

STEWARDS OF LIFE OUT HERE™

2022 Stewardship Tear Sheet



TSC **TRACTOR
SUPPLY CO.**

A Message from Hal Lawton

To our stakeholders,

For all of us at Tractor Supply, “Life Out Here” not only represents a lifestyle, but a way of life. Our commitment to our stakeholders—Team Members, customers, communities, vendors, suppliers and shareholders—runs deep. Our purpose as a company is grounded in our Mission and Values and is the foundation of our long-term success. As we celebrate our 85th anniversary, we remain steadfast in our commitment to preserve and protect our way of life and our planet, as we continue to evolve and grow.

We are proud of the progress that is reflected in our 2022 Stewards of Life Out Here Tear Sheet. Some of our achievements include:

- Reduced absolute carbon emissions by 12% as we made progress on our goals to achieve absolute carbon reduction from our operations of 20% by 2025 and 50% by 2030 from a 2020 baseline. We are committed to achieving net zero emissions across all operations by 2040.
- Announced an ambitious three-year water conservation goal to conserve 25 million gallons of water by 2025.
- Increased our efforts to procure renewable energy, continuing investments in energy efficiency and cleaner technologies and avoiding future emissions through better design of both stores and distribution centers.
- Built our first distribution center to LEED Gold® certification standards. This distribution center is our largest, with more than 900,000 enclosed square feet, and has more than 10,000 solar panels capable of producing five megawatts of electricity per year, making this facility 100% powered by renewable energy.
- Recognized for the fourth year in a row as a SmartWay High Performer for the sustainability of our freight and shipping operations.
- Issued our third annual [TCFD report](#) detailing our strategy to mitigate and address climate-related risk.
- Invested in our Team Members through competitive pay and benefit enhancements.
- Received third-party recognition of our commitment to be an employer of choice in rural America, with inclusion on the Bloomberg Gender Equality Index for the second consecutive year and on lists including Newsweek’s inaugural America’s Greatest Workplaces for Diversity, ComputerWorld’s Best Places to Work in IT, Forbes’ America’s Best Large Employers and Forbes’ Best Employers for Diversity.
- Earned a perfect score on the Human Rights Campaign Foundation’s 2022 Best Places to Work Corporate Equality Index.
- Donated more than \$15 million to the communities we call home as we continued to show our appreciation for our customers and their passions. The Tractor Supply Foundation underwrote a five-year, \$5 million commitment to FFA to establish the largest agricultural scholarship of its kind.

As you read this report, I hope that you will share my excitement for how Tractor Supply is meeting our commitments to drive positive environmental and social change within our company and our communities.

On behalf of more than 50,000 Tractor Supply Team Members, thank you for supporting us and our Stewardship program for Life Out Here.

Sincerely,



Hal Lawton

President and Chief Executive Officer

About This Tear Sheet

The following tear sheet contains disclosure of relevant environmental, social and governance (ESG) metrics to Tractor Supply Company's business, including select metrics from the Sustainability Accounting Standards Board (SASB) standards for the Consumer Goods—Multiline and Specialty Retailers and Distributors and Consumer Goods—Apparel, Accessories and Footwear sectors, as well as the United Nations Sustainable Development Goals (UN SDGs). This document covers the period Jan. 1, 2022 through Dec. 31, 2022, unless otherwise noted. This report does not include information about Orscheln Farm & Home, which we acquired in October 2022. Information about Orscheln Farm & Home will be included in future reporting.



About Tractor Supply

Tractor Supply Company, the largest rural lifestyle retailer in the United States, ranking 294 on the 2022 Fortune 500, has been passionate about serving its unique niche as a one-stop shop for recreational farmers, ranchers and all those who enjoy living the rural lifestyle, for nearly 85 years.

Tractor Supply offers 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 that addresses the needs of the Out Here lifestyle. With over 50,000 Team Members, the Company leverages its 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. On December 31, 2022, the Company operated 2,066 stores in 49 states and an e-commerce website at www.TractorSupply.com.

Tractor Supply Company also owns and operates Petsense by Tractor Supply, 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. On December 31, 2022, the Company operated 186 Petsense stores in 23 states. For more information on Petsense, visit www.Petsense.com.

Financial Performance Highlights



Net Sales

\$14.2B (+11.6%)



Capital returned to
shareholders

\$1.11B



Comparable Store Sales

6.3%



Neighbor's Club Members

28M+



Diluted EPS Growth

12.8%



Team Members

50,000+

Tractor Supply's Stewardship Program Objectives

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, their people and 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 sustainability 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.

Activity Metrics

| Topic | 2022 | 2021 | 2020 |
|--|---|---|---|
| Number of: (1) retail locations and (2) distribution centers SASB: CG-MR-000.A | 2,066 Tractor Supply Stores, 186 Petsense stores and 8 Distribution Centers. | 2,003 Tractor Supply Stores, 178 Petsense stores and 8 Distribution Centers. | 1,923 Tractor Supply Stores, 182 Petsense stores and 8 Distribution Centers. |
| Total area of (1) retail space and (2) distribution centers SASB: CG-MR-000.B | (1) Total Retail Space: 49,228,360 square feet Tractor Supply Stores Total Building Square Feet: 48,087,346 Petsense Total Building Square Feet: 1,141,014 (2) Distribution Centers Square Feet: 6,202,641 | (1) Total Retail Space: 47,910,943 square feet Tractor Supply Stores Total Building Square Feet: 46,848,137 Petsense Total Building Square Feet: 1,062,806 (2) Distribution Centers Square Feet: 6,062,263 | (1) Total Retail Space: 47,374,987 square feet Tractor Supply Stores Total Building Square Feet: 46,240,499 Petsense Total Building Square Feet: 1,134,488 (2) Distribution Centers Square Feet: 6,062,263 |
| 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 areas and excess space. | | | |
| Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1 SASB: CG-AA-000.A | Total Tier 1 suppliers were 1,980 | Total Tier 1 suppliers were 1,870 | Total Tier 1 suppliers were 1,764 |
| Employees (FTE) | 25,000 | 22,000 | 20,000 |
| Net Sales (\$mm) | \$14,204,717 | \$12,730,105 | \$10,620,352 |



Environment

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



CONTENTS

| | |
|--|----|
| Greenhouse Gas Emissions | 07 |
| Energy Management in Retail & Distribution | 08 |
| Water Usage | 09 |
| Waste and Recycling | 10 |
| Product Sourcing, Packaging & Marketing | 11 |



Policies

Please see our [Environmental Policy](#).

Greenhouse Gas Emissions (MTCO₂e)*

*Data rounded to nearest thousand unless otherwise noted.

| Topic | 2022 ¹ | 2021 ² |
|--|-------------------|-------------------|
| Scope 1 | 70,000 | 68,000 |
| Scope 2 location-based | 185,000 | 168,000 |
| Scope 2 market-based | 149,000 | 168,000 |
| Emissions intensity (Scope 1 and 2 MTCO ₂ e/1,000 Cal. Norm Sq Ft) | 3.9 | 4.4 |
| Emissions intensity (Scope 1 and 2 MTCO ₂ e/Total Revenue (millions)) | 15.4 | 18.6 |
| Scope 3 Purchased goods & services | 7,094,000 | 7,845,000 |
| Scope 3 Capital goods | 151,000 | 132,000 |
| Scope 3 Fuel-and-energy-related activities (not included in Scope 1 or 2) | 74,000 | 72,000 |
| Scope 3 Upstream transportation and distribution | 301,000 | 267,000 |
| Scope 3 Waste generated in operations | 54,000 | 51,000 |
| Scope 3 Business travel | 9,000 | 7,000 |
| Scope 3 Employee commuting | 118,000 | 93,000 |
| Scope 3 Downstream transportation and distribution | 0 | 0 |
| Scope 3 Use of sold products | 18,700,000 | 18,100,000 |
| Scope 3 End of life treatment of sold products | 933,000 | 1,100,000 |

¹Enhanced methodology for calculating Scope 3 GHG emissions in 2022. Category 1 (Purchased Goods & Services) data replaced spend-based emission factors with activity-based emissions factors. Expanded product categories included in Category 11 (Use of Sold Products) and refined use-phase assumptions. Category 4 (Upstream Transportation & Distribution) was updated to include emissions previously allocated to Category 9 (Downstream Transportation & Distribution).

²2021 Scope 3 GHG emissions are restated based on more accurate methodology developed in 2022.

Energy and GHG Emissions Reduction Efforts

To demonstrate our commitment to helping address climate change, we announced in the fall of 2021 a more ambitious GHG emissions reduction target for our operational footprint: net zero emissions by 2040 and interim 2025 and 2030 targets. We invested capital in 2022 to help us meet these goals by undertaking projects to increase energy efficiency of our operations and become energy independent using clean technologies such as solar. Energy efficiency projects included LED lighting retrofits at selected distribution centers and initiating LED lighting retrofits of exterior lights and signs at Tractor Supply stores. Becoming energy independent is discussed below under [Renewable Energy Strategy](#).



Reduce Scope 1 and 2 carbon emissions from our operations 20% by 2025 and 50% by 2030

We understand the importance of managing our Scope 3 emissions and continue to work to refine that portion of our GHG emissions inventory. In 2022, we actively engaged with suppliers by communicating our climate goals and expectations and through surveys using an engagement tool. Responses by suppliers show the need for education on the value of determining climate impacts as well as the development of climate-forward products and packaging design to support our customers' Out Here lifestyle. Gaining insight into our suppliers' climate initiatives is foundational for us to design and submit a science-based target for review in the future.

Energy Management in Retail & Distribution

| Topic | 2022 | 2021 | 2020 |
|---|---|-----------|-----------|
| Total energy consumed (gigajoules) | 3,010,906 | 2,830,779 | 2,673,633 |
| | Retail store square footage increased 2.7% in 2022. | | |
| Tractor Supply | 2,929,088 | 2,742,854 | 2,589,461 |
| Petsense by Tractor Supply | 81,818 | 87,926 | 84,172 |
| Percentage grid electricity (%) | 45.1% | 51.1% | 57.0% |
| Percentage renewables (%) | 12.5% | 6.8% | 1.1% |
| SASB: CG-MR-130a.1 | Energy derived from renewables refers to renewable energy contracted by Tractor Supply. | | |

Renewable Energy Strategy

We continue to pursue opportunities to incorporate renewable energy into our operations.

In 2022 we refined our carbon reduction roadmap by strategically pursuing multiple opportunities to incorporate renewable energy and energy-efficient technologies into our operations. We opened our ninth distribution center in Navarre, OH in January 2023. This is our largest distribution center with more than 900,000 square feet under roof and is the first Tractor Supply facility built to LEED Gold® standards. Highlighting our strong commitment to renewables and desire to do our part to lessen our carbon footprint, the Navarre distribution center has a rooftop solar array consisting of over 10,000 solar panels capable of producing five megawatts of electricity per year, making this facility 100% renewable energy-powered. In addition, the new distribution center is equipped with all-electric, heavy-duty forklifts powered by lithium batteries used to move merchandise within the facility. The distribution center has electric yard trucks used to re-position dropped trailers within the service yard, which are supported by a dedicated electric vehicle charging station.



For the fourth year, Tractor Supply has been recognized as a SmartWay High Performer, based on the sustainable performance of our shipping and freight operations. This program is focused on reducing our carbon footprint, improving freight efficiency in ways that reduce cost while benefiting the environment and strengthening our nation's economic and energy security. Effective in 2022, it is a requirement that new carriers for Tractor Supply become SmartWay-certified. We are proud to say that in reporting year 2022, 100% of Tractor Supply's carriers were SmartWay-certified.

We also integrated the use of intermodal, or rail transportation, when appropriate, which has taken trucks off the road and reduced fuel use. Improving transportation efficiency is an ongoing focus for Tractor Supply. That's why with the addition of the Navarre distribution center, we took advantage of the opportunity to realign delivery service to stores throughout the network. The realignment will improve service to stores, reduce stem miles and over-the-road emissions as well as save transportation costs. 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.

Water Usage

| Topic | 2022 | 2021 | 2020 |
|---|-----------|-----------|---------|
| Total water withdrawn (cubic meters) | 1,307,432 | 1,104,373 | 980,224 |
| Water withdrawn per employee (cubic meters) | 26.15 | 24.10 | 23.29 |
| Tractor Supply | 1,264,165 | 1,067,956 | 950,126 |
| Petsense by Tractor Supply | 43,267 | 36,417 | 30,117 |

Water Use Reduction Efforts

On Earth Day 2022, we announced a new water conservation goal where we committed to conserving 25 million gallons of water by 2025. Half of the goal will come from operations and the other half through partnerships with Ducks Unlimited and Trout Unlimited. These partnerships are designed to make a positive impact on nature by supporting work to restore sensitive habitats that are so important to the Out Here lifestyle.

While we continue to grow customer offerings to include self-serve pet washing stations at Tractor Supply stores, grooming services at Petsense by Tractor Supply stores and garden centers at a limited number of Tractor Supply stores, we have several companywide initiatives to reduce our water usage. These include 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 remediate the situation. This strategy 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 enhance our efforts to use water efficiently and responsibly.

Waste & Recycling

| Topic | 2022 | 2021 | 2020 |
|------------------------------|-------------|-------------|-------------|
| Recycling | | | |
| Battery (approximate number) | 274,500 | 392,000 | 435,000 |
| Used Oil (gallons) | 103,361 | 99,900 | 102,395 |
| Cardboard (tons) | 27,676 | 32,610 | 25,313 |
| Wood Pallet (number) | 4.2 million | 4.3 million | 4.1 million |

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 accidentally 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 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.

Product Sourcing, Packaging & Marketing

| Topic | |
|---|--|
| Revenue from products third-party certified to environmental and/or social sustainability standards | Tractor Supply does not currently track this data. |
| SASB: CG-MR-410a.1 | |
| Discussion of process to assess and manage risks and/or hazards associated with chemicals in products. | <p>We take 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.</p> <p>Star Level 1: "Must Do"</p> <p>These are the federal & state laws that would be considered regulatory requirements such as CPSIA, CFR tests, tests related to recalls, etc.</p> <p>Star Level 2: "Should Do"</p> <p>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 submitted to third-party labs for transit testing to ensure that the product in its packaged state can sustain the trip through the supply chain and be presented to the customer in safe, salable condition.</p> |
| SASB: CG-MR-410a.2 SASB: CG-AA-250a.2 | |
| Discussion of strategies to reduce the environmental impact of packaging. | <p>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.</p> <p>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.</p> |
| SASB: CG-MR-410a.3 | |



Social



CONTENTS

| | |
|---|----|
| Diversity, Equity and Inclusion | 13 |
| Team Member Recruitment, Engagement & Retention | 15 |
| Labor Conditions in the Supply Chain | 18 |
| Community Involvement | 20 |



Policies

| Topic | |
|-------------------------|---|
| Equal employment policy | At Tractor Supply, we strive to provide a diverse workforce that reflects the communities we serve. Therefore, we are fully committed to complying with all equal employment opportunity laws. Tractor Supply's Equal Employment Policy is disclosed in our Code of Ethics, pg. 108 . |

Diversity, Equity and Inclusion





Diversity, Equity and Inclusion Program

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

In 2021, we established comprehensive five-year DE&I goals to support and advance underrepresented groups across our workforce, as well as vendors, suppliers and communities. Here is our progress to date:

- **Team Member Representation**
 - Double the number of stores where Team Members mirror the communities we call home.
 - We are on track to meet our 2026 goal.
- **Leadership Representation**
 - Increase People of Color at the manager level and above by 50%.
 - We are on track to meet our 2026 goal.
- **Philanthropic Giving**
 - Increase commitment to funding programs and education for Black and African Americans by 30%.
 - We are on track to meet our 2026 goal.
- **Supplier Diversity Spend**
 - Increase spending with diverse suppliers by 35%.
 - We exceeded our 2026 goal and we are evaluating a new, more ambitious goal.

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. Our diversity, equity and inclusion programs and initiatives are focused around four pillars, each of which is led by an executive champion:

- **Team Members**
 - Attract, engage, develop and retain Team Members with backgrounds that reflect the communities we serve.
- **Customers**
 - Understand our diverse customer base and ensure we are engaging with our customers when, where and how they want to interact with us.
- **Communities**
 - Foster meaningful relationships with community partners and invest in the communities we call home.
- **Suppliers**
 - Establish a program to monitor and expand diverse supplier relationships. Ensure our suppliers share our values and respect for human rights.

Governed by our Diversity, Equity and Inclusion Council, we also have a number of resource groups available to our Team Members. Our Team Member Engagement Groups (TMEGs) create communities for those within the targeted demographic and their allies to help make sure Tractor Supply is meeting the needs of all Team Members. In 2022, we held nearly 50 events or programs to celebrate diversity observances that more than 3,500 Team Members attended. Additionally, all Team Members completed annual DEI training in 2022.

Our resource groups include:



| Topic | | | | | | |
|---|-----------------|-----------------|------------------|-----------------|-------------------------------|---------------------------|
| Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees SASB: CG-MR-330a.1 | | Officers | Directors | Managers | All other Team Members | Total Team Members |
| | Female | 24.6% | 30.6% | 39.5% | 49.6% | 48.8% |
| | Male | 73.8% | 67.8% | 59.9% | 49.5% | 50.3% |
| | Minority | 1.6% | 11.5% | 11.9% | 18.2% | 17.7% |
| Please also see our consolidated EEO-1 report here . | | | | | | |

| | |
|--|-------------------------|
| Total amount of monetary losses as a result of legal proceedings associated with employment discrimination. SASB: CG-MR-330a.2 | Approximately \$620,775 |
|--|-------------------------|

Equitable Compensation

Pay equity is very important to Tractor Supply. Each year, Tractor Supply partners with a third-party vendor to conduct a pay equity survey. This survey assesses many individual jobs and looks at age, gender and ethnicity to ensure that we are paying equitably across the organization. Every potential issue is reviewed and adjustments made as necessary to ensure pay equity.

Team Member Recruitment, Engagement & Retention

Team Member Engagement Efforts



Tractor Supply is a Great Place to Work Certified company for the third consecutive year in 2022.

Tractor Supply conducts an annual employee engagement survey and we measure engagement using the following metrics:

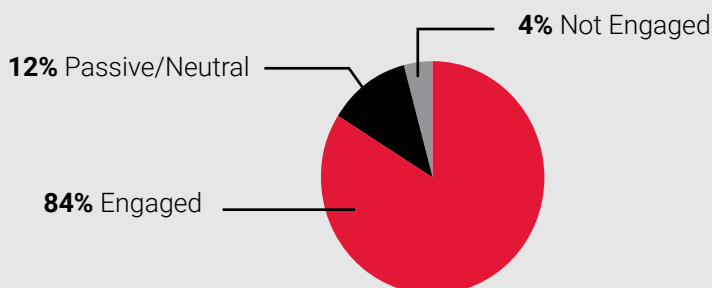
- 1 Energized at work 2 Intent to remain employed 3 Overall job satisfaction 4 Personally committed**

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

2022 Tractor Supply and Petsense Combined

Total Responses: 40,294

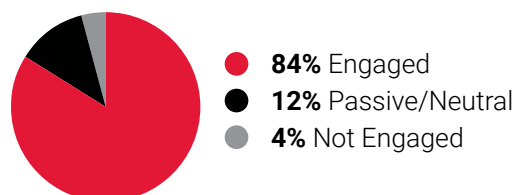
92% Response Rate



2022 Tractor Supply Only

Total Responses: 39,036

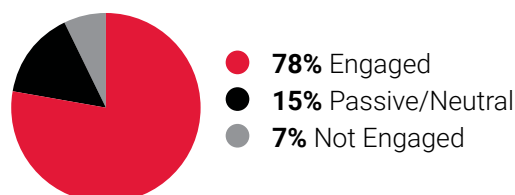
92% Response Rate



2022 Petsense Only

Total Responses: 1,258

92% Response Rate



We also engage Team Members by offering competitive benefits. Tractor Supply has an Employee Stock Purchase Plan that is available to all full-time and certain part-time Team Members to buy stock at a 15% discount. We also offer a 15% merchandise discount to all Team Members. Tractor Supply provides a 401(k) match to all Team Members after one year of service.

Tractor Supply introduced several enhancements to our compensation and benefits offerings in 2022, such as adding a surrogacy reimbursement program, enhancing our bereavement policy, adding health and welfare coverage for Domestic Partners and improving our tuition reimbursement program to simplify the application process for Team Members.

Talent Development

Tractor Supply conducted approximately 784,000 hours of training for our Team Members in 2022. Talent and Organization Development tracks 40 different types of training offerings in four key areas: Leadership Development, Stores, Store Support Center and Distribution Centers.

Our leadership development encompasses emerging leaders, management development, newly hired or promoted managers and new store managers, among many other programs, to help develop perspective skills, leadership competencies, business acumen, conflict resolution, self-awareness, and other skills. In 2022 we implemented a new leadership program, Engage, Develop and Grow Enterprise (EDGE), which is a nomination program for high potential individuals at the Director level and above.



Leadership Fundamentals is a flagship program for our newly promoted store managers that provides approximately 25 hours of training over three days. During these sessions, 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.

In 2022, we fully implemented District Learning Centers, 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. Through this program we partner with an external firm to deliver in-person and virtual workshops, assessments and additional unique learning and leadership development experiences.

For the Store Support Center, we offer a variety of technical skills training, team training and leadership development training. We also host Meet and Greet sessions for our new hires to meet our CEO. For the distribution centers, in 2022, we redesigned and implemented New Hire Training by creating a new hourly Team Member training program, which promotes consistency and efficiency in onboarding new Team Members. The focus is on safety and compliance.

| Talent Development & Training Programs | Team Members | Total Hours of Training |
|--|--------------|-------------------------|
| Stores | 42,386 | 594,800 |
| Store Support Center | 1,771 | 13,489 |
| Distribution Centers | 5,359 | 167,307 |

Topic

(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage

SASB: CG-MR-310a.1

| Business Unit | Average Hourly Rate | Count Above Applicable Min Wage | Count at Applicable Min Wage | % at Applicable Min |
|------------------------------|---------------------|---------------------------------|------------------------------|---------------------|
| Tractor Supply Stores | \$ 16.38 | 40,558 | 0 | 0.0 % |
| Petsense | \$ 15.07 | 1,567 | 12* | 0.8 % |
| DCs | \$ 21.15 | 5,300 | 0 | 0.0 % |
| Total Company | \$ 16.87 | 47,425 | 12 | 0.03 % |

*As of April 2023, the number of Team Members earning minimum wage is 0.

(1) Voluntary and (2) involuntary turnover rate for in-store employees*

SASB: CG-MR-310a.2

2022 Tractor Supply Only: Voluntary Turnover Rate – 82%
2022 Tractor Supply Only: Involuntary Turnover Rate – 7%

*Data reflects full-time and part-time in-store employees and excludes Petsense employees.

Total amount of monetary losses as a result of legal proceedings associated with labor law violations.

SASB: CG-MR-310a.3

\$3,388.81



Labor Conditions in the Supply Chain

Topic

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.

SASB: CG-AA-430b.1

Tractor Supply Company contracts with a leading provider of supply chain compliance solutions who has on-the-ground presence in over 84 countries to conduct our social and security audits. These social audits look to ensure compliance with SA800 international standards that examine 16 unique categories, such as working environment, safety of plant and equipment and working hours. The audits are conducted in person to ensure we have insight into the facilities that we contract with and ensure compliance with the local standards within the region.

Based on the results of an audit, we may require a follow-up audit within 90 days or up to six months from the date of the original audit. For all audits that result in a follow-up, we require the factory to follow a Corrective Action Plan (CAP) agreed to with the auditors at the conclusion of the audit. Tractor Supply conducts training that provides vendors with tools to help them address issues that might be discovered during the audits.

| Topic | | | | | | | |
|--|---|------------|-----|-----------|-----|---------|-----|
| Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits. | <p>We had a total of 267 Social Audits, with an average score of 88%.</p> <p>2022 Social Audit Results were:</p> <hr/> <table> <tr> <td>253 Green:</td><td>94%</td></tr> <tr> <td>0 Yellow:</td><td>0%</td></tr> <tr> <td>14 Red:</td><td>6%</td></tr> </table> | 253 Green: | 94% | 0 Yellow: | 0% | 14 Red: | 6% |
| 253 Green: | 94% | | | | | | |
| 0 Yellow: | 0% | | | | | | |
| 14 Red: | 6% | | | | | | |
| <p>SASB: CG-AA-430b.2</p> | <p>We had a total of 302 Security Audits, with an average score of 85%.</p> <p>2022 Security Audit Results were:</p> <hr/> <table> <tr> <td>299 Green:</td><td>99%</td></tr> <tr> <td>1 Yellow:</td><td><1%</td></tr> <tr> <td>1 Red:</td><td><1%</td></tr> </table> <p>The above charts reflect 15 red (failing) scores. After successfully completing corrective action plans, 13 factories achieved a green (passing) score. The other two red factories did not have a follow-up audit conducted because Tractor Supply Company is no longer doing business with those factories.³</p> <p>Corrective Action Plan (CAP) Follow-up: 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.</p> <p>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 products if non-compliance issues are not resolved in a timely fashion.</p> <p>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, social audits or security audits. This approach has proven successful in resolving supplier deficiencies.</p> | 299 Green: | 99% | 1 Yellow: | <1% | 1 Red: | <1% |
| 299 Green: | 99% | | | | | | |
| 1 Yellow: | <1% | | | | | | |
| 1 Red: | <1% | | | | | | |
| <p>Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain</p> <p>SASB: CG-AA-430b.3</p> | <p>Tractor Supply has identified the following environmental and social risks in its supply chain outside the United States.</p> <p>Working Hours & Wages: These risks include the potential for violations of wage and hour laws and regulations.</p> <p>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.</p> <p>Health & Safety: The potential for lack of awareness by factory owners and workers of health and safety risks and conditions, including unsafe building and occupational safety hazards.</p> | | | | | | |

³ As of July 2023

Community Involvement

Charitable Giving & Communities

Tractor Supply focuses our community giving efforts on causes that are important to our customers and Team Members. We have disclosed these areas of focus and examples of ways we support each of these categories on our [Corporate website](#). In 2022 we contributed over \$15 million in charitable donations through direct giving, sponsorships, fundraisers and more. Our four areas of focus include:

- **Agriculture Education**
- **Pets and Animals**
- **Land and Nature Conservation**
- **Community including veterans causes, DE&I and disaster relief**

Specific program donation disclosure, as seen on our [Corporate website](#):



4-H:
Nearly \$2.4 million
raised in 2022.



FFA:
Over \$15 million
raised since partnership began in 1985.

In 2022 Tractor Supply announced a \$5 million scholarship program through FFA. The Future Leaders Scholarship is for students going to trade schools, community colleges and four-year universities in any field related to the rural lifestyle or agriculture. The Tractor Supply Foundation will underwrite the scholarship at \$1 million a year during its five-year commitment.

Military-based programs and initiatives for veterans are disclosed in the [2021 Stewardship Report](#) and on the [Corporate website](#).



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 4-H, Future Farmers of America, animal rescue and disaster relief in addition to 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. Tractor Supply is implementing a Team Member giving and volunteering portal in 2023.



Governance

8

DECENT WORK AND
ECONOMIC GROWTH



16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS



CONTENTS

| | |
|-------------------------------------|----|
| Business Ethics | 22 |
| Data Security | 23 |
| Corporate Governance Best Practices | 24 |



Business Ethics

| Topic | |
|-------------------------------------|--|
| Human rights policy | Tractor Supply is committed to ensuring fair and safe working conditions throughout our business. Please see our Human Rights Policy and our Vendor Code of Conduct . |
| Code of business conduct and ethics | Code of Ethics |
| Supply chain policy | Vendor Code of Conduct |
| Anti-bribery & corruption policy | Code of Ethics , page 17 |
| Whistleblower policy | Tractor Supply has a 24/7 "Out Here" hotline for whistleblowers and also a secure website that is completely anonymous and has a stated no-retaliation policy that is also available in Spanish and Chinese. |
| Conflict minerals policy | Tractor Supply Conflict Minerals Policy and 2021 Conflict Minerals Report . |

Political Contributions Lobbying Expenditures

[Political Contributions Policy](#)

Tractor Supply, like many businesses, belongs to industry or trade associations that may engage in lobbying activities to support initiatives relevant to our business and the retail industry. The aggregate amount of membership dues paid to industry or trade associations in 2022 was \$788,000, of which 42.8% was used for nondeductible lobbying and political expenditures based on information obtained from these organizations. The total payments to these organizations represented less than 1% of the Company's fiscal 2022 annual sales.

A [report](#) on the Company's memberships in, and contributions to, industry and trade associations is prepared and presented to the Company's Corporate Governance Committee. The report is updated semi-annually and is available on the Company's [website](#).

Data Security

| Topic | |
|--|--|
| <p>Description of approach to identifying and addressing data security risks</p> <p>SASB: CG-MR-230a.1</p> | <p>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 annually 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 train all Team Members each year on data security, so they know their role in protecting our customers and our company.</p> <p>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.</p> <p>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 2022. We also conduct a biennial independent security program maturity assessment. Most recently completed in May 2021, the next assessment of our program against the NIST Cybersecurity Framework will begin in Q1 of 2023 with expected completion in Q3 of 2023.</p> |
| <p>(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected.</p> <p>SASB: CG-MR-230a.2</p> | <p>Tractor Supply has not experienced a reportable data breach.</p> |

Corporate Governance Best Practices

As of April 2023

Board Nominee Composition

57

Average Director Age

6

Average Tenure in Years



88%

Independent



38%

Female



38%

Ethnic Minorities



100%

standing Board Committee
membership independence



Best Practices

- Shareholder engagement program
- Board oversight of ESG
- Board oversight of corporate strategy and risk
- Stock ownership guidelines for executive officers and directors
- Continuing education for directors and orientation for new directors
- Mandatory retirement age at 75
- Independent Lead Director
- Annual election of all directors
- Annual Board and Committee self-evaluation
- Clawback policy
- Director resignation policy
- Simple majority vote standard
- Right to call a special meeting





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