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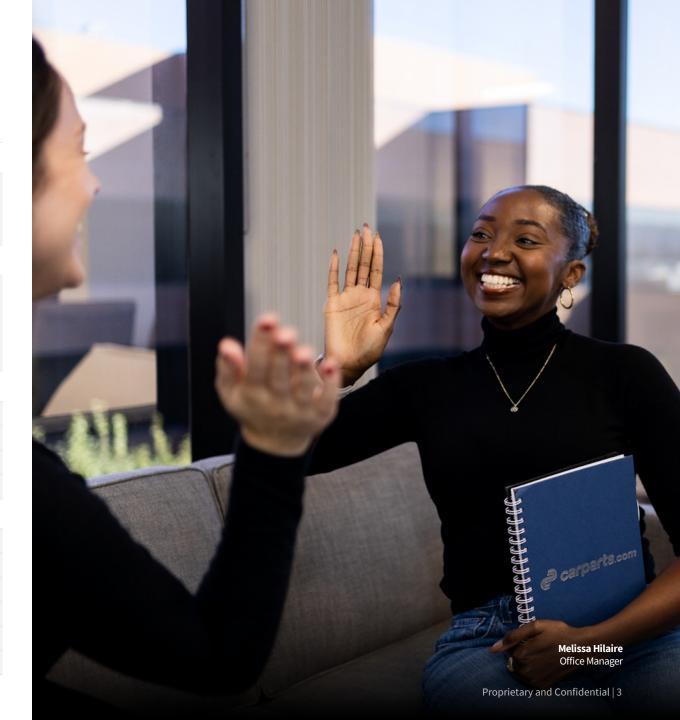
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"CarParts.com is a fast-growing company that is quickly penetrating more of the \$300 billion auto parts market. And while we have expanded rapidly, we have kept social responsibility at the forefront of our decisions."

David Meniane

Chief Executive Officer

LETTER FROM OUR CEO

To Our Community,

Thank you for your interest in our inaugural Corporate Social Responsibility Report.

At CarParts.com, we have built our business using leading technology to create a seamless online shopping experience. We care about our customers, associates, communities, and the health of the environment in which we operate. We remain committed to acting as good stewards of the environment and as responsible corporate citizens as we grow.

CarParts.com is a fast-growing company that is quickly penetrating more of the \$300 billion auto parts market. And while we have expanded rapidly, we have kept social responsibility at the forefront of our decisions. We wanted to showcase our work through this report, which provides an overview of our efforts to date.

In 2021, we launched our Environmental, Social, and Governance program, which included updating several policies encompassing the environment, data privacy, human and labor rights, and vendor compliance.

In addition, we expanded understanding of our environmental impact, workforce diversity and performance, and data privacy and security by publishing an index aligned with the Sustainability Accounting Standards Board (SASB) expectations for the eCommerce industry.

At CarParts.com, we believe that a strong ESG plan is good for business. We know that by providing team members with the best experiences possible, we are making our company a better place to work and, therefore, can attract better talent. CarParts.com's culture continues to set us apart. This earned us many awards, including our Manila office being recognized as the #11 Best Place to Work in all of Asia and our Torrance Headquarters being named one of the "Best Places to Work in LA" by the Los Angeles Business Journal for the third year in a row.

I am proud of CarParts.com's evolving ESG journey. As we move forward, we will carry on our efforts to become an ESG leader by continuing to develop programs that enhance our culture and our sustainability practices and build upon our history as a leading technology-driven company.

Regards,

David Meniane



Our Story

Since its founding more than 26 years ago, CarParts.com has transformed itself into the go-to eCommerce platform for auto care. We offer an end-toend solution to take the stress out of vehicle repair and maintenance. CarParts.com doesn't just empower drivers by providing quality parts at competitive prices – it also allows customers to schedule an appointment with a trusted and vetted mechanic directly from our website.

Over the past three years, our team members' hard work and dedication has resulted in rapid, profitable growth. Our revenue in 2021 was \$582 million – up 31% year-over-year and up 89% on a two-year stack. Further evidence of our firm financial footing is our gross profit of \$197 million in 2021, up 27% year-over-year and up 111% on a two-year stack.

We are dedicated to creating the best customer experience possible, utilizing world-class design principles and the latest technologies to deliver a fast, easy-to-use, and mobile-intuitive website. And with our company-owned national distribution network, we bring the very best brands and manufacturers directly to consumer hands, cutting out costs associated with brick-and-mortar stores.

We have over 1 million sq. ft. of fulfillment operations across the contiguous United States, and our catalog includes more than **1 million** products. Our 1,700 team members worldwide collaborate to ensure our operations run safely and efficiently.

As we continue growing, we are actively investing in human capital, practicing financial discipline, and maintaining a robust assortment of products. Our measured approach allowed us to avoid the supply chain issues that have plagued other companies during the pandemic, and we plan to continue being a trusted resource for drivers.







DC

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Our Vision Empowering Drivers Along Their Journey

At CarParts.com, we know life is all about the journey. A collection of priceless moments that add up to a lifetime of experiences. You might not always know where the road will take you, or what will happen along the way. But one thing is for sure: Life is meant to be lived. So, embrace the unexpected. Because when you need us, we'll be here.



We are DRIVEN by Our Core Values



SAFETY FIRST

Safety is our top priority. We always go above and beyond when it comes to providing a safe workplace for our colleagues' physical and mental wellbeing. No matter where you are or what you are working on, we recognize that everyone has a different journey, so we **foster an open-minded environment** where everyone feels welcome.

We are equally committed to providing **safe and reliable products to our customers**, who trust us to keep their vehicles running properly.



CUSTOMER FOCUSED

We are relentlessly dedicated to our customers, both internal and external. Because of our unwavering focus on our consumers, we go the extra mile to deliver a world-class experience from their first visit to our website to the moment the product is installed.

Being Customer Focused also means taking care of our ever-growing internal customers: **our team members.** We pride ourselves on promoting a culture that cultivates trust and encourages collaboration.

We leverage each new experience to learn, understanding that by investing in the development of our teams, we are better able to serve our consumers.



COMMITMENT TO EXCELLENCE

At CarParts.com, we make decisions with intention. We drive the business forward by setting high expectations and holding ourselves accountable. We take ownership of projects – both individually and as a group. A Commitment to Excellence means constantly evaluating what can be done better and working together to overcome challenges.



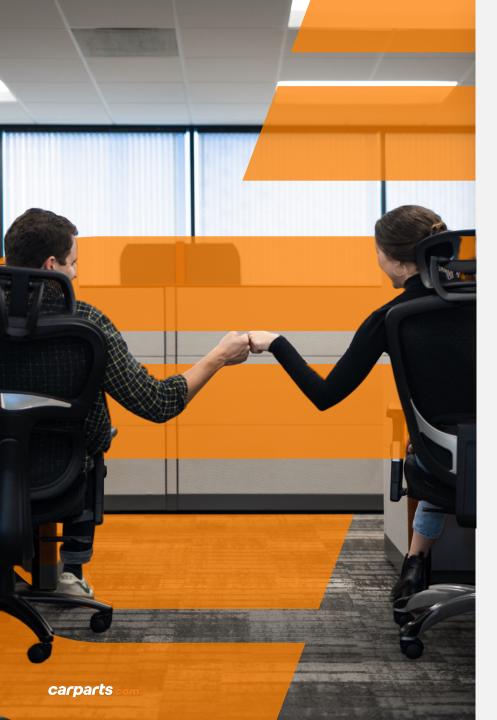
Building a Winning Team & Culture

CarParts.com has put substantial resources into building the culture it has today. We view this investment as an integral part of the company's success, and we are constantly developing new ways to support our teams.

People want to work at companies where they can **grow**, **connect with coworkers**, and **help their communities**. Accordingly, CarParts.com provides a variety of initiatives aimed at **professional development**, **team building**, and **community service**.

We recognize that by providing a fulfilling work experience for employees, we are not only able to retain our outstanding workforce – we're able to recruit **top talent in the industry** as we continue to expand.





Awards & Recognitions

Numerous publications have recognized CarParts.com for our outstanding culture.

The Los Angeles Business Journal named us one of "The Best Places to Work in Los Angeles" for three consecutive years. Our Manila office was ranked among "The Best Workplaces in Asia" in August 2022. We are the only company in the Philippines to make the rankings in its size category and are ranked #11 out of all large companies in Asia.

September 2022, we received a **Los Angeles Times Business Leadership Award**, which recognizes outstanding CFOs and CEOs who have demonstrated noteworthy success and accomplishments during the last 2 years. Prior to that, in 2021, we won two **Stevie Awards: Achievement in Finance** and **Achievement in Organization Recovery**. We have also recently been recognized by the **Globee Awards** and the **American Business Awards**.

We regularly survey and communicate with our employees to gather feedback and find new ways to make CarParts.com an even better place to work.

We're Celebrated!

#11 Best Workplace in all of Asia 2022 by Great Place to Work – Large Business Category Brand Experience
Awards by Retail
Touchpoints for Last
Mile & Fulfillment
Experience

STEVIE® Awards 2022 Winner for Company of the Year – Automotive & Transport Equip. STEVIE® Awards 2021
Gold Medal Winner for
Achievement in
Organization Recovery
& Finance

CarParts.com
named one of Los
Angeles Business
Journal's Best Places to
Work in LA three years in
a row!

















Employee Engagement

CarParts.com is proud of its robust employee engagement initiatives. At every CarParts.com location, we produce numerous programs each quarter, so team members can look forward to a full calendar of engaging and inclusive activities. Email campaigns, in-person updates from management, and notifications posted on televisions throughout each location are just some of the ways we generate awareness around these events.

Whether it's anniversary celebrations or leadership development programs, CarParts.com recognizes dedication and success, and builds initiatives to incentivize and reward employees.

Through these events, team members across all levels and locations have many opportunities to build professional relationships, collaborate with people from other departments, and grow within their roles. This pays dividends in building a stronger, more cohesive community and culture at work.



Employee Wellbeing

CarParts.com believes wellness shouldn't be just a buzzword – it should be backed up by intentional actions and programs. We view our team members' wellbeing as a critical component of the employee experience. Accordingly, we have implemented a variety of initiatives to care for their overall health – both mental and physical – whether they're in the office or working from home.

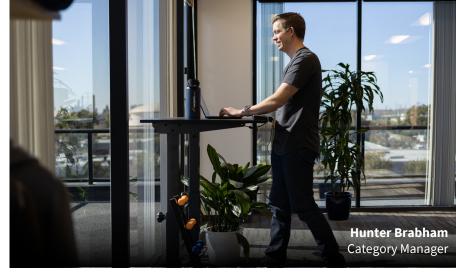
To encourage mobility, team members who work in an office environment can work at both standing desks and treadmill desks. Standing desks have a number of proven benefits, including improving posture, reducing back pain, and lowering the risk of heart disease. Our flexible standing desks can easily be adjusted and are seamlessly integrated with our computers and monitors.

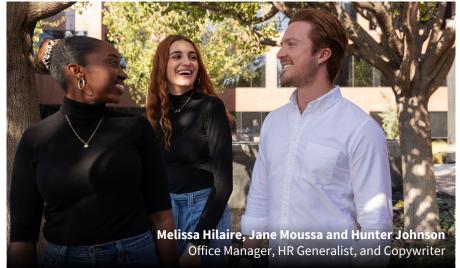
With treadmill desks, employees can stay active while they work. Each treadmill desk raises or lowers to the user's height, so each team member can find a comfortable walking position. In addition to boosting employees' daily step count, treadmill desks have been shown to boost circulation and relieve stress.

As an organization, we also promote physical wellbeing at work through bi-weekly Block Walks. Through this program, team members take a group midday walk in the neighborhood. Along the nearly 1-mile route, team members get exercise and an opportunity to get to know colleagues from across the organization.

In 2022, we launched a Meeting-Free Wednesday program, when team members are encouraged to not take meetings for an entire day. This allows them to dive deep into long-term projects and knock items off their to-do lists. Switching between tasks and meetings throughout the day can decrease productivity. However, without meetings on their calendars, team members have long, uninterrupted stretches of time to tackle tasks in their backlog.

Additionally, the company provided a Mental Health & Wellness Reimbursement program. Team members were reimbursed up to \$200 for anything related to mental health and well-being, whether it was a gym membership, piano lessons, or meditation classes.





BUILDING A WINNING TEAM & CULTURE

Team Member Spotlight

Jerome Dziechiasz

Senior Manager of Category Operations Tenure at Company: 2 Years

Jerome used his \$200 Mental Health & Wellness Reimbursement to buy gear to help him climb Mount Whitney. In order to summit the highest peak in the contiguous U.S., Jerome needed a 60-liter backpack. It would be large enough to fit all of his equipment, but still light enough to carry on his back up the 14,505-foot peak. He was able to pack a sleeping pad, inflatable pillow, his water bottle and water filter, and changes of clothes for the three-day trek.

Prepping for the climb is an arduous and expensive undertaking, and Jerome said he was glad CarParts.com made it a little easier. "It was a 'bucket list' achievement!" he said.

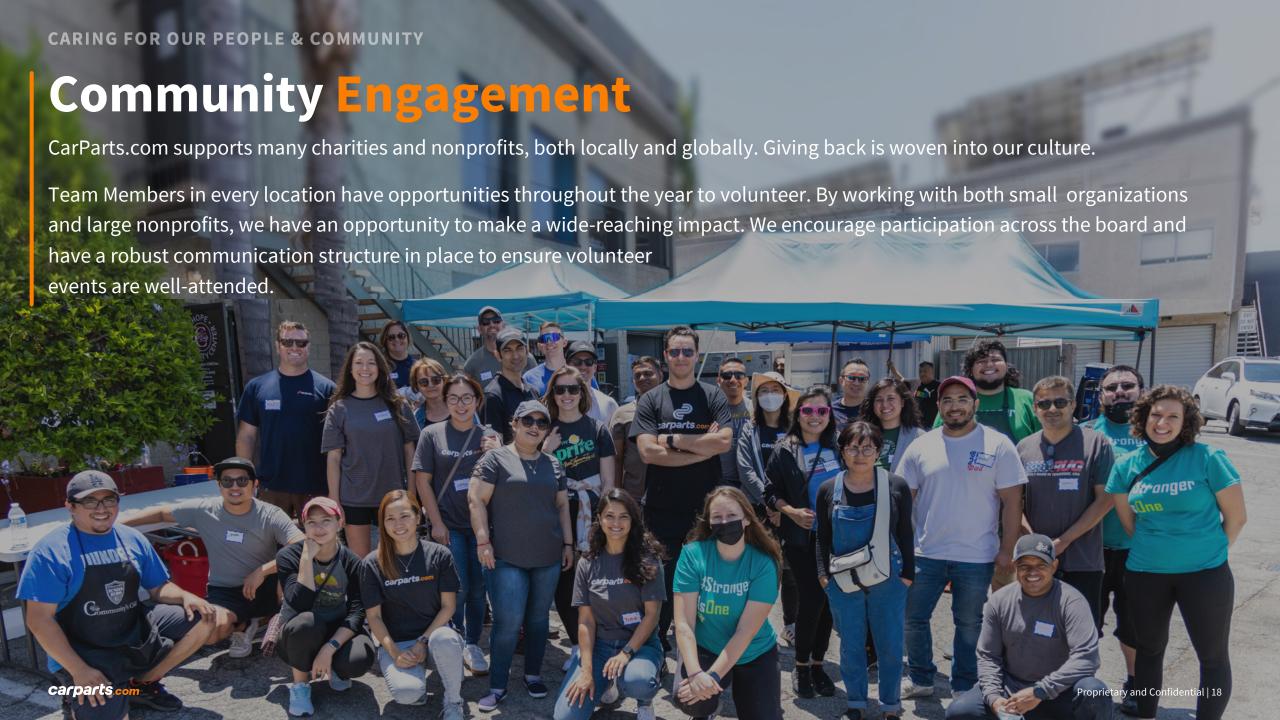


Surveys

We regularly survey our team members to ensure our culture initiatives are making a notable, positive change. We truly care about what our internal customers, our team members, think. As the world changes – especially with many employees working in a hybrid environment – it's critical that we focus on staying connected. Surveys allow us to gauge this connection and respond accordingly.

98%	of respondents felt supported while working from home
97%	felt they've been well-informed with what's going on
97%	felt CarParts.com cares about their wellbeing
97%	felt their team cares about them as a person





Community Engagement

- In 2021, we became a corporate sponsor of the Wounded Warrior Project, a 501(c)(3) which provides extensive rehabilitation support and other services for U.S. military veterans.
- Our Torrance headquarters hosts "DRIVEN to Give" days for team members. On these weekdays, employees get together to give back to organizations like Community's Child, a local nonprofit dedicated to offering women and their babies safe living environments as well as training and education to end poverty, neglect, abuse, addiction, and hopelessness.
- CarParts.com team members participated in the Gambler 500, an event that brings thousands of car enthusiasts together to pick up trash all along the West Coast. In 2022, "Gamblers" removed more than 180 cubic yards of waste from the environment.
- For the fall 2022 season, CarParts.com sponsored the football team at Redondo Union High School near our headquarters. This is the start of a year-round partnership with the school, through which we plan to educate the next generation of drivers.
- In Grand Prairie, our DC partners with The Grand Prairie Chamber Foundation, which promotes educational opportunities so that local residents can earn a living wage.
- In Jacksonville, our DC works with The Hubbard House, the first domestic violence shelter in Florida.
- Manila team members are regularly involved in charitable causes, whether it is planting trees
 in the Masungi Georeserve, or providing food donations to people impacted by Typhoon
 Ulysses in 2020. During the pandemic, they worked with a local transport group to provide
 free transportation for frontline workers at Philippine General Hospital. About a year later,
 when the hospital was damaged in a fire, CarParts.com continued its commitment to PGH by
 donating medical-grade face masks.















CARING FOR OUR PEOPLE & COMMUNITY

Team Member Spotlight

Faith Horcerada

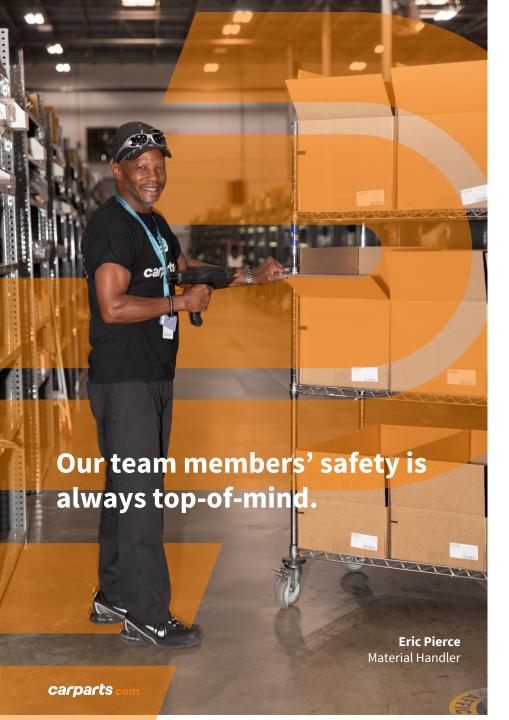
Cost Analysis Supervisor
Tenure at Company: 13 Years

Faith is a devoted volunteer and has spearheaded several projects to help the community. She is particularly passionate about environmentalism and has rallied colleagues to participate in projects around Metro Manila and beyond.

For example, Faith led a tree-planting project in Alcala, Cagayan, Philippines in 2021 to help prevent flooding.

At the Manila office, Faith is leading a "Go Green" initiative, which includes partnering with a nearby urban farm to educate people about sustainable foods. Team members visit the urban farm, where they plant and harvest their own vegetables. She also created the Plastic Rescue Project, which has greatly bolstered the company's recycling efforts and raised awareness of ways to reduce our carbon footprint. Signs around the office remind people to recycle, and volunteers take the recyclable material to a collection center.

"Faith has created activities that not only help the environment and communities, but encourage volunteerism among CarParts.com team members," said Andrew Dingcong, Country Manager, CarParts.com Philippines.



Putting Safety First

Our team members' safety is always top-of-mind. This is clear from the start of onboarding when every employee around the world is trained on keeping themselves and their colleagues safe. In office settings, we work closely with building owners to ensure staff are prepared for emergency situations. At Distribution Centers, we bolster this with a rigorous training program to help team members identify safe practices when moving around the warehouse.

We're proud to have built a culture where team members look out for one another's wellbeing.

38% reduction in Incident Rates between 2021 & 2022

55% reduction in Lost Workday Rate between 2020 & 2021

CARING FOR OUR PEOPLE & COMMUNITY

Team Member Spotlight

Chesapeake

Virginia Distribution Center

Established: 2008

Distribution Centers are remarkably busy places. With so many moving parts and people, keeping everyone safe is a huge undertaking – and one that all of our DCs take incredibly seriously.

On August 16, 2022, the Chesapeake, Virginia DC marked 365 consecutive days without a reportable safety incident. This accomplishment is not taken lightly, and the team was recognized for its remarkable feat.

How does a warehouse achieve an entire year without a single safety incident? As is the case with all of our distribution centers, the Chesapeake team is committed to extensive training, transparency from the top-down, and accountability.

Every single team member in a distribution center has a role to play in ensuring it is a safe place to work. We applaud the Chesapeake team for their steadfast dedication to putting Safety First.



Ongoing COVID Response

PUTTING SAFETY FIRST

From the onset of the pandemic, CarParts.com prioritized team members' health and wellbeing. During these extraordinary and trying times, it was of the utmost importance that we provide team members with both emotional and financial support.

We coordinated with our health and wellness broker to develop a meticulous COVID preparedness plan. This included extending lunch and break times so employees could more easily social distance. We converted meeting spaces and conference rooms into break rooms, providing more space for team members to spread out. We offered paid time off for sick leave and additional PTO for high-risk employees. Additionally, we provided complimentary, branded face masks to reduce the spread of the virus in indoor settings.

We installed kiosks to take employees' temperatures and monitor for symptoms before the start of the workday at every CarParts.com location. We established and continue to use thorough protocols – including contact tracing – should a team member test positive.

And to ensure remote team members were set up for success, we reimbursed purchases that made it more comfortable to work from home.

To ensure our entire global team was aware of our COVID prevention efforts and resources, we enhanced our internal communications around safety protocols. And to provide top-down guidance for our heightened initiatives, we expanded our safety leadership.

SUPPORTING TEAM MEMBERS WORLDWIDE

The Philippines faced unique pandemic challenges, and CarParts.com worked tirelessly to support our Manila-based team members.

We provided paid leave to employees who tested positive for the virus and had to stay home, where they received a care package from the company. Additionally, we provided flexible time off for team members who needed to care for loved ones who were considered high-risk.

Beyond caring for team members' physical wellbeing, we also offered resources for employees' emotional welfare, partnering with a third-party mental health provider that employees could contact at any time for counseling.

Receiving a COVID vaccine was notably more difficult in the Philippines than in the U.S.. However, we proactively reached out and partnered with a Local Government Unit to get vaccination appointment slots for team members when vaccines were scarce.

Prioritizing Diversity & Inclusion

We believe that having a strong Diversity Equity & Inclusion strategy allows us to better serve our customers and their evolving needs.

We support our employees and are committed to the communities where we live and work. We embrace the value of our differences and believe that a diverse organization is a strong organization. We work hard to create a welcoming, open culture.

We recognize that there is a pressing need for better representation in the automotive industry, and we are dedicated to being a leader in this space. We are well on our way with our ongoing initiatives.

We are proud of our diverse workforce and are continuously looking for new ways to recruit and retain team members from underrepresented groups.

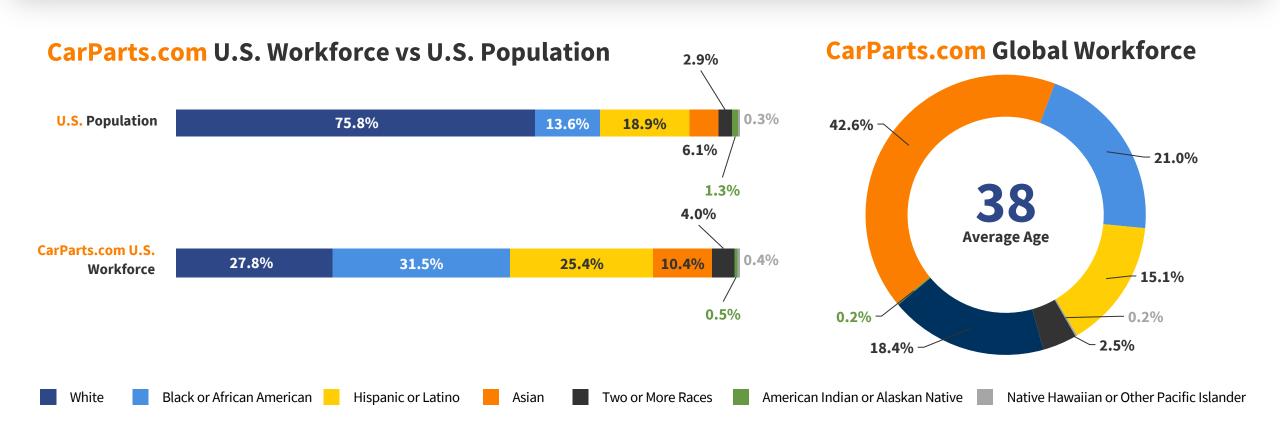
Moreover, through our onboarding process, we help team members learn about our values, which include being open-minded to new ideas, taking an empathetic approach, and welcoming different perspectives. Fostering diverse ideas is at the core of our business.

We're proud of our DEI journey so far, and we're excited about what's next.



Team Member Composition

According to the latest Census data, CarParts.com's domestic workforce is more diverse than the U.S. population. About 72% of our U.S. employees identify as non-white races and ethnicities.



Team Member Spotlight Alfredo Gomez

General Counsel

Tenure at Company: 3 Years

Alfredo "Al" Gomez has more than 20 years of experience working in corporate law. He has served as in-house counsel on a variety of technology companies and brings a wealth of industry knowledge to CarParts.com. Before his legal career, Al worked as a casting associate in Hollywood and was a first grade teacher in a bilingual classroom in South Los Angeles.

A son of Mexican immigrants, Al believes having a strong DEI program is simply the right thing to do.

"I have been very lucky to be involved with organizations that welcomed me. I have an obligation to pay that forward and help build an inclusive CarParts.com where anyone, regardless of demographic, can fit in and feel at home," he said.

Al said providing a welcoming space for everyone makes CarParts.com a stronger business.

"Studies show that companies are better run and more profitable when they have an environment that fosters diversity of all sorts," he said.



Leadership Composition



Our management team comes from a wide variety of backgrounds, and they bring an equally diverse set of viewpoints to the table. There are 10 countries represented among our 18 leadership executives. From Taiwan to France, they provide a global mindset that is unmatched in the industry. This broad range of perspectives enables us to identify opportunities early on, ensuring a competitive advantage.

Additionally, our diversity is represented in our leadership across the company and around the world. Globally, more than 70% of CarParts.com leaders identify as non-white.

Empowering Women

In 2022, CarParts.com implemented an initiative to uplift women employees. Whether amplifying stories of female industry pioneers or empowering colleagues through a mentorship program, CarParts.com is committed to cultivating an environment where employees feel fulfilled.

Through the "Open Door" mentorship program, anyone at the company can be mentored by a female leader in a role of Vice President and above. It encourages employees at all levels to share insights and perspectives with senior leaders.

The company also hosts "GatHERings," unique in-person events which bring women together to share stories and learn from one another's experiences.

And while we celebrate women year-round, we have specific programs in March for Women's History Month. In March 2022, employees across the company could send messages to their female colleagues to thank them for their contributions. On International Women's Day, we hosted a flower workshop – attended equally by men

and women – where team members learned how to create a bouquet-to-go to give to the women in their lives they appreciate.

We have made a concerted effort to make our female leaders more visible in our media appearances – something that is especially important in the automotive industry, which is traditionally male-dominated.

The women of CarParts.com regularly get recognized for their performance – both internally and externally. Three of our female executives were nominated for the Los Angeles Business Journal Women's Leadership Awards in the following categories: Woman to Watch, Community Impact Advocate, and Champion of Women.



Team Member Spotlight Tina Mirfarsi Vice President of Communications and Culture

Tenure at Company: 3 Years

Since joining CarParts.com in 2019, Tina Mirfarsi has overseen a rapid transformation of the company's communications and culture strategy. Tina is constantly seeking ways to make CarParts.com an even better place to work, whether it's through exciting, year-round team-building events or spearheading new wellness initiatives.

Tina wanted to launch the Open Door mentorship program because she personally understands the value of having a colleague to look to for advice.

"I've been fortunate enough to have wonderful mentors throughout my career," she said. "Whether it was when I was considering a new role or simply providing encouragement and reassurance, their support and guidance helped me make decisions with more confidence."

The greater Empowering Women's initiative is just one facet of Tina's ongoing effort to ensure every team member is supported.

"By providing team members with an apparatus for growth, we're building a better company," she said. "We've demonstrated a concerted effort to make CarParts.com a fun, welcoming, and stimulating place to work. This makes us a more competitive recruiter, enabling us to draw the best talent in the industry."

Commitment to Our Veterans

Hiring veterans is a priority for the company. We're proud to say that more than 50 of our team members are veterans. We hire veterans through targeted veteran recruitment efforts and events. We have utilized specific targeting tactics through Indeed to advertise to veterans, and have successfully hired veterans through HireMilitary, an organization that helps veterans transition to successful civilian lives.

CarParts.com hires veterans because of their outstanding leadership and problem-solving skills. Much of what they learn in the field is directly transferable to our work. For example, many veterans have backgrounds in logistics.

At CarParts.com, we're proud to hire the men and women who have served our country.





PRIORITIZING DIVERSITY & INCLUSION

Team Member Spotlight

Joshua Jackson

Assistant Director of DC Excellence

Tenure at Company: 2 Years

Joshua "Josh" Jackson, Assistant Director of DC Excellence, has more than 15 years of experience leading teams in both civilian and military sectors. Josh served in the United States Marine Corps as an Infantry Unit Leader. He led troops in combat operations through three deployments in Iraq and Afghanistan, where he was awarded a Navy and Marine Corps Achievement Medal with Valor.

Josh said CarParts.com recognizes the extensive skills he gained while serving the country. "They don't just honor my service – they look to me when making decisions so I can apply my military experience," said Josh, who retired from military service in 2013.

He says companies that prioritize hiring veterans are investing in the long-term success of their organization.

"Veterans understand teamwork better than most because our lives depended on it. You have to look out for everyone, not just yourself," he said. "By hiring a veteran, you're choosing someone who is committed, focused, and ready to serve once again."

Our Journey

As a fast-growing company, we take a structured yet holistic approach to ensure we're recruiting the best possible talent across all of our departments. When team members arrive at CarParts.com, our people-first attitude is clear from day one. We retain our employees by providing impressive benefits and perks, competitive compensation, and unique leadership development opportunities, just to name a few.



OUR JOURNEY

Recruitment

We have a rigorous recruitment process, starting with our advertisements on sites such as Indeed, LinkedIn, and other niche job boards. Career fairs are done throughout the year at each DC location and positions are advertised locally as well. Recruitment is managed at each location and cross-functional panel interviews are conducted for candidates. We provide recruitment incentives, and our referral program is promoted to all employees during onboarding. Diversity, Equity, and Inclusion efforts are a focus and emphasized in our job postings, job descriptions, and on our Career Page.



Kals Subramanian
Chief Technology Officer
Tenure at Company: 8 months

"From the get-go, it felt like home. I was impressed by the level of due diligence and had the opportunity to speak with people in a variety of roles about the position and how my experience can help the technology department. The strong sense of culture was palpable. I couldn't be happier to be part of the CarParts.com team."



The Road to CarParts.com

We have made thousands of hires over the last three years

Total annual hirings are as follows:

2019

189

2020

1,524

2021

1,139

2022

1,392

Step 01

Plan, request, and approve position. A hiring manager or department lead submits a Job Requisition Form with a Job Description to Human Resources.

Step 02

Job Posting. The department lead participates in intake meetings with a recruiter and provides details about the job's requirements and other information related to the role.

Step 03

Source and Screen. The department lead and HR will work together to reach out to their personal network and encourage employee referrals as well as internal candidates. They will review resumes prior to a pre-screening session.

Step 04

Interview and Selection. The department lead works with HR to adjust the recruiting strategy as needed and participates in interviews.

Step 05

> Recruitment Strategy Check-ins. The department lead will check in with HR at 30-, 60-, and 90-day checkpoints following the job posting. After 90 days, the position is put on hold if it is unfilled.

Step 06

> Pre-hire Background Screening and Offer. Once a candidate is selected, they will receive an offer following successful completion of a background check.

Step 07

> Onboarding and I-9 Verification. The department lead requests system access and equipment. They also work with HR to initiate the onboarding process.

> > carparts.com





Onboarding

We offer a comprehensive onboarding program for each frontline and corporate worker. We work directly with our corporate hiring managers to create detailed onboarding plans that include the new hire's schedule as well as their goals for their first thirty, sixty, and ninety days with us.

We conduct check-ins on each of these milestone dates to ensure they are on track to meet their goals, but more importantly to ensure they have been set up for success and are acclimating to our culture and their team in the best way possible. In our Distribution Centers, we offer on-the-job training to help our new hires succeed safely and efficiently in their position.

In addition, we have a Car Partner program where a current employee will guide the new employee through policies and procedures and help introduce them to the company culture. This helps the new hire settle in and get to know their colleagues right away.



Robin Delgado and Ivan Zerpa Director of Inventory Planning and Senior Planning Analyst

OUR JOURNEY

Professional Development

We provide our employees with professional development in the areas of leadership, communication, Core Values training, and cross-functional job training. Talent reviews to assess each functional area of talent are conducted across the organization yearly, and training is offered to ensure our managers are equipped to complete effective review cycles. This process leads to developing our top talent and succession planning for the organization.

As employee performance improves and skill sets develop, it is common for employees to be promoted internally and celebrated for their progress. One way we grow as a business is by developing talent from within, and opportunities are available to people at every level.

Through our extensive training programs, we give leaders the tools they need to empower their teams to work more cohesively and deliver the best possible results.



Elena Ivanova

VP, Data Science & Advanced Analytics Tenure at Company: 3 years

"Our training programs have helped me prepare for everything from oneon-ones with my team to Board Meeting presentations. I've also looked at these training sessions as an opportunity to share new knowledge with my team and help them become better leaders."

Retention Planning

CarParts.com is committed to keeping its outstanding employees. It recognizes that there is significant competition in the job market and is constantly seeking ways to retain team members.

We offer competitive, market-based salaries with both short- and long-term incentives. These incentives include gainsharing, bonuses, and equity. Bonuses are based on both individual and company performance.

Through an Employee Stock Purchase Program (ESPP), team members can purchase company stock at a guaranteed discount. This popular program further boosts a common sense of ownership among employees.

We offer a milestone celebration program, which recognizes employees with 5-, 10-, 15-, 20-, and 25-year work anniversaries. Team members marking 25 years at the company receive an all-expenses-paid vacation.



Team Member Spotlight

Toby Ristau

Distribution Center Operations Manager Tenure at Company: 25 years

Toby Ristau is the Distribution Center Operations Manager in LaSalle, Illinois. He was hired in March 1997 under the legendary JC Whitney brand, which is now part of CarParts.com.

For his 25-year anniversary trip, he went to Clearwater, Florida with his wife, Joanna. They enjoyed a sun-soaked trip filled with delicious meals and sunset walks along pristine beaches. Their favorite part? Phenomenal meals at Villa Gallace, a local Italian restaurant.



Benefits & Perks

- At CarParts.com, we go the extra mile to take care of our employees and their loved ones. We provide a robust set of benefits and programs to our team members across the globe.
- We offer a wide variety of medical, dental, and vision plans so each team member can decide what is best for them and their family. Our 401(k) plan is offered through Fidelity, and 80.1% of eligible employees are enrolled in the program.
- Our Employee Referral Bonus Program incentivizes team members who help the company recruit exceptional new employees.
- We strive to provide team members with an outstanding work-life balance, which is why we offer generous Paid Time Off. We also provide Company-Paid Life Insurance and discounted Pet Insurance.



Medical, Dental, and Vision



Employee Assistance Program



Employee Discounts





Healthy Work / Life Balance



Company-Paid Life Insurance



Rewards & Recognitions



Generous **PTO**



Employee Referral **Bonus Plan**



Flexible **Spending Accounts**



Personal Growth & Career Advancement Opportunities



401(k) with Employer Contribution



Employee Stock Purchase Plan



Pet Insurance



Fun Events & Team-Building Activities



BETTERING OUR PLANET

Our Planet

CarParts.com is a technology-driven eCommerce company, and we are committed to understanding our role in environmental stewardship. For 20 years, we have focused on streamlining our efforts to build a seamless factory-to-consumer online shopping experience. Our business model relies on extending the life cycle of automobiles and translates into measurable environmental savings.

We acknowledge the risks of climate change and therefore expect all employees to use electricity efficiently, recycle, and contribute to a culture of environmental awareness throughout our operational facilities and offices. Additionally, we are implementing changes and tracking data to identify opportunities for protecting the environment.

To highlight our commitment, this statement of principles will be publicly available on our website for our employees, customers, and ourselves to strengthen our environmentally conscious culture. And as we continue to strive to be better corporate citizens, we will communicate any updates to the statement and our environmental initiatives.

As such, our executive leadership team has set forth the following principles for our employees and suppliers to maintain vigilance and responsibility:

- We adhere to and comply with applicable laws and regulations in the regions where we work.
- We commit to using energy efficiently at our offices and distribution centers. For example, we
 currently use LED lighting and motion detectors in the majority of our distribution centers. As we
 enter new leases in the future, we will prioritize new offices and distribution centers that utilize
 resources efficiently.
- We plan to track our key suppliers' renewable energy and energy efficiency programs by issuing surveys. We will disclose feedback from these surveys on an ongoing basis.
- We commit to reducing waste and have implemented waste-reduction initiatives. We collaborate with suppliers to resell or return certain items and have a recycling program. We currently track metal recycling and will use this data to set waste reduction targets for future disclosures.
- Our commitment to waste reduction extends to product packaging. We use Box on Demand machines to produce exact size packaging for most shipping containers and track savings by footage of cardboard.
- CarParts.com is currently working to consolidate data center infrastructure. The goal is to reduce the number of data centers by half, which would bring power consumption down by 40%.
- CarParts.com plans to survey key suppliers' renewable energy and energy efficiency programs. That feedback will be disclosed.
- In 2022, we overhauled our entire Data Center and replaced our hardware with brand-new technology. This enabled us to reduce our monthly electric usage by 44,000 KWh to 23,000 KWh, resulting in a reduction of more than 7 metric tons of CO2 emissions.

Reducing Waste

CarParts.com is committed to reducing waste. Our robust recycling programs enable us to mitigate our impact on the environment.

All six of our Distribution Centers recycle corrugated cardboard, and our recycling programs are growing steadily across the board. In all of 2021, we recycled 133,572 pounds of metal. In 2022, we had already recycled 134,548 pounds of metal as of July. We do not discard any metal. 100% of unused metal is recycled.

We do not use peanuts for "void fill," which is material used to cushion products during shipment. Instead, we use recyclable air pillows and shredded cardboard to ensure products reach their destination in excellent condition. The shredded cardboard is made using excess material from our Box On Demand system.

We have initiatives in place to empower team members to suggest more eco-friendly options in their workflows. We have successfully driven active participation by rewarding people at all levels in our Distribution Centers who provide ideas for improvement.



Partners & Suppliers

CarParts.com intentionally partners with organizations who have made ESG a priority and hold values that align with ours.



Olson Packaging Services uses 65% pre- and post-consumer recycled material. Moreover, they have used more recycled material in their products during each of the last three years.



Westrock produces packaging solutions made from fiber, a renewable and highly recycled raw material. A major CarParts.com partner and industry leader with robust sustainability goals, the company uses 50% pre- and post-consumer recycled material in the products we purchase from them.



Dorman Products is investing heavily in new technologies to divert used automotive products from the waste stream. Doing so helps both conserve raw materials and reduce energy consumption compared to producing new products from scratch. And because their two main facilities are in the US, they can produce products domestically for US customers, further reducing their carbon footprint.



Tenneco has made huge strides in sustainability. It has reduced energy consumption by 8.3% since 2019 and has reduced greenhouse gas emissions by 9.8% in the same period. Additionally, 78% of the waste produced in its manufacturing processes was recycled.



Cardone is dedicated to sustainable business practices. The company uses a remanufacturing process, which uses 15-20% less energy and material compared to making a product from scratch. Cardone's Philadelphia facility has a remarkable rainwater management system that can hold 5 million gallons of water, exceeding the city's standards by 40%. The system protects urban areas from flooding and prevents polluted runoff from entering nearby streams.



PowerStop, a premier brake supplier, provides products that meet environmental requirements far in advance of the timeline defined by California SB 346 and Washington SB 6557.

Packaging

We use a Box on Demand system, which averages a 15% reduction in corrugated cardboard used. Box on Demand is a unique machine that creates custom, right-sized boxes for every order – whether they contain one item or multiple. Not only does it significantly reduce the amount of cardboard used – it eliminates the need for synthetic pillows or paper to fill empty space in the box.

We also ship items in mailer bags, which use 50% less packaging material compared to traditional boxes. Because these bags have a significantly lower impact on the environment, the company has steadily increased the percentage of our products shipped in them:

March 2022

April 2022

May 2022

June 2022

July 2022

20.03%

19.93%

21.86%

22.20%

22.78%





Our Board

Our Board of Directors provides guidance and oversight to promote the company's continued success. We have carefully cultivated a Board with wideranging backgrounds and qualifications. Their diverse experiences – in everything from supply chain management to technology and data privacy – provide a broad perspective that is meaningful as the company expands. In the rapidly changing eCommerce space, the Board assists the company in making measured decisions that translate to profitability and increased value for stockholders. We regularly evaluate the makeup of our Board and its committees to ensure they are effectively directing the organization. With the exception of our CEO, all Board members are independent.

RISK MANAGEMENT

The Board has established three standing Committees which have been delegated responsibility over specific areas of focus relevant to the Board's risk management oversight function and other corporate governance responsibilities. The Committees regularly meet, report to the Board, and propose recommendations as appropriate. The roles of the Committees with respect to risk management include the following:

The Audit Committee

oversees risks related to the Company's financial reporting process, accounting systems and controls, and assists in identification of risks disclosed in our annual report on Form 10-K, portions of our Code of Ethics and Business Conduct that relate to the integrity of the Company's financial reports, and the Company's processes for managing cybersecurity risks.

The Nominating and Corporate Governance Committee

oversees risks related to director independence and qualifications, Board effectiveness, and risks related to certain environmental, social, and governance related matters, and reviews the Company's succession and leadership plans for senior management.

The Compensation Committee

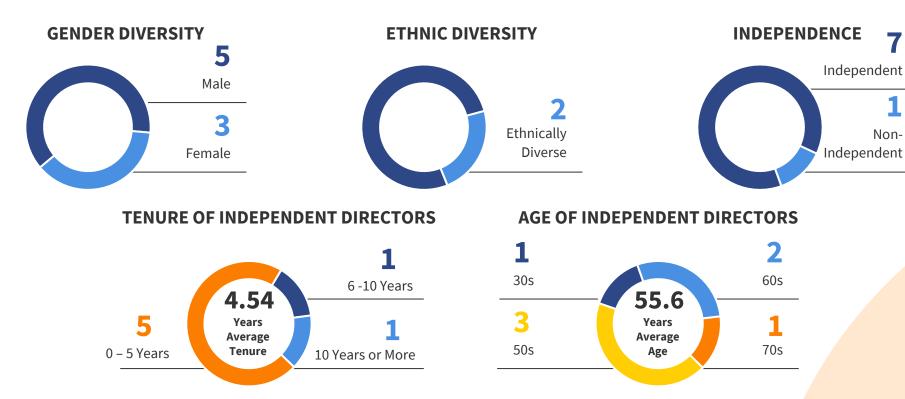
oversees compensation-related risks involved in attracting and retaining directors, officers and other personnel, evaluates the competitiveness of compensation packages, oversees disclosure of relevant compensation-related metrics in our annual Proxy Statement, and evaluates policies governing incentive-based pay to ensure management is appropriately motivated to achieve the Company's financial objectives consistent with financial interests of the Company and its stockholders.

Board Composition

		Pronouns	Independent Director	Committees
	Jim Barnes	He / Him / His		Compensation Committee
	Dr. Lisa Costa	She / Her / Hers		Audit Committee
3	Ana Dutra	She / Her / Hers		Nominating & Corporate Governance
	Jay K. Greyson	He / Him / His		Audit Committee (Chair), Compensation Committee
	Nanxi Liu	She / Her / Hers		Nominating & Corporate Governance (Chair)
3	Henry Maier	He / Him / His		Nominating & Corporate Governance
3	David Meniane	He / Him / His		
	Warren B. Phelps III	He / Him / His		Audit Committee, Compensation Committee (Chair)

Board Diversity

The Board believes that it should seek diversity in experience and viewpoints to be represented on the Board. In selecting a director nominee, the Nominating and Governance Committee focuses on a combination of skills, professional expertise, background, and diverse viewpoints that would complement the existing Board.



"Our diverse board means we can have more perspectives and tackle issues with greater depth, enabling us to have better decision-making abilities and overall governance."

Nanxi Liu

Non-

Nominating & Corporate Governance Chair



Risk Management & Ethical Standards

ESG OVERSIGHT

We are committed to conducting business in an environmentally sustainable and socially responsible manner and managing the risks and opportunities that arise from ESG issues. We believe that operating in a socially responsible and sustainable manner will drive long-term value creation for our Company and its stockholders.

The Nominating and Corporate Governance Committee is responsible for overseeing the Company's ESG processes, policies, and performance and making recommendations to the full board of directors. The Nominating and Corporate Governance will receive regular updates from management on progress and strategy to satisfy these oversight responsibilities. The Audit Committee oversees additional risk management functions, including cybersecurity risks.

In 2021, the Company launched a new initiative to enhance ESG policies and disclosures informed by the Sustainability Accounting Standards Board (SASB) eCommerce industry disclosure guidelines. In 2022, our management reviewed and updated various ESG policies and processes located on the investor relations page of our website at https://www.carparts.com/investor/corporate-governance/esg. The enhanced policies included: Environmental, Data Privacy, Human Rights, Labor Rights, Whistleblower, and Political Involvement.

The Company's SASB report aligns with the standards for the eCommerce industry and includes quantitative data, discussion of data privacy and security, and analysis of the Company's environmental considerations.

We aim to build upon our ESG progress made to date and continue to develop our long-term ESG roadmap.

CODE OF ETHICS AND BUSINESS CONDUCT

Our Board of Directors has adopted a Code of Ethics and Business Conduct which applies to all directors, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) and employees. The full text of our Code of Ethics and Business Conduct can be directly accessed at https://www.carparts.com/investor/corporate-governance. We intend to disclose future amendments to certain provisions of the Code of Ethics and Business Conduct and any waivers of provisions of the Code of Ethics and Business Conduct required to be disclosed under the rules of the SEC or the Nasdaq Rules, at the same location on our website.

Risk Management & Ethical Standards

DATA SECURITY AND CONSUMER PRIVACY

CarParts.com is committed to safeguarding the privacy of visitors to our website using generally accepted industry data protection standards. We appreciate that you may have questions about our privacy policy. The following provides information on how we collect, use, and otherwise process your personal information during your visit to www.CarParts.com, as well as the rights that you have in relation to our processing of that information. This policy applies to all business units and subsidiaries.

- We complete yearly independent security assessments and yearly independent penetration tests. We also conduct quarterly independent vulnerability scans, simulate phishing attacks, and assess our employees on security awareness and phishing to constantly improve our security posture.
- We are committed to notifying data subjects in a timely manner in case of policy changes or a data breach.
- Upon request, users can request information not be sold, opt out, or have personal information deleted.
- Our employees undergo security training once a year through KnowBe4, and our employees receive specialized simulated training at random, year-round. The training includes simulated phishing attacks to retrain vulnerable employees.
- We complete yearly independent security assessments and yearly independent penetration tests. We also conduct quarterly independent vulnerability scans.
- We are PCI 3.2 certified. This indicates that we are fully compliant with protecting cardholder payment data, which includes account numbers, names, card verification codes, and sensitive authentication data. Our customers can shop confidently, knowing their payment information is protected according to the latest standards enforced by the Payment Card Industry.
- We endeavor to take reasonable steps to protect your personal information but cannot guarantee the security of any data you disclose online. Please note that email is not a secure medium and should not be used to send confidential or sensitive information. By providing information online, you accept the inherent security risks of providing information over the Internet and will not hold us responsible for any breach of security. If a data breach occurs, we will aim to notify affected users of the breach in a timely manner, as required by applicable law.

Corporate Governance Practices

All Board committees consist solely of independent directors

Annual evaluation of the Board, its committees, and individual directors

Direct oversight by the Nominating and Corporate Governance Committee of ESG matters

Policies
prohibiting
hedging
(unless certain
stringent
requirements
are met) and
pledging for
all employees
and directors

Independent Chair of the Board **Approximately**

88%

of our directors are independent

Regular executive sessions of independent directors

Strong guidelines on significant governance issues Robust stock ownership guidelines for directors and executive officers

Board policy on CEO succession planning

carparts.com

Our Policies

CLICK TITLE TO VIEW FULL POLICY

CODE OF ETHICS

We are committed to the highest standards of legal and ethical business conduct and seek to foster an environment of awareness where the prompt reporting of any unethical or illegal behavior, or any violations of our corporate policies is encouraged and dealt with fairly.

HUMAN RIGHTS POLICY

We align our business practices with the United Nations' Universal Declaration of Human Rights principles. We continue to improve our approach to human rights and actively engage with stakeholders at all levels of the organization to adhere to and uphold the guidelines set forth within it.

LABOR RIGHTS POLICY

CarParts.com is an equal opportunity employer. Our responsibility is to ensure fairness, including equal hiring, promotion, training, compensation, termination, and corrective activities among all employees and potential employees.

VENDOR CODE OF CONDUCT

CarParts.com and its subsidiaries strive to achieve and maintain high standards of corporate integrity and ethical behavior. We encourage our vendors to follow the same workforce guidelines that we have outlined for our employees.

ANTI-DISCRIMINATION

As part of an ongoing program to ensure CarParts.com is a safe, welcoming place for everyone, all team members are required to take courses on both harassment and discrimination. We are dedicated to creating a space where people feel comfortable coming forward with any concerns for themselves or their colleagues.

POLITICAL INVOLVEMENT POLICY

We are committed to disclosing political donations and lobbying expenditures. Employees are free to participate in political activities but must do so as individuals and not during paid work hours.

WHISTLEBLOWER POLICY

We have a responsibility for implementing procedures that are intended to detect, to prevent or deter improper and unlawful activities. We also have a responsibility to investigate and report to appropriate parties' allegations of suspected improper activities, and to protect those employees who, in good faith, report these activities to the appropriate authority.

ENVIRONMENTAL POLICY

We are dedicated to limiting our impact on the environment and have many programs in place to reduce this even further. We are always seeking new ways to make our production and delivery processes more efficient.

DATA PRIVACY POLICY

In the ever-changing eCommerce industry, we're committed to protecting our visitors' privacy under generally accepted data protection standards. We know customers trust us with their information, and we take that responsibility seriously.





2022 SASB Disclosure Table

	Торіс	Accounting Metric	SASB Code	CarParts.com's Disclosure
	Hardware Infrastructure Energy & Water Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-EC-130a.1	In 2021, CarParts.com consumed 19,829.43 GJ of purchased electricity across our facilities.
		(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	CG-EC-130a.2	Detailed water consumption data is not available at this time. However, since we operate an eCommerce marketplace and do not use water as a primary input into our services, we anticipate water consumption will be minimal in any future disclosures CarParts.com utilized WRI's Aqueduct Water Risk Atlas to determine how many of our facilities operate in areas of high or extremely high baseline water stress. Of our 10 global facilities, only 4 are located in such regions.
				These are distribution centers and office buildings, all of which use a minimal amount of water.
		Discussion of the integration of environmental considerations into strategic planning for data center needs	CG-EC-130a.3	CarParts.com is currently working to consolidate data center infrastructure. The goal is to reduce the number of data centers by half, which would bring power consumption down by 40%.
	Data Privacy	Number of users whose information is used for secondary purposes	CG-EC-220a.1	CarParts.com only uses customer data as described in our <u>privacy policy</u> .
	& Advertising Standards	Description of policies and practices relating to behavioral advertising and user privacy	CG-EC-220a.2	Privacy Policy
		Description of approach to identifying and addressing data security risks	CG-EC-230a.1	Privacy Policy and 10-K, Risk Factors
Da	Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	CG-EC-230a,2	Any material data breaches would be disclosed in our Forms 8-K on our investor relations website. In addition, data protection, privacy and security are described in CarParts.com's annual report on Form 10-K available at the link below: https://www.carparts.com/investor/sec-filings In the last year, CarParts.com is not aware of any data-related events with material consequences to the company.

2022 SASB Disclosure Table

	Торіс	Accounting Metric	SASB Code	CarParts.com's Disclosure
		Employee engagement as a percentage	CG-EC-330a.1	CarParts.com has plans to launch an enhanced employee survey and disclose additional information related to employee engagement in the future.
R In	Employee Recruitment, Inclusion & Performance	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	CG-EC-330a.3	Gender: (1) 27% female, 73% male (2) 7% female, 93% male (3) 36.4% female, 63.4% male Ethnicity: (1) 0.76% American Indian or Alaskan Native, 19.69% Asian, 10.61% Black, 47.73% White, 15.15% Hispanic, 5.3% Two or more races (2) 33.33% Asian, 3.7% Black, 44.45% White, 14.82% Hispanic, 3.7% Two or more races (3) .32% American Indian or Alaskan Native, 7.28% Asian, 38.61% Black, 22.47% White, 26.58%
				Hispanic, 4.32% Two or more races, .42% Native Hawaiian or Pacific Islander
	Product Packaging & Distribution	Percentage of technical employees who are H-1B visa holders	CG-EC-330a.4	Only 7 total employees are H-1B visa holders, making the percentage immaterial, 2 technical employees.
		Total greenhouse gas (GHG) footprint of product shipments	CG-EC-410a.1	CarParts.com does not track this information at this time.
	Activity Metrics	Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2	Environmental Policy
		Number of shipments	CG-EC-000.C	Over 6,000,000