

A Message from **Hal Lawton**

President & Chief Executive Officer

If you spend much time at Tractor Supply—whether in our stores, our distribution centers or our store support center —sooner or later you'll hear people talking about "Life Out Here."

They're not just talking about a place. They're talking about a way of life and living – a self-reliant lifestyle and the genuine, authentic way that people share "Life Out Here" with families, friends and loved ones.

We help our Team Members, customers and communities pursue "Life Out Here" by living our Mission and Values every day, and by

embedding sustainability in every aspect of our business. We believe we have a responsibility to live up to and maintain sustainability in all areas-from the way we treat our 46,000 Team Members to the way we tread lightly on the land.

Tractor Supply has a longstanding commitment to sustainability. Our Stewardship Program has been an evolving journey over the past 14 years, in which we have viewed sustainability as a process of continuous improvement, driving positive environmental and social change within our company and our communities.

In 2021, we continued to focus on driving positive change, most notably by advancing diversity, equity and inclusion for our team members and communities, and by announcing bold new environmental targets.

We aim to provide a welcoming and inclusive environment for our Team Members, customers, suppliers and communities. This year, we established comprehensive five-year diversity, equity and inclusion goals to support and advance underrepresented groups across our stakeholders:

- Double the number of stores where Team Members mirror the communities they serve,
- Increase People of Color at the manager level and above by 50%,
- Increase spending with diverse suppliers by 35% and
- Increase commitment to funding programs and education for Black and African Americans by 30%.

We are also proud of the actions we've taken to position ourselves as a retail leader in addressing climate change, helping to build a regenerative future by helping farmers, ranchers, and all those who enjoy living a rural lifestyle across the US succeed in their efforts to positively impact the land, air and water. In 2021 we set our boldest targets yet: committing to net zero emissions by 2040. To meet this goal, we will continue to increase our renewable energy use, invest in cleaner technologies, and design both our stores and distribution centers to maximize energy efficiency.

While we're proud of the steps we've taken in 2021, we recognize that this is a journey. That's why we are establishing a new water goal of reducing our company-wide absolute water footprint by 25 million gallons by 2025. Tractor Supply firmly believes in the importance of managing water sustainably and putting in the forethought and effort to build a better tomorrow for Life Out Here. This new goal is a key milestone in our sustainable journey, and is another reflection of our core Mission and Values coming to life and commitment to doing the right thing for our customers and the communities we call home.

We are passionate about Life Out Here, and we respectfully take on the duties and obligations that are required to truly be Stewards of Life Out Here - both now and in the future.

I invite you to read through this report and learn about the progress we have made on our sustainability journey.

Hal Lawton

President & Chief Executive Officer

Overview

Team Members

Customers

Community

Environment

Supply Chain

Governance

SASB Index



About this Report

In this report, we share our approach to our business and Environmental, Social and Governance (ESG) efforts-including the disclosure of metrics aligned with the Sustainability Accounting Standards Board (SASB). We also discuss how Tractor Supply helps support the achievement of certain UN Sustainable Development Goals (SDGs), including issuing a separate <u>Task Force on Climate-</u> related Financial Disclosures (TCFD) report annually. But more than anything, this report aims to tell the story of our unique approach to retailing and being Stewards of Life Out Here. The story of how we share a lifestyle with our customers and understand our responsibility to protect that lifestyle and the resources on which it relies. The story of our belief that, as an organization, our actions at any level have an enduring impact on our world. And especially the story of how, at Tractor Supply, living sustainably begins with our Team Members and customers and carries through to our leadership. It's an essential part of the fabric of our company culture.

This report covers the period December 27, 2020 through December 25, 2021, unless otherwise noted.







About Tractor Supply Company

Overview

Tractor Supply Company (NASDAQ: TSCO), the largest rural lifestyle retailer in the United States, has been passionate about serving its unique niche, targeting the needs of recreational farmers, ranchers and all those who enjoy living the rural lifestyle, for more than 80 years. We offer an extensive mix of products necessary to care for home, land, pets and animals with a focus on product localization, exclusive brands and legendary customer service for the Out Here lifestyle.

With more than 46,000 Team Members, we leverage our physical store assets with digital capabilities to offer customers the convenience of purchasing products they need anytime, anywhere and any way they choose at the everyday low prices they deserve. As of December 25, 2021, the Company operated 2,003 Tractor Supply stores in 49 states, a consumer mobile app, and an e-commerce website at www.TractorSupply.com.

We care about pets, too.

We also own and operate Petsense, a small-box pet specialty supply retailer focused on meeting the needs of pet owners, primarily in small and mid-size communities, and offering a variety of pet products and services. As of December 25, 2021, we operated 178 Petsense stores in 23 states. For more information on Petsense, visit www.Petsense.com.



\$12.73B

Net Sales (+19.9%)

+16.9%

Comparable Store Sales +25.3%

EPS Growth

23.6M

Neighbor's Club Members >46,000

Team Members

2,003

Tractor Supply Stores

178

Petsense Stores

49

States

*As of December 25, 2021

Our Mission and Values

Back in 1938, Tractor Supply's founders started a mail-order catalog that turned into the kind of store they themselves would like to patronize. A store stocked with quality products and everyday low prices. Products that were not only a good value, but that suited their rural lifestyle. Along the way, they showed their respect for the land by treading on it lightly. And they showed their respect for each other by treating folks the way they would want to be treated.

Soon it became clear that the growing group of stores needed to define what it stood for. The early leaders crafted a mission statement that would guide their young store like a north star: Work hard, have fun and make money by providing legendary service and great products at everyday low prices.



Today we support this Mission with ten Values—ethics, respect, balance, winning attitude, communication, development, teamwork, change, initiative and accountability. These values drive every business decision we make and guide the way we interact with our Team Members and customers.

Driven by our commitment to our company's Mission and Values, we continue to execute on our purpose-driven ESG efforts by evaluating and implementing policies, programs and projects that benefit all stakeholders.

Our Mission and Values are the "secret sauce" to our success because of the way they empower our Team Members and drive Tractor Supply's future as a destination for customers who love Life Out Here. CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index



To work hard, have fun and make money by providing legendary service and great products at everyday low prices.

OUR CUSTOMER

We are committed to being an integral part of our customer's lives by being the most dependable Supplier of Out Here Lifestyle solutions.

OUR TEAM

We value a safe, respectful and inclusive work environment. We are focused on investing in the Team Member experience and building a diverse and high-performing Team with the critical skills and capabilities to support our growth.

OUR COMMUNITY

We support the communities in which we serve the Out Here Lifestyle through partnerships and sustainable practices.

OUR STAKEHOLDERS

We are a growth company that delivers a strong total return for our shareholders, as well as for our vendors and partners.

Tractor Supply's Mission and Values

Amid the difficulties and challenging environment of 2020 and 2021, Tractor Supply remained steadfast in our commitment to our Mission and Values. As a purpose-driven company, we will remember these two years for our efforts to take care of our fellow Team Members, support our customers, be there for our communities and invest for the future. Our team responded with grit and determination to be the dependable supplier for the Out Here lifestyle.



ETHICS

Do the "right thing" and always encourage others to do the right, honest & ethical things.

RESPECT

Treat others with the same consideration we expect for ourselves. Be a champion for diversity and inclusion.

BALANCE

Manage your time for both business and personal success.

WINNING ATTITUDE

Have a "can-do" attitude.

Be positive, upbeat and focused. We are winners!

COMMUNICATION

Share information, ask questions, listen effectively, speak thoughtfully and let ideas live.

DEVELOPMENT

Learn from each other. Teach, coach and listen. Create an environment where everyone can be a "star."

TEAMWORK

Value different viewpoints. Execute the agreed-upon plans. Together, everyone achieves more!

CHANGE

Accept it. Embrace it. Initiate it.

Do everything better, faster and cheaper.

INITIATIV

Seek opportunities. Use good judgement. Take intelligent risks. Drive speed to market. Champion ideas.

ACCOUNTABILITY

Know your responsibilities. Live up to your commitments

Overview

Team Members

Customers

Environment

Supply Chain

We're proud to be recognized for the work we do and the results we've achieved.

100%

100% on Human Rights Campaign **Corporate Equality Index**

IDG's Insider Pro and Computerworld Name Tractor Supply List of 100 Best Places to Work in IT



SmartWay 2021 High Performer

50/50

Gender Balance (GB) rating from 50/50 Women on Boards

Great Place to Work Certified for two consecutive years

Recognized by the 20/20 Women on Boards Honor Roll since 2011

Forbes

Forbes 2021 America's **Best-in-State Employers**

Investor Business Daily 100 **Best ESG Companies List**

Newsweek SEPA

Newsweek's Americas Most Responsible Companies

Forbes 2021 America's Best **Employers for New Graduates** for two consecutive years

Inclusion in the FTSE4Good Index for four consecutive years

EPA Green Power Partner

Bloomberg

Inaugural Inclusion in the 2022 **Bloomberg Gender Equality Index**



Sustainalytics Top-Rated ESG Performer - Regional



verview

Team Members

Customers

Community

Environment

Supply Chain

Our Stewardship Program

At Tractor Supply, we know that our Team Members, customers, vendors, supply chain partners, communities and shareholders care deeply about what companies do for their communities, for their people and for the environment. As trusted members of our communities, we have the responsibility and resources to take positive action and build a more sustainable, resilient future.

Since launching our Stewardship Program in 2008, we have been focused on minimizing our environmental impact while serving our customers. Over time, as ESG has emerged as a universal method to measure good corporate citizenship, we have adapted our Stewardship Program to focus more specifically on supporting our ESG priorities.

Living sustainably is woven into the culture of Tractor Supply and is fully supported by our Board and our Executive Committee.

Materiality Assessment

In late 2021, we initiated a Materiality Assessment to help clarify and prioritize the material impacts that our business has on the planet and a global community of stakeholders, and we plan to report the findings from this assessment in future disclosures. This process provides us an opportunity to seek input from critical stakeholders and partners. It will also allow us to enhance our ESG strategy and inform decisions regarding future goal setting and programming, which are aligned with shareholder and stakeholder expectations.



CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index

United Nations Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are an urgent call to action for all countries, developed and developing, to engage in a global partnership that promotes peace and prosperity for all people and the planet. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality and spur economic growth, all while tackling climate change and working to preserve our oceans and forests.

We use the targets within each SDG to inform how we approach our own programmatic activity and also to inspire a shared vision for the world that we want to live in. Our Stewardship Program helps support the achievement of seven of the United Nations Sustainable Development Goals.





































CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index

Tractor Supply UN SDG Alignment

UN SDG		Our Commitment	2021 Action
5 GENDER EQUALITY	Gender Equality	We are committed to providing a diverse, equitable and inclusive culture supported by our Mission and Values where we respectfully foster different perspectives, ideas and innovative thinking.	Established 5-year DE&I goals and included in the 2022 Bloomberg Gender Equality Index. This represents companies that have earned a score at or above a global threshold and the achievement or adoption of best-in-class statistics and policies.
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	We are committed to inclusive economic growth and creating decent jobs for all.	Established a goal to increase funding to programs and education for Black and African Americans.
10 REDUCED INEQUALITIES	Reduced Inequalities	We are committed to empowering and promoting the social and economic inclusion of all people.	Established a goal to increase People of Color at the manager level and above by 50% by 2026.
12 RESPONSELE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	We are committed to sourcing more renewable energy and reducing the sources of emissions within our value chain.	Enhanced our focus on our Scope 3 emissions, including new vendor engagement to drive down value chain emissions.
13 CLIMATE ACTION	Climate Action	Efforts to reduce our carbon emissions and manage resources more effectively are integral to how we do business.	Set net zero emissions in operations by 2040 goal and to reduce carbon emissions from our operations 20% by 2025 and 50% by 2030.
15 LEE ONLAND	Life on Land	As Stewards of Life Out Here, we are committed to promote conservation and sustainable use of the land.	Established a water conservation goal to reduce 25 million gallons of water by 2025. Our support and fundraising has secured nearly \$14 million for Future Farmers of America "FFA" since our partnership began in 1985.
16 PEACE JUSTICE AND STRONG INSTITUTIONS	Peace, Justice and Strong Institutions	We are firmly committed to fair treatment and equal opportunity within Tractor Supply and our vendors.	We maintain a strong governance ethics program which extends to our vendors and business partners.

CEO Message Team Members Supply Chain SASB Index Overview Customers Community Environment Governance



Overview

Team Members

Customers

Community

Environment

Supply Chain

Governance

Going the Country Mile for our Team Members

At Tractor Supply, we believe our deep-rooted culture is not just unique; it is the bedrock of our success. Our ability to successfully grow from 200 Stores to over 2,000 Stores in just 25 years is a testament to the durability of our business model and approach for achieving excellence. More than anything, it's about succeeding by doing things and treating people the right way-including the neighbors we serve, the communities where we live and work and, of course, our invaluable Team Members.

Team Member Recruitment

At Tractor Supply, we believe "Your Opportunity is Out Here" and Team Members are our most important strategic asset. We work hard, have fun and make money to win together with a values-driven culture where everyone feels connected, empowerment to serve our customers, community and each other and opportunities for individual and professional growth. Over the last two years, we have created over 13,000 new positions throughout our Stores, Distribution Centers and Store Support Center.

Our peer-to-peer recognition program, "Going the Country Mile" allows Team Members to recognize each other by giving badges. In 2021, we surpassed 1 million badges given since the program's inception in 2015, with over 300,000 badges given in 2021.



Team Member Engagement

We connect with Team Members to help inform our efforts and ensure we are going the Country Mile for them. We assess Team Member engagement through our annual Team Member Engagement Survey and our favorable scores across the organization are a testament to our culture. In 2021, our survey had a response rate of 94% for stores, 86% for distribution centers and 83% for the Store Support Center. Our Team Member feedback scores place us in the top third or better on most of the engagement categories, compared to our peers.

Once feedback has been thoroughly evaluated, leaders cascade results to their department Team Members where they create action plans for the year.

The Team Member engagement score is determined by evaluating Team Member sentiment across these areas:

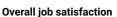




Energized at work

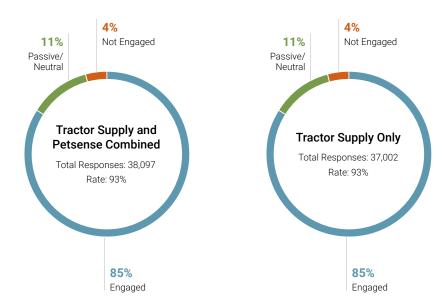
Intent to remain employed

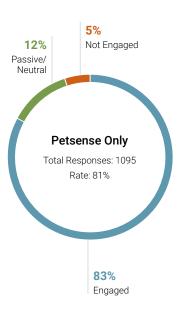






Personally committed to Tractor Supply





Talent Development

We are committed to connecting, empowering and growing our Team Members to enhance their lives and the communities where they live, enabling them to provide legendary service to our customers.

Established in 2002, Tractor University provides Team Members at all levels of the organization the opportunity to learn and grow and provides access to additional learning and development resources to further their skills and careers at Tractor Supply.

We actively encourage all Team Members to have an individual development plan and talk with their manager about career aspirations. We encourage growth in job experiences, coaching, mentoring and formal learning through our Tractor University courses.

600,000

Over 600,000 hours of training and development completed by our Team Members in 2021.

It all starts with our new Team Member "Tractorization," or company onboarding. All new hires go through a customized orientation that brings the unique culture of Tractor Supply to life. In addition to learning how to perform their job, they learn about our rich history, legacy and our Mission and Values.

Our goal is to ensure that our customers have a legendary experience by ensuring our Team Members have a legendary beginning. In 2021, improvements to our store Tractorization included a new onboarding process that combines time with the manager, e-learning and job

shadowing. We also give every new hire a "Training Buddy" who serves as a mentor. These changes created a better experience for our new hires while increasing their confidence, improving their morale and reducing our 90-day turnover rate.

Talent Development and Training

	Total Team Member Participants*	Total Hours of Training
Stores	273,000	475,000
Store Support Center	2,300	4,100
Distribution Centers	5,700	141,000

^{*} Includes Team Members who participated in more than one training event or program.



Leadership Development

Developing current and future leaders is critical to our success and the achievement of our Life Out Here strategy. We offer leadership

development programs for all Team Members, from those in our Store Support Center to those in our distribution centers. We have a core set of competencies as well as People Leader competencies that serve as foundations of the curriculum. All courses have a deep focus on practicing our Mission and Values, taking a servant leadership approach and developing the behaviors and skills needed for legendary leadership. We start with our aspiring and emerging leaders and teach them the fundamentals of leadership, taking a personalized approach to developing our leaders.

Leadership Fundamentals is a flagship program for our newly promoted store managers. During this two-day session, new managers hear leadership lessons from the executive team and learn about self-awareness, balance, conflict resolution, the life cycle of a Team Member and how to achieve results through others.

560

managers participated in Leadership Fundamentals in 2021

93%

overall satisfaction for the program



District Learning Centers

In 2021, we established District Learning Centers (DLC), which are top-performing stores that are committed to high quality and consistent training

for our Team Members. These stores provide an immersive and welcoming learning environment to effectively develop competencies and skills required for each role.

DLC store managers are leaders among their peers and are individuals other store managers can look to for ideas and suggestions. They are subject matter experts on our processes, and they support the values of Winning Attitude, Communication, Development and Teamwork at the highest levels.

Growing Our Talent

The Merchandise Development Program and Summer College and High School internship programs focus on attracting and retaining early in career talent. We hire over 45 trainees and interns per year and we strive to ensure our development and internship programs are diverse and representative of all communities.

The Merchandise Development Program is an accelerated, rotational training program that introduces our MDP Trainees to the foundations of a retail business. The trainees will apply knowledge gained through participation in classroom, on-the-job, and e-learning activities with the support of a Rotation Manager. Trainees receive an overview of the responsibilities across the Merchandising, Inventory and Planning, Supply Chain, Merchandise Presentation, Marketing, Omni Channel, Product Development and Pricing departments.

Community

Our summer intern program is a 12-week internship that provides interns with professional experience working in our Store Support Center in Brentwood, Tennessee. The interns work alongside Tractor Supply professionals in a variety of areas to make a real impact on our business. They have the opportunity work on projects in a department, get exposure to day-to-day operations and have a successful and meaningful internship.

Internal Promotions

We believe in growing our talent and providing opportunities to grow careers at Tractor Supply. Through skills development and leadership development programs, on the job learning and coaching, we were able to perform over 7,000 internal promotions in 2021. Over 70% of those internal promotions were at the manager level.

Talent Management

Talent Management is about cultivating our talent for future career growth and opportunities. We have processes such as performance management, talent reviews and succession planning with the goal of growing our talent pipelines.

Our performance management process consists of quarterly performance check-ins and an end-of-year performance review.

Our talent review process allows us to assess talent at all levels, plan for succession and differentiate how we invest in development.



Development is one of our Tractor Supply Values. We expect our leaders to teach, coach and listen. We also create an environment where everyone can be a "star." We expect that managers work with all of our salaried Team Members to have an individual development plan which supports this Value.

The foundation for performance and development is our competency model. This model provides six shared competencies across Tractor Supply and three competencies that are for our managers and above. These competencies are aligned and add to the expectations we share in our Tractor Supply Values.

Team Member Value Proposition

Team Members are our top priority at Tractor Supply. We work hard, have fun and make money to win together with: a values-driven culture where everyone feels connected; empowerment to serve our customers, community and each other; and opportunities for individual and professional growth.



Overview

Team Members

Customers

Community

Environment

Supply Chain

Governance

SASB Index

Total Rewards at Tractor Supply

We believe that serving our Team Members will equip them to better serve our customers. That's why we provide competitive benefits, and our Team Members can take advantage of programs to help manage their time for both business and personal success. In addition, we provide competitive medical, dental and vision benefits to both eligible full- and part-time Team Members. Domestic partners are eligible for coverage as well as spouses.

In 2020, we partnered with our Team Member Engagement Groups to get feedback on the inclusivity of our benefits and how to position the company as an inclusive employer of choice. As a result, in 2021

Team Member Assistance Fund - Here to Help

Tractor Supply is here to help Team Members or eligible dependents who experience economic hardship. The Here to Help fund provides emergency financial support in the wake of natural disasters, serious illness, injury or catastrophic circumstances. Donations are voluntary, but every dollar donated helps a Team Member in need.

Team Members can ask for help after 90 days of employment with Tractor Supply or Petsense. The maximum grant amount is \$5,000. These grants are not loans—Team Members never need to repay any financial assistance given through Here to Help fund. we added parental leave benefits, fertility benefits, and domestic partner benefits during our 2022 open enrollment and are investing in a wellbeing platform and incentives. We also recently announced that our Tuition Reimbursement program covers all courses – not just those that are job related. Overall, we will have invested \$5 million dollars over two years to have more inclusive benefits.

Our new paid parental leave policy provides six consecutive weeks of paid leave for eligible Team Members to care for new family members.

We believe our Mission to work hard, have fun and make money supports our commitment to a fair day's wage. In 2021, we permanently increased the pay of all hourly wage Team Members, ending the year with an average hourly rate approaching \$15 an hour. In addition to competitive base pay, we provide several tools to help Team Members achieve financial success, including a 401(k)-retirement plan with a matching program for all Team Members after one year of service; an employee stock purchase plan that allows all Team Members to buy stock at a 15% discount; and performance bonuses. Beginning in 2020, we also expanded long-term incentives for more than 2,000 store and distribution center managers to include equity compensation of restricted stock units.

Tractor Supply Store Team Members are eligible for a monthly store sales bonus and all Team Members enjoy a 15% discount on Tractor Supply products.

Team Members Come Through in a Pandemic

Tractor Supply Team Members, who are at the very heart of our relationships with our customers, have worked tirelessly during the pandemic to take care of each other and our customers while remaining focused on serving the rural lifestyle we all love. Their dedication to living our Mission and Values every day has made it possible to support our customers and the communities we call home during the pandemic.

Since the beginning of the pandemic, our top priority has been health and safety. Entering 2021, that meant continuing paid sick leave for all Team Members affected by COVID-19. Since March 2020, we have enacted numerous policy changes to maximize Team Member safety, including providing personal protective equipment, free COVID-19 testing and vaccine incentive payments. You can find a summary of the actions taken over the last two years on our COVID-19 Response Page, some of which may no longer be in place due to the ever-changing environment, but this represents the scope and scale of our commitment to protect those we care most about.

At Tractor Supply, we continue to prioritize health and safety and make investments in resources and protocols to help protect our Team Members and our customers.

Diversity, Equity and Inclusion

Honoring the unique contributions our Team Members, customers, communities and suppliers make to our company and our culture

Diversity, Equity and Inclusion (DE&I) is a business imperative. We are committed to provide a diverse, equitable and inclusive culture supported by our Mission and Values where we respectfully foster different backgrounds, experiences, perspectives, ideas and innovative thinking.



Our Diversity, Equity and Inclusion Strategy

The foundation of our DE&I strategy is to have a welcoming environment and to ensure the power of diversity, equity and inclusion is experienced every day by our Team Members, customers, communities and suppliers. We were purposeful in the addition of "equity" in our strategy, as it helps ensure that everyone at Tractor Supply has access to the same opportunities. Equity recognizes that we all don't start from the same place and is a commitment to correct and address any imbalances in the workplace.

Throughout 2021, we made substantial progress towards our DE&I strategy through the support of the DE&I Council led by our CEO. We also established comprehensive five-year DE&I goals to support and advance underrepresented groups across our workforce, as well as vendors, suppliers and communities:

Double the number of stores where Team Members mirror the communities we serve

50%

Increase People of Color at the manager level and above by 50% 30%

Increase commitment to funding programs and education for Black and African Americans by 30%.

35%

Increase spending with diverse suppliers by 35%

These goals are based on a 2021 baseline with a 2026 target year and are discussed in more detail in the next section.

We believe we are stronger together when we put our Values into action and hold each other accountable to continuously improve and strengthen a diverse, equitable and inclusive culture built on respect.



Overview

Team Members

Customers

Community

Environment

Supply Chain

Team Member DE&I Strategy

Our DE&I Strategy for Team Members states that we will attract, engage, develop and retain Team Members with backgrounds that reflect the diversity of our communities and customers. We will accomplish this through Diversity Recruiting efforts, through Team Member Inclusion & Connection and through DE&I Training & Development. An outcome of these efforts will be that we reach our publicly stated goals of doubling the number of stores where we mirror the community, and to increase our People of Color at the Manager level and above by 50%.

Diversity Recruitment

We know that reflecting the communities we serve starts with our recruitment efforts. Our diversity recruiting strategy comprises three main elements:

1. Community Engagement and Support: Through corporate giving and establishing meaningful relationships with minorityowned and serving organizations, we actively build and support talent pipelines of underrepresented minorities. We do this through a combination of community outreach and other programs aimed at supporting and developing talent in the communities in which we serve.



- 2. Process Improvement: Identifying and mitigating bias in our screening, selection and hiring processes allows us to ensure we select high-performing talent from a diverse slate of candidates and ensure that those candidates have an equitable experience through the process with a diverse group of interviewers. Each new hire starts as part of a diverse slate of applicants. As a company, we continue to develop methods to ensure that unconscious bias is completely removed from the application and interview process.
- **3. Training and Support:** We equip our leaders with the tools they need to lead and support a highly diverse workforce, by providing ongoing interview training and inclusive leadership training. We believe that this additional training will help our leaders better select and support talent on their teams.
- **4. Accountability:** To measure our success and track progress, we created a Diversity Dashboard for our senior leaders to understand the workforce representation data, and how Team Members are mirroring the community. Using US Census data, we have created data visualizations to easily see where we have gaps in workforce representation.

In 2021, we also improved our diversity recruiting strategy by hiring a Diversity Recruiting Manager who focuses on helping our leaders hire diverse talent and a Campus Recruiting Manager focused on recruiting from Historically Black Colleges and Universities (HBCUs) and other colleges and universities that support diverse students. We also aim to ensure our internship program is diverse and has students from all communities.

Team Member Inclusion and Connection

We have a number of Team Member Engagement Groups (TMEGs) available to our Team Members. Governed by our DE&I Council, our TMEGs create communities for those who identity within one of the targeted demographics and their allies. The head of each TMEG is also on the DE&I Committee, giving team members a direct line to company DE&I strategy setting and initiatives. Our TMEGs are an important way we provide professional development, connection and camaraderie.















SASB Index CEO Message Overview Team Members Customers Community Environment Supply Chain Governance

DE&I Training and Development

We have implemented DE&I training at all levels of the organization. Our intention for this training is to broaden Team Members' awareness of DE&I, encourage Team Members to take action to support a diverse and inclusive culture and encourage Team Members to be allies.

DEI training is offered in many Talent Development programs such as Leadership Fundamentals, Distribution Center Management Development, Emerging Leaders and as we teach about our competencies. We also provided Conscious Inclusion training during our 2021 Annual Sales Meeting for all store managers.

Mentorship

Another exciting initiative of our DE&I strategy is our Mentoring Circles. In 2021, we began piloting our Mentoring Circles program for underrepresented Team Members. During the six-month program, Team Members from various levels are led by VPs. Mentees learn, grow and develop from each engagement with mentors and other mentees.

DE&I Partnerships

We partner with external organizations to help create and foster a more diverse, equitable and inclusive culture at Tractor Supply and beyond. Our partners include:

- · Business Roundtable
- · CEO Action for Diversity and Inclusion
- · Conference Board Diversity Council
- · Hispanic Association on Corporate Responsibility
- · Human Rights Campaign
- Nashville LGBT Chamber of Commerce
- · Retail Industry Leaders Association Diversity & Inclusion Leaders Council

Equitable Compensation

Every year we work with a third party to conduct a pay equity analysis across age, gender and ethnicity at Tractor Supply. This survey assesses individual jobs to ensure that we are paying equitably across the organization. Identified potential issues are reviewed and adjustments made as necessary to ensure pay equity.

Tractor Supply is committed to providing enhanced disclosure of the racial, ethnic and gender diversity of our workforce. In 2022, we will publish the breakdown of our workforce by EEO-1 standard metrics, which will be disclosed on our ESG Investor webpage.

Team Member Representation

Officer		Director		Manager		Team Member	
25.4% Female		29.5% Female		37.8% Female		49.8% Female	
74.6% Male		69.8% Male		61.7% Male		49.6% Male	
0% Gender Unknown		0.7% Gender Unknown		0.5% Gender Unknown		0.6% Gender Unknown	
3.2% People of Color		9.1% People of Color		10.9% People of Color		16.9% People of Color	
93.7% Caucasian		88.4% Caucasian		87.5% Caucasian		80.3% Caucasian	
3.1% Unknown		2.5% Unknown		1.6% Unknown		2.8% Unknown	
Total Team Members							
48.8% Female	50.6% Male		0.6% Gender Unknown	16.5% People of Color	80.8% Caucasian		2.7% Unknown

Overview

Customer Inclusion Strategy

Our DE&I Strategy for Customers states that we will know and celebrate our diverse customers and create a welcoming and inclusive experience. We continue to celebrate our diverse customers and create a welcoming and inclusive experience. In 2021, we focused on the following initiatives:

Market Research: In 2021, we completed market research on African Americans, Hispanics and LGBTQ+ customers. The research has allowed us to better understand our customers while creating the opportunity to partner with our TMEGs to make our in-store culture more welcoming and reach more customers.

Customer Promise: The DE&I Council created a Customer Promise to show our commitment to serving diverse customers and providing an inclusive shopping experience. We promise to treat everyone with respect, creating a welcoming environment where all are equal. In 2021, we began placing the Customer Promise statement in our stores. It states...

"We all share a love for Life Out Here and caring for our family, animals, community and land. Tractor Supply is committed to serving you and your community by creating an inclusive shopping experience where our doors are open to all. Our promise is to treat everyone with respect, creating a welcoming environment where all are equal."

Marketing Toolkit: We developed a Diversity Marketing Toolkit for our stores and distribution centers to use to foster engagement between Team Members and communities. The kits teach young people to grow vegetables at home in a Tractor Supply bucket or even grow gardens in their community. Through these toolkits, Tractor Supply is playing a role in educating youth while amplifying our DE&I initiatives.

Community DE&I Strategy

Our DE&I Strategy for Communities states that we will foster meaningful relationships with diverse community partners and invest in the communities we call home.

In 2021, Tractor Supply donated more than \$570,000 to DE&I causes, benefitting veterans, persons with disabilities, LGBTQ+ youth, Hispanic Team Members, women and Black and African Americans. Programs spanned a variety of initiatives, including working with Operation Stand Down Tennessee to support career transitions for veterans, Minorities in Agriculture, Natural Resources and Related Sciences (MANRRS) on youth education, NAACP Legal Defense Fund to support legal advocacy, Brentwood Inclusive Playground on accessibility and 100 Black Men of Middle Tennessee on civic engagement.



Supplier Diversity Strategy

Our DE&I Strategy for Supplier Diversity states that we will partner with certified diverse suppliers who can meet our customers' needs by providing legendary service and great products at everyday low prices.

This year we began developing our supplier diversity program by appointing an initiative owner and establishing a supplier diversity committee. To date, the committee has measured our current supplier diversity partnership and spend. The next step is to develop a strategy to increase our supplier diversity partnerships and spend year-over-year to meet our goal of 35% increase in diverse supplier spending.

CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index



SASB Index CEO Message Overview Team Members Customers Community Environment Supply Chain Governance

Some of our best **Team Members** started as customers.

Walk into any of the more than 2,000 Tractor Supply stores and you just might find yourself being helped by someone who began their Tractor Supply career as one of our customers. Maybe that's why people say our stores feel so much like family.

As a relationship retailer, we see ourselves as a vital part of the communities where we operate. We share a lifestyle with our customers and understand our responsibility to protect the lifestyle and the resources they rely on. We provide our customers with the resources they need to fulfill the sustainable lifestyle to which they aspire. This is also why we're committed to making sure all our products are safe for our customers and their pets and livestock.

We also provide them with something else: knowledge. The knowledge they need to live the life they desire. Customers come into Tractor Supply because they have a problem they need to solve and they know they can count on our trusted advice to guide them to the specific solution they're looking for. It's no surprise that our loyalty program is called Neighbor's Club-because that's how customers and Team Members view each other. And neighbors help neighbors.

Going Above and Beyond

One of the key pillars of our Life Out Here strategy is to Deliver Legendary Customer Experiences. That commitment to legendary service is reflected throughout all levels of store Team Members—our managers and leadership set the tone for the "above and beyond" service all of us provide.





CEO Message Team Members Supply Chain SASB Index Overview Customers Community Environment Governance

Enabling Sustainable Lifestyles

We're committed to being an integral part of our customers' lives by being the most dependable supplier of Out Here lifestyle solutions. We pride ourselves on providing our customers with the resources they need to create a sustainable lifestyle for themselves and their families. And we're working to expand sustainable product offerings, promoting them in our stores and monitoring the materials that go into our products.

For example, for our customers a sustainable lifestyle often means growing at least some of your own food. Our Life Out Here blog provides all the details a customer needs to get it done such as our <u>Guide to</u> Raising Chickens, which shares all the basics for how to raise chickens—from how to start your flock, care for and raise birds for eggs, meat or companionship. We share that one of the best ways to get the most from a vegetable garden is by planting a <u>cover crop</u>. Our customers can also learn the finer points of composting—so they can simultaneously reduce food waste and get the rich organic nutrients of compost onto their garden faster by helping speed up compost pile decomposition.

Or maybe they'd like some <u>free water</u> for that garden. We'll tell them how and where to install rain barrels that can capture hundreds of gallons of water in the course of a year. And speaking of water, our Life Out Here blog gives Tractor Supply customers the details of the right and wrong—way to water a lawn. Some people say that living sustainably is its own reward. We're here to help that lifestyle along whenever our customers need some expert advice.



CEO Message Team Members Customers Supply Chain SASB Index Overview Community Environment Governance



CEO Message Overview

Team Members Customers

ers Community

Environment

Supply Chain

Whatever it Takes

At Tractor Supply, our culture encourages our Team Members to go above and beyond to make a real difference with their customers and their local communities. After all, we share more than the love of the rural lifestyle. We share the desire to preserve it and see it thrive.

In 2021, we gave over \$14 million to community organizations through direct giving, sponsorships, fundraisers and more. Each year we strive to do more and increase our giving to support organizations both now and in the future.

Our vision of Stewardship inspires us to find more ways to serve our communities and support programs that strengthen them.

\$2.8 million+

raised by customers and Team Members for 4-H and FFA

\$1.9 million+

in product, including pet foods and supplies donated

\$570,000+

donated to DE&I causes



Tractor Supply Company Foundation

The Tractor Supply Company Foundation is committed to fostering and supporting vibrant rural communities now and for the future of Life Out Here. Participating in charitable activities is core to upholding this commitment, from being a national sponsor of the National FFA Organization to sponsoring a pet food drive for a local animal shelter.

We founded the Tractor Supply Company Foundation in 2020 in the midst of the pandemic. Over the past two years, the Foundation has donated more than \$1.8 million to organizations furthering our vision and established a strong reserve fund to continue impacting communities for years to come.

Foundation Mission

The Tractor Supply Company Foundation is committed to supporting vibrant rural communities for all by investing in the future of the Out Here Lifestyle through today's youth, helping close the rural digital divide and being a good neighbor in the communities we call home.

Foundation Vision

Foster and support vibrant rural communities, now and for the future of Life Out Here.

Our priority areas are:



Agriculture education initiatives for youth through FFA and 4-H



Caring for pets and animals for our lives and livelihoods



Broadband connectivity of rural America





Preserving land for future generations



Being a good neighbor in the places we call home

Overview

Team Members

Customers

Community

Environment

Supply Chain

Investing in Local Communities

Our corporate giving and Foundation continue to focus our community giving efforts on causes that are important to our Team Members and customers: Agriculture, Pets and Animals, Community and Veterans Causes.



Agriculture

We started our company to help serve people who live the rural lifestyles. We continue to serve the agriculture community by not only providing

farming tools and equipment at everyday low prices, but also by supporting nonprofit organizations that promote the agriculture and farming lifestyle.

In 2021, Tractor Supply announced that we will be joining more than 200 of the best minds in food, agriculture, science and technology as part of U.S. Farmers and Ranchers in Action (USFRA). USFRA is working to elevate food and agriculture as the primary solution for sustainability - positioning farmers and ranchers as key change agents in this important work. Tractor Supply is pleased to endorse USFRA's Decade of Ag Vision, to create a more resilient, restorative, economically viable and climate-smart agricultural system that produces abundant and nutritious food, natural fiber and clean energy for a sustainable and vibrant future across the United States.

National FFA Organization

In 1928, a group of young farmers founded "Future Farmers of America" (FFA) to prepare future generations for the challenges of feeding a growing nation. Today the National FFA Organization grows future biologists, chemists, veterinarians and engineers. Tractor Supply support and fundraising has secured nearly \$14 million for FFA since our partnership began in 1985.

4-H

What started more than 100 years ago as a program to introduce young people to new agricultural technology has evolved into the nation's largest youth development organization. We have been a proud supporter of 4-H since 2010 and raised more than \$2 million for the organization in 2021.

Cul2vate

Since 2018, Tractor Supply has supported Cul2vate's efforts to find nutritional food sources and agriculture-based training for those needing assistance by providing monetary support, product donations and volunteer support.

American Farmland Trust

Tractor Supply began partnering with American Farmland Trust in 2020 to support farmers impacted by COVID-19. The Tractor Supply Company Foundation donated to the American Farmland Trust's Farmer Relief Fund to help farmers. We are now supporting their Brighter Future Fund, which addresses inequalities in our agricultural system by providing grants up to \$5,000 to BIPOC, LGBTQ+, and/or women farmers nationwide.



Overview

Team Members

Customers

Community

Environment

Supply Chain

Governance







Pets and Animals

Pets and animals have always been near and dear to our heart-and our customers' hearts. In fact, the Pet

and Animal Division of Tractor Supply has grown to be the largest part of our business. So, it's only natural that we would also support programs that promote livestock exhibits, pet shelters, pet adoptions, horse farms and more.

Pet Appreciation Week

Our biannual Pet Appreciation Week event features pet adoptions, special deals and giveaways. It is intended to raise awareness of the importance of proper pet care and nutrition and provide access to and information about pet adoptions. Since 2019, the event has included a special partnership with Miranda Lambert's MuttNation Foundation to host a pet supplies drive in support of local animal shelters nationwide. Tractor Supply also takes this opportunity to shine a spotlight on animal organizations through the "Rescue Your Rescue" social media contest in which customers nominate and vote for their favorite animal rescues. Together with our partner Canidae, last year we awarded a total of \$200,000 in grants to eight animal nonprofits.

Dogs on Deployment

Tractor Supply partners with Dogs on Deployment in an effort to assist junior-enlisted service members and pet boarders offset the cost of caring for pets during deployment. The national nonprofit organization provides an online network for military members to connect with volunteers who board pets during service commitments.

Paws4people

Tractor Supply serves as the official dog food sponsor for paws4people. We provide our exclusive 4health dog food to paws4people's 500 service dogs, which assist children and veterans.

The Livestock Conservancy

We partner with The Livestock Conservancy to support conservation efforts for endangered livestock and poultry breeds, while educating Team Members and customers on how to care for rare breeds.

A Home for Every Horse

Tractor Supply supports A Home for Every Horse as we help connect homeless horses to new owners (over 1,000 horses adopted annually) and provide shelters with necessary feed and supplies that they need to stay healthy.

MuttNation Foundation

In 2020, we announced the launch of a new exclusive line of pet food and treats in collaboration with Miranda Lambert's MuttNation Foundation. This line, On the Farm, carries an assortment of balanced, nutritional recipes for both dogs and cats. A percentage of all sales goes to the MuttNation Foundation, whose mission is to promote the adoption of shelter pets, advance spaying and neutering and educate the public.



Community

At Tractor Supply, something you'll hear a lot is, "whatever it takes." Our culture encourages our Team Members to go above and beyond to make

a real difference with their customers and their local communities.

We support numerous causes and local organizations that strengthen the communities we call home. For example, we support state and county fairs across the country and cherish the opportunity to spend time with our neighbors, while celebrating the agriculture lifestyle. We also empower our over 2,000 stores to identify organizations in their communities that need some help by providing charitable funds for stores to donate each year.

United Way

For more than 15 years, Tractor Supply has enjoyed a partnership with the United Way of Williamson County now part of the United Way of Greater Nashville. Team Members at the Store Support Center have the opportunity to participate in the company matching program, where we match 50 cents for every \$1 donated. The money benefits a variety of groups in Middle Tennessee and our Team Members have the option to earmark their donations to specific organizations.

Natural Disasters

When towns are hit by floods, storms or wildfires, the local Tractor Supply is often the only place open. And as long as it's safe for our team, we'll be there to help our customers. Beyond our willingness to serve no matter the circumstances, we also donate gift cards and products to aid those facing natural disasters. Here are two of the many ways we helped in 2021:

Tennessee Flooding: We donated to the Red Cross of Tennessee to support flood relief efforts after historic flooding in Waverly,

Tennessee. We also worked with vendor partners to get much-needed resources like water bottles into the hands of volunteers.

Texas Winter Storm Relief: We pledged funds to Winter Storm Recovery and the Texas Center for Local Food (in partnership with the Texas Organic Farmers & Gardeners Association) and enabled each of our more than 200 stores in Texas to donate gift cards to a local organization in need of recovery support.

Broadband Connectivity

In 2020 we joined the American Connection Project Policy Coalition to bring high-speed internet infrastructure to rural areas. By joining the Coalition, we hope to leverage our resources to help bridge the rural digital divide—the Federal Communications Commission estimates that roughly 14.5 million Americans lack access to broadband and most of them are in rural America. And, as many as 42 million Americans lack access to broadband connectivity.

Following our million-dollar pledge in 2020 to donate \$1 for every download of the Tractor Supply app, we activated these funds in 2021 in partnership with the American Connection Project. Big focus areas were the National 4-H Council Tech Changemakers, supporting digital literacy to underserved populations, and the American Connection Corps, placing Fellows in their hometowns to coordinate broadband development and digital inclusion locally and across the country.

Veterans Causes

Recognizing that many of our customers and Team Members are veterans or active-duty military, we strive to show our support and gratitude through a variety of initiatives and in-store events. For example, since 2018 we have partnered with the Farmer Veteran Coalition (FVC) to help military veteran farmers grow their agriculture businesses. In 2021, Tractor Supply donated funds to FVC, including awarding gift cards to 50

military veterans nationwide to support their agriculture businesses and a grant from the Tractor Supply Company Foundation to support additional programming and grants. We also offer an in-store military discount of 15% twice a year to recognize military customers, veterans and their dependents. Through the Tractor Supply Company Foundation and our Veterans Team Member Engagement Group, we also support Operation Stand Down Tennessee an organization that provides and connects veterans and their families with comprehensive resources focused on transition, employment, housing, benefits, peer engagement, volunteerism and connection to the community.

Team Member Volunteerism

Team Members across the company have a heart for service and give hundreds of hours of their time to their individual communities each year through farmers markets, 4-H, FFA and other local events and community projects. The Neighbors Helping Neighbors Volunteer Program allows Team Members at the Store Support Center to take up to eight hours of paid time off each year for volunteering. Due to the COVID-19 pandemic in 2021, many events were canceled or postponed, greatly reducing volunteer opportunities for our Team Members. Even still, Tractor Supply Team Members spent over 107,000 hours impacting their community.

On MLK Day in 2021, Tractor Supply encouraged Team Members to get out and volunteer to celebrate the life and legacy of Dr. Martin Luther King, Jr. In the fall of 2021, with the financial support of the Tractor Supply Foundation, Team Members refreshed the lobby and training room at Saddle Up!, a Middle Tennessee nonprofit whose mission is to impact the lives of children and young adults with disabilities, over a two-day period. Volunteer tasks included painting, new signage, adding electronic boards, sanding and repainting rocking chairs, assembling furniture, cleaning and more.

CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index



SASB Index CEO Message Overview Team Members Customers Community Environment Supply Chain Governance

Our vision for the world starts with being good stewards of the land

It's a common belief of Tractor Supply and our customers that we need to be good stewards of the land and our natural resources so that future generations can enjoy Life Out Here. This desire to protect our natural resources for our children and grandchildren is what drives Tractor Supply to enable our customers to live sustainably in the communities that we serve.

Tractor Supply announced a new water reduction goal to conserve 25 million gallons by 2025.

Our Vision

Tractor Supply believes that a healthy environment, properly managed resources and vibrant communities are keys to a secure and prosperous future. Tractor Supply believes our responsibility as stewards of the land is to minimize our environmental impact while supporting our customers in their journey to become more sustainable to preserve Life Out Here.

The Lifestyle

Life Out Here symbolizes a rural lifestyle where people live with the land, not just on it. Stewardship means a respect for our natural resources, the animals around us and the neighbors that make up the communities in which we live.

The Environment

A healthy planet is vital to healthy communities. We are committed to being a company that has a positive environmental impact and are dedicated to finding innovative solutions for the betterment of future generations and the planet.

The Business

Our sustainability journey is focused on unlocking additional business value. By supporting customers in their pursuit of a sustainable lifestyle and improving our operational footprint, we are creating resiliency for our company, shareholders and Team Members.

Creating a Sustainable **Planet**

Tractor Supply believes a sustainable planet begins with a healthy environment, properly managed resources and vibrant communities. Our journey began with a focus on understanding our impact on one of the most pressing issues of our lifetime—climate change. In recognizing climate change as an imperative, we announced aggressive greenhouse gas emission reduction goals that will challenge us well into the future as we pledge to become carbon neutral by 2040. Launching our next phase in this journey means taking a holistic view of sustainability, embedding it throughout the company as we seek ways to reduce our impact to the environment and involving the communities we serve in all decision-making. As an additional step in this journey, in 2021 we adopted an Environmental, Safety & Sustainability Policy that provides clarity and direction towards our path ahead.



TCFD Report

In 2021, we released our second Task Force TCFD) report which discusses our approach to evaluating and managing climate change risks and opportunities and provides additional details on how we plan to achieve our new net zero emissions goals.

Environmental Management Program

Under the Environmental Management Program (EMP), Tractor Supply operations are evaluated for applicability to federal, state and local environmental laws every three years. If new or amended regulations are enacted or changes in operations occur, we perform a regulatory gap analysis to assess compliance program needs.

The EMP, which is based on the tenets of our Environmental, Safety & Sustainability Policy, is designed to reduce risk of non-compliance with environmental laws and regulation through the systematic review of regulatory requirements. Environmental risk is further reduced by implementing documented program procedures, training, inspections and periodic assessments for compliance. Environmental compliance requirements and identified risks are communicated to leadership at the distribution centers and to the Vice President of Compliance, who reports to the General Counsel of Tractor Supply.

Energy and Greenhouse Gas Emissions

Goals Achieved

In 2018, we set a goal to reduce greenhouse gas emissions by 25% by 2025 on a per square foot basis. This goal was relevant for our stores, distribution centers, and office buildings (Scope 1 and 2 emissions) using 2015 as our baseline year.

A year later, in 2019, Tractor set a renewable energy goal to purchase 80,000,000 kWh of renewable energy by 2022. This was achieved by purchasing either Renewable Energy Credits or Green Tariffs, where available. We achieved both goals ahead of schedule with a 35% Scope 1 and 2 emissions reduction achieved in 2021 compared to our 2015 base year.

New Net Zero Emissions Goals

In 2021 we announced new, more ambitious, 2040 net zero emissions targets and interim 2025 and 2030 targets to demonstrate our commitment to helping address climate change.



Reduce carbon emissions from our operations 20% by 2025 and 50% by 2030²

Achieve Net Zero Emissions across all operations by 2040

In this next phase of our sustainability journey, we will increase efforts to procure renewable energy and continue investments in energy efficiency and cleaner technologies. To avoid future emissions, we will incorporate better design in both stores and distribution centers. We will also enhance our Scope 3 focus with greater transparency and reduction efforts. This includes new vendor engagement that will allow us to replace modeled Scope 3 data with actual supplier energy intensity data while identifying interventions to drive down value chain emissions. This precursory work is foundational for us to design and submit a science-based target for review in 2022.

Customers



Electric Forklifts in Tractor Supply stores

We started testing electric forklifts in Tractor Supply stores in 2021 to understand performance, operational efficiencies and potential limitations. The test began at one store in Tennessee, and the positive results led us to expand the test to ten additional Tractor Supply store locations. The additional stores selected are in states with weather extremes (heat and cold). We purposely chose those locations to evaluate how weather impacts performance.

Renewable Energy

We prepared a carbon reduction roadmap in 2021 to support our greenhouse gas emission goals that include strategically pursuing multiple opportunities for renewable energy and energy efficient technologies. Our roadmap identifies the quantifiable benefit of emissions reduction by discrete projects across our building portfolio. This plan includes opportunities in daylight harvesting through skylights, improved energy consumption through efficient HVAC systems and the use of renewable energy through the use of photovoltaic solar panels.

Tractor Supply has joined the Clean Energy Buyers Alliance (CEBA). We believe the benefits provided by this partnership will strengthen our commitment to renewable energy and the transition to a more sustainable energy future. Additionally in 2021, Tractor Supply became an EPA Green Power Partner to show our continued commitment to using green power.



Sustainable Operations and Buildings

In 2021 we reviewed daylight harvesting skylights, coupled with dimmable lights and solar arrays, for potential changes to building plans. Daylight harvesting uses outside lighting to reduce the amount of electric lighting required to maintain a specific amount of light in a space. The number of light fixtures does not change, but when the sun is shining the light fixture uses a series of controls to dim, using less electricity.

Refrigerators and Coolers

Tractor Supply has replaced all legacy beverage coolers throughout stores with new energy-efficient coolers that use a refrigerant with a much lower Global Warming Potential (GWP1). New beverage coolers use R290, a refrigerant grade propane with a GWP of 3.3 versus R134, a HFC refrigerant with a GWP of 1,430. In addition, the entire cabinet structure is foamed-in-place using ecomate, a high density, polyurethane insulation that has zero ozone depletion potential (ODP) and zero global warming potential (GWP).

SASB Index CEO Message Overview Team Members Customers Community Environment Supply Chain Governance



Tractor Supply has constructed three major facilities that were awarded LEED® Silver Certification. These energy-efficient facilities include our Store Support Center in Brentwood, Tenn. (260,000 square feet), and our distribution centers in Casa Grande, Ariz. (650,000 square feet) and Frankfort, N.Y. (approximately 930,000 square feet). Our distribution center under construction in Navarre, Ohio, is planned as a LEED® Gold certified facility and is expected to begin operation in 2022.



A Smarter Way to Ship

By prioritizing product supply close to Tractor Supply Distribution Centers and stores and maximizing every truckload, we have eliminated over six million shipping miles from the road over the last 24 months.

Since 2013, Tractor Supply has been a SmartWay Transport partner. SmartWay Transport is a public-private initiative between the U.S. Environmental Protection Agency, large and small trucking companies, rail carriers, logistics companies, commercial manufacturers, retailers and other federal and state agencies. Its purpose: to improve fuel efficiency and the environmental performance - reduction of both greenhouse gas emissions and air pollution - of supply chains.

During negotiations with carriers, the SmartWay relationship is discussed in depth and is a crucial factor when considering onboarding a carrier. We are proud to say that in reporting year 2021, 100% of Tractor Supply's carriers were SmartWay carriers, compared to an average of 97% among our peers. Effective in 2022, it is a requirement that new carriers for Tractor Supply become SmartWay certified.

As a SmartWay partner, we have a direct link to other organizations and can manage our business by using those carriers. We also integrated the use of intermodal, or rail transportation, when appropriate, which has taken trucks off the road and reduced fuel use. Since 2018, Tractor Supply has been recognized as a SmartWay High Performer, based on the sustainable performance of our shipping and freight operations.

Improving transportation efficiency is an ongoing focus for Tractor Supply. While our partnerships and systems have significantly reduced diesel fuel consumption and pollution, we will continue to implement new practices to reduce our environmental impact as we serve customers across the country.

LEED SILVER

USGBC

Overview

Team Members

Customers

Community

Environment

Water

Over the past few years, we have expanded customer offerings to include self-serve pet washing stations at Tractor Supply stores, grooming services at Petsense stores and Garden Centers at a limited number of Tractor Supply stores. To help manage the resulting increased demand for water, we engage in several companywide initiatives to reduce our water usage, including the use of low-flow devices, which require 25% less water than regular flow fixtures. When we identify high-usage stores via our bill pay platform, we work with the store to identify the source of the high-water use and work to remediate the situation. Implementing more timely feedback to stores has resulted in a reduction in water waste.

In areas of high or extremely high-water stress such as Arizona and New Mexico, we are working with the local water utility to establish baselines and further our efforts to use water efficiently and responsibly.

Waste and Recycling

At Tractor Supply, we know that we must be good stewards of the land and of our natural resources so that our children and future generations will have the same opportunities we enjoy today. Our sustainability program is built on a foundation of compliance with environmental laws and regulations that are monitored under our Environmental Management Program. We know a sustainable future is about thinking beyond compliance. That's why we're always looking for ways to become more efficient, eliminate waste, reduce our impact on the environment, and also provide our customers with easy ways to reduce their environmental impact. The following waste and recycling data applies to our store footprint only.

Solid Waste: Solid waste is produced as part of our normal business operations. We work with a third-party for most disposal and recycling efforts, ensuring the provider adheres to all regulations and the highest standards for all disposal and recycling. We continue to evaluate waste data capture and engage with our solid waste service providers to understand opportunities to increase diversion rates.

Hazardous Waste: Tractor Supply sells a wide variety of consumer products. Some of the products we sell, when returned by customers or accidently spilled, may become hazardous waste. We developed a hazardous waste management program to ensure unsalable products are properly managed and disposed of in accordance with



The Sustainability Consortium

Recently, Tractor Supply became a member of The Sustainability Consortium. Through membership in The Sustainability Consortium, we join more than 100 corporations, nonprofits and academic institutions to help transform the consumer goods industry to deliver more sustainable consumer products. We have the opportunity to work collaboratively with The Sustainability Consortium's members and partners to address sustainability issues across a product's supply chain and lifecycle.

This partnership will facilitate our understanding of social and environmental impacts in the supply chain and allow us to make progress on managing our Scope 3 impacts.

federal and state regulations. This program provides our stores and distribution centers with appropriate waste handling instructions. We also have national contracts with licensed waste vendors to ensure the safe transport and disposal of waste managed through this program.



Cardboard Recycling: Our recovery of cardboard has been a cornerstone recycling program for Tractor Supply over the past decade. We have invested in balers at stores and distribution centers to compress cardboard into easily transportable bales. Recycling of cardboard is a winwin. It's good for the environment and contributes income to the bottom line. Year over year, we see our recycling rates increase in tandem with new store growth. We are actively recycling more cardboard than ever before at Tractor Supply stores—in 2021, we recycled more than 32,610 tons of it.



Wood Pallet Recycling: Wood pallets are essential for moving our freight-and we have a program to recycle every one of them. In 2021, we recycled 4.3 million wood pallets from stores.

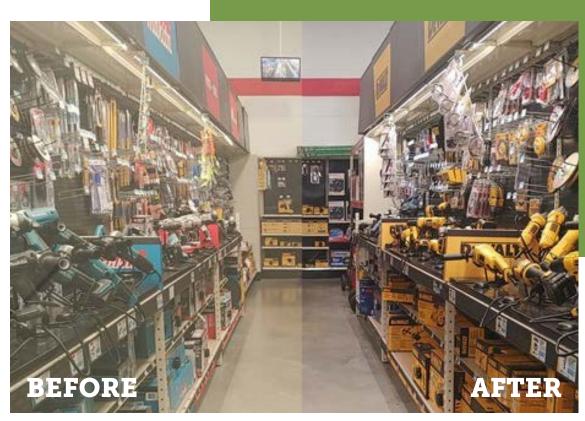


Battery Recycling: Through a partnership with our battery supplier, we recycle old battery cores for customers purchasing a new battery core in our Tractor Supply stores. Team Members in our distribution centers and at our Store Support Center can also recycle smaller household batteries. In 2021, we recycled approximately 392,000 used batteries.



Used Oil Recycling: We collect used oil from customers in our Tractor Supply stores and recycle it through a re-refining process that reduces the production of greenhouse gases by 85% and heavy metal emissions by 99.5% compared to burning oil as fuel. In 2021, we collected more than 99,900 gallons of used oil from customers for recycling.

We recognize the importance of reducing our waste footprint and increasing the amount of materials diverted from landfills. Doing our part requires a holistic approach in which we are not only recycling where possible, but also looking for new and innovative solutions to create less waste. As we widen our sustainability lens, opportunities to improve and reduce our waste footprint will likely include a number of initiatives such as better product and packaging design, alternate packaging materials and exploring new recycling/ reuse markets.



Tractor Supply continues to undergo an extensive retrofitting of stores and distribution centers with LED lighting as part of our focus on efficiency and conservation.

Packaging Sustainability

Tractor Supply supports the use of safe and sustainable materials in our product packaging. Suppliers are required to make every effort to use recyclable, compostable, or biodegradable packaging component materials. Rigid PVC plastics are not a preferred component in our packaging programs based on recoverability and alternative solutions are required whenever possible. Minimizing our packaging footprint on the environment is very important to us and we are evaluating programs and practices to help reduce this footprint.

CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index

Environmental Metrics

Energy and Electricity	2021	2020	2019
Total energy consumed (gigajoules)	2,830,779	2,673,633	2,663,1841
Tractor Supply Company	2,742,854	2,589,461	2,577,432
Petsense	87,926	84,172	85,752
Energy intensity (MWh/ 1,000 Cal. Norm SqFt)	14.47	13.9	14.43
Energy intensity (gigajoules/ Total Revenue (millions))	222	252	319
Percentage of total energy consumed supplied from grid electricity ¹ (%)	57.9%	58.1%	55.25%
Percentage renewables ² (%)	6.8%	1.1%	0.5%
Greenhouse Gas Emissions			
Scope 1 emissions (metric tons CO2e)	74,708	63,622	67,375
Scope 2 emissions location-based (metric tons CO2e)	167,832	171,927	176,338
Scope 2 market-based (metric tons CO2e)	167,641	185,409	189,108
Scope 1 and 2 (metric tons CO2e)	242,349	249,031	256,483
Emissions intensity (Scope 1 and 2 MTCO2e/ 1,000 Cal. Norm SqFt)	4.37	4.66	5.00
Emissions intensity (Scope 1 and 2 MTCO2e/ Total Revenue (millions))	19.04	23.45	30.71
Scope 3 Purchased goods & services	4,184,179	2,526,830	-
Scope 3 Capital goods	131,808	56,549	-
Scope 3 Fuel-and-energy-related activities (not included in Scope 1 or 2)	71,730	46,894	-
Scope 3 Upstream transportation and distribution	277,794	236,293	-
Scope 3 Waste generated in operations	50,730	59,815	-
Scope 3 Business Travel	6,711	2,046	-

	2021	2020	2019
Scope 3 Employee Commuting	92,785	47,563	-
Scope 3 Downstream transportation and distribution	18,607	36,601	-
Scope 3 Use of sold products	7,829,092	7,462,011	-
Scope 3 End of life treatment of sold products	1,019,803	675,961	-
Water			
Total water withdrawn (cubic meters)	1,104,373	980,244	875,390
Tractor Supply Company	1,067,956	950,126	848,120
Petsense	36,417	30,117	27,270
Water withdrawn per employee (cubic meters/employee)	24.10	23.29	27.35
Recycling ³			
Battery (number)	Approx. 392,000	Approx. 435,000	Approx. 438,000
Used Oil (gallons)	99,900	102,395	88,544
Cardboard (tons)	32,610	25,313	17,560
Wood Pallet (number)	4.3 million	4.1 million	3.3 million

Community

Supply Chain

Environment

Governance

SASB Index

Team Members

Customers

Overview

CEO Message

Our 2019 ESG disclosures, including the TCFD report, reported grid electricity sourced as a percentage of total electricity consumed. The 2020 and 2021 data points reflect a metric of grid electricity sourced as a percentage of total energy consumed.

²Energy derived from renewables refers to renewable energy specifically contracted by Tractor Supply either in a purchase or operation of solar, geothermal or other energy sources. Our 2019 ESG disclosures, including the TCFD report, reported renewable electricity sourced as a percentage of electricity consumed. The 2020 and 2021 data points reflect a metric of renewable electricity sourced as a percentage of total energy consumed.

⁹Waste and recycling data is from our retail store footprint only and does not include distribution centers and offices.

CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index



CEO Message Team Members Community SASB Index Overview Customers Environment Supply Chain Governance



A global supply chain built on relationships

We are committed to being the most dependable retailer of basic maintenance products to farm, ranch and rural customers. Accomplishing this is only possible through the relationships we develop with our vendors; relationships that we continue to build on to ensure that they are productive, long-lasting and mutually profitable.

Tractor Supply contracts with vendors to obtain high-quality products from a variety of countries across the globe. We validate that our vendors adhere to high standards with regard to responsible sourcing and human rights. The validation process includes facility audits and inspections to ensure integrity in terms of health, safety, environmental, wage, facility and working conditions.

We seek vendors who share our commitment to promote best practices and continuous improvements in:

- Occupational health and safety, compensation, hours of work and benefits;
- Environmental impact;
- Management practices that recognize the dignity of the individual, the rights of free association and collective bargaining, and the right to a workplace free of harassment, abuse or corporal punishment;
- · Fair employment practices where decisions on hiring, salary, benefits, advancement, termination or retirement are based solely on the ability of an individual to do the job.

CEO Message Overview Team Members Supply Chain SASB Index Customers Community Environment Governance

Our Comprehensive Vendor Agreement

All prospective Tractor Supply vendors must review and sign a Vendor Agreement that requires them to follow specific laws and regulations. Our vendors can raise concerns anonymously through a confidential phone number or secured website. More information on our Vendor Agreement can be found here.

Sourcing Responsibly in the Supply Chain

We recognize that we have a responsibility to ensure products we sell come from a supply chain that respects and adheres to principles aimed at promoting, protecting and supporting all internationally recognized human rights. Tractor Supply contracts with vendors to obtain exclusive brand products from a variety of countries across the globe. Factories from which we procure products and where we are the importer of record are subject to social and security audits that are conducted by an independent third-party on behalf of Tractor Supply. When needed, corrective actions are developed to address identified issues. While our primary approach to resolving corrective action issues is to improve conditions by working with vendors and others, we will exit a vendor relationship that repeatedly fails to meet our standards. These audits are based on global guidance for workplace conditions and are conducted using an approach in line with the reference tools developed by the Global Social Compliance Program. Auditors are professionally certified and undergo regular training to stay current with the latest standards and regulatory requirements. For more information about our supply chain audits, including findings, see the SASB Index.



CEO Message Overview Team Members Customers Community Environment Supply Chain Governance SASB Index



Promoting sound governance is essential

Tractor Supply's Board of Directors believes that strong corporate governance is essential to ensure that the company is managed for the long-term benefit of its stakeholders. To that end, we continually review our corporate governance policies and practices and compare them to the best practices of other publicly traded companies. We also comply with all applicable regulations of the U.S. Securities and Exchange Commission and the Listing Standards of Nasdag. We also maintain the highest levels of ethical performance with an emphasis on our Code of Conduct, executive oversight and a dedicated ethics hotline.

Board of Directors

Our Board benefits from a mix of new directors who bring fresh perspectives and longer-serving directors who bring valuable experience, continuity and a deep understanding of the company. The director selection process is focused on finding the right balance of skills and experience to govern the company effectively.

Additional information about our Board of Directors and corporate governance practices can be found in our most recent proxy statement and on the Investor Relations - Corporate Governance section of our website.

average age

average tenure of independent directors

independent

ethnic minorities

women



Board Oversight of ESG

The risks and opportunities for ESG are the responsibility of the full Board and led by the Corporate Governance and Nominating Committee. In addition, the Compensation Committee has responsibility for talent recruitment, retention, engagement, succession and diversity, equity and inclusion.

Our Senior Vice President, General Counsel and Corporate Secretary has day-to day responsibility for our environmental sustainability initiatives and goals, and provides quarterly updates to the Board and Corporate Governance and Nominating Committee.

Our Executive Vice President. Chief Human Resources Officer, has day-to-day responsibility for human capital management and diversity, equity and inclusion initiatives and goals, and provides updates to the Board and Compensation Committee.

The Audit Committee has oversight of enterprise risk management, including climate-related issues. Our Senior Vice President, General Counsel and Corporate Secretary has overall responsibility for our enterprise risk management program and provides updates to the Board and Audit Committee. The Corporate Governance and Nominating Committee has oversight of our ethics program and receives reported ethics violations.

We provide a more detailed discussion of board oversight of climate-related risks in our 2020 TCFD Report.

Ethics

As a company focused on living out our Mission and Values, Tractor Supply is committed to maintaining the trust we have established with our Team Members, customers, communities, vendors and all other stakeholders. Our Culture is anchored by 10 Values, the first of which is "ethics." Our Values are the core of who we are and the foundation of every decision we make. We are all expected to deal honestly, fairly and respectfully with each other and those with whom we do business. As stated in our Values: Do the "right thing" and always encourage others to do the right, honest and ethical thing.

Our Code of Ethics defines the basic principles and practices to which we are committed in all of our business relationships with our customers, vendors, fellow Team Members and with the communities in which we operate our businesses. It provides guidance on topics including management and Team Member responsibilities, business ethics and fair dealing, conflicts of interest, compliance, conduct, safety and more.

Our business ethics program is designed to meet our needs and those of our customers and vendors. While these needs may change and continue to evolve, the core values to which Tractor Supply aspires—and upon which our principles and practices are based—remain constant. Any violation of the Code by a Team Member will result into disciplinary action, including, but not limited to suspension without pay and/or termination.

Ethics and Compliance Training

Tractor Supply provides Team Members with guidance on ethics and the compliance responsibilities relevant to their roles. All Team Members must read and acknowledge the Code of Ethics during new hire onboarding and each year thereafter.

All Team Members must also participate in Productive Work Environment training annually. This training is designed to support our Mission and Values and reviews key elements of the Productive Work Environment policy, why it's important and the Team Member's role in ensuring compliance. This policy covers harassment, discrimination and disruption, as well as other interferences in the workplace.

Whistleblower Program

We encourage Team Members to speak up to report any violations of the Code of Ethics. There are several ways to report a concern:

- · Speaking with one's supervisor or another supervisor
- · Speaking to Human Resources
- Emailing the 'We Are Listening' team
- Reporting confidentially via our OUT HERE HOTLINE

The anonymous <u>OUT HERE HOTLINE</u> is operated by an independent third-party service who listens to Team Member concerns and reports them to company management for investigation. The Hotline is available 24 hours a day, seven days a week.

The Productive Work Environment Policy includes a No Retaliation Policy. We respect the confidentiality of Team Members who report business conduct violations and will maintain. confidentiality to the extent possible to ensure an adequate investigation and appropriate corrective action, if needed. No retaliation means that if a Team Member reports a concern in good faith, they cannot be subject to any adverse employment action, including separation, demotion, suspension or loss of benefits because of the report.





Political Contributions

Our Political Contributions Policy prohibits political contributions to federal, state and local election campaigns from Tractor Supply funds. We pay membership dues to, and makes contributions to, certain trade and industry associations. Membership dues and contributions in excess of \$1,000 must be approved by the CEO. We also prepare a semi-annual report on our dues and contributions to industry and trade associations. The report is presented to the Corporate Governance and Nominating Committee and is also posted on our website.

Customer Privacy and Data Security

Tractor Supply's legendary customer service depends on technology, so we manage the technology risks arising from threats to our data and systems and vulnerabilities in technology. Following a modern standards-based framework, our Information Security team analyzes and addresses technology risk throughout the retail value chain, and residual risk is reviewed regularly. We evaluate the risk of service providers and suppliers to minimize business disruption so we can be a dependable supplier to our customers. Our IT governance procedures ensure our policies and procedures are accurate, up-to-date and consistent. We regularly train our Team Members, so they know their role in protecting our customers and our company.

We conduct risk assessments for service engagement, including but not limited to third-party support, vendor connectivity and systems handling sensitive data. These risk assessments look at operational procedures, management processes. structure of products, Team Member training and use of technology. They are assessed, validated and tested using industry-standard toolsets.

Risks identified during any of these processes are documented, reviewed and approved by senior leadership. Risks are catalogued and reviewed annually. Risks presenting a potential material impact to the company are reported as required by relevant laws and regulations.

The Audit Committee maintains oversight of our cybersecurity risk through regular updates from management, including the status of ongoing projects to strengthen our efforts against cybersecurity events. The Audit Committee reviews risks relevant to cybersecurity and existing controls are in place to mitigate the risk of cybersecurity incidents. Additionally, in conjunction with our enterprise risk management process, management maintains an information and operation technology risk management program that analyzes emerging cybersecurity threats and the company's plans and strategies to address the related risks.

Each year, we engage third-party experts to assess compliance with the PCI-DSS standard, for which we most recently received an attestation of compliance in October 2021. We also conduct a biennial independent security program audit.

The most recently completed audit, from May 2021, audited our program against the NIST Cybersecurity Framework. For the first time, this audit included an evaluation of our cloud security posture.

We also have an established security awareness program that includes mandatory annual training for Team Members with access to company email as well as periodic testing to help ensure the training is effective. We provide phishing simulation training to Team Members throughout the year. We have a defined incident management and event monitoring program to continuously address threats to the environment and follow a structured plan to report issues of concern, ensure compliance with regulatory requirements and consider opportunities for improvement. With respect to internal reporting and escalation protocols, incident severity levels are defined with applicable reporting steps, including reporting to executive leadership and the Board.

We also have a detailed Privacy Policy posted on our website that provides customers with information about what information we collect, why we collect it, how we use it and under which circumstances we share it with third parties, along with how we manage the personal information provided to us by customers.

CEO Message Team Members Supply Chain Governance SASB Index Environment

SASB Index

Activity Metrics

Metric	Code		2021	2020	2019
(1) number of retail locations (2) number of distribution centers	CG-MR-000.A	Tractor Supply Stores	2,003	1,923	1,844
		Petsense Stores	178	182	180
		Distribution Centers	8	8	8
(1) total area of retail space	CG-MR-000.B	Total Retail space	47,910,943	47,374,987	44,126,837
		Tractor Supply Total Building	46,848,137	46,240,499	43,006,672
		Petsense Total Building	1,062,806	1,134,488	1,120,165
		Distribution Centers	6,062,263	6,062,263	6,062,263
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	CG-AA-000.A		1,870 Tier 1 suppliers	1,764 Tier 1 suppliers	1,730 Tier 1 suppliers

Square footage of retail space is the size of the total rentable area; the square footage of the entire building including sales floor, core areas, receiving area and excess space.

CEO Message Team Members Customers Supply Chain SASB Index Overview Community Environment Governance

Accounting Metrics

Topic	Metric	Code	Disclosure
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	(1) 2,830,779 (2) 57.9% (3) 6.8%
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	Tractor Supply does not currently track this information.
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	Tractor Supply does not currently track this information.
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	Tractor Supply's legendary customer service depends on technology, so we manage the technology risks arising from threats to our data and systems and vulnerabilities in technology. Following a modern standards-based framework, our Information Security team analyzes and addresses technology risk throughout the retail value chain, and residual risk is regularly reviewed. We evaluate the risk of service providers and suppliers to minimize business disruption so we can be a dependable supplier to our customers. Our IT governance procedures ensure our policies and procedures are accurate, up-to-date and consistent. We regularly train our Team Members, so they know their role in protecting our customers and our company.
	1) Number of data breaches, 2) percentage involving personally identifiable information (PII),3) number of account holders affected	CG-MR-230a.2	Tractor Supply has not experienced a reportable data breach.

CEO Message	Overview	Team Members	Customers	Community	Environment	Supply Chain	Governance	SASB Index

Topic	Metric	Code	Disclosure				
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage*	CG-MR-310a.1		Average Hourly Rate	Count Above Applicable Minimum Wage	Count at Applicable Minimum Wage	% at Applicable Minimum Wage
			Tractor Supply Stores	\$14.93	36,672	185	0.5%
			Petsense	\$13.46	1,472	8	0.5%
			Distribution Centers	\$18.04	4,076	0	0.5%
			Total Company	\$15.18	42,220	193	0.5%
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	Voluntary turnove				
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	\$226.38				
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	who has on-the-g These social audi 16 unique catego hours. The audits	round presence ir ts look to ensure ries, such as work are conducted in	with a leading provid n over 84 countries to compliance with SA8 king environment, safe person to assure we ce with the local stan	conduct our social 00 international sta ety of plant and equ have insight into th	and security audits. ndards that examine ipment and working e facilities that we
			months from the factory to follow a of the audit. Tract	date of the origina a Corrective Action or Supply conduc	e may require a follow al audit. For all audits n Plan (CAP) agreed t ats training that provic overed during the audi	that result in a follo o with the auditors es vendors with too	ow-up, we require the at the conclusion
			Tractor Supply co that might be disc	=	rhere vendors are prove e audits.	rided the tools to he	elp address issues

^{*}This calculation does not include bonuses or paid leave related to COVID-19 and is for active employees as of FY 2021 end.

Торіс	Metric	Code	Disclosure
Labor Conditions in the Supply Chain (con't)	Priority non-conformance rate and associated	CG-AA-430b.2	2021 Social Audits:
	corrective action rate for suppliers' labor code of		We had a total of 176 social audits, with an average score of 86%.
	conduct audits		Social Audit Results: 155 Green (92%), 1 Yellow (1%), 12 Red (7%)
			2021 Security Audits:
			We had a total of 175 audits, with an average score of 81%

we had a total of 1/5 audits, with an average score of 81%.

Security Audit Results: 147 Green (88%), 13 Yellow (8%), 6 Red (4%)

We use color-coding to clearly communicate the status of factory audits.

Green factories do not require a CAP closure: The plan is approved and signed with the auditor on-site and verification is confirmed during the next full audit.

Yellow factories require a Desktop Review: once the CAP is implemented for review and approval, the evidence is sent to QIMA, our quality control and compliance service provider, for review. Suppliers will not be able to ship product if non-compliance issues are not resolved in a timely fashion.

Red factories require a follow-up audit to review the implementation of corrective actions on site. If a supplier is unable to meet requirements, Tractor Supply will hold shipments from the facility until compliance is achieved. Tractor Supply conducts supplier training on its compliance program as needed. We also connect suppliers with our service providers if the suppliers are struggling in areas of lab testing or social audits and security audits. This approach has proven successful in resolving supplier deficiencies.

We also conduct high risk audits. The status of high-risk audits in 2021 was:

- 2 have passed follow up audits
- 10 are booked before end of the year
- 6 factories were not used or did not receive new purchase orders

Торіс	Metric	Code	Disclosure					
Labor Conditions in the Supply Chain (con't)	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the	CG-AA-430b.3	Tractor Supply has identified the following environmental and social risks in our supply chain. each of these areas, factories are subject to an annual audit:					
	supply chain		Working Hours & Wages: These risks include the potential for violations of wage and hour la and regulations. For vendors where we are the importer of record, a third-party performs an annual factory audit to validate hours and wages in accordance with local laws. These include working hours, renumeration and benefits.					ty performs an
			Environmental Risks: These risks include noncompliance with environmental permits, unsafe levels of air and water pollution, improper management of hazardous substances and wastewater and solid waste disposal violations. For vendors where Tractor Supply is the importer of record, a third-party performs an annual factory audit to validate environmental conditions in accordance with local laws. These include permitting, hazardous waste disposa wastewater, air emissions, and noise, energy and water reductions.					substances for Supply is the environmental
			Health & Safe	Health & Safety: Factory owners and workers must be aware of health and safety risks and conditions, including unsafe building and occupational safety hazards. For vendors where Tracto Supply is the importer of record, a third-party performs an annual factory audit to validate workin conditions in accordance with local laws. These include first aid, medical services, working environment, fire, safety, and emergency evacuation and plant equipment safety.				
			conditions, inc Supply is the in conditions in a	luding unsafe mporter of recaccordance wit	building and occ ord, a third-party h local laws. The	upational safety h performs an annu se include first ai	nazards. For ven ual factory audit d, medical servid	dors where Tracto to validate workin ces, working
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a	luding unsafe mporter of recaccordance wit	building and occ ord, a third-party h local laws. The	upational safety h performs an annu se include first ai	nazards. For ven ual factory audit d, medical servid	dors where Tracto to validate workin ces, working
Workforce Diversity & Inclusion		CG-MR-330a.1	conditions, inc Supply is the in conditions in a	eluding unsafe mporter of reconcordance with fire, safety, and	building and occi ord, a third-party h local laws. The emergency evac	upational safety h performs an annu se include first ai cuation and plant	nazards. For venual factory audit d, medical service equipment safe Team	dors where Tracto to validate workin ces, working ty. Total Team
Workforce Diversity & Inclusion	representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a environment, f	eluding unsafe mporter of recordance with the safety, and officer	building and occi ord, a third-party h local laws. The emergency evac Director	upational safety herforms an annuse include first aicuation and plant Manager	nazards. For ven ual factory audit d, medical servic equipment safe Team Member	dors where Tracto to validate working es, working ty. Total Team Members
Workforce Diversity & Inclusion	representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a environment, f	eluding unsafe importer of reconcerdance with order of the conference of the confere	building and occi ord, a third-party h local laws. The emergency evac Director 29.5	upational safety heperforms an annuse include first aicuation and plant Manager 37.8	nazards. For venual factory audit d, medical service equipment safe Team Member 49.8	dors where Tractor to validate working ty. Total Team Members 48.8
Workforce Diversity & Inclusion	representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a environment, f	eluding unsafe importer of recordance with order of the control of	building and occi ord, a third-party h local laws. The emergency evac Director 29.5 69.8	upational safety herforms an annuse include first aicuation and plant Manager 37.8 61.7	nazards. For venual factory audit d, medical service equipment safe Team Member 49.8 49.6	dors where Tracto to validate working tes, working ty. Total Team Members 48.8 50.6
Workforce Diversity & Inclusion	representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a environment, f	eluding unsafe importer of recordance with order of the control of	building and occi ord, a third-party h local laws. The emergency evac Director 29.5 69.8 0.7	upational safety hereforms an annuse include first aicuation and plant Manager 37.8 61.7 0.5	nazards. For venual factory audit d, medical service equipment safe Team Member 49.8 49.6 0.6	dors where Tractor to validate working ty. Total Team Members 48.8 50.6 0.6
Workforce Diversity & Inclusion	representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a environment, f	eluding unsafe importer of recordance with order of the control of	building and occi ord, a third-party h local laws. The emergency evac Director 29.5 69.8 0.7	upational safety hereforms an annuse include first aicuation and plant Manager 37.8 61.7 0.5	nazards. For venual factory audit d, medical service equipment safe Team Member 49.8 49.6 0.6	dors where Tractor to validate working ty. Total Team Members 48.8 50.6 0.6
Workforce Diversity & Inclusion	representation for (1) management and (2) all	CG-MR-330a.1	conditions, inc Supply is the in conditions in a environment, f Female Male Gender Unknown People of Color	officer 25.4 74.6 0 3.2	building and occi ord, a third-party h local laws. The emergency evac Director 29.5 69.8 0.7	upational safety hereforms an annuse include first aisuation and plant Manager 37.8 61.7 0.5	nazards. For venual factory audit d, medical service equipment safe Team Member 49.8 49.6 0.6	dors where Tracto to validate working tes, working ty. Total Team Members 48.8 50.6 0.6 16.5

Community

Environment

Supply Chain

SASB Index

Governance

CEO Message

Overview

Team Members

Customers

^{*}reflects settlements paid out in 2021 for previously pending administrative charges and lawsuits.

CEO Message	Overview	Team Members	Customers	Community	Environment	Supply Chain	Governance	SASB Index
-------------	----------	--------------	-----------	-----------	-------------	--------------	------------	------------

Торіс	Metric	Code	Disclosure
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	Tractor Supply does not currently track this information.
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2 CG-AA-250a.2	Tractor Supply takes a risk-based approach with guidance from our service providers. Most of the chemical analytical testing we conduct under the Tractor Supply program falls within the 1-star category, which includes all "high risk" or regulatory requirements:
			Star Level 1: "Must Do"
			These are the federal & state laws that would be considered regulatory requirements such as CPSIA, CFR tests, tests related to recalls, etc.
			Star Level 2: "Should Do"
			These are tests that are considered industry best practice. These tests may be conducted to ensure that products meet customer expectations for safety and functionality. If Tractor Supply is the importer of record, we require all products to be tested at a certified third-party laboratory for functionality, quality and compliance with federal and state regulations. Products are also tested by third-party labs for transit testing to ensure that the product in our packaged state can sustain the trip through the supply chain and be presented to the customer in safe, salable condition.
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	Tractor Supply supports the use of safe and sustainable materials in our product packaging. Suppliers are required to make every effort to use recyclable, compostable or biodegradable packaging component materials. Rigid PVC plastics are not a preferred component in our packaging programs based on recoverability, and alternative solutions are required whenever possible
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	Tractor Supply does not track this information.
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	Tractor Supply does not track this information.

