

2022

ENVIRONMENTAL,
SOCIAL &
GOVERNANCE
REPORT



TABLE OF CONTENTS

01 INTRODUCTION

- 02 Message From the CEO
- 04 About Dorman
- 06 Our ESG Priorities

07 PEOPLE

- 08 Our People
- 10 Diversity & Inclusion
- 14 Contributor Development, Attraction & Retention
- 18 Contributor Health & Safety

20 OUR PRODUCTS & CUSTOMERS

- 21 Innovation
- 26 Product Quality & Safety
- 30 Supply Chain Management
- 32 Customer Satisfaction

33 PLANET

- 34 Our Operations
- 35 Our ESG Responsibility
- 37 Our Products

38 GOVERNANCE

- 39 Corporate Responsibility & Governance
- 44 Data Privacy & Cybersecurity

46 APPENDIX

- 47 GRI Content Index
- 53 SASB Content Index
- 54 Performance Data Table

56 ABOUT THIS REPORT







MESSAGE FROM THE CEO

For over 100 years, Dorman has been one of the motor vehicle aftermarket's pioneering problem solvers. Through our relentless pursuit of innovation to provide new repair solutions that prioritize owners and installers, we have released tens of thousands of replacement products, engineered to save time and money and increase convenience and reliability. It is this culture of innovation that distinguishes us in our industry. This same innovation has taken hold and allowed us to make meaningful strides in our ESG journey.

Since the release of our inaugural 2021 Environmental, Social & Governance (ESG) report, we have continued to advance our ESG initiatives. We hope you will take the time to explore the progress we have made in this, our second report. We look at our journey through the lens of our employees, who we refer to as our Contributors, the communities and customers we serve, and our governance.

Dorman Contributors are valued and appreciated for their distinct contributions to the growth and sustainability of our business, and we endeavor to be an employer of choice. We empower our Contributors to do their best work through our Culture of Contribution. We are committed to investing in our Contributors, providing them valuable training and development opportunities. In 2022, we supported the establishment of several Contributor Resource Groups that support the Company's diversity and inclusion (D&I) efforts. Groups such as Dorman Women's Network, Dorman Veteran's Network and Dorman's Multi-Cultural Network host events and sponsor educational efforts to foster and promote important topics such as gender equality, inclusion and opportunities for all. We have organized our D&I efforts under an initiative named *ALL IN*, designed to raise awareness and encourage all our Contributors to engage in diverse and inclusive behaviors. In 2022, we hosted our second *ALL IN* summit, coalescing our leadership and Contributors around inclusion efforts at the Company.

Dorman's Contributors are at the heart of all we accomplish, and we recognize our Contributors are part of the broader communities in which they live and work. We strive to be a responsible member

of the communities in which we operate, including through our commitment to sustainability. Our business aligns with sustainability by reducing the need for and consumption of valuable and finite natural resources utilized in the production of new vehicles. Our products help extend the lifecycle of existing vehicles, thereby assisting to eliminate the waste created when vehicles are prematurely brought to the end of their useful lives.

We also believe that a well-governed company is essential to serving our stakeholders. Our company is led by a Board of Directors comprised of experienced and diverse business leaders. Today, 33% of our independent directors identify as female and 50% of our independent directors identify as diverse from a gender or racial/ethnic perspective. We have also implemented policies designed to serve as guardrails as we continue our ESG journey, and our efforts are underpinned by our commitment to operate ethically and with integrity.

In this report, we are pleased to share the progress we have made in our ESG program and the initiatives we have planned for the future. Thank you for your interest in Dorman and for taking the time to read this report and learn more about our Contributors, our company values and our commitment to our customers.



Kevin M. Olsen

President & CEO

INDUSTRY RECOGNITION

We pride ourselves on being a valuable supplier to the motor vehicle aftermarket industry. We are equally proud of the recognition we have received from many of our partners, including prestigious accolades for achievements in product content, training, and marketing. Some examples of awards received in 2022 include:

- **O'Reilly Auto Parts**
Automotive Content Professional's Network Receiver's Choice Award
- **Advance Auto Parts**
Automotive Content Professional's Network Receiver's Choice Award
- **NAPA Auto Parts**
Catalog & Data Award
- **Parts Authority**
Catalog & Data Award
- **Automotive Parts Service Group**
Technician Training Award
- **Factory Motor Parts**
Marketing Excellence Award
- **Automotive Parts Headquarters**
Technology Award
- **Auto Care Association**
Best Website, Communications Award
- **Automotive Aftermarket Suppliers Association**
AASA 2022 Technology Innovation Award

ABOUT DORMAN

Founded in 1918, Dorman Products, Inc. (NASDAQ: DORM) is a pioneering global organization offering a continuously evolving catalog of products for cars, trucks, and specialty vehicles, spanning chassis to body, underhood to undercarriage, and hardware to complex electronics. Headquartered in Pennsylvania, our dedicated team spans the globe and consists of 3,733¹ Contributors. We have operations throughout North America, China, Taiwan and India.

Dorman provides repair professionals, enthusiasts, and owners greater freedom to fix motor vehicles. Over our history, we have released tens of thousands of parts engineered to save installers and vehicle owners time and money, and increase convenience and reliability. With over 129,000 distinct¹ parts for millions of cars, trucks and heavy-duty vehicles, we are among the leaders in the North American motor vehicle aftermarket industry and are known for driving new solutions.

The key to our continued success is our foundation for growth—our **IDEAS**—and the five core values each letter of that word represents:

- Ideation and Innovation:** From products that can directly replace original equipment designs to engineering innovations that provide upgraded repair solutions to customers, we are committed to constant innovation.
- Deliver Customer Value:** Our culture is rooted in our commitment to our customers' success and vitality. Our steady growth and high level of customer satisfaction underscore the economic value and importance of a vehicle owner's fundamental right to have their vehicles repaired wherever they wish. We diligently respond to customer needs and address even their most complex repair challenges with high-quality solutions.
- Empower Our Contributors:** We foster an environment of trust and open communication. We provide our team members with the tools and resources to succeed, as well as opportunities to learn, test, improve, sometimes fail, and influence outcomes. We promote and reward curiosity, courage, and the relentless pursuit of new ideas.
- Accountability for Results:** We take responsibility for setting ambitious goals and standards that continuously improve outcomes in all areas of our business.
- Strive for Excellence:** "Good enough" is never enough. We work tirelessly to improve upon yesterday's results.

These values are foundational to our four Strategic Pillars — Contributors, Customers, Operations and Growth. Inarguably, the accomplishments and dedication of our Contributors are essential to excellence in each pillar. Our customer-first mindset and collaborative culture allow us to achieve and expand our vision and differentiate us from our competitors.

Culture is one of the most substantive topics in our ESG focus. The priority this report places on nurturing our **Culture of Contribution** is reflective of our day-to-day approach to work. We value diverse ideas, backgrounds, and life experiences, and we appreciate the varying perspectives of every Contributor. Our Culture of Contribution, which centers around recognizing and valuing the critical roles our Contributors play in our success, is the engine that powers Dorman. The following is a summary of our total Contributors by function and geographic location

	2022 ¹		
	U.S.	Non-U.S.	Total
Operations	2,585	205	2,790
Product Development	208	9	217
Quality and Engineering	197	69	266
Sales	180	21	201
Administration	242	17	259
Total Contributors	3,412	321	3,733

¹ As of December 31, 2022, and includes Super ATV, LLC, which was acquired in October 2022.

OUR ESG PRIORITIES

In 2021, our ESG program focused on an initial ESG materiality assessment. The materiality assessment took into consideration the inputs of our key stakeholders and informed the approach to our inaugural ESG report.

For 2022, we continued building upon the foundation of our 2021 ESG program by formalizing and enhancing policies and procedures along the way. Among other things, we revised our Investor Relations website to include an ESG portal and published our 2021 ESG report. We formed an ESG Steering Committee consisting of senior leaders within our business, responsible for guiding the ESG program and advancing our ESG priorities. We developed time-bound goals for our most material ESG issues, which were validated by the Steering Committee and other senior leadership. Furthermore, we conducted waste and energy audits at key facilities and automated the collection of certain data across our facilities to enhance the tracking of greenhouse gas emissions. We continued focusing on impacts in our communities and on the health and safety of our Contributors.

This 2022 ESG report describes the progress we have made since our inaugural report as well as many of our ESG aspirations and goals. We will continually evaluate the ESG metrics included in this report to determine whether they are adequate for us to assess our ESG progress. We recognize this is a dynamic environment and plan to maintain flexibility by periodically evaluating whether additional or new metrics, goals and objectives are warranted.

PEOPLE

- 08 Our People
- 10 Diversity & Inclusion
- 14 Contributor Development,
Attraction & Retention
- 18 Contributor Health & Safety

OUR PEOPLE

We call ourselves “Contributors” because we are a team of innovators, collaborators, and problem-solvers all working toward meaningful and mutual goals. Dorman Contributors are fueled by a drive to produce superior customer service and product quality. Our reputation as a leader in the motor vehicle aftermarket industry is the direct result of the diverse backgrounds, viewpoints, and life experiences of our valued workforce. We empower and celebrate new ideas throughout our organization because new ideas are the essence of our product development process and our evolution as a company.

We believe our Contributors are our most valuable asset, and we are committed to providing training and development opportunities to advance the skills and experiences of every member of our team. Investing in our Contributors and promoting an environment where they feel valued and empowered is an essential part of our culture and a win-win proposition; developing talented, successful people drives the long-term performance of our business.

COMMUNITY ENGAGEMENT

Our Culture of Contribution extends beyond our walls. Community engagement and volunteering are crucial elements of our culture. We are committed to ensuring and enhancing the social and economic vitality of our local communities. We donate approximately \$500,000 each year to local and national nonprofit organizations and provide our Contributors up to eight hours of paid time off per year to volunteer in their local communities.

Beginning in 2021, Dorman committed to hosting an annual giving campaign that supports causes most meaningful to our Contributors. To determine our campaign recipients, we conduct an annual survey. The results for 2022 identified the development of youth and children, and cancer research, prevention, and support as key causes of importance. In 2022, Dorman raised approximately \$70,000 for St. Jude's Research Hospital, which surpassed our 2022 fundraising goal and exceeded our 2021 donation to St. Jude's by 40%.

\$500K

APPROXIMATE ANNUAL
DONATIONS TO LOCAL AND
NATIONAL NONPROFITS

THINKING GLOBALLY; ACTING LOCALLY

Since 2013, Dorman has hosted an annual car show for Manna on Main, a Pennsylvania nonprofit that provides food, emergency financial aid, education, and other social services to those in need. Since 2015, Dorman has donated \$60,000 to the organization, including a 2022 contribution to Manna's Race to End Hunger.

In 2022, our efforts to support local families served by Manna on Main included purchasing and stocking 100 children's backpacks with school supplies and donating funds to purchase 100 Thanksgiving turkeys.



DIVERSITY & INCLUSION

Our Culture of Contribution fosters a strong sense of community by promoting trust, respect, and collaboration. Our vision cultivates a diverse and inclusive work environment where all Contributors are valued and respected. As a global innovator, we thrive on diversity of thought and continually strive to leverage the experiences and backgrounds of all Contributors. We endeavor to create a culture that enhances our ability to recruit, develop, and retain diverse talent at every level.

APPROACH

Our Board of Directors provides oversight of our diversity & inclusion (D&I) initiatives as part of its oversight of our overall ESG program, and our CEO and Chief Human Resources Officer (CHRO) are our senior leaders responsible for identifying and implementing our D&I initiatives. Our CEO and CHRO are supported by our Vice President of Diversity and Inclusion, a dedicated role that was established in 2021. Our approach to achieving a diverse and inclusive workforce is centered around our prioritization of the following four cornerstones:

- 1. Talent:** Attract, recruit, develop, and retain the best talent with diverse backgrounds and perspectives by utilizing a robust diversity recruiting strategy.
- 2. Environment:** Educate, promote, and increase our awareness and understanding of the value of differences, developing our competence in inclusive behaviors, and embedding diversity and inclusion into all our business practices.
- 3. Market:** Strive for recognition as the preferred brand in the markets we serve by building relationships with diverse customers, suppliers, and business partners.
- 4. Community Engagement:** Advance our diversity and inclusion efforts in the communities we serve by engaging with our customers and communities through partnerships and philanthropy.

2022 HIGHLIGHTS

In 2022, we enhanced our commitment to D&I by establishing our *All IN* Advisory Council, consisting of senior leaders who represent diverse perspectives and span multiple disciplines across the organization. The Council manages D&I alignment with Dorman's overall business strategy, creates accountability for results, provides governance and oversight on efforts, and serves as an advocate for change.

One key focus area in 2022 was participating in a formal D&I maturity assessment. The exercise was facilitated by the Center for Automotive Diversity, Advancement and Inclusion (CADIA) and resulted in a multi-year roadmap to guide our future D&I initiatives.

Throughout 2022, we launched several inclusion programs — such as the Fishbowl Networking Program, Dorman Leader Days, and Dorman's Taste of Success Series — all with the intent of bringing Contributors across all locations together to connect, share experiences, and promote collaboration.

50%

OF OUR INDEPENDENT DIRECTORS
ARE RACIALLY OR GENDER DIVERSE





The **Multi-Cultural Network** (MCN) is a community that strives to unify Contributors through sharing, learning, understanding, and appreciating all of Dorman's diverse, cultural backgrounds. This group provides a safe space for Contributors to approach sensitive topics; educate and increase awareness around various cultures and differences; and provide mentorship, networking, and career guidance. During 2022, the MCN held several events designed to increase awareness and education about diversity.

The **Casual Contributor Career Network** (C3N) provides an environment for Contributors to access events, training, and guidance from cross-functional peers and leaders to provide exposure, knowledge, and leadership opportunities to Contributors outside of their general roles and responsibilities.

The C3N was launched in 2022 and hosted events to encourage cross-company collaboration and networking.

The **Dorman Women's Network** (DWN) was formed to drive professional growth and a measurable increase in diversity at all levels of the organization. In the first year of the CRG launch, Dorman sponsored memberships in the Elevate Network, a global community of women committed to fostering and promoting gender equality in the workplace. DWN's 2022 highlights include:

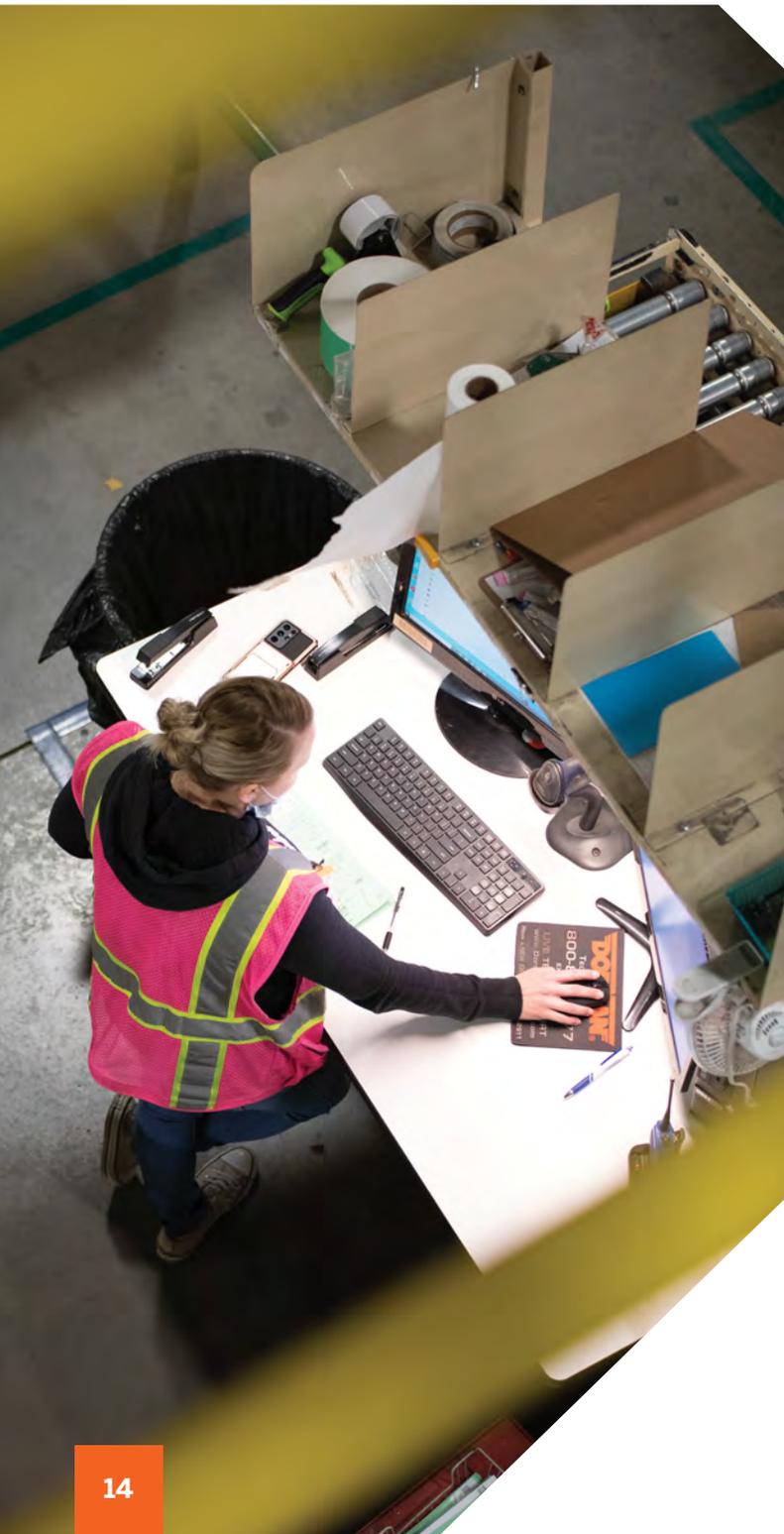
- 2nd Annual DWN 5k/10-K run raised approximately \$29,000, a 38% year-over-year increase. These funds support a Sidney Kimmel Cancer Center Mobile Cancer Screening Van, bringing cancer detection to everyone;
- Held meetings with outside guest speakers regarding mental health; and
- Participated in Empower Half Hour meetings with female speakers from across the motor vehicle aftermarket industry sharing their journeys to success.

The **Dorman Veteran's Network** (DVN) is a community supporting the transition, hiring, retention, and professional development of military veterans. It is dedicated to fostering and advancing the inclusion of veterans in the workplace and within our communities. DVN's 2022 highlights include:

- Participated in the Manion WOD (Workout of the Day) and 9/11 Heroes Run to support the Travis Manion Foundation;
- Sponsored Ryan Manion, President of the Travis Manion Foundation, as a Keynote Speaker for the *ALL IN* Summit;
- Hosted a Veteran's Day Raffle to collect money in support of America's Mighty Warriors, an organization that provides support programs for veterans and gold star families;
- Raised approximately \$12,000 for the Marine Corps Scholarship Foundation; and
- Hosted several events to raise money for St. Jude's Children's Research Hospital.

NEXT STEPS

To foster more perspectives on continuous engagement and inspire more Contributors, we will seek additional opportunities to add other meaningful CRGs. In 2023, we plan to integrate D&I initiatives into our Talent Strategy and will strive to include diverse candidates on each new hire candidate slate for Contributors at director-level and above positions. Our goal is to continue increasing the number of D&I programs and initiatives to foster a more diverse and inclusive workplace.



CONTRIBUTOR DEVELOPMENT, **ATTRACTION** **& RETENTION**

Dorman's global team of Contributors is our most important asset and a competitive advantage, which means that retaining and nurturing top talent and advancing the skills and experiences of every member of our team is a high priority. We are committed to investing in the next generation of talent, and to educating and encouraging all Contributors to actively seek opportunities across the enterprise.

We actively seek the most qualified candidates for our career opportunities. To fulfill that responsibility as a diverse and inclusive employer, we partner with organizations that not only advance our recruiting strategy, but also connect us with ways to reciprocate and/or provide a service to underserved populations.

We launched our Co-Op Engineering program in 2009 and our Summer Internship program in 2019, and we have since transitioned several of those interns into full-time hires. In 2022, we moved to a year-round internship model, providing additional opportunities to tap into this pipeline.

Dorman has regularly participated in several university campus hiring events, as well as local high school and community college events, allowing us to establish early talent pipelines and provide students a lens into a career in the motor vehicle aftermarket industry. During 2022, we partnered with Philadelphia's Delaware Valley Industrial Resource Center and a local middle school to participate in a "What's So Cool About Manufacturing" state contest. We partnered with the Montgomery County Intermediate Unit and local high school, both in Pennsylvania, to participate in their Montco Works program, which included job shadowing, site tours, high school speaking engagement opportunities, and grants for internships for students seeking to enter the workforce directly from high school.

Preserving institutional knowledge begins with retaining our existing talent pool and enhancing it, while also creating content that we can use to develop and pass along to new Contributors. In that vein, Dorman conducts semiannual talent reviews of our salaried Contributors. Results of Talent Reviews are presented semiannually to the CEO and annually to the Board, and directly influence the learning and development investment and strategy each year.

We provide growth opportunities for Dorman Contributors at every level to help ensure a continuing flow of evolving talent.

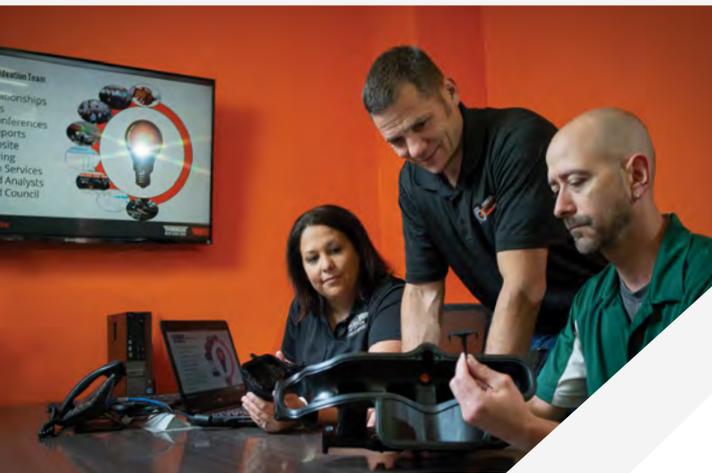
In 2022, we introduced several new programs, including:

- **Upskill** – Virtual live courses led by Northampton County Community College on a variety of leadership topics held monthly, including topics such as Emotional Intelligence, Presenting with Confidence and Messages that Matter;
- **Dorman Taste of Success Series** – Monthly lunch-and-learn sessions to help identify potential career path opportunities for Contributors conducted and led by leaders of various functional areas to review and discuss what their functions are responsible for in Dorman, what they do, what roles are within those functions, and how skills can be transferred into certain roles;
- **Dorman Leader Days** – A three-day learning event placing Dorman leaders in the role of our faculty/instructors, delivering 100% Dorman-centric content, and sharing leadership stories and lessons across all of Dorman; and
- **Leadership Challenge** – A two-day learning event based on Kouzes and Posner's Five Practices for Exemplary Leadership, which utilizes the Leadership Practices Inventory (LPI Assessment) to examine the frequency with which leaders demonstrate the most powerful behaviors in engaging colleagues and team members (Model the Way, Inspire a Shared Vision, Challenge the Process, Enable Others to Act, and Encourage the Heart).



DEVELOPING TOP TALENT

Internal Mobility was an area of focus for Dorman in 2022. In our Product and Engineering departments, we promoted equal numbers of internal applicants as those from which we sourced externally. At Dorman, we strongly believe that developing individual growth in our Contributors is a priority, and we have aligned our commitment at all levels to facilitate that movement. We will always need to build an external pipeline to address talent gaps both now and in the future; however, we will strive to find a balance and blend of internal and external talent to fill our critical roles.



CONTRIBUTOR ENGAGEMENT

We conduct engagement surveys of our Contributors to assess how they feel about Dorman and their roles and to help identify areas of improvement. Our 2022 engagement survey reinforced that Contributors continue to feel supported by their manager in terms of growth, development, and idea generation. We attribute Contributor's confidence in their leaders to regular meaningful performance discussions, comprehensive individual development plans, commitment to open communication, and strong talent review and succession planning processes.

82%

OF CONTRIBUTORS FEEL THEIR MANAGER HELPS THEM LEARN AND GROW

82%

OF CONTRIBUTORS WOULD HIGHLY RECOMMEND WORKING AT DORMAN TO OTHERS

83%

OF CONTRIBUTORS FEEL GENUINELY APPRECIATED AT WORK

84%

OF CONTRIBUTORS FEEL THEY HAVE THE FLEXIBILITY THEY NEED TO BALANCE WORK AND PERSONAL LIFE

87%

OF CONTRIBUTORS FEEL DORMAN IS AN INNOVATIVE COMPANY WHERE NEW IDEAS ARE ENCOURAGED

CONTRIBUTOR PAY AND BENEFITS

We pride ourselves on offering competitive benefits that provide Contributors options to meet their needs. Annually, we conduct an executive compensation benchmarking review to ensure we are providing market-based compensation, including base salary, short-term incentives, and long-term incentives. We also participate in annual compensation surveys for all positions and strive to compensate our top talent and key roles competitively.

To alleviate the financial burden of health care insurance, we designed our *Keys to Well-Being* wellness program, which offers Contributors an opportunity to save on their annual medical insurance premiums by completing an annual online health assessment, biometric screening, and one preventive care visit. Other offers include on-site annual flu shot clinics, COVID-19 vaccination clinics, health fairs, and breast cancer and cardiovascular disease screening events.

Other benefits include:

- **Tuition Assistance**, which provides tuition reimbursement for undergraduate and graduate education for Contributors.
- The **Dorman Employee Stock Purchase Plan**, which allows Contributors to purchase Dorman stock at a 15% discount.
- **401(k) match and annual profit-sharing contributions** for eligible Contributors.

NEXT STEPS

In 2023, we plan to launch an apprenticeship program in our Engineering Department and will evaluate apprenticeship opportunities in other functional areas. We also plan to develop SuccessProfiles for each role in the organization that will further allow us to establish concrete career paths. For the 2023 benefit plan year, Dorman has introduced fertility benefits and a comprehensive mental healthcare benefit offering on-demand care 24/7. Lastly, we expect to launch a Contributor communication app to provide a platform to connect our Contributors with important, real-time information in their preferred languages.



CONTRIBUTOR HEALTH & SAFETY

We are committed to the health and safety of our Contributors, contractors, and communities. Our leadership team encourages active participation of all parties as a part of our effort to continuously improve our health and safety programs and processes. In 2022, we continued to make investments to enhance our health and safety programs, including adding a new corporate position responsible for health and safety across the entire enterprise and new software tools to enhance reporting and training.

APPROACH

Health and safety are paramount in our daily operations and are a key element in evaluating the operating performance of our sites, as well the performance of our site leaders. Our health and safety programs across the Company's operating facilities are managed by Dorman's Senior Vice President of Operations and Director of Environmental, Health, and Safety. Our approach to health and safety includes:

- 1. On-site safety leaders** who provide training and education to Contributors as part of our regular safety program and to our new Contributors as part of our onboarding program;
- 2. Designated safety leaders** at each site who liaise with Dorman's EHS leader to share data, lessons learned, and best practices in addition to collaborating with other sites for best practice implementation;
- 3. Assigned safety goals in operating facilities**, and site leaders tracking and reporting safety performance to our Senior Vice President of Operations and Director of Environmental, Health, and Safety on a consistent basis;
- 4. Site leaders assessing and communicating safety performance** against their goals to our executive leadership team as part of our operating reviews; and
- 5. Providing regular updates to our Board of Directors** on our health and safety data and trends.

The Dorman **Environmental, Health and Safety (EHS) Policy** details our commitment to comply with EHS regulations and requirements and our prioritization of maintaining safe workplaces. This EHS policy articulates our objective: to have Contributors, contractors, and guests work or visit safely and in an environmentally responsible manner, while simultaneously supporting our business goals.

Further, our **Code of Ethics and Business Conduct** includes methods of reporting safety issues without reprisal. Contributors can use our ethics hotline to anonymously report safety concerns. Safety is a must, and we expect the commitment of each director, officer, and Contributor to make Dorman an accident-free workplace.

PROGRAMS

Dorman's *Safety Champion* program rewards Contributors that demonstrate safe workplace behaviors. Contributors can nominate their colleagues who exceed standards to receive gift cards or other prizes. Conversely, any safety or environmental incidents are reviewed with utmost urgency to mitigate risk and recurrence.

Each of our facilities sets site-specific safety targets, including, but not limited to, the following:

- **Total Recordable Incident Rate (TRIR)**, which is designed to measure the total number of Occupational Safety and Health Administration (OSHA) recordable injuries and illnesses;
- **Days Away, Restricted or Transferred (DART) Rate**, which tracks the total number of OSHA recordable workplace injuries and illnesses that result in time away from work, restricted job roles or permanent transfer to a new position; and
- **Lost Time Accidents (LTA)**, which are those accidents that result in a Contributor being absent from the workplace for one full day of work.

In 2022, we continued growing our health and safety program to reinforce and encourage safe behaviors, including increasing the number of Contributors on our health and safety teams. Our goal is to continually reduce our overall incident rates every year.

	2021 Data	2022 Data
Total Recordable Incident Rate (TRIR)	2.61%	2.37%
Restricted Transfer (DART) Rate	1.71%	1.64%
Lost Time Accidents (LTA)	0.60%	0.28%

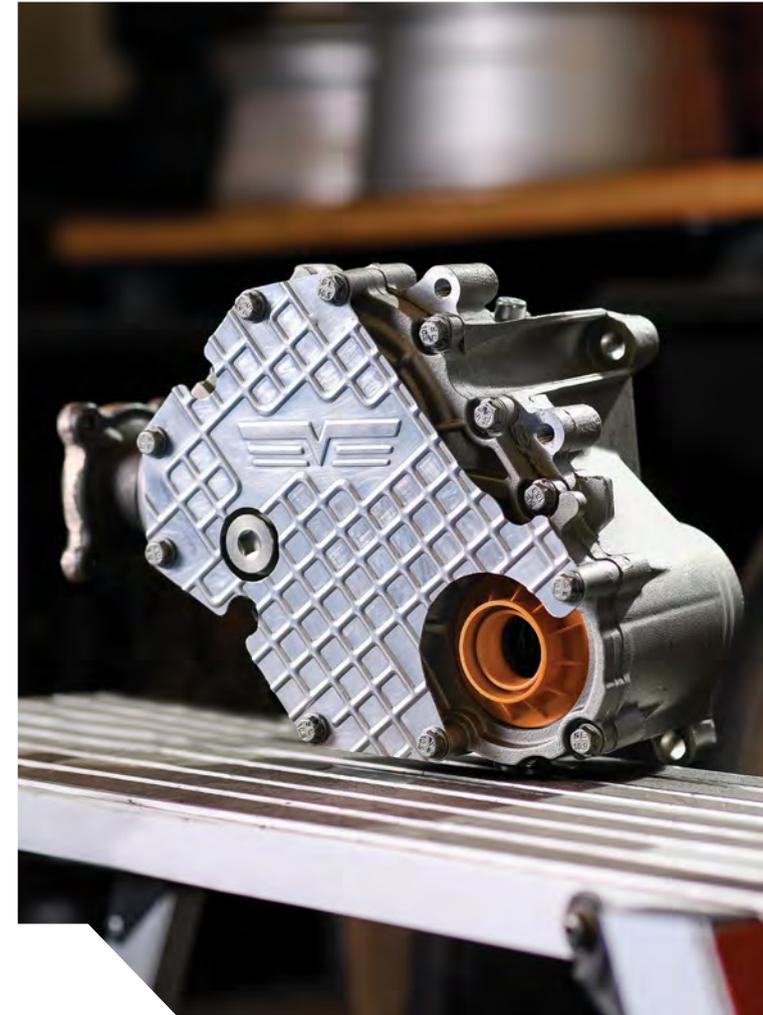
OUR PRODUCTS & CUSTOMERS

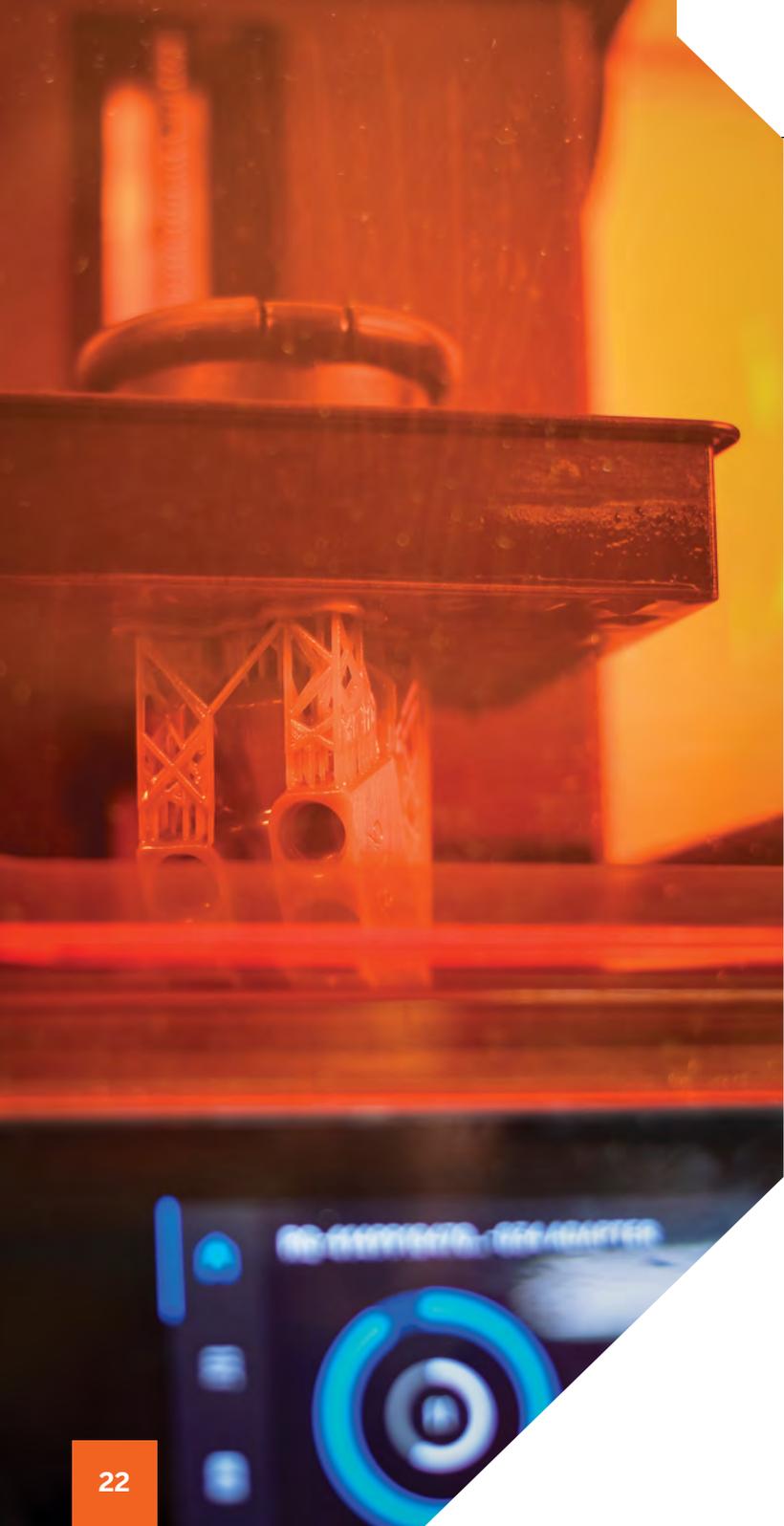
- 21 Innovation
- 26 Product Quality & Safety
- 30 Supply Chain Management
- 32 Customer Satisfaction

INNOVATION

“The lives and livelihoods of people depend upon cars, trucks, and specialty vehicles. Dorman gives people greater freedom to fix and enhance these vehicles by constantly developing new solutions that prioritize owners and installers. What distinguishes us from other motor vehicle aftermarket companies is our customer-first mindset and our commitment to product development and innovation.”

Eric Luftig
SVP, Product





NEW IDEA GENERATION

Dorman produces hundreds of new automotive replacement parts every month. We consider this a testament to our ability to bring to reality *ideas for better repair solutions*. We have dedicated, well-resourced teams devoted solely to ideation and innovation.

Our teams of researchers, field analysts, and product specialists regularly visit repair shop technicians to actively listen to and understand their repair challenges. Often, the Dorman solution is a direct aftermarket replacement for the factory part, providing consumers with an alternative to the original equipment manufacturer. Sometimes our experts and engineers take it a step further, identifying enhancements to the original part and developing a solution that increases reliability, reduces repair time, and saves money.

We utilize a three-pronged approach to this ideation process:

- 1. Field Research:** We visit shops and garages throughout North America to learn what repair issues technicians are encountering. Our product teams use that knowledge to build our pipeline of solutions.
- 2. Data and Analysis:** Our product experts constantly examine data from various sources to identify opportunities to provide better solutions. We leverage highly sophisticated data analytics to detect patterns of problems, forecast future part failures and solicit feedback from thousands of professionals.
- 3. Idea Submissions:** We welcome our customers' best ideas. We have earned a reputation for solving our industry's problems by providing a dynamic communication channel for repair professionals, backyard mechanics, and automotive enthusiasts of every kind. Their regular communication of ideas and repair challenges through our website and social media channels flow directly to our Technical Support Team.

MAKING PARTS BETTER

Some of our solutions address issues with the original manufacturer's repair solution. We call these Dorman® OE FIX™ products. Some OE FIX parts have been redesigned by Dorman experts to reduce installation time or improve reliability. Manufacturer-centric concerns, like weight reduction and ease of factory assembly, often lead to products that are failure-prone and frustrating to replace. We place installers' and owners' concerns first, evolving the design, components, or materials of parts to reduce the likelihood of future failures.

Other OE FIX parts consist of those that cannot be purchased from the original equipment manufacturer (OEM). When it comes to supplying replacement parts, OEMs are not always customer friendly. Frequently, customers must buy an entire part assembly to repair a failed single component, or they must separately purchase and assemble multiple parts. We routinely develop direct replacements for the most failure-prone components, often enabling customers to replace only the failed piece rather than the whole assembly. We also pre-assemble certain products to save installation time.

“Without a doubt, the engine behind OE FIX solutions is the community of shops and techs who are constantly telling us what's breaking, so that we can help find a better way.”

Lester Kovacs
Director, Product Ideation



OUR SOLUTION DEVELOPMENT PROCESS

Dorman leverages a cross-functional, multi-phased business process that helps Contributors manage ongoing technical and commercial risks through a series of key development milestones.

Throughout our solutions development process, teams work through several key subprocesses, including intellectual property assessment, specification package creation, Production Part Approval Process (PPAP) development and review, and part attribute syndication for customer commerce systems and solutions training.

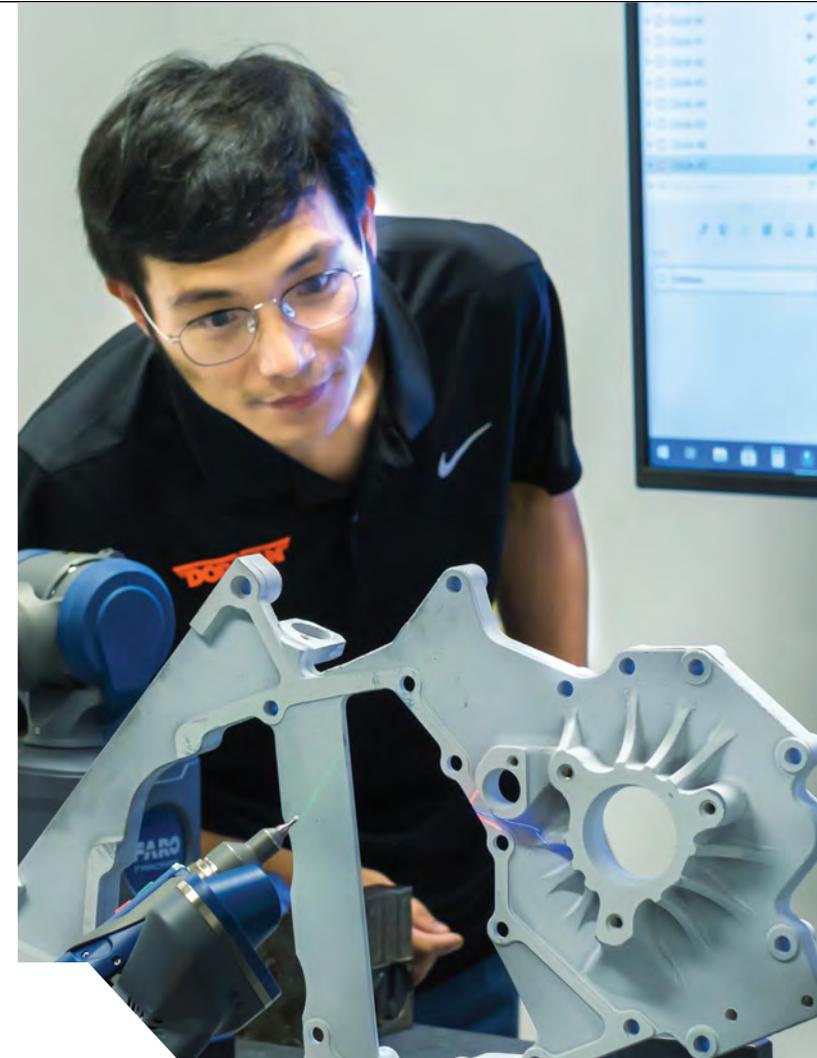


INVESTMENT IN FUTURE INNOVATION

Automotive technology is evolving rapidly and shows no signs of slowing down. Dorman is keeping pace with new technologies as they emerge, developing solutions in categories nonexistent a decade ago in the aftermarket. Simultaneously, we stand up for the rights of both mechanics and motorists to maintain and repair automobiles independent from their manufacturers. Dorman has invested over \$100M in research and development (R&D) over the past five years, ensuring we stay in sync and, in some cases, ahead of the broader motor vehicle aftermarket industry. Some recent examples of Dorman's commitment to R&D include:

- **Multi-Platform:** We are increasingly platform-agnostic, whether it be light-duty or heavy-duty, automobiles or specialty vehicles, or internal combustion engines (ICEs) or electric vehicles (EVs) and hybrid electric vehicles (HEVs). For example, as vehicles increasingly electrify, Dorman endeavors to meet new service demands by continuously improving our hybrid battery remanufacturing process in an effort to produce more reliable, longer-lasting power storage for hybrid vehicles. Also, in 2022, we released the first-to-aftermarket Tesla OE FIX door handle repair kit for Tesla S vehicles.
- **Advanced Driver Assistance Systems (ADAS):** Technologies enhancing active vehicle safety continue to work their way from high-end luxury vehicles to the mainstream. Advanced driver assistance systems—like lane-departure and blind-spot monitoring, active cruise control, collision avoidance, and reversing cameras—depend on accurate sensors, control units, and actuators to inform drivers of potential hazards, with some even taking corrective action when drivers fail to respond. We are steadily expanding our offering in this area to lead the aftermarket in these new technologies.

- **Mechatronics:** Increasingly, traditional mechanical systems are evolving to include electronic drive and control units. These electromechanical technologies — or mechatronics — increase vehicle efficiency, reduce weight, and allow for more compact component packaging. From electric power-assisted steering (EPAS) to transmission electro-hydraulic control modules (TEHCM), these systems rely on sensors, actuators, controllers, and mechanical components to work properly. Dorman's expertise in both complex electronic and mechanical systems keeps us at the forefront of the aftermarket, and often the first to develop new solutions.
- **Laser Scanning, 3D Part Design, Advanced Software Modeling:** Because exact replacements are critical to installers, our process begins with capturing every shape and surface detail of the original design with three-dimensional scanning technology. OEM parts are scanned using our digital coordinate-measuring machines, which allow for precise dimensional analysis and accurate tooling inputs. Building on data gathered from these scans, our design engineers create a unique digital 3D model. To further accelerate our speed to market, our engineers use powerful computer-aided design software to design and test improvements in a virtual environment. Designs are optimized using finite element analysis tools to alter attributes like material type, physical dimensions, and other specifications. Because repair professionals need solutions fast, we perform rapid prototyping of new designs in our 3D printing lab to accelerate innovation. Using several additive manufacturing technologies, we quickly generate prototype parts with the accuracy and integrity required to perform on-vehicle fit and functional testing.



\$100M

INVESTED IN RESEARCH AND DEVELOPMENT
OVER THE PAST FIVE YEARS



PRODUCT QUALITY & **SAFETY**

Our success in the motor vehicle aftermarket parts industry is connected to our unwavering commitment to product quality and customer satisfaction. We maintain our leadership position in the motor vehicle aftermarket industry through strict application of Advanced Product Quality Planning (APQP) and development, supervision of our external manufacturing partners, and our focus on product quality and performance.

QUALITY MANAGEMENT

We have implemented and continue to enhance quality management systems that represent leading practices in the motor vehicle aftermarket. Our formal Quality Management System (QMS) is aligned with International Organization for Standardization (ISO) 9001 criteria. In addition, certain of our facilities are ISO 9001 certified or adhere to International Automotive Task Force (IATF) 16949 standards. We also adhere to VDA 6.3 for supplier performance criteria as part of our supplier quality audits. These industry standards outline established widely recognized procedures and guide our approach to quality management.

As part of our quality management process, our product groups perform product risk assessments to identify areas where potential production or performance issues could arise and then implement controls to mitigate against those risks. Following product launch, we continuously seek feedback from our customers, professional installers and end users, and use that feedback to identify opportunities to enhance our products. This cycle of continuous improvement is a key part of our approach to quality and enables our continued delivery of reliable products.

PRODUCT QUALITY

We use internal and external quality metrics and a comprehensive Voice of the Customer (VoC) process to assess our performance and determine opportunities for improvements. VoC data and warranty repairs during the first 12 months in service act as key metrics to measure initial quality, and we monitor longer-term warranty claims for integration into future preventive design improvements.

Warranty and VoC data are monitored cross-functionally. This cross-functional team includes leaders from our Product, Engineering, Quality, Manufacturing and Operations departments. Our structured problem-solving process allows us to identify potential areas of improvement and implement solutions intended to improve the user experience. This activity promotes cross-functional collaboration to holistically address risks, improve future designs and ensure long-term customer satisfaction.

TRACEABILITY

We monitor product traceability as part of our compliance with quality regulations. We maintain traceability by reporting raw materials in our products to the International Material Data System (IMDS) to comply with quality requirements for our components. Our Restricted Substance Management Standard (RSMS) also reinforces our commitment to produce parts that meet applicable regulatory and customer standards for product materials. Our suppliers are also informed of any materials that are prohibited from including in our products and of limits on the use and content of certain materials.



SUPPLIER MONITORING – QUALITY AUDITS

We communicate with our manufacturing partners to set our expectations in both manufacturing capability and social responsibility requirements. We are committed to using suppliers that meet the expectations set forth in our [Supplier Code of Conduct](#). We also expect the quality management systems of our direct material suppliers to align to the ISO 9001 standard. As part of our supplier qualification process, we evaluate new raw material and part suppliers on quality management, as well as social and environmental criteria to confirm compliance with our requirements.

TESTING AND QUALITY

We leverage Advanced Product Quality Planning (APQP) processes throughout the product planning, design and execution phases of our development process. Production prototypes, pre-production samples, and first run product samples are tested against our internal performance standards. Many of these tests are designed by Dorman engineers, combining Federal Motor Vehicle Safety Standards (FMVSS) and SAE International requirements with internal OEM part benchmarking, to ensure that our products meet our performance standards.

To test and validate parts in real vehicles, we have also invested in the Dorman Proving Grounds Garage, our own advanced testing facility. Equipped with the latest industry tools and equipment, this 4,000-square-foot controlled environment is an extension of our engineering labs, allowing our Automotive Service Excellence (ASE)-certified technicians and engineers to test-fit parts, log data, and assess on-road product performance on actual vehicles.

We operate several of our own manufacturing and remanufacturing facilities in the United States. We also collaborate with a network of advanced manufacturers around the world. Dedicated teams of Dorman specialists routinely visit, evaluate, and validate these partners to confirm they are meeting our standards.

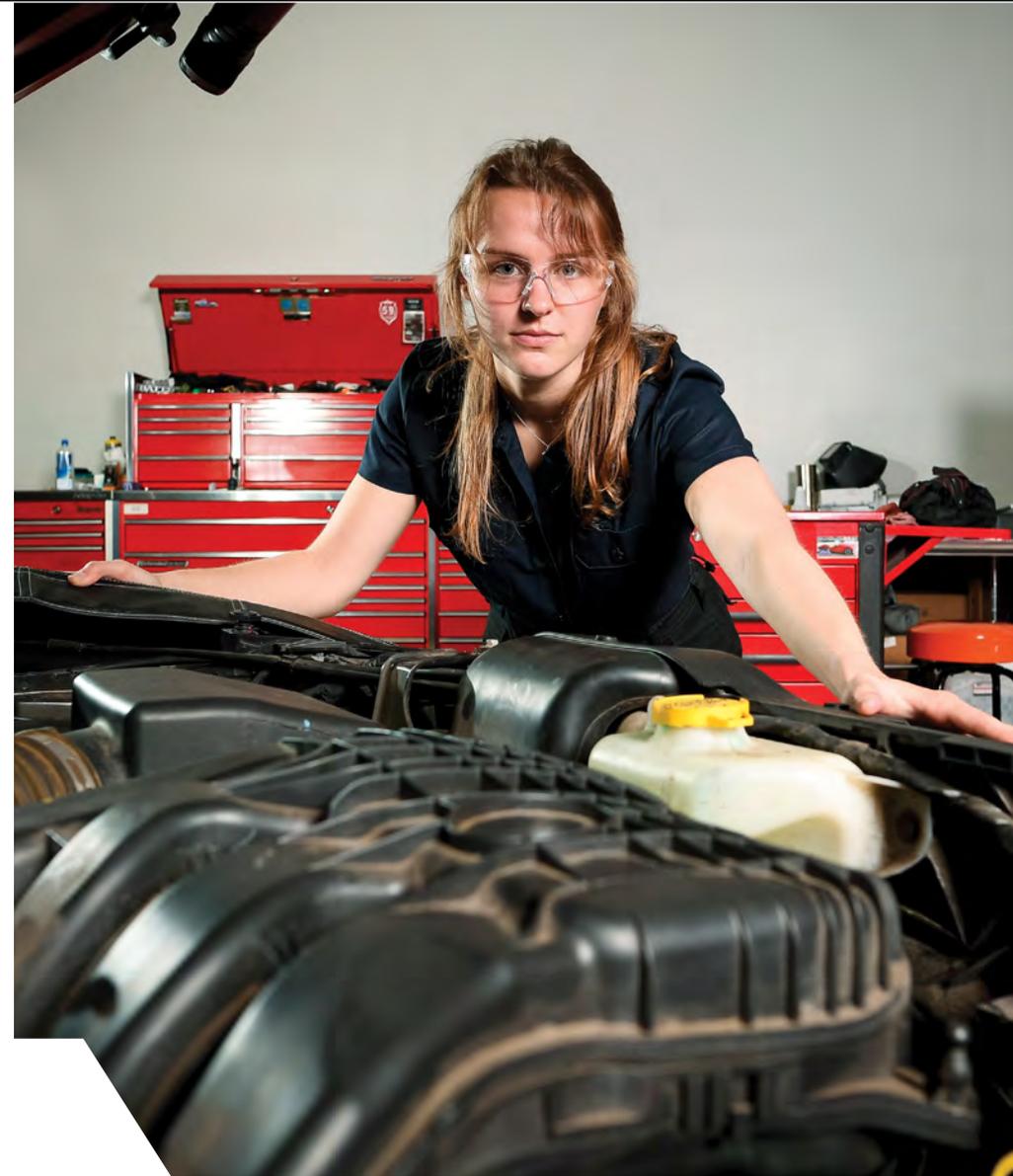
PRODUCT SAFETY

Our innovation process includes various review steps to evaluate safety-critical aspects of parts in development. We provide our customers with safe products that meet applicable regulatory standards as well as our own quality and safety standards. VoC and other external data, including reporting from the National Highway Transportation Association (NHTSA), are regularly monitored to identify emerging market trends and potential impact to our products.

As part of our safety process, we established a cross-functional Safety Review Board that reviews and addresses products with higher safety risk potential. We utilize tools such as Design and Process Failure Mode Effects Analysis (FMEA) in our design and validation process steps, combined with a robust Product Part Approval Process (PPAP) for product execution. These tools are designed to assure quality and safety attributes are understood and appropriately controlled. Our goal is to ensure the safety of end customers who purchase and use our products.

4,000 ft²

**OF CONTROLLED ENVIRONMENT ALLOWS
OUR AUTOMOTIVE SERVICE EXCELLENCE
TECHNICIANS AND ENGINEERS TO MAINTAIN
A HIGH STANDARD THROUGH TESTING AND
QUALITY CHECKS**





SUPPLY CHAIN MANAGEMENT

Dorman is routinely adjusting and raising the bar on our expectations for our external supply partners in both manufacturing capability and social responsibility requirements. We encourage our suppliers to meet the standards we have set for our own operations.

We bring our repair solutions to market through a well-honed and extensive global network of manufacturing and development partners. A responsible sourcing program is essential to align our business relationships with our values and comply with all applicable regulations and policies. Our [Supplier Code of Conduct](#) establishes standards and expectations for our external manufacturers and promotes safe and fair working conditions, as well as the responsible management of social, ethical, and environmental matters in our supply chain.

SOURCING RESPONSIBLY

As Dorman's supply chain continues to expand and evolve in a rapidly changing business climate, we continue to focus on sustainability, business ethics, and respect for human rights. Our [Code of Ethics and Business Conduct](#) and [Supplier Code of Conduct](#) specify the important guidelines and expectations for our Contributors and suppliers with respect to acting ethically and responsibly. We seek to partner with companies that meet our high standards and share our commitment to integrity and ethical conduct. We choose our suppliers thoughtfully, making sure they can meet expected design parameters along with our quality and service expectations. Moreover, our processes are designed not only to meet our contractual requirements and follow the law, but also to share our respect for the environment, workplace health and safety, and human rights.

In 2022 to support of these objectives, we instituted a Qualification Review Board (QRB), which cross-functionally reviews supplier information and performance to ascertain whether we are partnering with suppliers that meet our high standards. The QRB reviews the results of supplier audits and measurements to assure continued compliance with Dorman's expectations. We also include in the [Supplier Code of Conduct](#), which is published on our website, the ability for suppliers to report concerns. We require all new strategic raw material and part suppliers to acknowledge their commitment to comply with our [Supplier Code of Conduct](#).

CONFLICT MATERIALS

Our goal is to manufacture products composed of exclusively conflict-free materials, particularly tantalum, tin, tungsten, and gold. We will not knowingly purchase or sell any products that contain conflict minerals. We expect our manufacturers to adopt a conflict-minerals free sourcing policy consistent with our own and in accordance with the Organisation for Economic Co-operation and Development (OECD) guidance. We support ending human rights violations and violence in the Conflict Region of the Democratic Republic of the Congo and adjoining countries. We actively survey the sources of these minerals used in our products to avoid those that may come from conflict sources. We comply with applicable disclosure rules of the U.S. Securities and Exchange Commission (SEC) regarding conflict minerals, and our findings are published in our annual SEC filings.

SUPPLIER DIVERSITY

We select our suppliers based on merit and do not discriminate on the basis of race, sex, color, ethnicity, religion, age, disability, sexual orientation, or gender identification or expression. Dorman values diversity across our business, and we look to partner with suppliers who reflect the communities in which we operate.

CUSTOMER SATISFACTION

At Dorman, our customers are at the heart of everything we do. We view ourselves as a service organization, making our customers' jobs easier, and helping cars and trucks get back on the road. Throughout 2022, Contributors at all levels of our organization engaged with customers to identify growth opportunities for their businesses. By leveraging product innovation, world-class marketing support, and deep category management analytics, we are meeting our customers' needs and driving trends in the motor vehicle aftermarket.

ENGAGING WITH CUSTOMERS

Dorman's "Brand Ambassador Council" is composed of technicians and counter professionals from across the aftermarket industry. We actively engage with this group to remain abreast of the needs of our customers.

We also serve our customers by offering product and technician training through the Dorman Training Center (DTC). We offer product training to introduce technicians, services managers, retail counter people and others to our innovative and comprehensive product solutions. The DTC also offers technician training, taught by Automotive Service Excellence (ASE)-certified instructors, that covers many of today's advanced automotive systems, including driver assistance, diagnostics, emission and complex electronics. In 2022, we provided training to over 90,000 automotive repair technicians and will build on that in 2023.

Evidence of our high level of customer satisfaction accumulates each year, and in recent years, we have been the recipient of a number of prestigious awards for achievements in new product development, cataloging, product data and content, technology utilization, website quality, and overall vendor service and collaboration.



PLANET



PLANET

OUR OPERATIONS

At Dorman, we aim to protect our planet and the communities in which we operate. We are committed to environmental protection and compliance with legal requirements. In 2022, two members of our senior leadership team that reported directly to our CEO were responsible for oversight of all aspects of our manufacturing and distribution facilities, including environmental matters, such as climate change. Site leaders reported into these members of our senior leadership team on operating and environmental matters.

The Corporate Governance and Nominating Committee of our Board oversees our ESG program and related risks and opportunities, including those with respect to environmental matters like climate change. To foster environmental responsibility and sustainable practices across our footprint, we developed a corporate team focused on environmental performance and sustainability across the enterprise.

OUR ESG RESPONSIBILITY

We are committed to environmental stewardship and minimizing greenhouse gas emissions, pollution, and the impact of our operations on the environment. We understand that the foundation to sustainable manufacturing is high quality data. To implement improved efficiencies and reduction, we have conducted Company-wide energy and waste audits to collect high-resolution data required to implement strategic reduction projects. Our 2022 energy and waste mapping will serve as a guide for our environmental programs and reduction strategies for the foreseeable future. We have also allocated additional corporate resources to the environmental function to assist in assessing climate risk and to implement initiatives designed to reduce the environmental impact of our operations. As a result of these efforts, we have established a goal to create measurable long-term reduction in our environmental impact.

We evaluate climate change risk as part of our enterprise risk management program. We strive for minimal environmental impact, and throughout our footprint, we maintain operations in compliance with relevant legal requirements. Our minimal impact approach is exemplified with none of our Company sites registered as large quantity generators of hazardous waste, and we have prioritized recycling methods ahead of waste generation. In addition, several of our manufacturing and distribution facilities utilize recycling methods to manage scrap metal, wood, plastics, cardboard, and universal waste. We continue to assess our waste management program and will seek additional opportunities to recycle, reduce, and eliminate waste streams from our operations. These opportunities are expected to enhance the performance of our operations and reduce our impact to the environment.

We will continue to assess emerging regulatory, technological, and market shifts so that we can adjust our operation strategies and position our business for success.

ENERGY EFFICIENCY AT OUR SITES

We have taken a number of actions to reduce our energy consumption, from upgrading facilities to LED lighting, upgrading our air compressors and chillers, and HVAC. In 2022, we conducted an energy audit across our sites to identify additional energy reduction opportunities, and plan to implement certain of those opportunities beginning in 2023.

OUR

10% GHG
REDUCTION
GOAL

WE PLAN TO REDUCE THE TOTAL AMOUNT OF OUR SCOPE 1 AND SCOPE 2 GHG EMISSIONS THROUGH 2030 BY 3,000 CO₂E METRIC TONS.

ENVIRONMENTAL, HEALTH AND SAFETY POLICY

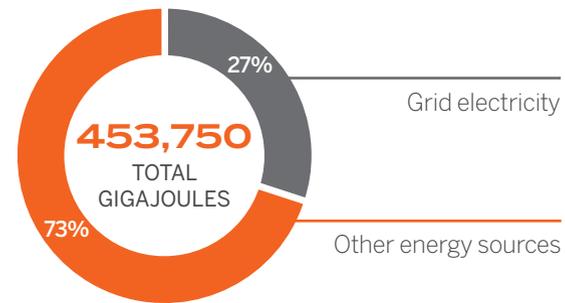
We have adopted an [Environmental, Health and Safety Policy](#) to help ensure compliance with environmental, health, and safety laws and regulations. In addition to our commitment to innovation, we are committed to the health and safety of our Contributors, contractors, and the community, as well as the protection of the environment in the communities where we operate.



GREENHOUSE GAS (GHG) EMISSIONS*

	2022
Scope 1	16,550
Scope 2 (location-based)	13,360
Total Scope 1 + Scope 2 emissions	29,910
Total Scope 1 + Scope 2 emissions - intensity (MTCO₂e/net sales million USD)	173

ENERGY CONSUMPTION 2022



WASTE

	2022	Percent of Total
Waste generated (total, metric tons)	7,600	
Hazardous waste generated	15	0.2%
Non-hazardous waste generated	7,585	99.8%

* Provided in metric tons of carbon dioxide equivalent - MTCO₂e.

OUR PRODUCTS

We believe the production and distribution of our products should not impede the freedom to live in a safe, healthy, beautiful world. Our products extend the lives of existing vehicles. Not only do we help reduce the demand for raw materials associated with new vehicle production, but we also help reduce the waste created when vehicles are prematurely brought to the end of their useful life. We believe that we will continue to have a positive impact as vehicle owners trend toward operating their current vehicles longer than they did several years ago, performing necessary repairs and regular maintenance to keep those vehicles well maintained.

We support several initiatives intended to promote a more environmentally friendly “car parc,” which generally means the total number of cars and other vehicles on the road. Dorman is a leader in remanufacturing technology—investing heavily in new techniques and technologies to divert used automotive parts from the waste stream—and restoration, increasing vehicle lifespan and the lifetime mileage of original parts. These processes conserve raw materials and reduce energy consumption compared to manufacturing new materials from scratch. Our remanufactured products span from electronic control modules, hybrid batteries, to complex mechatronics. We believe our remanufactured parts offer end-users an economical and safe way to maintain their cars on the road, while also reducing the impact to the environment.

Additionally, we produce emission control system products, which are designed to reduce emissions and improve fuel economy during vehicle operation. Other replacement parts we produce that promote a more environmentally friendly car parc include alternative energy products, which utilize cleaner burning fuels or are designed for electric or hybrid electric vehicles.

OUR SUSTAINABILITY FIGURES

WE KEPT

895,000 LBS

(406 METRIC TONS) OF PART WASTE OUT OF LANDFILLS BY REMANUFACTURING 222,000 PRODUCT UNITS IN 2022

WE RECYCLED

373,000 LBS

(169 METRIC TONS) OF BATTERY CELLS (163,000 UNITS) IN 2022

WE KEPT

463,000 LBS

(210 METRIC TONS) OF PART WASTE OUT OF LANDFILLS BY REMANUFACTURING BATTERIES IN 2022

GOVERNANCE

- 39 Corporate Responsibility & Governance
- 44 Data Privacy & Cybersecurity

CORPORATE RESPONSIBILITY & GOVERNANCE

Good corporate governance is fundamental to Dorman's business. It allows us to maintain oversight of matters that could impact our financial performance, strategy, risk management, and compliance. We seek to provide comprehensive and effective management of our corporate governance practices that benefit our shareholders, Contributors, customers, and other stakeholders.



APPROACH

The Company maintains several policies and procedures intended to support the Board in its oversight role with respect to corporate governance. Some of our key policies include our:

- [Code of Ethics and Business Conduct](#)
- [Code of Ethics for Senior Financial Officers](#)
- [Corporate Governance Guidelines](#)
- [Stock Ownership Guidelines](#)
- [Whistleblower Policy](#)

Our [Code of Ethics and Business Conduct](#), referred to as our Code, is at the heart of our compliance program, and it guides our behavior and operational integrity. It codifies our values as an organization, our Culture of Contribution, our success measures, and our Strategic Pillars. Key topics covered by our Code include workplace conduct, harassment, conflicts of interest, social media use, protection of Company information, data privacy, information security, insider trading, anti-bribery, and anti-corruption.

All Contributors of Dorman and its subsidiaries, including corporate officers and members of our Board, are required to read, understand, and meet the standards and obligations in our Code. Moreover, we expect our suppliers and vendors, and other third parties with whom we work, to follow principles like those in our Code, both when working on our behalf and in their own work. More information on our policies can be found on our [website](#).

All Contributors are required to annually review and certify compliance with our Code. In addition, we provide online compliance training to educate team members about a variety of risks and topics, such as respect in the workplace, information security, anti-bribery, and anti-corruption. We also use in-person training for key topics or to target key audiences. We customize our training to our Contributors based on their roles and responsibilities, and integrate trends that we observe in our business and in the market overall.

BOARD OF DIRECTORS

Our Board plays an important oversight role with respect to our corporate governance. As of April 1, 2023, our Board is composed of eight individuals, six of whom are independent under applicable SEC regulations and NASDAQ listing standards (the two exceptions being our Non-Executive Chairman and our CEO). Each Director brings valuable skills and years of experience to the Board, providing his or her own unique perspective to the Company. The names and experience of each of the members of our Board are described on our [website](#) and in our most recent proxy statement filed with the SEC.

The Board performs its oversight role with the help of three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. Each committee operates under a written charter that can also be found on our [website](#).

When nominating candidates to become a Director, the Board considers the current composition and diversity of the Board (including diversity with respect to race, gender, national origin, and ethnicity) and the extent to which a candidate's particular expertise and experience will complement the competencies and experiences of other Directors.

75% OF OUR DIRECTORS ARE INDEPENDENT

50% OF OUR INDEPENDENT DIRECTORS ARE RACIALLY OR GENDER DIVERSE

	As of December 31, 2022
Number of Directors	8
Number of independent Directors	6
Independent Lead Director	YES
Roles of Non-Executive Chairman and Chief Executive Officer Split	YES
Standing Board Committees comprised solely of independent Directors	YES
Annual election of Directors	YES
Non-Management executive sessions regularly conducted with the Board	YES
Majority vote standard and Director resignation policy in uncontested Director elections	YES
Annual Board and Committee self-evaluations	YES

CONFLICTS OF INTEREST

The Audit Committee of the Board supervises the management of financial risks and potential conflicts of interests. For more information on disclosed conflicts of interest, please see our most recent [Proxy Statement](#).

ERM PROGRAM

Our ERM program effectively drives risk prioritization and actions. The activities of the ERM program entail the identification, prioritization, and assessment of a broad range of risks (e.g., strategic, operational, cybersecurity and information security, financial, legal/regulatory, reputational, and market) and the formulation of plans to mitigate their effects. These risks include effects from global climate change and related regulations.

The ERM program is supported by a Risk Committee composed of members of management that perform detailed reviews of the Company's risks and monitor the Company's compliance with applicable laws, regulations, and frameworks. Our Internal Audit team facilitates the flow of information supporting the ERM program and reviews select risk mitigation activities on a periodic basis.

ESG OVERSIGHT

The Board, through the Corporate Governance and Nominating Committee, oversees the Company's initiatives with respect to ESG matters. The ESG Steering Committee guides the ESG program, provides regular updates to the Board on ESG matters, maintains ultimate responsibility for the development of our ESG program, and is responsible for reviewing and updating our future ESG goals and key performance indicators. Our Chief Compliance Officer & General Counsel acts as corporate sponsor for the ESG program.

RISK MANAGEMENT

The Board maintains an active role, as a whole and at the committee level, in overseeing the management of the Company's risks. These include:

- **Enterprise Risk:** The Company's Audit Committee supervises the management of financial risks and potential conflicts of interest. To assist with the management and oversight of risk, Dorman has implemented an enterprise risk management (ERM) program to identify, evaluate, and manage risks that may affect our ability to execute our corporate strategy and fulfill our business objectives.
- **Information Security Risks:** The Audit Committee reviews and discusses the Company's information security risks directly with the Company's Chief Information and Digital Officer. These reviews include a discussion of significant threats, risk mitigation strategies, any IT security program assessments and identified improvements.
- **Compensation-Related Risks:** Dorman's Compensation Committee is responsible for overseeing the management of risks associated with the Company's executive compensation plans and arrangements. In designing and implementing our executive compensation program, the Compensation Committee takes into consideration our operating and financial objectives, including our risk profile, and considers executive compensation decisions based, in part, on incentivizing our executive officers to take appropriate business risk consistent with our overall goals and risk tolerance.
- **Governance Risks:** The Corporate Governance and Nominating Committee manages risks associated with the independence of the Board and the duties and responsibilities of its members.

While each committee is responsible for evaluating the risks discussed above and overseeing the management of such risks, the entire Board is regularly informed at committee meetings or through committee reports about risks.

COMPLIANCE ASSESSMENT

For Dorman, success begins and ends with integrity. We are committed to compliance with all laws, rules and regulations that apply to our business. In 2021, we assessed our corporate compliance program with the assistance of a third-party compliance vendor. The assessment evaluated the overall structure and governance of our corporate compliance program. The third-party concluded that our compliance program was mature and identified several opportunities for us to enhance the program.

Key initiatives undertaken to enhance our compliance program include:

- ✓ Updating our Code to reflect changes in laws and applicable regulations and to enhance readability;
- ✓ Revising our **Supplier Code of Conduct**;
- ✓ Adopting an **Environmental, Health, and Safety Policy**;
- ✓ Adopting a **Human Rights Policy**;
- ✓ Adopting an Anti-Bribery and Anti-Corruption Policy;
- ✓ Updating our Stock Trading Policy; and
- ✓ Revising our **Stock Ownership Guidelines** for our Directors and Executive Officers.

We continue to evaluate the effectiveness of our corporate compliance program and will adjust where we deem necessary or appropriate.

REPORTING POTENTIAL VIOLATIONS

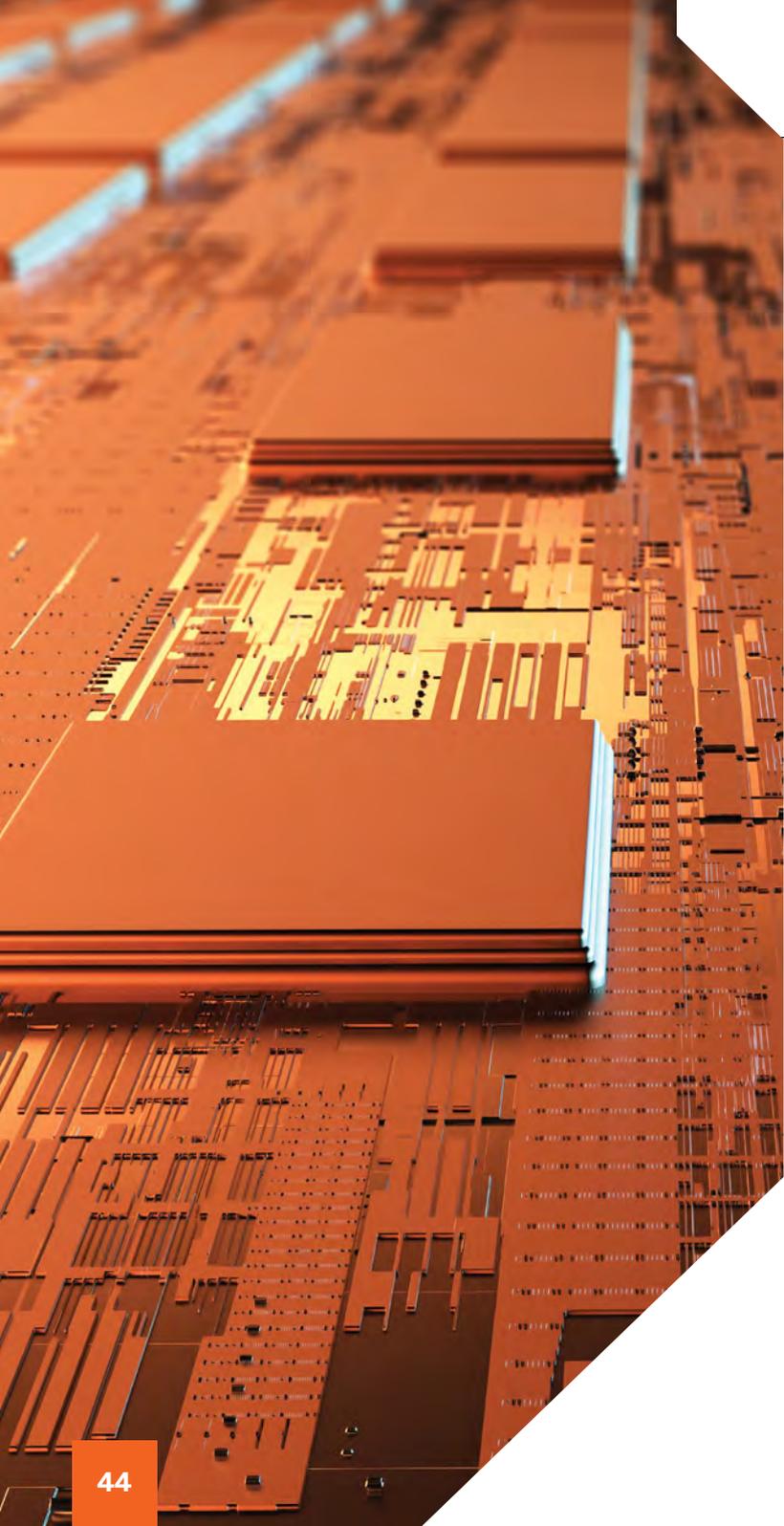
Several avenues are readily available through which Contributors and others can find support and seek assistance regarding ethics and compliance matters, as well as report suspected violations of our Code or other corporate policies. In addition to in-house resources available via the Legal and Human Resource departments, we have an ethics web portal and phone hotline that are available 24 hours a day, seven days a week. Trained specialists from an independent third-party corporate compliance provider answer calls, document concerns, and forward written reports to the Company's Chief Compliance Officer for further investigation. Reports can be submitted anonymously as allowed by local law. All reports are treated equally whether made anonymously or not. To encourage Contributors and other individuals to report suspected violations, we maintain a non-retaliation policy to protect anyone who, in good faith, raises a concern, reports misconduct, or participates in an investigation. If team members are suspected of retaliation, we enforce strict discipline measures, up to and including termination.

GOVERNMENT RELATIONS AND PUBLIC POLICY

We support consumer rights and engage with government officials through our work with industry associations. We are members of several motor vehicle aftermarket industry organizations, including:

- **AASA** (Automotive Aftermarket Suppliers Association)
- **HDMA** (Heavy Duty Manufacturers Association)
- **AutoCare Association**
- **Commercial Vehicle Solutions Network**
- **Technology and Maintenance Council**

We are also Lifetime Trustees of the University of the Aftermarket foundation, which provides funding for aftermarket education programs and research.



DATA PRIVACY & CYBERSECURITY

INFORMATION SECURITY PROGRAM OVERSIGHT

The Audit Committee of Dorman's Board oversees Dorman's Information Security Program. A cyber risk report that highlights program governance, risks, and opportunities is provided regularly to the Audit Committee and the full Board.

PROTECTION

Dorman's Security Committee, which is led by our Chief Information and Digital Officer, meets monthly to review program governance and key performance indicators. These typically include the number of events, number of investigations, mean response time, and cyber trends. This committee oversees our security roadmap and ensures monitoring of policies and procedures including but not limited to:

- Acceptable Use Policy;
- Information Security Master Policy;
- IT Backup and Retention Policy;
- Disaster Recovery Policy;
- Incident Management Policy; and
- Password Policy.

Our risk mitigation strategies include:

- Annual maturity audits covering network penetration and vulnerability assessments; and
- Biannual Cyber Assessments of our Information Security Program by a third-party expert.

EDUCATION

The success of the Information Security Program relies not only on IT ownership but also an active and collaborative relationship within the business. With an increase in remote work and the overall rise in cyber threats, we have emphasized the need for our Contributors to remain vigilant. Dorman requires all Contributors to complete cyber training annually. In 2022, we also implemented a security learning management system with phishing simulations distributed regularly to improve our cyber resiliency. Additionally, we leverage communications, contests, policies, videos, and visuals to continuously raise awareness.

TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACH IN CUSTOMER PRIVACY AND DATA LOSS

	2022
Complaints from outside parties	0
Complaints from regulatory organizations	0
Losses, thefts, or leaks of customer data	0

APPENDIX

47	GRI Content Index
53	SASB Content Index
54	Performance Data Table

GRI CONTENT INDEX

GRI Standard	Disclosure	Disclosure Response	Page
GRI 2 General Disclosures 2021			
	2-1 Organizational details	About Dorman, 2022 Annual Report on Form 10-K	4
	2-2 Entities included in the organization's sustainability reporting	2022 Annual Report on Form 10-K	
	2-3 Reporting period, frequency and contact point	Reporting period: 01/01/2022 - 12/31/2022	
	2-4 Restatements of information	No information from the 2021 report was restated	
	2-5 External assurance	External assurance was not obtained for this report	
	2-6 Activities, value chain and other business relationships	About Dorman, 2022 Annual Report on Form 10-K; Supply Chain Management	4, 30
	2-7 Employees	About Dorman, 2022 Annual Report on Form 10-K; Contributor Development, Attraction & Retention; Performance Data table	4, 14, 54
	2-9 Governance structure and composition	Corporate Responsibility & Governance; Proxy Statement	39
	2-10 Nomination and selection of the highest governance body	Corporate Responsibility & Governance	39
	2-11 Chair of the highest governance body	Proxy Statement	
	2-12 Role of the highest governance body in overseeing the management of impacts	Proxy Statement	
	2-13 Delegation of responsibility for managing impacts	Corporate Responsibility & Governance; ESG Oversight; Proxy Statement	39, 42
	2-14 Role of the highest governance body in sustainability reporting	ESG Oversight	42
	2-15 Conflicts of interest	Corporate Responsibility & Governance; Proxy Statement	39
	2-16 Communication of critical concerns	Code of Ethics and Business Conduct; 2022 Annual Report on Form 10-K	
	2-17 Collective knowledge of the highest governance body	Our annually elected board of directors is comprised entirely of independent directors, other than our Non-Executive Chairman and our Chief Executive Officer. Each director brings valuable skills and years of experience to the board, providing his or her own unique perspective to the Company. See our Proxy Statement for additional information.	

GRI CONTENT INDEX CONTINUED

GRI Standard	Disclosure	Disclosure Response	Page
GRI 2 General Disclosures 2021 Continued			
	2-18 Evaluation of the performance of the highest governance body	Proxy Statement	
	2-19 Remuneration policies	Proxy Statement	
	2-20 Process to determine remuneration	Proxy Statement	
	2-21 Annual total compensation ratio	Proxy Statement	
	2-22 Statement on sustainable development strategy	CEO Letter	2
	2-23 Policy commitments	About Dorman ; We do not follow a precautionary principle. We have an Enterprise Risk Management (ERM) system in place; see section Risk Management .	4, 42
	2-24 Embedding policy commitments	Human Rights Policy	
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Responsibility and Governance ; 2022 Annual Report on Form 10-K	39
	2-28 Membership associations	Governance	38
	2-29 Approach to stakeholder engagement	Not disclosed with GRI information	
	2-30 Collective bargaining agreements	2022 Annual Report on Form 10-K	
Topic-Specific Disclosures			
GRI 3: Material Topics 2021			
	3-1 Process to determine material topics	Our ESG Priorities	6
	3-2 List of material topics	Community Engagement ; Contributor Development, Attraction & Retention ; Contributor Health & Safety ; Corporate Responsibility and Governance ; Customer Satisfaction ; Data Privacy & Cybersecurity ; Diversity & Inclusion ; Planet ; GHG emissions & climate change ; Innovation ; Supply Chain Management ; Product Quality & Safety	9–19, 21–32, 35, 39, 44
	3-3 Management of material topics	Our ESG Priorities	6

GRI CONTENT INDEX CONTINUED

GRI Standard	Disclosure	Disclosure Response	Page
GRI 103 Material Topics 2021			
Topic-Specific Disclosures			
GRI 3-3: Innovation (Non-GRI Topic)	3-3 Management of material topics	<u>Innovation</u>	21
GRI 3-3: Supply Chain Management	3-3 Management of material topics	<u>Supply Chain Management</u>	30
GRI 3-3: Company Culture (Non-GRI Topic)	3-3 Management of material topics	<u>Our People</u>	7
GRI 3-3: Product Quality & Safety	3-3 Management of material topics	<u>Product Quality & Safety</u>	26
GRI 3-3: Customer Satisfaction	3-3 Management of material topics	<u>Customer Satisfaction</u>	32
GRI 3-3: Customer Privacy	3-3 Management of material topics	<u>Data Privacy & Cybersecurity</u>	44

GRI CONTENT INDEX CONTINUED

GRI Standard	Disclosure	Disclosure Response	Page
Topic-Specific Disclosures Continued			
GRI 302: Energy 2016	3-3 Management of material topics	Planet	33
GRI 302: Energy			
	302-1 Energy consumption within the organization	Planet: Performance Data Table	33, 54
GRI 305: Emissions			
	3-3 Management of material topics	Planet	33
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Planet: Performance Data Table	33, 54
	305-2 Energy indirect (Scope 2) GHG emissions	Planet: Performance Data Table	33, 54
GRI 306: Waste 2020			
	3-3 Management of material topics	Planet	33
	306-1 Waste generation and significant waste-related impacts	Planet	33
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Planet	33
	306-3 Waste generated	Planet: Performance Data Table	33, 54
	306-4 Waste diverted from disposal	Planet: Performance Data Table	33, 54
	306-5 Waste directed to disposal	Planet: Performance Data Table	33, 54

GRI CONTENT INDEX CONTINUED

GRI Standard	Disclosure	Disclosure Response	Page
GRI 308: Supplier Environmental Assessment 2016			
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Product Quality & Safety	26
	308-1 New suppliers that were screened using environmental criteria	Product Quality & Safety	26
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A	
GRI 403: Occupational Health and Safety 2018			
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Contributor Health and Safety	18
	403-1 Occupational health and safety management system	Contributor Health and Safety	18
	403-2 Hazard identification, risk assessment, and incident investigation	Contributor Health and Safety	18
	403-3 Occupational health services	Contributor Health and Safety	18
	403-4 Worker participation, consultation, and communication on occupational health and safety	Contributor Health and Safety	18
	403-5 Worker training on occupational health and safety	Contributor Health and Safety	18
	403-6 Promotion of worker health	Contributor Health and Safety	18
	403-8 Workers covered by an occupational health and safety management system	Contributor Health and Safety	18
	403-9 Work-related injuries	Contributor Health and Safety	18

GRI CONTENT INDEX CONTINUED

GRI Standard	Disclosure	Disclosure Response	Page
GRI 404: Training and Education 2016			
GRI 404: Training and Education 2016	3-3 Management of material topics	Contributor Development, Attraction & Retention	14
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Data Table	54
GRI 405: Diversity and Equal Opportunity 2016			
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Diversity & Inclusion	10
	405-1 Diversity of governance bodies and employees	Diversity & Inclusion	10
GRI 418: Customer Privacy 2016			
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Data Privacy & Cybersecurity	44
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Performance Data Table	54

SASB CONTENT INDEX

SASB Topic	SASB Metric	SASB Code	2022 Response	Page
Energy Management	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable	TR-AP-130a.1	<u>Planet</u>	36
Waste Management	1. Total amount of waste from manufacturing 2. Percentage hazardous 3. Percentage recycled	TR-AP-150a.1	<u>Planet</u>	36
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	TR-AP-410a.1	Dorman produces emission control system products , which are designed to reduce emissions and improve fuel economy during vehicle operation.	37
Material Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	<u>Supply Chain Management: Sourcing Responsibly</u>	31
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AP-520a.1	\$0	

PERFORMANCE DATA TABLE

Indicator	Descriptor	2021	2021 Footnote	2022	2022 Footnote
People					
Contributor Development, Attraction, and Retention	Contributor headcount	3,360	As of December 25, 2021, and includes Dayton Parts	3,733	As of December 31, 2022, and includes SATV
	Percentage of Contributors that received a performance review or career development review	100%	All active Contributors	100%	All active Contributors
Contributor Health and Safety	Total recordable incident rate (TRIR)	2.61%		2.37%	
	Days away, restricted or transferred (DART)	1.71%		1.64%	
	Lost time accident (LTA)	0.60%		0.28%	
Community Engagement	Donations to charitable causes	\$466,000		\$505,000	
Governance					
Data Privacy and Cybersecurity	Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0		0	
	Complaints from outside parties	0		0	
	Complaints from regulatory organizations	0		0	
	Losses, thefts, or leaks of customer data	0		0	
Corporate Governance	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	\$0		\$0	

Indicator	Descriptor	2021	2022	2022 Footnote
Planet				All 2022 environmental data includes the acquisition of Dayton Parts. Waste data does not include operations outside of North America.
Waste	Total waste generated by company (metric tons)	5,905	7,600	
	Hazardous waste generated	5	15	
	Non-hazardous waste generated	5,900	7,585	
	Waste disposal (metric tons)			
	Waste that is sent to landfill	1,400	2,000	
	Recycled (both hazardous and non-hazardous)	4,502	5,597	
	Hazardous waste disposed	3	3	Disposed of in accordance with applicable regulations
Remanufactured Waste	Total waste diverted due to remanufacturing (metric tons)	650	616	
	Weight of remanufactured products	425	406	
	Weight of remanufactured batteries	225	210	
	Total waste diverted from landfill (both recycled waste and remanufactured)	5,150	6,213	This includes the tons of recycled waste from our principal operating facilities
Energy	Total energy consumption (gigajoules)	133,300	453,750	Includes 96% of 2022 data
	Electricity (GJ)	83,100	123,370	
	Natural gas (GJ)	47,500	318,090	
	Propane (GJ)	2,700	8,250	
	Other (GJ)	0	4,040	
	Total percentage of total grid electricity	73%	27%	
Greenhouse Gas Emissions	Scope 1		16,550	
	Scope 2 (location-based)		13,360	
	Total Scope 1 and Scope 2 emissions		29,910	Provided in metric tons of carbon dioxide equivalent (MTCO ₂ e); Includes 96% of 2022 data
	GHG emissions intensity (MTCO ₂ e/net sales million USD)		17.3	



ABOUT THIS REPORT

This 2022 ESG Report covers the fiscal year ending December 31, 2022. It includes Dayton Parts, LLC, which was acquired by Dorman in August 2021. Dayton Parts generally was excluded from the scope of our 2021 ESG Report. This 2022 ESG Report excludes Super ATV, LLC (SuperATV), except as expressly set forth herein. SuperATV was acquired by Dorman in October 2022.

The report content includes content about topics of interest to our stakeholders, including those topics identified through our ESG materiality assessment. We reference the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) standards.

We welcome your feedback about this report. Please direct your comments or questions to Legal@DormanProducts.com.

This report contains the registered and unregistered trademarks or service marks that are the property of Dorman Products, Inc. and/or its affiliates. This report also may contain additional trade names, trademarks or service marks belonging to other companies. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with or endorsement or sponsorship of us by these parties.

The information presented in this report is non-financial in nature and therefore has not been prepared in accordance with generally accepted accounting principles (GAAP), nor reviewed or evaluated using an established control framework. It has not been independently audited. Inclusion of information in this report is not an indication that we deem such information to be material or important to an understanding of our business or an investment decision with respect to our securities.

Information presented in this report, including performance or other metrics, may be based on estimates and assumptions that require a high degree of complex and subjective judgment, and may not necessarily be comparable with that presented by other companies or as calculated pursuant to all third-party standards of sustainability reporting. As with any projection or estimate, actual results or numbers may vary. Many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. We continually strive to improve our data tracking and tracing.

Unless expressly stated otherwise, this report (i) covers our owned and operated businesses in the US only and (ii) does not address the performance, conduct or operations of our suppliers, contractors, and partners.

This report contains references to our website. These references are for readers' convenience only and we are not incorporating by reference any information posted on <http://www.dormanproducts.com>.

FORWARD-LOOKING STATEMENTS

This 2022 ESG Report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "demonstrate," "expect," "intend," "estimate," "forecast," "anticipate," "should," "plan," "will" and "likely" and similar expressions identify forward-looking statements. However, the absence of these words does not mean the statements are not forward-looking. In addition, statements that are not historical should also be considered forward-looking statements. Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date the statement was made. Such forward-looking statements are based on current expectations that involve a number of known and unknown risks, uncertainties, and other factors (many of which are outside of our control) which may cause actual events to be materially different from those expressed or implied by such forward-looking statements. For additional information concerning factors that could cause actual results to differ materially from the information contained in this report, please see Dorman's prior press releases and filings with the U.S. Securities and Exchange Commission ("SEC"), including Dorman's most recent annual report on Form 10-K and its subsequent SEC filings. Dorman is under no obligation to (and expressly disclaims any such obligation to) update any of the information in this report if any forward-looking statement later turns out to be inaccurate whether as a result of new information, future events, or otherwise.

www.dormanproducts.com



Dorman Products, Inc. 3400 East Walnut St., Colmar, PA 18915
Corporate Office and Customer Service: 1-800-523-2492 | Tech Line: 1-866-933-2911
© 2023 No reproduction in whole or in part without prior written approval.