

2024

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SUSTAINABILITY REPORT

***Mi*MOTION®**

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President's Statement

JAMES HOWE

Motion's sustainability commitment can be seen throughout our journey that began in 1946. Year after year, we continue to improve our sustainability performance and consider the long-term view of our business and the impacts to our stakeholders in all respects, including critical environmental, social and governance topics. Our 2024 Sustainability Report provides an update on our expanding sustainability journey.

Business Update:

In 2022, Motion completed its largest acquisition to date: Kaman Distribution Group (KDG). Last year, we completed this integration ahead of schedule, delivering results earlier than anticipated. These results include operational and environmental synergies, and additional capabilities to drive customer satisfaction and performance.

Environmental Update:

We continue to execute our customer-centric fulfillment center project. The result is a better customer experience with more inventory available for same- and next-day deliveries to our customer base. We opened our first fulfillment center in 2022 in Lakeland, Florida; the results from a customer perspective have been tremendous. This consolidation of resources has provided an operational efficiency and an environmental performance improvement—reducing our footprint and accordingly our energy usage and GHG emissions. In 2023, we opened our second fulfillment center in Charlotte, North Carolina. We are tracking this project's performance and look forward to reporting the results. This fulfillment center model will be duplicated in additional markets.

Social Update:

Motion continues to prioritize employee safety, engagement, retention and inclusion. This year, our talent acquisition team continued to diversify our talent base by liaising with Historically Black Colleges and Universities (HBCUs) and broadening our partnerships to engage veterans.

With a \$5 million investment, we created a new, state-of-the-art Learning & Development Center from a repurposed building that would have been otherwise demolished, preventing waste. This learning center is serving our employees and customers in their professional growth, for everything from technical training to leadership development.

Governance Update:

Motion continues to align its program under the direction of our parent company, Genuine Parts Company (GPC). Engaging closely with GPC leadership and our Board of Directors, we oversee all strategic decisions of the organization. We practice our core values of being ethical, fair, inclusive and invested, and ensure accountability at all organization levels. We monitor effectiveness through various channels, including enterprise risk management, internal and external audits, and a robust Quality Management System, including ISO 9001. During 2023, we began the due diligence of expanding our Quality Management program. In 2024, we will begin the implementation of ISO 14001 and ISO 45001, which will allow us to enhance and audit the effectiveness of our environmental, health and safety programs.

At Motion, we work diligently to continually earn our place as the premier industrial solutions provider. We are pleased with our continued progress in our sustainability program and the value created for our customers and stakeholders. We continue to add capabilities and expand our teams, investing our time and resources in operations that increase service in an efficient and sustainable manner.

Thank you to our Motion teams, partners and suppliers for their continued contributions to exceed our customers' expectations, invest in our communities and improve the world around us.

A handwritten signature in black ink that reads "James Howe". The signature is written in a cursive, flowing style.

JAMES HOWE

President of Motion

ABOUT THIS REPORT

This report discloses Motion Industries, Inc.'s (Motion) environmental, social and governance (ESG) performance for fiscal year 2023 (January 1, 2023, to December 31, 2023, unless otherwise noted).

The report boundary encompasses Motion's North American operations: United States, Mexico and Canada. Motion's North American business units are Motion Conveyance Solutions, Motion Repair & Services, and Motion Automation Intelligence (Motion Ai). In addition to this report, Motion is included in some sections of its parent company Genuine Parts Company's (GPC) forthcoming 2024 Sustainability Report.

Fulfilling Motion's vision and values, this report is published annually and continues to demonstrate our sustainability program's development and achievements. This report's content is based on the still-relevant 2022 Materiality Assessment conducted by a respected third party. Numbers and data figures are rounded and approximate according to disclosure best practices and industry-accepted methodologies. As our reporting evolves, we also include reference to the Global Reporting Initiative (GRI). To improve stakeholder experience, the GRI index is located at the report's end, noting the location of required relevant data and topics.

Visit our dedicated website to keep updated and learn more about Motion's ESG initiatives: [motionesg.com](https://www.motionesg.com)



Scan to Learn More

Motion recommends viewing this report online versus printing.


FORWARD-LOOKING STATEMENTS

Some statements in this presentation, as well as in other materials we file with the Securities and Exchange Commission (SEC), release to the public, or make available on our website, constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements in the future tense and all statements accompanied by words such as “expect,” “likely,” “outlook,” “forecast,” “preliminary,” “would,” “could,” “should,” “position,” “will,” “project,” “intend,” “plan,” “on track,” “anticipate,” “to come,” “may,” “possible,” “assume,” or similar expressions are intended to identify such forward-looking statements. These forward-looking statements include our view of business and economic trends for the coming year, our expectations regarding our ability to capitalize on these business and economic trends and to execute our strategic priorities, and the established full-year 2024 financial guidance provided. Senior officers may also make verbal statements to analysts, investors, the media and others that are forward-looking. We caution you that all forward-looking statements involve risks and uncertainties, and while we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements. Actual results or events may differ materially from those indicated as a result of various important factors. Such factors may include, among other things, changes in general economic conditions, including unemployment, inflation (including the impact of tariffs) or deflation, financial institution disruptions and geopolitical conflicts such as the conflict between Russia and Ukraine, the conflict in the Gaza strip and other unrest in the Middle East; volatility in oil prices; significant cost increases, such as rising fuel and freight expenses; public health emergencies, including the effects on the financial health of our business partners and customers, on supply chains and our suppliers, on vehicle miles driven as well as other metrics that affect our business, and on access to capital and liquidity provided by the financial and capital markets; our ability to maintain compliance with our debt covenants; our ability to successfully integrate acquired businesses into our operations and to realize the anticipated synergies and benefits; our ability to successfully implement our business initiatives in our two business segments; slowing demand for our products; the ability to maintain favorable supplier arrangements and relationships; changes in national and international legislation or government regulations or policies, including changes to import tariffs, environmental and social policy, infrastructure programs and privacy legislation, and their impact to us, our suppliers and customers; changes in tax policies; volatile exchange rates; our ability to successfully attract and retain employees in the current labor market; uncertain credit markets and other macroeconomic conditions; competitive product, service and pricing pressures; failure or weakness in our disclosure controls and procedures and internal controls over financial reporting, including as a result of the work from home environment; the uncertainties and costs of litigation; disruptions caused by a failure or breach of our information systems, as well as other risks and uncertainties discussed in our Annual Report on Form 10-K for 2023 and from time to time in our subsequent filings with the SEC. Forward-looking statements speak only as of the date they are made, and we undertake no duty to update any forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-K, 10-Q, 8-K and other reports filed with the SEC.

MOTION BY THE NUMBERS

OUR BUSINESS

 **7**
Countries

 **750+**
Locations

 **10,000+**
Employees

 **\$8.3B**
2023 Revenue*
*Sales figure is North America only

Since 1946, Motion has grown organically and through strategic acquisitions to become the premier industrial distributor. With our wide global network, customers have access to more than 19 million unique parts, from bearings and conveyor belting to motion control and fluid power. Across the many markets we serve, our expert teams exceed customers' expectations every day with solutions from same-day part delivery to the most complex industry challenges. Motion delivered through the COVID-19 pandemic, availing its services and outstanding dedication to customers across industry. Today, Motion's commitment has improved even more, serving customers with a new and successful fulfillment model, advanced technological innovation and other value-added capabilities for operational efficiency.

OUR VALUES



Fair



Ethical



Inclusive



Invested

VISION STATEMENT

Continually earn our place as the premier industrial solutions company by:

- *Providing the preferred customer experience*
- *Energizing our talent*
- *Delivering stakeholder value*

OUR SOLUTIONS



 **MOTION**

 **CONVEYANCE SOLUTIONS**

 **REPAIR & SERVICES**

 **MOTION**
Automation Intelligence 

OUR APPROACH TO SUSTAINABILITY

ENVIRONMENTAL, SOCIAL & GOVERNANCE



Environmental

At Motion, we understand that caring for the world where we live now and for future generations is vital. **We are committed to:**

- Improving our environmental performance
- Fostering a sustainable value chain
- Supporting our customers' energy efficiency



Social

People are at the very core of Motion's culture and strategy. **Our efforts concentrate on:**

- Diversity, Equity & Inclusion
- Learning & Development
- Sustaining health and safety
- Supporting our community



Governance

We recognize that strong governance is the key to sustainability. **As such, we heavily rely on:**

- Governance structure
- Ethical business practices
- Risk management



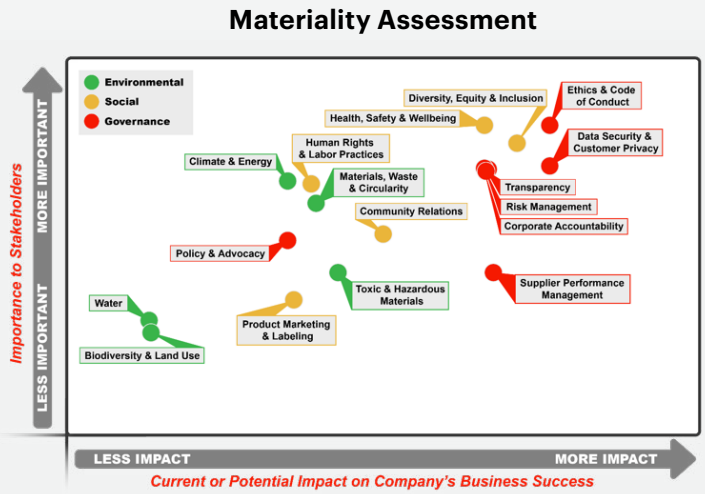
OUR APPROACH TO SUSTAINABILITY

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Motion’s approach to sustainability is directly informed from our initial Materiality Assessment conducted during 2022 by a respected third-party firm dedicated to Sustainability Consultancy. This Assessment combined industry best practices with a proxy approach. Senior leadership and business stakeholders responded as proxy for their respective areas of expertise and informed on customer and market conditions.

Motion is in the process of updating its Materiality Assessment process to include a broader audience of internal and external stakeholders during 2024.

As our business and the sustainability landscape rapidly evolve, we strive to maintain our Materiality Matrix relevant to our stakeholders. Used to guide sustainability strategy and reporting, the Materiality Matrix’s material topics are considered most important to our stakeholders and most impactful to our business success. In this report, we disclose the most material topics presented in our Materiality Matrix and include topics following the market’s best practices.



ENVIRONMENTAL

SUSTAINING OUR WORLD FOR FUTURE GENERATIONS

At Motion, we are investing in improving our environmental performance. We recognize this includes governing our supply chain to ensure maturing sustainability throughout the value chain. And finally, we are committed to investing our time, energy and resources into caring for the world around us and improving the communities where we live and serve.



IMPROVING ENVIRONMENTAL PERFORMANCE



Adopting Renewable Energy Sources

- Replacing gas-powered fork trucks with electric models
- Studying the adoption of EV fleet



Reducing Energy Consumption

- Retrofitting or designing new locations with LED lighting and building management systems



Reducing Waste and Increasing Recycling

- Expanding the reach of our program to provide training and model best practices

Based on 1,231.95 tons of recycled material in 2023, our corporate recycling program has had an annual positive impact equivalent to the reduction of:



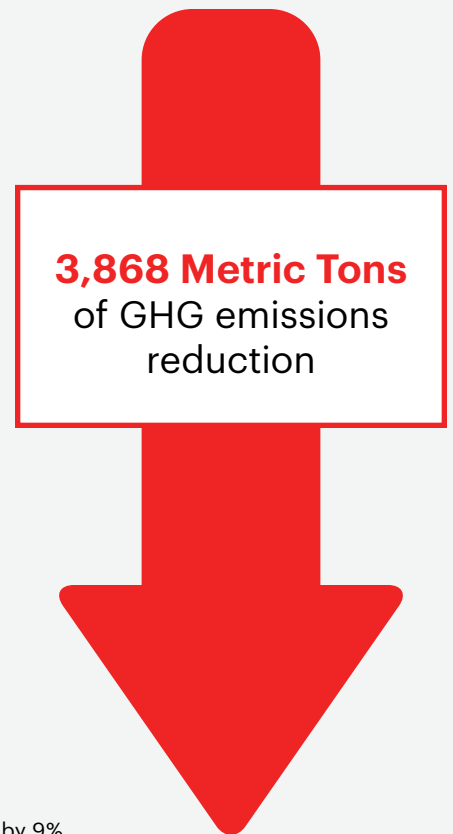
753
Households' electricity use



18,602 MBTUs
Net energy reduction (million British thermal units)



Carbon sequestered by
4,583 Acres
of US forests



3,868 Metric Tons
of GHG emissions reduction



8,956 Barrels
of oil consumed



435,285 Gallons
of gasoline consumed



834
Gasoline-powered passenger vehicles driven

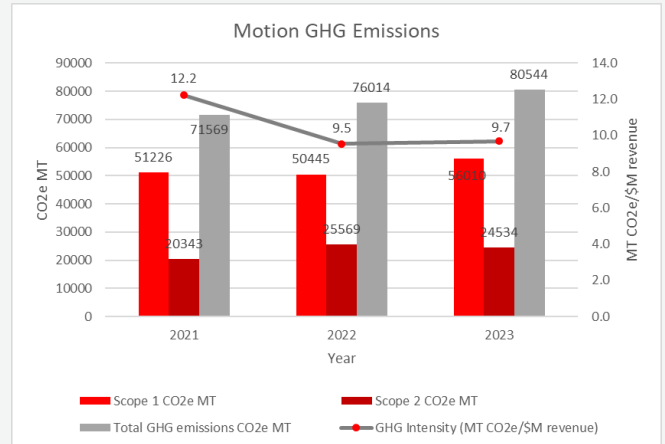
With the Kaman Distribution Group integration, total waste generated in the United States went up by 9% (9,237 tons), while recycling increased by 14% (1,232 tons).*

*Based on the data provided by our third-party provider in the United States.

TRACKING AND REDUCING OUR GHG EMISSIONS

Aligned with Motion’s commitment to evolve in our sustainability journey, we continuously enhance governance and transparency regarding carbon emissions. In 2023, our sustainability team completed comprehensive training on carbon accounting according to the Greenhouse Gas Protocol (GHG Protocol) on Scopes 1 and 2. The team continues in a three-year training program regarding carbon accounting and reduction strategy. Our goal is to enhance Motion’s capabilities on carbon governance and, ultimately, pursue significant carbon reductions.

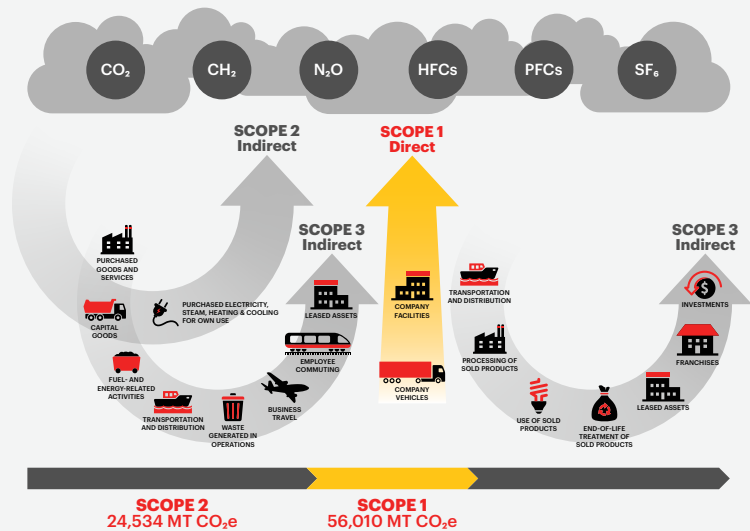
In this report, we are disclosing the evolution of our carbon journey from our 2021 baseline to the present and foreseeable future. Emissions are calculated according to the GHG Protocol and use operational control in the United States and Canada as the boundaries. While we aim to include our Mexican operations in the future, the United States and Canada account for approximately 99% of Motion’s operations.



For the first time, we include carbon intensity disclosure, which helps inform our growth impact. In 2023, while our Scope 2 total emissions and intensity decreased, Scope 1 total emissions and intensity increased. The reported increase stems from data integration finalization from the Kaman Distribution Group acquisition, the complete return to “normal” activities after the COVID-19 pandemic mobility restrictions, and the continued refinement of our calculation methodology.

The decrease in Scope 2 shows that our initiatives improved environmental performance. We continue to develop our environmental program and are invested in pursuing initiatives that reduce environmental impact while maximizing customer satisfaction. Initiatives include:

- Expanding the Fulfillment Center
- Modernizing facilities by retrofitting or designing new locations with LED lighting and other energy-efficient materials
- Replacing gas-powered fork trucks with electric where possible
- Expanding the recycling programs
- Monitoring GHG
- Reducing materials



FOSTERING A SUSTAINABLE VALUE CHAIN

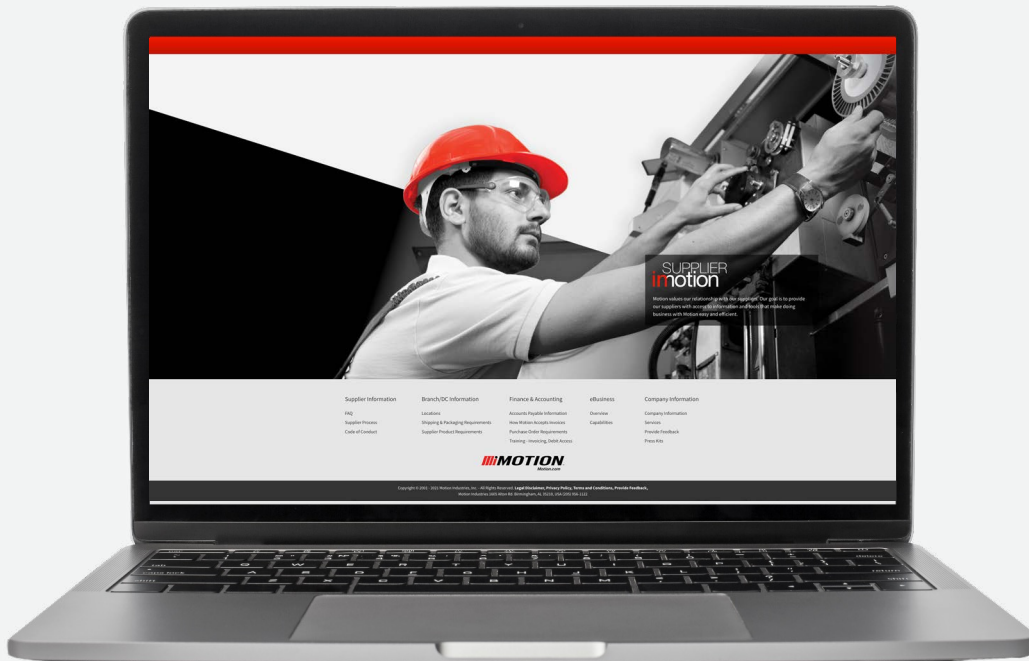
As Motion is invested in fostering a more sustainable value chain, we have directed efforts toward upstream and downstream stakeholders.

- We are developing a comprehensive supplier program that primarily aims to enhance supplier sustainability.
- We are partnering with suppliers and investing in offering environmentally preferable solutions to our customers.

As another step taken in Motion’s carbon journey, our sustainability team has concluded Scope 3 training according to GHG Protocol and seeks to mitigate such emissions. Scope 3 is expected to account for approximately 95% of our emissions, stemming from indirect downstream and upstream activities.

In 2023, we reported a new project to significantly improve our value chain governance. During the year, we evaluated the requirements and platforms required for success. The project scope included a thorough review of our current tools and the growing demands to oversee our supply chain network, including the growing regulatory and customer requirements on transparent and sustainable procurement activities.

In 2024, Motion will launch the new tool, allowing us to report on critical items such as supplier business updates, ethical alignment and code of conduct, sustainable sourcing, risk mitigation and other KPIs requested by our customers and stakeholders.



SUPPORTING OUR CUSTOMERS' ENERGY EFFICIENCY

Motion's Energy Services Team conducted 90 energy audits for our customers in 2023, which resulted in:

- 108,966,135 kWh reductions
- \$5,275,295 in annual energy savings
- 77,880,092 lbs. or 35,326 MT of CO₂E reductions
- \$7,040,329 in cost savings realized (energy savings, maintenance reductions, cost avoidance, assessment fees, utility incentives)



Case Study

“From 2021 to 2023, Motion’s Energy Services Team (EST) completed multiple compressed air and steam trap energy assessments for one of the world’s largest automobile manufacturers. Twenty-one facilities were visited throughout North America, including Canada, Mexico and five states in the USA. These surveys helped identify total energy savings of \$4,381,088 and reductions of 42,195,105 kWh. Total cost savings identified were \$4,729,076. EST also found opportunity to eliminate 42,652,149 pounds of carbon dioxide emissions.”



**Scan Here
to Learn More**

REPAIR SOLUTIONS SUPPORTING SUSTAINABLE SOLUTIONS

Motion Repair & Services provides customers with timely and reliable repair solutions from strategically located shop facilities throughout the United States and Canada. With decades of experience and heavy investments in equipment, training and facilities, Motion Repair & Services is the premier industrial repair solutions provider.



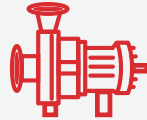
MECHANICAL

- Gearbox Repair & Assembly
- Industrial Drive Shaft Repair & Assembly
- Clutch, Brake, VS Drive Repair
- Material Handling Component Repair



FLUID POWER

- Pump, Motor & Valve Repair
- Pump Assembly
- Hydrostatic Transmission Repair
- Cylinder Repair, Design & Build



PROCESS PUMPS

- Repair & Assembly
- Protective Coating
- Impeller Trimming/Balancing



PACKAGED SOLUTIONS

- Hydraulic Power Units
- Pump Skids
- Drive Packages
- Control Systems
- Custom Machine Design & Build



FIELD SERVICE

- Equipment Inspections
- Field Repair
- Preventive Maintenance
- Install & Commissioning
- Troubleshooting & Application Engineering

SUSTAINABILITY IMPACTS



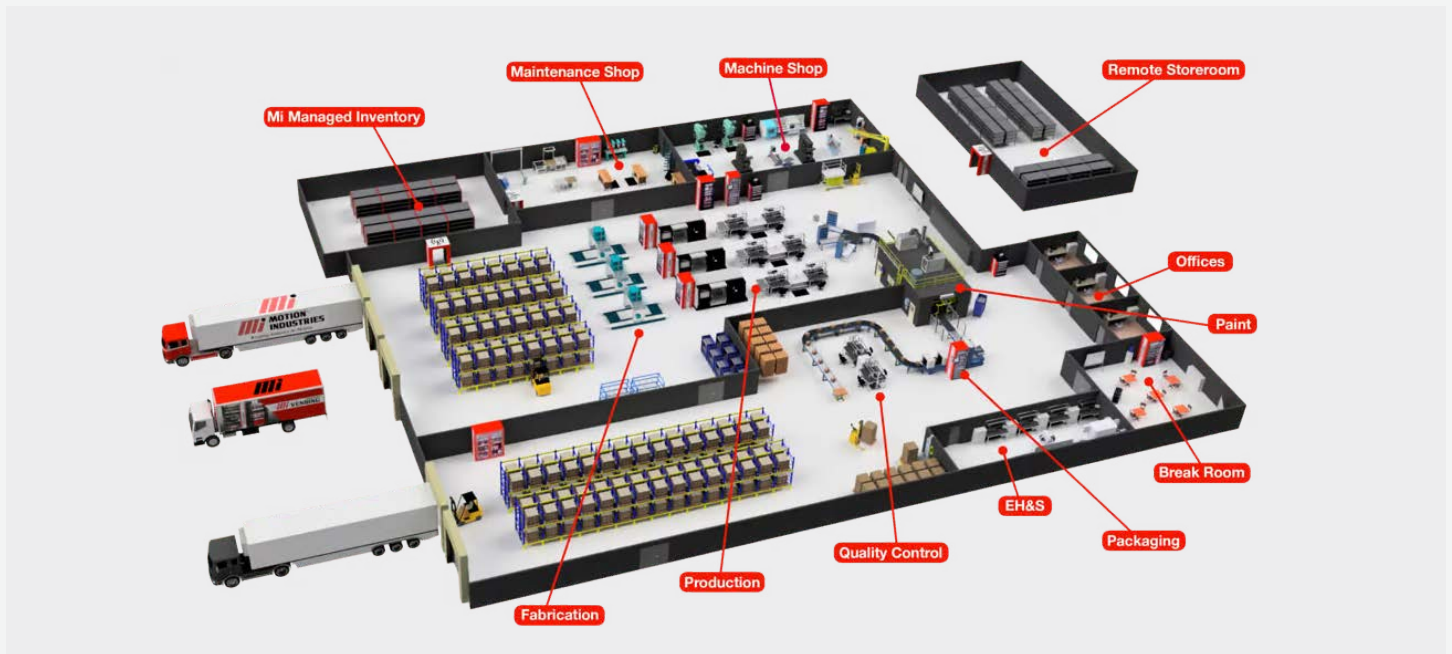
Motion Repair & Services supports customer sustainability with:

- Reduced waste
- Landfill diversion
- Reduced recycling effort
- Extended product lifespan
- Decreased environmental impact associated with manufacture and transportation of new product
- Reduced consumption of raw materials required for manufacture of new product



Review our full list of capabilities and our case studies online

STOREROOM MANAGEMENT & ONSITE SOLUTIONS



This diagram illustrates how Motion's storeroom management and onsite solutions contribute to a more sustainable future for our customers and the planet.

AUTOMATION INTELLIGENCE

Motion's Automation Intelligence (AI) division is a provider of components, assembly services, and engineered solutions for process automation, motion control, and power & energy management. Our solutions are geared for both OEMs and end users anywhere in the U.S.

We provide everything from single component replacements and custom kitting programs to retrofits and built-to-order installations. Our services include initial consultation, system design and build, installation, start-up commissioning and monitoring/reporting software.

Added value for customers is increased with exceptional product and technological expertise plus a commitment to service, safety and reliability unparalleled in the industry. By streamlining and optimizing our customers' sourcing and supply chain resources, we help them lower costs, improve process efficiency, and reduce power and energy use. All these efforts contribute to customers' sustainability goals and boost their bottom line.



**Review our full list of capabilities
and our case studies online**

SOCIAL

CARING FOR OUR PEOPLE

Motion continually demonstrates its values of being fair, ethical, inclusive and invested. We know that our success is largely accomplished by our skilled, talented and diverse workforce. Our teammates contribute to our communities, support our customers with expertise and solutions and demonstrate commitment to our vision and values.

In turn, Motion supports and rewards its valuable teammates. In 2023, after re-evaluating its employee benefit program, Genuine Parts Company and Motion added new benefits and advantages for the diverse wants and needs of our team. We accomplish this by providing options for individual and family health care coverage, resources for mental health and investment opportunities through 401(k) programs, stock programs and other resources.

Motion is also investing in its Employee Health and Wellness programs. While we already provided multiple opportunities for education and financial rewards to employees, we made strategic decisions to support our teams with additional health and wellness offerings.

1. As a premier member of the American Heart Association, we made the strategic commitment to become a smoke-free corporate campus in our Birmingham location.
 - We now offer smoking cessation programs to support those employees in this change.
2. We offer on-site exercise classes four times a week, facilitating access to an improved healthy lifestyle plus camaraderie, unity and inclusivity of our teams.



DIVERSITY, EQUITY & INCLUSION (DEI)

Our Talent Objective

Getting and keeping the right people in the right jobs while creating opportunities in an inclusive environment for women and diverse employees to thrive and succeed.

In 2023, we partnered with several educational and athletic organizations to meet people with diverse backgrounds to share Motion and our vision of inclusion.



Shades Valley High School College & Career Day

Motion sponsored this event in November 2023, which included representatives from Historically Black Colleges and Universities (HBCUs), local companies, community colleges and organizations. Alongside Motion's leadership team and Talent Acquisition teams, they met with 25 high school students and their parents to discuss career paths and opportunities at Motion for job shadowing and internships.



OUR COMMITMENT TO DEI

Motion continues to demonstrate our commitment to DEI throughout all organization levels. Our teammates around the world reflect the communities and cultures we serve.

In 2023, our efforts intentionally brought our diverse workforce together to support organizations that share our values at Motion, focused on advancing racial equality and helping diverse and underserved communities worldwide. This led us to launch a series of employee appreciation, engagement and charitable giving activities.

One example of employee engagement is the establishment of a Motion extension of the Business Resource Groups (BRGs) launched by GPC: Women, Veterans, African American and Asian American groups. Employees have supported events throughout the year to promote and share their messages and to make a positive impact in our communities.

Motion is invested in BOLD: the GPC BRG for the Black Organization of Leaders and Doers. As a strategic alignment with GPC's BOLD group, Motion hosted HBCU night at the Birmingham Squadron basketball game. Over 400 Motion employees, friends and family joined in the engagement.



During Black History Month, 16 Motion BOLD members participated in a Read-A-Thon at Tarrant Elementary. Employees read books to every class and encouraged students to do well. We also shared cookies with Black History labels as a reminder of the month celebrating Black heritage.



DEI BY THE NUMBERS

Gender*



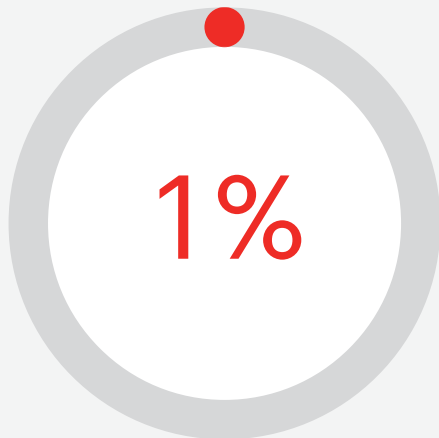
Race and Ethnic Diversity*



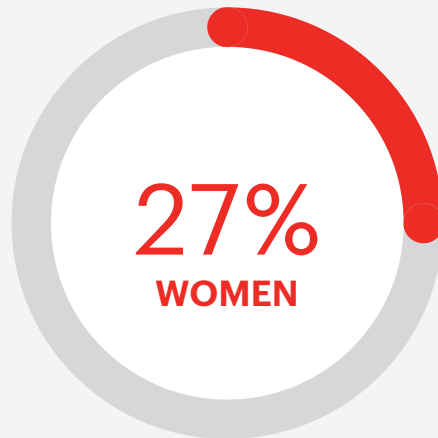
Military Service*



Persons with Disabilities*



Leadership



**Self-Identified - US Only*

DEI ROADMAP

Job Postings

In addition to changing our approach to in-person recruiting events, we expanded our online presence. We researched tools to better prepare us for a larger pool of diverse candidates. We use tools such as Handshake, Indeed, LinkedIn and HireEZ to pull from a large pool of diverse candidates.

Campus Recruiting

We tripled our efforts in 2023 by attending eight job fairs at HBCUs and four job fairs at HSIs (Hispanic-serving institutions). As part of our roadmap initiatives, we partnered with HBCUs to become more integral to these institutions. By driving awareness of our organization with these candidates, we will foster a more inclusive workforce. In 2023, we partnered with our groups to strengthen our approach to trade schools and community candidates for roles that would not typically come from a four-year institution.

In June, we went to the Juneteenth “Empowering You” Job, Health and Education Fair. Addressing existing disparities, this event provides access to healthcare, college and job recruitment, financial education and business information that might have been previously out of reach.

Military Recruiting

Motion recognizes the great sacrifices military members and veterans made in support of our great nation. We deeply appreciate the service of our veterans and guard/reserve members and are always looking to add strong leaders and talented individuals to our growing team.

In 2023, military recruiting was a focus for Motion. We engaged RecruitMilitary, obtained access to their database and attended fifteen in-person career fairs and seven virtual career fairs that aim to transition veterans to civilian jobs.



CAREERS

Scan Here to Learn More

DIVERSE TALENT DEVELOPMENT

In 2023, Motion continued to invest in its partnership with McKinsey’s Management Accelerator Program, which is designed to develop and retain top diverse talent. The program focuses on developing an organization’s high-performing people of color who are early-to-mid career managers. Stressed are capabilities and cross-functional knowledge needed to lead a successful business and high-performing teams.

TALENT SPOTLIGHT



“The McKinsey Management Accelerator Program was extremely beneficial for me. The program enabled me to network with people from various industries and organizations from all around the world. We were able to provide each other insights on what our job responsibilities are within our current positions and industries and share any challenges that we face every day in the workplace.

The management tools and skills that the instructors provided have proven to be very useful in my professional and personal lives and reiterated a lot of the lessons that I learned through the Motion Impact Programs.

It is truly an honor and blessing to be part of an organization that develops its people personally and professionally.”

Corey Jackson, Regional Sales Manager – Motion Conveyance Solutions

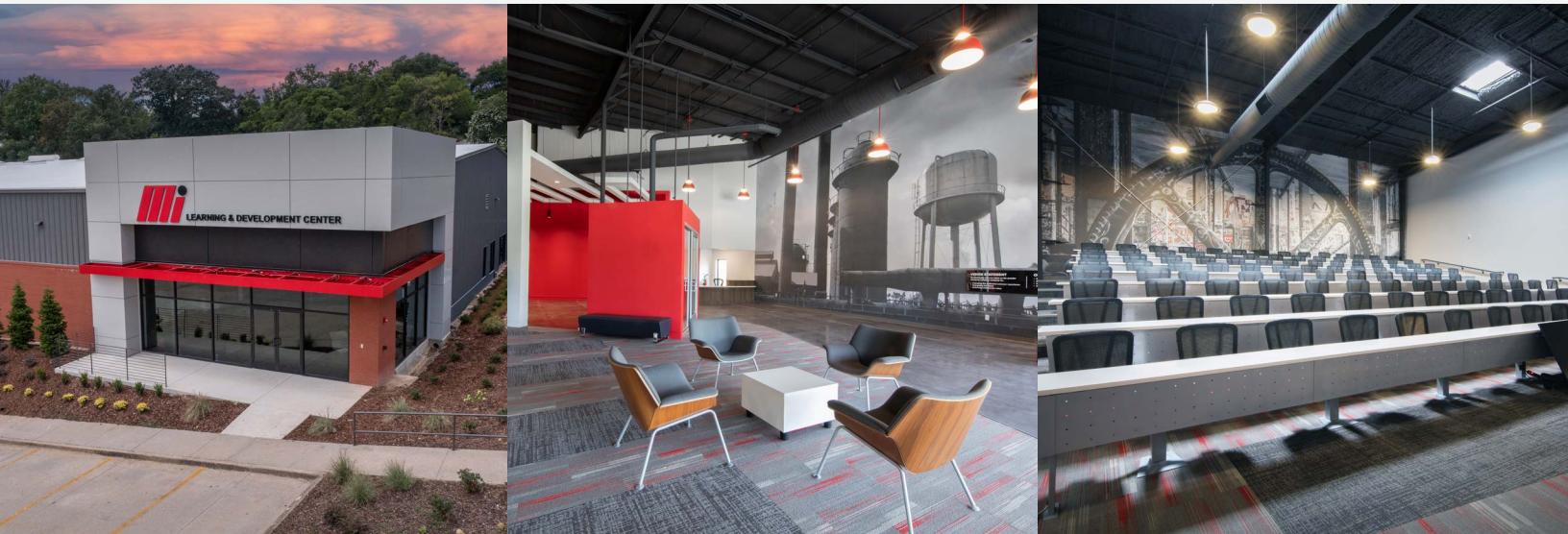


“Phenomenal program. It provided a wealth of knowledge and a clear understanding of business operations. It also enabled me to join a network of leaders from various industries to collaborate with as a tool to continue to enhance skillsets, both professionally and personally. The program also taught me to self-evaluate in an effort to identify strengths to utilize in my current leadership role and identify areas where growth is necessary to accelerate my career path.

I am very fortunate to have been chosen to participate in the McKinsey program!”

Renaldo Smiley, Branch Manager

INVESTING IN OUR TALENT



Learning & Development Center

As the world is ever-changing, Motion believes it is vital to continuously develop our team and capabilities. We aim to energize our people by delivering the knowledge and skills our customers deserve as we earn our place as the preferred solutions provider. In 2022, we moved forward with our new Learning & Development Center (LDC). Motion invested \$5 million into its development.

The LDC opened in 2023, repurposing a 20,000 sq. ft. industrial shop into a world-class training facility at Motion's headquarters. On site, we host hands-on skills training for bearings, power transmission, motors and other industrial products. We also provide leadership, safety and other training tailored to our various internal and external stakeholder groups.



Learn more about our Learning & Development Center

2023 Training Highlights

We provide both virtual training through our Exceed learning platform and in-person training to our employees, customers and suppliers. In 2023, we provided:

- 304,493 online course completions
- 2,614 employees with hands-on instruction
- Over 8 hours training per employee
- Over 88,000 hours total training
- 900+ customers with hands-on training
- 170 live classes

In addition, our performance review process allowed us to evaluate 100% of eligible employees.

SUSTAINING HEALTH AND SAFETY

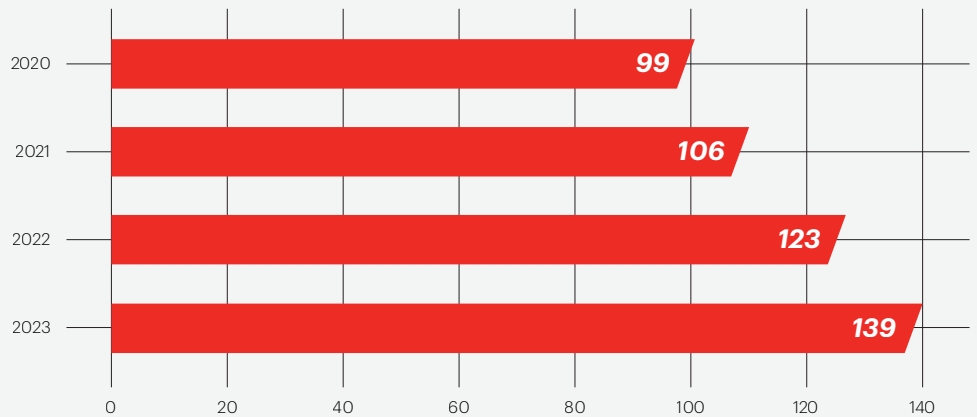
Motion is committed to providing a safe work environment. Our EHS (Environmental, Health and Safety) professionals work diligently to keep our teammates safe by administering required training and overseeing programs that keep our operations running safely and sustainably.

Our EHS program brings the topic into all areas of our business operations. By making safety top of mind, we ensure that all teammates know our proper procedures to keep our teams safe. The EHS team is also responsible for applying applicable federal, state and local regulations and for considering proposed legislation from the U.S. Occupational Health and Safety Administration, the U.S. Environmental Protection Agency and the U.S. Department of Transportation.

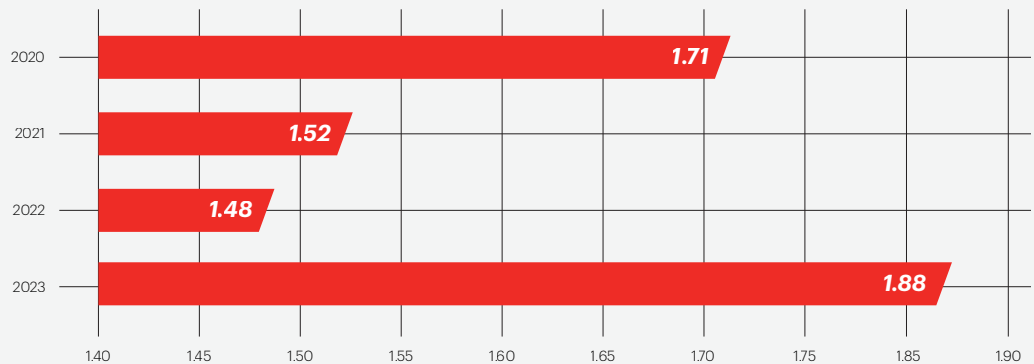
100% Health & Safety Training Complete

Over 43,000 hours of training on Health and Safety completed in 2023

Total Injuries 2020-2023



Total Recordable Injuries Rate 2020-2023



*2022 and 2023 figures include around 2,000 additional employees in connection with a transformational acquisition that closed in January of 2022.

SCHOLARSHIP WINNERS

9

Scholarships Awarded

in 2023

Incorporating all four of its core values—fair, ethical, inclusive and invested—Motion introduced a new program in 2021: the Motion College Scholarship. It is open to dependent children, age 25 and under, of qualified full-time employees.

Scholarships are awarded and continue annually as long as students are still enrolled for up to four years.

SCHOLARSHIP AWARDS HIGHLIGHT

Investing in Future Talents

Zena Terry attends Tuskegee University, majoring in nursing. She is the daughter of Edward Terry, tax associate. Zena’s high school activities included being captain of Ramsay High School Dance Team, SGA vice president, and member of the National Honor Society and Mu Alpha Theta (Math Club). In college, she plans to continue participating on the dance team. Within her community, Zena is the CEO of the nonprofit organization Color Me Confident and is president of a community service group called Chi Iota Delta. In her free time, Zena enjoys dancing, cooking and shopping.



Scholarship Granting Organization (SGO) Donations

In addition to our internal collegiate scholarship program, Motion is invested in delivering educational value to our communities. Recognized by the State of Alabama, the SGO is an organization that awards school scholarships to eligible low-income students for the opportunity to attend private schools. Qualified SGOs receive funding for scholarships from private charitable donations.

To benefit students and help them realize a successful future, Motion contributed \$500k and \$1M to these SGOs in 2022 and 2023:

1. **C2 Opportunity Scholarships**
2. **Rocket City Scholarship Granting Organization**
3. **Renaissance Scholarships**
4. **Children’s Tuition Funds of Alabama**
5. **Scholarships for Kids**
6. **Alabama Opportunity Scholarship Fund**

SUPPORTING OUR COMMUNITY

In 2023, Motion continued to support its communities throughout North America. We expanded our philanthropic pillars to focus on those things that align with our values. We believe in contributing to making the world better in the areas where we work and live.

Education and Career Readiness

We believe in the transformational power of education, as it is the foundation to create generational progress and increases earning potential. By supporting programs that improve access to quality education and career readiness, we unlock the full potential of individuals and uplift entire communities.

Food Insecurity

We believe a hungry child is a hindered child and does not have the same opportunity to achieve academically as a fed child. Access to nutritious food is a basic human right of dignity. We support initiatives that fight hunger and alleviate food insecurity in our communities.

Stable Housing

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

Health and Wellbeing

We are passionate about improving access to healthcare, promoting mental well-being and addressing critical health issues. A healthy community is a thriving community, and our focus will continue to be on physical health and mental health of our community.



2023 MEASURED IMPACT OF SERVICE

All Motion Divisions completed community service projects, demonstrating their investment in serving their local communities.

Results include:

- Biking over 4,000 miles with 7 teammates in Canada sponsoring a local elementary school and raising awareness for the need of physical activity and healthy lifestyle habits
- Sorting and packing more than 11,000 pounds of bulk food goods
- Facilitating food preparation, paving the way for 24,500 pounds of prepared meals to be distributed
- Preparing more than 56,000 meals
- Collecting over 2,000 pounds of litter
- Removing more than 20 bags of trash and 6 tires from Mobile Bay
- Constructing 20 beds for children in need with more to come
- Donating 123,697 diapers
- Participating in tree planting and landscaping maintenance with various organizations across numerous states
- Sorting, packing and helping distribute baby items, clothes and disaster relief essentials
- Organizing and executing a carnival for local families
- Constructing over 300 Turtle Shelter vests for homeless individuals



SUPPLIER DIVERSITY

We actively seek diverse suppliers, recognizing the importance of inclusivity in fostering resilience and sustainable business practices. A diverse supply chain enhances innovation, fosters creativity, promotes adaptability to changing market conditions and helps to close the economic gap for underrepresented groups. In 2023, we continued to support a diverse supply chain for our customers, and we are active members of the National Minority Supplier Development Council (NMSDC) and Women’s Business Enterprise National Council (WBENC).



Identification

- Review existing supplier base to document Diverse Supplier status
- Engage with key Diverse Supplier Councils to identify new Diverse Supplier opportunities
- Partner with Sales to develop strategy and implementation with measurable results



Utilization

- In 2023, Motion spent approximately:
- \$422 million with over 6,000 small businesses
 - \$174 million with:
 - Minority-owned
 - Women-owned
 - Veteran-owned
 - Other diverse business types



Reporting

- Provide sourcing assistance and supplier capabilities
- Engage in customers’ diverse supplier requirements
- Report and analyze diverse vendor spend reporting

Memberships



GOVERNANCE

PROGRAM OVERSIGHT AND ADMINISTRATION

Motion recognizes the key to a successful sustainability program is determined by the strength of the governance that embodies it.

Under the leadership of Genuine Parts Company (GPC), our governance programs are tightly integrated and reflective of strategy and planning, including corporate risk management. In addition, Motion is also working on key projects to better govern and report on material items to our customers, such as value chain management. We are implementing a new initiative that will allow greater transparency into our value chain and provide reportable metrics on human rights, ethics, sustainable sourcing and environmental responsibility.

Governance Board and Engagement

Motion follows the lead set by the diverse board of its parent company, GPC. The talented Motion leadership team then implements the strategy and participates in quarterly board reviews and feedback on continued operational improvements. We are proud to have a governing body with cumulative 350+ years of experience in various industries.

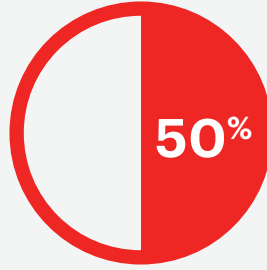


GPC BOARD SNAPSHOT



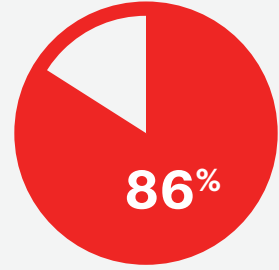
Female

4 out of 14 directors are women



Diverse

7 out of 14 directors are diverse by gender, nationality and race



Independent

12 out of 14 directors are independent

64-65

Years

Average Age

3 directors are in their 50s
7 directors are in their 60s
4 directors are in their 70s

9

Years Average

Board Tenure

4, 0-5 years
5, 6-10 years
5, 11+ years

*Data as of April 30, 2024

Governance for ESG

For us, ESG is more than a compliance or risk mitigation tool; it's our way of doing business. Embedding sustainability into our organization requires a different mindset and management approach to make sure we can respond quickly and proactively to environmental, social and market drivers. Throughout our history, we have engaged in corporate responsibility and environmental stewardship.

In 2022, Motion had two important milestones in governance for sustainability. First, we launched our inaugural Sustainability Report to increase transparency and better track and measure progress on our environmental, social and governance metrics. Second, Motion established the office of Vice President of ESG, Elise Pierce, who reports to Joe Limbaugh, Chief Operations Officer. This structure allows for the top-down review and integration of ESG throughout our operations. As such, the team works closely with other internal and external stakeholders in order to embed sustainability in both our strategy and everyday activities. We are excited to continue evolving in our sustainability journey.

In 2023, we began activities to improve our governance across business operations. During 2024, we will expand our current ISO certification from ISO 9001 and begin pursuing additional certification for ISO 14001 and ISO 45001. This will demonstrate our commitment to environmental sustainability and the health and safety of our teammates and other stakeholders to our business.

ETHICAL BUSINESS PRACTICES

At GPC and Motion, what we stand for never changes, and our unwavering focus on our vision is core to our success. We have fostered a culture that prioritizes ethical behavior, and we have set the bar high because we aren't satisfied with merely complying with laws and regulations.

Our extensive Code of Conduct applies to all full-time and part-time teammates across all global operations and extends to people working on our behalf, including consultants, agents, vendors, suppliers, distributors and business partners. Employees are trained annually on our Code of Conduct, ensuring we communicate often on our high standards of ethical behavior throughout the organization.

In 2019, GPC updated our Code of Conduct to better align with our sustainability strategy and goals. Maintained by GPC's internal Compliance team with oversight from the board, the Code covers the following areas:

Our Code



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

Our Company



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

Our Customers



- Anti-corruption and Anti-bribery
- Anti-money Laundering
- Conflicts of Interest
- Competition and Anti-trust
- Gifts and Entertainment
- Import, Export and Trade Compliance
- Product and Service Quality and Safety

Our Community



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

Information Technology

Motion is committed to doing everything possible to keep our data and our partners' data safe. Following current best practices, our data security standards and the cybersecurity program provide a framework for the responsible collection, storage, transfer, use and destruction of data.

Motion follows the ISO 27001/2 Cybersecurity Framework and utilizes the National Institute of Standards and Technology (NIST) controls. In addition, in support of our Department of Defense (DOD) customer base, Motion continues to make progress on the Cybersecurity Maturity Model Certification (CMMC) and is awaiting the finalization of the program details to complete the certification progress.

100% Cybersecurity Training

Ethics

Motion requires all teammates to complete ethics training, both as part of the onboarding process and annually throughout their time with the company. Leaders and managers are responsible for reinforcing the Code of Conduct throughout our business units and at all levels of the organization. At Motion, we strive to work with integrity and honesty in all situations. We have institutionalized this to the level that working ethically is one of our four core values. Integrity is the foundation of trust upon which our reputation is built.

To that end, we provide an ethics hotline for reporting concerns, such as:

- Theft, fraud, or any other form of dishonesty
- Accounting of financial irregularities
- Violence or threatening behavior
- Harassment or discrimination
- Violation of laws, regulations, policies or procedures
- Substance abuse

The system is neutral, administered by a third party and available 24/7/365 via phone or online. In addition, we have a zero-tolerance policy against any nature of retaliation for whistleblowing.

100% Ethics & Code of Conduct Course Work

Quality

Motion demonstrates a people-first culture and dedication to quality throughout our operations.. As such, Motion is ISO 9001:2015 certified. This ensures that Motion operates with efficient, structured policies and procedures to provide the highest-quality service while continuously refining and improving our operations. Furthermore, Motion provides extensive Hazardous Material Shipping training to our employees. This furthers the goal that each shipment is created in compliance with applicable regulations and with the safety of our employees, partners and customers in mind. And, most recently, Motion has created a dedicated team to address customer product compliance requests.

100% Compliance & Hazardous Transport Training Complete

RISK MANAGEMENT

Motion monitors risk and conducts an annual risk assessment to our business as part of the complete GPC Enterprise Risk Management (ERM) Assessment. Within GPC's Risk Management program, Motion is responsible for analyzing and reporting on key risks to the business. During this evaluation, all key functional areas conduct extensive risk assessments and provide mitigation measures. Areas include Finance, Human Resources, Information Technology, Operations and Legal.

Assessment

Motion participates in annual risk assessment of key areas of risk annually

Review

These findings are reported to GPC as part of the overall Global Enterprise Risk Management process

Governance

Through this process, GPC is able to evaluate and mitigate risks to the enterprise and report key findings to our board of directors

GRI Content Index

Statement of use		Motion Industries, Inc. has reported the information cited in this GRI content index for the period January 1 to December 31, 2023, with reference to the GRI Standards.
GRI 1 used		GRI 1: Foundation 2021
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Motion Industries, Inc.: GPC 2023 Annual Report, pages 6-7
	2-2 Entities included in the organization's sustainability reporting	2024 Sustainability Report, page 6
	2-3 Reporting period, frequency and contact point	2024 Sustainability Report, page 6
	2-6 Activities, value chain and other business relationships	2024 Sustainability Report, page 6, 8 ; Motion Industries, Inc.: GPC 2023 Annual Report, pages 6-7
	2-7 Employees	2024 Sustainability Report, page 8
	2-9 Governance structure and composition	2024 Sustainability Report, pages 29-30 ; GPC 2023 Annual Report, page 85-86 ; GPC 2023 Sustainability Report, pages 54-59
	2-10 Nomination and selection of the highest governance body	Corporate Governance Guidelines; 2023 Proxy Statement, pages 4-58 ; 2024 Sustainability Report, pages 29-30
	2-11 Chair of the highest governance body	2023 Proxy Statement, page 6
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Guidelines; Nominating & ESG Committee Charter; 2023 Proxy Statement, pages 12-24 ; GPC 2023 Sustainability Report, pages 54-59
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Guidelines; Nominating & ESG Committee Charter; 2023 Proxy Statement, pages 12-24 ; GPC 2023 Sustainability Report, pages 54-59
	2-14 Role of the highest governance body in sustainability reporting	Nominating & ESG Committee Charter, pages 1-4 ; GPC 2023 Sustainability Report, pages 54-59
	2-15 Conflicts of interest	2023 Proxy Statement, page 23
	2-16 Communication of critical concerns	Code of Conduct, page 41 ; GPC 2023 Sustainability Report, pages 60-61
	2-17 Collective knowledge of the highest governance body	2023 Proxy Statement, pages 5-11
	2-18 Evaluation of the performance of the highest governance body	2023 Proxy Statement, pages 12-15 ; Corporate Governance Guidelines, page 5
	2-19 Remuneration policies	2023 Proxy Statement, pages 28-59
	2-20 Process to determine remuneration	2023 Proxy Statement, pages 28-59
	2-21 Annual total compensation ratio	2023 Proxy Statement, pages 51-52
	2-22 Statement on sustainable development strategy	2024 Sustainability Report, pages 4-5
	2-23 Policy commitments	Human Rights Policy ; Code of Conduct ; Environmental Commitment ; Supplier Code of Conduct
	2-24 Embedding policy commitments	2024 Sustainability Report, pages 9-10 ; 2023 Proxy Statement, pages 18-20
		Please see further information on embedding policies within each section of this report: Environmental, Social & Governance.
	2-25 Processes to remediate negative impacts	2024 Sustainability Report, pages 31-33 ; Code of Conduct
	2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct, pages 7-8, 41
	2-27 Compliance with laws and regulations	GPC 2023 Annual Report, pages 80-81 discloses material legal matters and liabilities.
2-28 Membership associations	2024 Sustainability Report, page 28	
2-29 Approach to stakeholder engagement	2024 Sustainability Report, pages 10, 17-28 ; 2023 Proxy Statement, pages 20-21	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2024 Sustainability Report, page 10
	3-2 List of material topics	2024 Sustainability Report, page 10
	3-3 Management of material topics	2024 Sustainability Report, page 10
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2024 Sustainability Report, page 8
	201-2 Financial implications and other risks and opportunities due to climate change	GPC 2023 Annual Report, pages 16-17
	201-3 Defined benefit plan obligations and other retirement plans	2024 Sustainability Report, page 17
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	2024 Sustainability Report, pages 8, 14, 17-28
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2024 Sustainability Report, page 28
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Code of Conduct, pages 23-24, 41 ; 2024 Sustainability Report, pages 29-33
GRI 207: Tax 2019	207-1 Approach to tax	GPC 2023 Annual Report, pages 38-39, 41-48, 51-54
	207-2 Tax governance, control, and risk management	GPC 2023 Annual Report, pages 38-39, 41-48, 51-54

GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	GPC 2023 Annual Report, page 111
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2024 Sustainability Report, page 12
	302-4 Reduction of energy consumption	2024 Sustainability Report, page 12
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2024 Sustainability Report, page 12
	305-2 Energy indirect (Scope 2) GHG emissions	2024 Sustainability Report, page 12
	305-3 Other indirect (Scope 3) GHG emissions	2024 Sustainability Report, page 13
	305-4 GHG emissions intensity	2024 Sustainability Report, page 12
	305-5 Reduction of GHG emissions	2024 Sustainability Report, page 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2024 Sustainability Report, page 11
	306-2 Management of significant waste-related impacts	2024 Sustainability Report, page 11
	306-3 Waste generated	2024 Sustainability Report, page 11
	306-4 Waste diverted from disposal	2024 Sustainability Report, page 11
	306-5 Waste directed to disposal	2024 Sustainability Report, page 11
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2024 Sustainability Report, page 17
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2024 Sustainability Report, page 24
	403-2 Hazard identification, risk assessment, and incident investigation	2024 Sustainability Report, page 24
	403-3 Occupational health services	2024 Sustainability Report, pages 17, 24
	403-4 Worker participation, consultation, and communication on occupational health and safety	2024 Sustainability Report, page 24
	403-5 Worker training on occupational health and safety	2024 Sustainability Report, page 24
	403-6 Promotion of worker health	2024 Sustainability Report: pages 17, 24
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2024 Sustainability Report, page 24
	403-8 Workers covered by an occupational health and safety management system	2024 Sustainability Report, page 24
	403-9 Work-related injuries	2024 Sustainability Report, page 24
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2024 Sustainability Report, pages 23-24, 32-33
	404-2 Programs for upgrading employee skills and transition assistance programs	2024 Sustainability Report, pages 22-23
	404-3 Percentage of employees receiving regular performance and career development reviews	2024 Sustainability Report, page 23
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2024 Sustainability Report, pages 20, 30
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2024 Sustainability Report, page 33 ; Human Rights Policy ; Supplier Code of Conduct ; Canadian Supply Chain Report
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2024 Sustainability Report, page 33 ; Human Rights Policy ; Supplier Code of Conduct ; Canadian Supply Chain Report
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2024 Sustainability Report, pages 25-28
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2024 Sustainability Report, page 28
	414-2 Negative social impacts in the supply chain and actions taken	2024 Sustainability Report, pages 25-28 ; Supplier Code of Conduct ; Canadian Supply Chain Report
GRI 415: Public Policy 2016	415-1 Political contributions	Code of Conduct, page 36 ; Political Contributions Policy
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2024 Sustainability Report, page 33
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2024 Sustainability Report, pages 13-16, 33
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GPC 2023 Annual Report, pages 13, 18-19

