effectiveness and give us meaningful benchmarks as we progress in our program from year to year.

Data gathered and reported here is for 2022, with additional qualitative information regarding activities from before this report's publication.

In order to write a replicable and universally understandable sustainability report, we aligned ourselves with the Sustainability Accounting Standards Board (SASB) reporting framework, which is a widely adopted and trusted framework for sustainability reporting. The framework follows the materiality approach, which assesses which areas of ESG are important or material for a company, and provides guidance for the company's reporting approach. To simplify this reporting process, SASB provides the material issues for various industries. As a distributor of auto parts and not a manufacturer, we identify mainly with the 'Multiline and Specialty Retailers & Distribution' industry and partially, where relevant, with the 'Auto Parts' industry, because this industry is material to our suppliers. The SASB-informed material topics are summarized in the SASB Disclosures Index on page 57.

Material Issue	Relevance to Parts Authority
<i>Energy Management</i>	Energy Management Energy management and awareness of energy consumption are necessary parts of any company's sustainability agenda. For us, this means addressing the energy consumption of our warehouses, stores and transport infrastructure.
<i>Data Security</i>	As a distributor of auto parts, we hold large quantities of customer and supplier data. This data must be stored securely to avoid negative consequences of a data breach, so we must practice excellent data and information management.
<i>Labor Practices</i>	As an employer it is our responsibility to provide team members with acceptable labor practices. This means complying with relevant local laws and regulations.
<i>Employee Engagement, Diversity & Inclusion</i>	We strive to engage our team members through dialogue and development, and cultivating a culture marked by inclusion, diversity and mutual respect.
<i>Product Design & Lifecycle Management</i>	As a seller of auto parts, we have the power to sell sustainable products. This means expanding our product selection to include products that are more sustainable, and to offer such products to our customers to help them operate in more sustainable ways.

Waste & Hazardous Materials Management	Waste and materials management is important for every company. Since we sell products and have a significant operational infrastructure, we need to monitor and ensure the safe and correct disposal of waste that we produce.
Product Quality & Safety	Product quality and safety concerns itself with health and safety risks to end users. As a distributor of auto parts, we source our products from reputable vendors known for their robust quality assurance programs, many of which are independently audited and assure that the products we sell are safe for their intended and prescribed use.
Materials Sourcing & Efficiency	This material issue addresses our supply chain. The sources from which we procure products can have a significant environmental and social impact, both for us and for every client who purchases products from us.
Competitive Behavior	We are a company of a considerable size with a commensurate responsibility to conduct business in an ethical manner. We must uphold the pillars of a free market by not engaging in behavior that would give us an unfair advantage.

In addition to applying SASB guidance, we have incorporated the United Nations Sustainable Development Goals (SDGs) into our reporting framework. The SDGs are a set of 17 goals set by the UN in 2015 as part of a 2030 agenda for sustainable development. Similar to the SASB materiality framework, SDGs help us identify goals we can advance, evaluate existing contributions and plan for future enhancements.

For this report, we have identified five SASB-aligned SDGs; the table below demonstrates how they influence each other. We used these five SDGs to help set several sustainability targets in this report, further explained in the following pages.

Material Issue	Multiline & Specialty Retailers & Distribution	Auto Parts	SDG Aligned
Energy Management	✓	✓	11
Data Security	✓		
Labor Practices	✓		8, 9
Employee Engagement, Diversity & Inclusion	✓		5
Product Design & Lifecycle Management	✓	✓	12
Waste & Hazardous Materials Management		✓	11, 12
Product Quality & Safety		✓	9, 12
Materials Sourcing & Efficiency		✓	12
Competitive Behavior		✓	8

United Nations Sustainable Development Goals

Below are the UN Sustainable Development Goals (SDGs) to which Parts Authority is striving to contribute.

Following each SDG are the related steps Parts Authority intends to take.



SDG 5 on gender equality by increasing our percentage of women employed, increasing female representation in our leadership positions, and improving working conditions for women by providing things such as paid maternity leave.

(5.1 End all forms of discrimination against all women and girls everywhere)

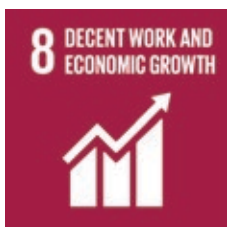
Parts Authority intends to:

- Implement anti-discrimination and anti-harassment training for a majority of team members by 2025.
- Promptly address any report of discrimination or harassment filed and follow up with appropriate and adequate next steps in a timely manner.

(5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life)

Parts Authority intends to:

- Introduce a women’s networking and support group by 2025.
- By 2026 offer additional learning opportunities to women in the company to help them grow into management roles.



SDG 8 on decent work and economic conditions by improving our overall working conditions and providing employees with fair wages and compensation.

(8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value)

Parts Authority intends to:

- Continue to be an equal opportunity employer and assess candidates only based on experience and skills.
- Prohibit all forms of discrimination and harassment during the recruitment phase and after.

(8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment)

Parts Authority intends to:

- Reduce team member injury by 5% by 2028.
- Reduce lost time cases by 4% by 2028.
- Improve manager/supervisor safety knowledge to address unsafe conditions or behaviors through additional training.
- Provide health and safety training to a majority of team members by 2025.

United Nations Sustainable Development Goals



SDG 9 on industry, innovation, and infrastructure by providing more jobs in the manufacturing sector and increasing R&D in the industrial sector.

(9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending)

Parts Authority intends to:

- Offer training to team members to develop their sector knowledge and their work-related skills.



SDG 11 on sustainable cities and communities by monitoring the products we sell, as we contribute to cleaner air and more sustainable urban life.

(11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management)

Parts Authority intends to:

- Comply with applicable laws and regulations concerning the environment.
- Track the amount of waste produced in order to set reduction targets for facilities by 2025.
- Implement a formal, nationwide recycling program concerning paper and cardboard by 2025.



SDG 12 on sustainable consumption and production patterns by improving the quality of our products and making them last longer, thereby reducing the total global material footprint.

(12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse)

Parts Authority intends to:

- Track the amount of waste produced in order to set reduction targets for facilities by 2025.
- Implement a formal, nationwide recycling program concerning paper and cardboard by 2025.
- Ensure a majority of our packaging is FSC certified by 2025.
- Reach 20% of recycled-plastic packaging by 2025.
- Contribute to repairs of an estimated 10 million vehicles each year to extend their lifetimes.

(12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle)

Parts Authority: has participated in CDP private markets pilot to help establish benchmark for private companies looking to assess climate-specific risks and opportunities; and intends to calculate and report on our Scope 1 and 2 emissions by 2024.

KPI Dashboard

We have created a digital dashboard that offers an overview of all of Parts Authority’s sustainability key performance indicators. The dashboard contains KPIs (Key Performance Indicators) for each pillar, addressing details for each material issue. This dashboard will help us monitor our sustainability KPIs regularly, as well as track our progress and performance improvements over time. We plan to update this dashboard annually.

SASB Disclosures Index

The chart below references Sustainability Accounting Standards Board (SASB) indicators for the Multiline and Specialty Retailers & Distributors industry as well as select standards for the Auto Parts industry.

SASB Code	Accounting Metric	Parts Authority Response
Energy Management		
TR-AP-120a.1 CG-MR-130a.1	<ol style="list-style-type: none"> 1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable 	<ol style="list-style-type: none"> 1. Total energy consumed: 684,897 Gigajoules 2. Percentage of total consumed energy accessed via electric grid: 14% or 96,591 Gigajoules 3. Not reported.
Data Security		
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Parts Authority has a written information security program based on industry standard frameworks, including the National Institute of Standards and Technology (NIST) CSF and NIST 800-171; ISO 27001; the Center for Internet Security (CIS).
CG-MR-230a.2	<ol style="list-style-type: none"> 1. Number of data breaches 2. Percentage involving personally identifiable information (PII) 3. Number of customers affected 	<ol style="list-style-type: none"> 1. Number of data breaches: 0 2. Percentage involving PII: N/A 3. Number of Customers affected: N/A

Labor Practices

CG-MR-310a.1	1. Average hourly wage 2. Percentage of in-store employees earning minimum wage	Not reported.
CG-MR-310a.2	1. Voluntary turnover rate for in-store employees 2. Involuntary turnover rate for in-store employees	Not reported.
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Not reported.

Workforce Diversity & Inclusion

CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for 1. Management and 2. All other employees	Not reported.
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Not reported.

Product Sourcing, Packaging & Marketing

CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Not reported.
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Since Parts Authority distributes third-party manufactured auto-parts, health and safety risks related to the manufacture of products with hazardous chemicals is not material to our operations. To manage potential risks, we primarily sell products from regulated brand name manufacturers, review product information sheets, and work with a third-party company to update Safety Data Sheets. More information on page [38].

Labor Practices

CG-MR-410a.3

Discussions of strategies to reduce the environmental impact of packaging

Existing and planned strategies include:

- Use of How2Recycle certified air pillows (2018), which reduces the raw materials needed per pillow by 25%
- Adoption of Forest Stewardship Council (FSC) certified, 100% recycled paper in packing process (2020)

More information on page [19].

Product Safety

TR-AP-250a.1

Number of recalls issued; total units recalled

Parts Authority is not a parts manufacturer and does not issue recalls. However, 21 voluntary recalls were issued by various parts suppliers. More information on page [27].

Design for Fuel Efficiency

TR-AP-410a.1

Revenue from products designed to increase fuel efficiency and/or reduce emissions

Parts Authority is not reporting this information; however, 1 out of 4 products sold helps to improve fuel efficiency or reduce emissions. More information on page [24].

Materials Sourcing and Efficiency

TR-AP-440b.1

Percentage of products sold that are recyclable

Almost 1 in 10 products sold by Parts Authority is remanufactured. More information on remanufactured products on page [26].

TR-AP-440b.2

Percentage of input materials from recycled or remanufactured content

Parts Authority does not disclose this. Information on remanufactured products can be found on page [25].

Competitive Behavior

TR-AP-520a.1

Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations

\$0

CONCLUSION

Our vision going forward is to maintain our momentum by identifying more Key Performance Indicators for various parts of our business and refining our methods for tracking our progress. Part of this work will entail taking recently established policies and communicating them to stakeholders to help them fulfill their roles as capable ESG stewards. We also will continue to collect data and stories throughout the year to deliver our next ESG report – to keep you informed of our progress.

We continue to believe that our sustainability work will strengthen our company's performance, elevate our contributions to society, and harmonize the voices and talents of our internal and external stakeholders to bring to life the **Composition of a Responsible Organization**.

Appendices

Appendix A: List of Part types that Parts Authority sells that increase fuel efficiency and reduce emissions, including Part category designation number

List of Part types that increase fuel efficiency, including Part category designation

6192_Air Filter
 10328_Air / Fuel Ratio Sensor
 5128_Mass Air Flow Sensor
 6072_Fuel Injection Idle Air Control Valve
 5340_Engine Oil Filter
 12138_Engine Oil
 12429_Engine Oil Filter Housing
 5562_Engine Oil Pan
 4588_Engine Oil Pressure Switch
 10434_Automatic Transmission Oil Cooler Hose Assembly
 10396_Engine Oil Pan Gasket Set
 2084_Engine Oil Cooler
 2088_Automatic Transmission Oil Cooler
 5564_Engine Oil Pump
 13795_Engine Oil Pressure Sensor
 10619_Engine Oil Cooler Hose Assembly
 5436_Engine Oil Pan Gasket
 19159_Diesel High Pressure Oil Pump
 5132_Oxygen Sensor
 7212_Spark Plug
 7228_Spark Plug Wire Set
 15174_Suspension Strut and Coil Spring Assembly
 10401_Suspension Control Arm
 7556_Shock Absorber
 16658_Steering Tie Rod
 10070_Suspension Ball Joint
 7580_Suspension Stabilizer Bar Link Kit

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19837_Suspension Strut
 7584_Suspension Strut Assembly
 50548_Air Suspension Strut
 16634_Air Suspension Spring
 12719_Air Suspension Compressor
 15108_Air Spring to Coil Spring Conversion Kit
 7532_Suspension Control Arm Bushing
 7600_Suspension Strut Mount
 52376_Suspension Strut Mount Kit
 56949_Air Suspension Shock
 10933_Suspension Stabilizer Bar Bushing Kit
 10922_Suspension Kit
 7504_Suspension Trailing Arm
 7500_Suspension Track Bar
 7596_Suspension Strut Cartridge
 10489_Suspension Control Arm Bushing Kit
 10400_Steering Tie Rod End Assembly
 7572_Shock Mount
 7592_Suspension Strut Bellows

List of Part types that reduce emissions, including Part category designation

5808_Catalytic Converter
 14724_Catalytic Converter with Integrated Exhaust Manifold
 11127_Exhaust Manifold Heat Exchanger
 15114_Exhaust Manifold Hardware Kit
 19013_Catalytic Converter and Pipe Assembly
 4968_EGR Valve
 12040_Evaporative Emissions System Leak Detection Pump
 6268_Fuel Tank
 5180_Vapor Canister
 5900_Fuel Tank Cap
 4936_Vapor Canister Purge Valve
 16992_Vapor Canister Vent Solenoid
 5148_Vapor Canister Purge Solenoid
 4436_Fuel Tank Sending Unit
 17130_Fuel Tank and Pump Assembly Combination
 5052_PCV Valve
 11798_PCV Valve Hose

Appendix B: List of Remanufactured Parts that Parts Authority sells, including Part type designation number

2476_Vehicle Battery
 2412_Alternator
 6628_A/C Compressor
 1704_Disc Brake Caliper

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4152 Starter Motor
7388 Rack and Pinion Assembly
7380 Power Steering Pump
6224 Fuel Injector
5128 Mass Air Flow Sensor
6472 Fuel Injection Throttle Body
7416 Steering Gear
5764 Turbocharger
1884 Power Brake Booster
2308 Drive Shaft
7108 Distributor
48241 Direct Injection High Pressure Fuel Pump
1516 Power Window Motor
8824 Windshield Wiper Motor
13629 Electronic Throttle Body Module
10543 Engine Control Module
8856 Windshield Wiper Linkage
6013 Diesel Fuel Injector Pump
47959 HVAC Control Module
19714 Drive Motor Battery Pack
15322 Power Brake Booster Vacuum Pump
1844 ABS Control Module
19159 Diesel High Pressure Oil Pump
18582 Integrated Control Module
14756 Fuel Pump Driver Module
2888 Body Control Module
16127 Fuel Injector Control Module
16802 ABS Hydraulic Assembly
6132 Fuel Injection Pump
13652 Transmission Control Module
13835 Diesel Fuel Injector Driver Module
10462 Lighting Control Module
2700 Generator
58853 Air Brake Disc Brake Caliper
59836 Powertrain Control Module
12955 HVAC Auxiliary Fan Control Module
14477 Power Steering Control Module
11303 HVAC Heater Control Panel

Contact

For questions or additional information about our sustainability efforts please contact us at:
ESG@partsauthority.com

The information presented in these materials is believed to be materially correct as at the date hereof, but may not necessarily be complete or accurate and may change at any time without notice. Parts Authority makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein. Some of the information and data contained herein has been provided, prepared and/or compiled by third-party sources deemed reliable, but has not necessarily been independently verified, audited, attested or assured by Parts Authority or any third-party. Parts Authority does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy, or completeness of such information.

The information presented in these materials includes estimates, projections, and other "forward-looking statements". These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," " and, in each case, their negative or other various or comparable terminology and similar expressions.

Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. We undertake no obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

Please consider the environment before printing this report. Thank you.