

# MONRO

ESG Report

Fiscal Year 2023



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# ABOUT THIS REPORT

This is Monro's third report dedicated to disclosing how we integrate Environmental, Social, and Governance (ESG) factors into our corporate decision making and strategy. It includes our efforts to create an inclusive and thriving culture for our Teammates, deliver world class service for our Guests, positively impact the communities where we operate, and make sustainable decisions for our environment.

This report maps to certain Sustainability Accounting Standards Board (SASB) factors for the Multiline & Specialty Retailers and Auto Parts industries. As we make progress on our environmental initiatives and as it makes sense for our business, we consider the framework of the Task Force on Climate-related Financial Disclosure (TCFD). We expect to update and publish

this report annually. All data is as of the end of Fiscal Year 2023, ended on March 25, 2023, except when noted.

Unless otherwise indicated, the data presented in the report is unaudited and should not be relied upon when making investment decisions.



# INTRODUCTION

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# LETTER FROM MICHAEL BRODERICK, PRESIDENT & CEO AND ROBERT MELLOR, BOARD CHAIRMAN

Dear Monro Stakeholders,

We are pleased to present our third annual Environmental, Social, and Governance (ESG) report, highlighting our commitment to creating long-term value for our Guests, Teammates, and shareholders. This report reflects on the challenges and opportunities of the past year and the progress we have made in advancing our ESG priorities. We hope it provides valuable insights as part of our continued commitment to transparency.

## PUTTING OUR PEOPLE FIRST

Our Teammates are at the heart of Monro, and are central to our success in operational excellence. Safety is of utmost importance. We are taking steps toward reaching our five-year goal of reducing workers' compensation frequency claim rates by 30% by 2028. We are committed to investing in our people's well-being and development. In our Fiscal Year 2023, we implemented a Teammate Assistance Fund that provides financial support to Teammates when they experience an unexpected life event. During this first year, we were able to support 94 of our Teammates through difficult situations.

Enhancing the Teammate work experience is an important focus. Staffing and scheduling changes have improved work-life balance and boosted both productivity and earning potential. Our investment in digital platforms and mobile technology has made work processes more efficient. We continue to invest in and prepare our Teammates for the future through ongoing in-store training and new modules on Monro University, our Teammate training platform. These efforts help our people stay safe, develop their careers, and meet the current and future needs of our Guests.

## DELIVERING EXCEPTIONAL GUEST SERVICE

To us, the Guest experience is more than just a vehicle repair. It is about building a trusted, long-term relationship with our Guests. Our focus is on operational excellence to provide exceptional service to our Guests. We are doubling down on our goal of providing consistent, high-quality service. We have improved and streamlined our in-store processes and made additional investments in Guest services and call center capabilities.



# LETTER FROM MICHAEL BRODERICK, PRESIDENT & CEO AND ROBERT MELLOR, BOARD CHAIRMAN (Cont'd)

## ENHANCING OUR CORPORATE GOVERNANCE STANDARDS AND PRACTICES

We continue to strengthen our corporate governance processes and practices to promote stronger oversight and accountability and to demonstrate responsiveness to constructive shareholder feedback. In May 2023, Monro announced a planned recapitalization to simplify its share structure and a plan to declassify the Board, both subject to shareholder approval at the 2023 Annual Meeting.

As part of the Board's ongoing refreshment process, in February 2023, Hope B. Woodhouse joined the Board as a new member. Ms. Woodhouse is a highly respected executive in the financial services industry with significant leadership experience and operational expertise. The Board will continue to evaluate potential director candidates to ensure that it includes individuals with a diversity of backgrounds, skills, perspectives, and experiences.

## REDUCING OUR IMPACT

We have an ongoing initiative to provide services and products to our Guests in a way that also reduces our impact on the environment. Key focus areas include replacing all store lights with LEDs, increasing our partnerships with providers who can improve our recycling process, and significantly reducing the paper used in our operations.

*Incorporating meaningful ESG practices in our strategy and operations is fundamental to our ability to create sustainable value for our stakeholders. As we further develop our internal programs, we will continue to put our people first, enhance Teammate diversity, equity and inclusion, implement our community strategy, and make further strides in reducing our environmental impact.*

## CREATING LONG TERM, SUSTAINABLE VALUE FOR STAKEHOLDERS

We are proud of our accomplishments over the past year and optimistic for the years ahead as we continue to build lifetime relationships with our Guests. Incorporating meaningful ESG practices into our strategy and operations is fundamental to creating sustainable value for our stakeholders. As we further develop our internal programs, we will continue to put our people first, enhance Teammate diversity, equity, and inclusion, implement our community strategy, and make further strides in reducing our environmental impact.

Thank you for your continued support and partnership as we work to build a more resilient and responsible business.

Sincerely,



Michael T. Broderick, President and CEO



Robert E. Mellor, Chairman



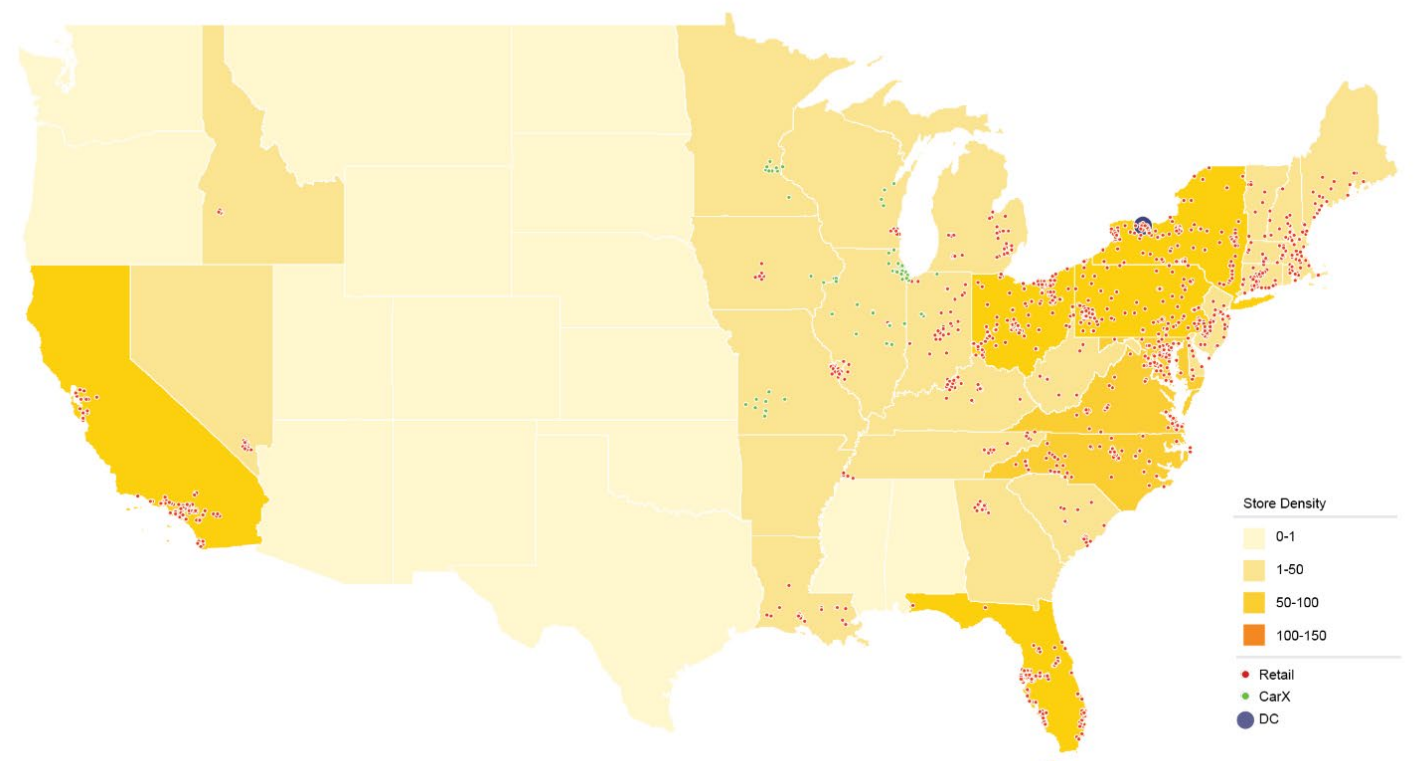
# MONRO AT A GLANCE

Monro, Inc. is one of the leading providers of retail tire and automotive repair services in the United States. We operate in 32 states across the country, including the Mid-Atlantic, New England, and portions of the Great Lakes, Midwest, Southeast, and West. As of March 25, 2023, we had 1,299 Company-operated stores and 77 franchised locations, and during Fiscal Year 2023 (Fiscal 2023), we serviced approximately 5.2 million vehicles. Our primary retail store locations are in high visibility suburban areas, small towns, and major metropolitan areas.

Through our strong brand portfolio, we offer a broad range of services for passenger cars, light trucks, and vans. These include routine automotive maintenance services — brakes, mufflers and exhaust systems, steering, drive train, and suspension work — as well as replacement tires, alignments, and tire-related services, and undercar repairs.

Monro has experienced significant growth in recent years through acquisitions and, to a lesser extent, the opening of newly constructed stores. During our 66-year history, we have adapted our business model to stay relevant to our customers, referred to as "Guests". We transformed from an exhaust-focused company to a comprehensive offering of automotive maintenance and repair services, and tire sales and service. The industry continues to change, and we are preparing our Teammates to service the next generation of vehicles, with emphasis on electric and battery components.

The Monro, Inc. brand portfolio features quality brands, including:



# OUR VISION AND VALUES

## OUR VISION

*To be America's leading auto and tire service centers, trusted by our Guests as the best place in their neighborhoods for quality automotive service and tires. We do this by exceeding our Guests' expectations with consistent value provided by a committed, knowledgeable organization of friendly and professional Teammates.*



Exceed our Guests' expectations.



Provide consistent value.



Build a committed, knowledgeable organization of friendly and professional Teammates.

## OUR VALUES

At Monro, our core values serve as the foundation of our decision-making, with health, safety, environmental, and social responsibility considerations playing an important role in our strategic planning. We are committed to responsible business practices and continuous improvement of our operations and our relationships with our Guests, Teammates, investors, vendors, suppliers, and the communities we serve in order to build long-term sustainable value.



### LEADERSHIP

Having a vision and the courage to shape a better future.



### DIVERSITY

We represent the communities and Guests we serve.



### INTEGRITY

We are open, honest and trustworthy in all our actions.



### QUALITY

What we do, we do well.



### COLLABORATION

Teamwork brings out our best.



### OWNERSHIP

A culture that instills accountability and empowerment.



### URGENCY

We cherish the truth, initiative and winning.



### SHAREHOLDER VALUE

A balanced horizon and steward of our people and capital.





# GOVERNANCE

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# BOARD STRUCTURE, INDEPENDENCE, AND COMPOSITION

Monro’s corporate governance practices help to promote strong Board and management accountability and to create long-term value for our diverse set of stakeholders. Our Board of Directors oversees and monitors important governance issues, including risk management, board composition and refreshment, executive compensation, and ESG matters. Our governance framework and practices, which are rooted in our commitment to operating with integrity, are enshrined within our Corporate Governance Guidelines and Code of Ethics. Detailed information on our corporate governance structures, processes, and practices can be found in our Fiscal 2023 Proxy Statement.

Led by an independent Chair, the Board fulfills its mandate directly and through its four standing committees, three of which

are composed solely of independent directors. Each committee is responsible for certain aspects of risk oversight. Currently (as of May 2023) the Board consists of eight members, seven of whom are classified as independent under the Nasdaq listing standards and the Board’s own independence guidelines. Members have a wide range of experience, skill sets, and diverse perspectives to support our long-term strategic goals. To ensure new ideas and fresh perspectives are added, the Board considers ongoing refreshment to be important. Five new directors, four of them independent, have joined the Board since 2017.

Monro is committed to diversity, equity and inclusion at all levels of the Company including at the Board level. The Nominating and Corporate Responsibility Committee’s charter includes

an affirmative statement that the Committee will endeavor to include diverse candidates, including those who self-identify as female, underrepresented minorities, or LGBTQ+, in each pool of Board candidates. The Committee’s goal is to nominate candidates from a broad range of experiences and backgrounds who can contribute to the Board’s overall effectiveness in meeting its responsibilities. In assessing potential new directors, the Committee considers individuals from various disciplines and diverse backgrounds, taking into account gender, age, and ethnicity.

As part of our commitment to **SHAREHOLDER VALUE** we continue to evaluate our governance practices.

## Board Diversity

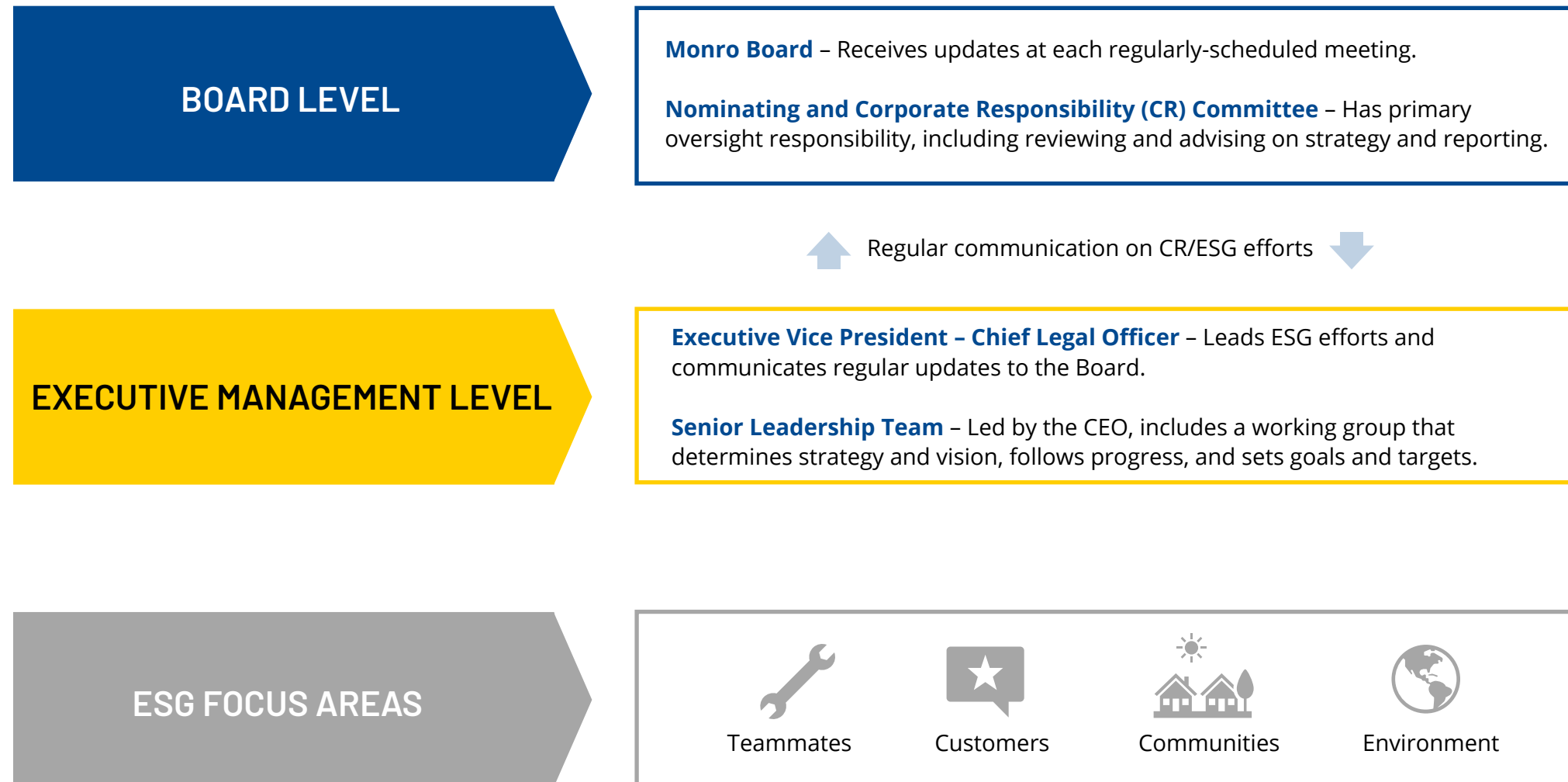


# SHAREHOLDER OUTREACH AND ENGAGEMENT

We believe that effective corporate governance includes regular engagement with shareholders regarding areas of interest or concern. This allows us to solicit input, understand perspectives, and respond to questions about Company matters on a wide range of topics. Members of our senior management team maintain regular contact with a broad base of investors through various forums including quarterly earnings calls, individual meetings, and other communication channels. During Fiscal 2023, topics covered included matters related to governance, compensation, Teammate retention, and general environmental matters. Board members are also involved in these conversations where appropriate and feedback is then given to senior management and the full Board.

# ESG OVERSIGHT

Monro's ESG efforts are an important lens through which we identify risks and opportunities that could meaningfully impact our business resiliency over the long-term.



*“The enhancements to our corporate governance standards and practices promote stronger oversight and accountability and they demonstrate responsiveness to constructive shareholder feedback.”*

- Michael T. Broderick,  
President and CEO



# CODE OF ETHICS

Building and maintaining a reputation of **INTEGRITY** and **QUALITY** throughout the organization is vital to the Company's success and the achievement of our vision of being a trusted leader in our industry. The Audit Committee and Senior Compliance Officer have oversight of our ethics practices, including adherence to the Code.

Our Code requires Teammates, Board members, and suppliers to follow the highest standards for ethical conduct, including proper procedures for dealing with actual or apparent conflicts of interest. It also prohibits bribery and does not tolerate discrimination based on age, disability, ethnic origin, family status, race, religion, gender, sexual orientation, social origin, or other personal characteristics. Monro's senior management and the Board of Directors are trained on and re-certify their commitment to the Code each year.

Monro maintains an independent, 24/7 hotline for reports of potential violations of, or concerns with, the Code or other related business practices. Reports or grievances may be made anonymously and, if identified, it is Monro's policy to prohibit retaliation against anyone who in good faith reports possible Code violations. The Audit Committee of the Board as well as Monro's Senior Compliance Officer monitor and process all matters reported through the hotline.



**Anonymous Whistleblower Hotline  
(Third Party Contact)**

**1-866-494-3161, PIN 4150**

**Available and proactively  
communicated to Teammates**

# DATA PRIVACY AND CYBERSECURITY

It is our responsibility to safeguard and not misuse our Guests' and Teammates' information. We continuously update and refine our policies and practices based on both industry standards and improvements identified through audits and reviews of our processes. Information Technology is led by a senior-level executive, with an experienced team of IT professionals responsible for Monro's data privacy and cybersecurity efforts.

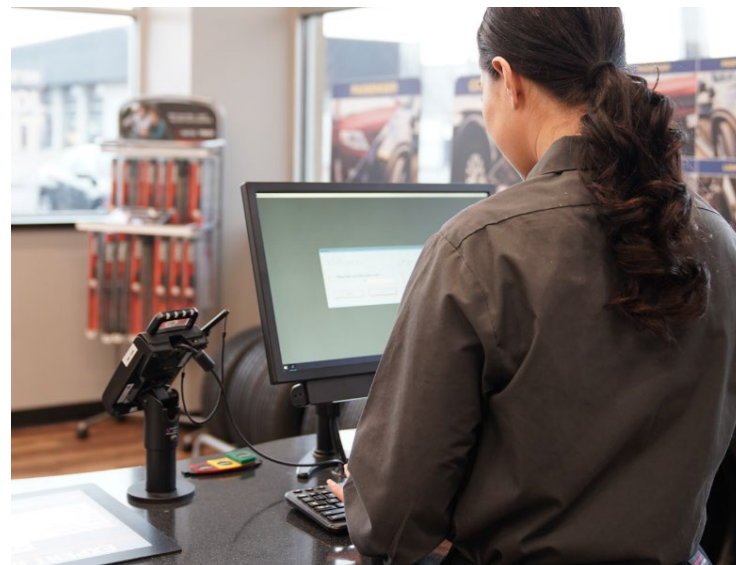
The Board of Directors' Audit Committee actively oversees data privacy and cybersecurity matters and receives periodic reports from management.

## PRIVACY

Our Company's privacy policies and consumer protection procedures follow the California Consumer Privacy Act of 2018 (CCPA). The CCPA carries the strictest state standards in the United States, and it applies to all our Stores, irrespective of location. As other states evolve their approach, we analyze and assess the nuances of the different state requirements.

Our privacy policy details for our Guests what their rights are, how and why we collect information to better serve them, and how they can opt out of communications from us. This policy is communicated to Guests on a periodic basis.

We continue to find ways to enhance the Guest experience and create an increasingly paperless environment through additional digital offerings such as mobile applications, online booking and check-in, and texting. These new offerings are guided by technology decisions that safeguard our Guests' information.



## CYBERSECURITY

Our cybersecurity approach includes multiple layers of tools, processes, and systems, including an annual third-party audit, regular systems testing, monitoring, and Teammate training. Along with robust preventive measures, we have a thorough incident response plan and mechanisms in place to allow for a nimble response should any type of incident occur. This plan goes through periodic scenario testing.

At least annually, all Teammates as well as new hires at onboarding, are required to receive training based on the most up-to-date cybersecurity and privacy standards and practices.

Our security awareness training program continues to evolve. It includes PhishAlert (an application within our email system to immediately report and automatically contain phishing emails), phishing simulation testing, and frequent education and dissemination of security information throughout the year.

We completed the deployment of an enhanced credit card payment system to all Stores in Fiscal Year 2023.

Key practices:

- ▶ Evaluate suppliers and hold them accountable to best practice standards and provide only the minimum amount of data necessary for them to carry out their work.
- ▶ Follow National Institute of Standards and Technology (NIST) guidance and leverage our internal team's deep knowledge and experience for our general cybersecurity approach.
- ▶ Conduct yearly Payment Card Industry (PCI) audits.
- ▶ Have a 24/7 security operation center that monitors systems and delivers reports that allow for coordination of real-time response when necessary.
- ▶ Undertake a bi-annual comprehensive cybersecurity risk assessment based on the NIST.



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# PEOPLE FIRST

Teammates are the driving force behind our growth and the key that allows us to provide a best-in-class service offering. We believe in open communication, honesty, and integrity, and above all, a safe, supportive, and inclusive environment. **COLLABORATION, DIVERSITY, and LEADERSHIP** are three of our core corporate values, and they lay the groundwork for our Teammates' engagement and productivity.

Technician turnover continues to be an industry-wide challenge. During the past year, we prioritized enhancements to the Teammate experience, also aimed at benefiting the customer as we seek to build a lifetime relationship. This includes digitalization of workflow processes, as well as new safety, development, and training initiatives. We are also reviewing our approach to benefits and compensation, improving communication on career progression and transfer opportunities to our locations across the country, and fostering greater diversity and inclusion.



*“Our Teammates are at the heart of Monro. We aim to achieve operational excellence while providing a safe, inclusive, learning environment to help them succeed.”*

*- Matt Henson, Chief Human Resources Officer*

# SAFETY

Monro's number one priority is providing a safe place to work in a complex operational environment so our Teammates can confidently deliver excellent service and go home safely every day. Our commitment to being an industry leader in health and safety is overseen at the highest level by the Audit Committee of the Board of Directors and through the formal role of a Senior Leadership Team member — the Vice President of Risk Management and Safety.

We use more than 25 formal health and safety policies based on Occupational Safety and Health Administration (OSHA) guidelines, as well as the American National Standards Institute (ANSI). These policies cover a comprehensive range of specific operational areas, such as the use of power equipment and lifts, the handling of hazardous materials, and the proper use of safety equipment. Each policy is enforced with formal training, monitoring, and oversight from Store Managers, District Managers, senior corporate leaders, and the Board.

These policies encapsulate our safety philosophy and also provide the structure for the implementation of our newly introduced program of *"Be a Safety H.E.R.O.": Highly-Valued, Empowered, Responsible, Outperformer*. The goal of this program is to emphasize the collaborative nature of safety and encourage each Teammate to own their personal safety as well as the safety of their fellow coworkers.



We took specific steps during Fiscal 2023 to further improve safety, including:

- ▶ Rolling out a national safety supplies program which helps ensure consistent standards of safety preparedness (such as eye wash stations and first aid kits) within our Stores.
- ▶ Developing ergonomics videos focusing on analytics around sprains and strain incidents, the most common types of workers' compensation claims affecting our Teammates. In fiscal year 2024, these videos will form the basis of comprehensive training across our Stores.
- ▶ Launching new training on how to respond to bloodborne pathogen incidents.
- ▶ Instructing Teammates how to better respond and report Workers' Compensation incidents.

Last year, we set a company goal to reduce our workers' compensation frequency claim rate by 30% by fiscal year 2028 with a base year of Fiscal 2023. We have ongoing priority focus areas of risk analysis, training and certification, and accountability.



We have a 5-year goal to reduce our workers' compensation frequency claim rate by **30%** by FY 2028.





## RISK ANALYSIS

An important component of our process is incident investigation. Should an incident occur, steps are taken to conduct a formal and thorough investigation that involves both the Store and District Managers completing a detailed document. A root cause analysis is completed with the VP of Risk and Safety and the Risk Management Team. Then, proactive plans and next steps are put in place to address safety-related patterns identified during the investigation.

Our risk analysis also includes tracking metrics, such as benchmarking frequency rates both in claims and dollars, while focusing on pro-active measures of improvement. In addition, we track industry metrics such as Total Recordable Incident Rate (TRIR) and Lost Time Incident Rates (LTIR) to measure our progress over time.

## TRAINING AND CERTIFICATION

We continuously refine our safety training with a key focus on ongoing efforts to improve the quality and impact of our training. To achieve this, we strive for multiple opportunities for training throughout the year. All Store Teammates receive safety training through Monro University, our online platform that provides training and certification programs based on a Teammate's job position. For example, we require the completion of certification programs for Monro Teammates involved in potential high-risk services, such as the use of jack stands within Stores.



## ACCOUNTABILITY

Monthly safety scorecards used by Zone Managers, District Managers, and Risk and Safety Managers bring analysis, **OWNERSHIP**, and accountability to our program. We also have a focus on real-time data gathering, tracking, and analysis to give managers quicker and more robust insights into incidents as they occur. This allows us to be more proactive in addressing potential issues as they arise and to prioritize process improvement areas for those activities that present the biggest potential hazards to our Teammates.

Our internal audit team confirms completion of required training programs, verifies that training metrics are being properly tracked, and performs quarterly site checks to ensure we are complying with our safety policies.

## SAFETY IS A TEAM EFFORT

This past year we were proud to recognize 16 stores for their perfect safety record during the previous 12-month period. In addition to the safe practices carried out by each technician, Store Managers promoted a culture of safety and District Managers conducted on-site visits and safety audits. The 16 stores were each awarded with a team meal of their choice.

District Manager Tim Squires, who was recognized at the National Leadership Meeting for his excellent Safety results, had this to say:

**“Being a Safety H.E.R.O. is top of mind for each of us — it is an integral way that we perform our jobs every day and is a key component to the onsite store visits that I perform. I was happy to celebrate these outstanding safety accomplishments with our Teammates.”**



# WELL-BEING

The well-being of our Teammates is an important commitment that we continue to invest in and improve upon with input from the field. We recognize that there has been a shift in the way our Teammates view work and home priorities, so we have been finding new ways to staff our Stores whereby schedule flexibility and predictability can be better maximized. The goal is to increase productivity, meet the needs of our Guests and allow Teammates to enhance work-life balance.



It is important to us that our Teammates' compensation, including pay and benefits, is fair, equitable, and communicated in a transparent and clear manner. We work to foster a culture of recognition where managers are empowered to deliver personalized recognition. Our Store compensation plan incentivizes productivity, and it creates opportunity for a consistent bonus program across our Stores and Districts.

Creating and implementing our benefits roadmap has been an ongoing effort in order to deliver an attractive and innovative benefit program over time. In addition to standard benefits, we offer a confidential Employee Assistance Program with 24/7 support, financial counselling, estate planning, online parental resources, and other services to support our Teammates' well-being.



Another new initiative that we launched this year was the Teammate Assistance Fund to help Teammates cover expenses after life-changing circumstances such as family deaths, illnesses, and fires. The Fund is supported through donations from our Monro Teammates, including 100% participation from our Senior Leadership Team. We also created an associated fund to help our Teammates after a natural disaster. In its first year, the Fund assisted 94 Teammates, with 80% being as a result of the hurricanes in the South.



## HELP IN TIME OF NEED

On September 28, 2022, Teammate Sophie in Store 1268, a new resident of Florida, found herself impacted by Hurricane Ivan. Her District Manager, Zone Manager, and Local Human Resources Representative reached out to all of the Store Teammates with information on how to apply for the Teammate Assistance Fund. Sophie received assistance from the Fund.



In Sophie's words:

**"This financial support was a blessing. I was able to replenish our lost food and acquire a generator to help us get through. The ease and promptness of the payment was equal to none. I am so grateful for this program and everyone involved with helping smooth out the process."**

# ENGAGEMENT AND DEVELOPMENT

The continued development of our Teammates is an important ongoing investment. It enhances skill sets, job satisfaction, and productivity, which is key to providing world-class service and ensuring a long and fruitful career with Monro. We have a clear commitment to development, with 56% of our Store Managers and 52% of our District Managers promoted from within.

During Fiscal 2023, we increased the completion rate of new hire training within the first 30 days to more than 60%. This progress was primarily driven by improvements and adaptations in our training delivery towards the end of the year, which are in place now. This new-hire training includes job-specific safety and customer service topics and is delivered through a blend of in-person and digital training. The prioritization of this training is part of a continued effort to help everyone at Monro begin their careers with the knowledge needed to succeed.

Monro University, our online training platform, as well as the return of hands-on, in-person training, has allowed Store Teammates a variety of forums for training. Monro University has expanded over the last few years. It started as a system initially focused on technical and operational training for Technicians but now offers a wide variety of topics accessible to Teammates in our Stores, field operations management, and staff in the Store Support Center. Topics include specialized job training, diversity, and hiring practices for managers.



At the leadership level, we have focused on development to help build a strong, diverse base of talent within Monro to support our growth plans and leadership courses for Store, District, and Zone Managers with an immediate focus on the newly-promoted. This is part of Monro's larger efforts to have strong succession planning in place.

An important engagement initiative that was launched this past year was the "Monro Doctrine," an internal, quarterly communication accessible to all Teammates with direct messages from our CEO. The newsletter's name comes from a typed and mimeographed paper publication from the desk of Monro's original owner, Chuck August. As the first digital, Company-wide newsletter, it is full of useful information from the Team for the Team. The portal also highlights Teammate work anniversaries, and it holds information such as links to online pay stubs, benefits information, IT tips, and easy access to reporting a Workers' Compensation claim.

6,226  
courses in Monro  
University

84,637  
total  
training hours in  
FY23

Engagement with senior leaders and among Teammates is an important way to foster a sense of belonging and development for all to benefit from real-time practice sharing. Some examples of how Monro facilitates this include:

- Regular Town Hall meetings with senior leaders where Teammates can submit questions and learn about key issues impacting our business.
- The "National Leadership Meeting" — a reintroduced, yearly in-person meeting where all District Managers, senior leaders, and longstanding Teammates come together to engage, share knowledge, learn, discuss common issues, and receive new perspectives.
- "Staffing calls" which are regular discussions among managers in the field that often include Human Resources and the CEO.
- "All call" weekly meetings, a collaboration of District Managers and senior field leaders that discuss organization-wide topics, safety, and development.
- "Mentorship Group" launched during the fiscal year where leadership women in the field and female executives at the Store Support Center share experiences and ideas for working in the automotive industry.

We also foster engagement and development through annual reviews when a Teammate and their manager discuss how their development goals align with our business objectives. Future phases of this initiative include conversations at the Store Teammate level.



# RECRUITMENT

Proper staffing is a critical component to maintaining a high-quality service for Guests and allows Teammates to have an appropriate schedule that provides work-life balance. Over the last two years, we have moved from a centralized human resources function at the Store Support Center to a field-based model. This allows for more on-the-ground recruitment support and hiring events to find new candidates. These in-person, on-the-spot hiring events allow us to hire new Teammates in an efficient manner while also increasing brand awareness.

Along with our continued theme of digitalization, we leverage search engine optimization (SEO), social platforms, diversity outreach, and programmatic job posting. We also value collaboration and partnerships with vocational and technical schools in our local communities to maintain a pipeline for emerging and highly skilled talent. We are excited to be building future partnerships to help source a continuous strong pool of talent.



# DIVERSITY, EQUITY & INCLUSION

**DIVERSITY** is one of our core values, and we continually strive for, and are seeing, improvement. Our objective is to have a workforce and leadership team that closely resembles our growing group of loyal Guests within which we aim to create long-term relationships. Our expectation is that every hiring process for a management position would include at least one diverse candidate.

We are focused on creating an inclusive environment where it is abundantly clear that everyone has an equal opportunity to develop, progress, and be rewarded and recognized, and we work to make continued efforts and improvement in this area.

This past year, we made strides in improving diversity within our field management teams through greater partnerships with Human Resources at the local level and

making job postings more available to a wider candidate pool, both internally and externally. We also continue to source diverse talent through referrals, partnerships with technical schools, campus visits, and career days. These efforts help to break the stigma often associated, in particular, with women working in this industry.

We believe that Teammates who grow with Monro, stay with Monro. Therefore, internally, we are putting processes in place early to identify candidates who have the potential to become Store Managers in order to create a bench of diverse candidates. Training on topics such as unconscious bias and respect in the workplace is another way we hope to foster an inclusive culture over time.

In our commitment to transparency throughout our journey, you may click [here](#) for our most recent EEO-1 filing.

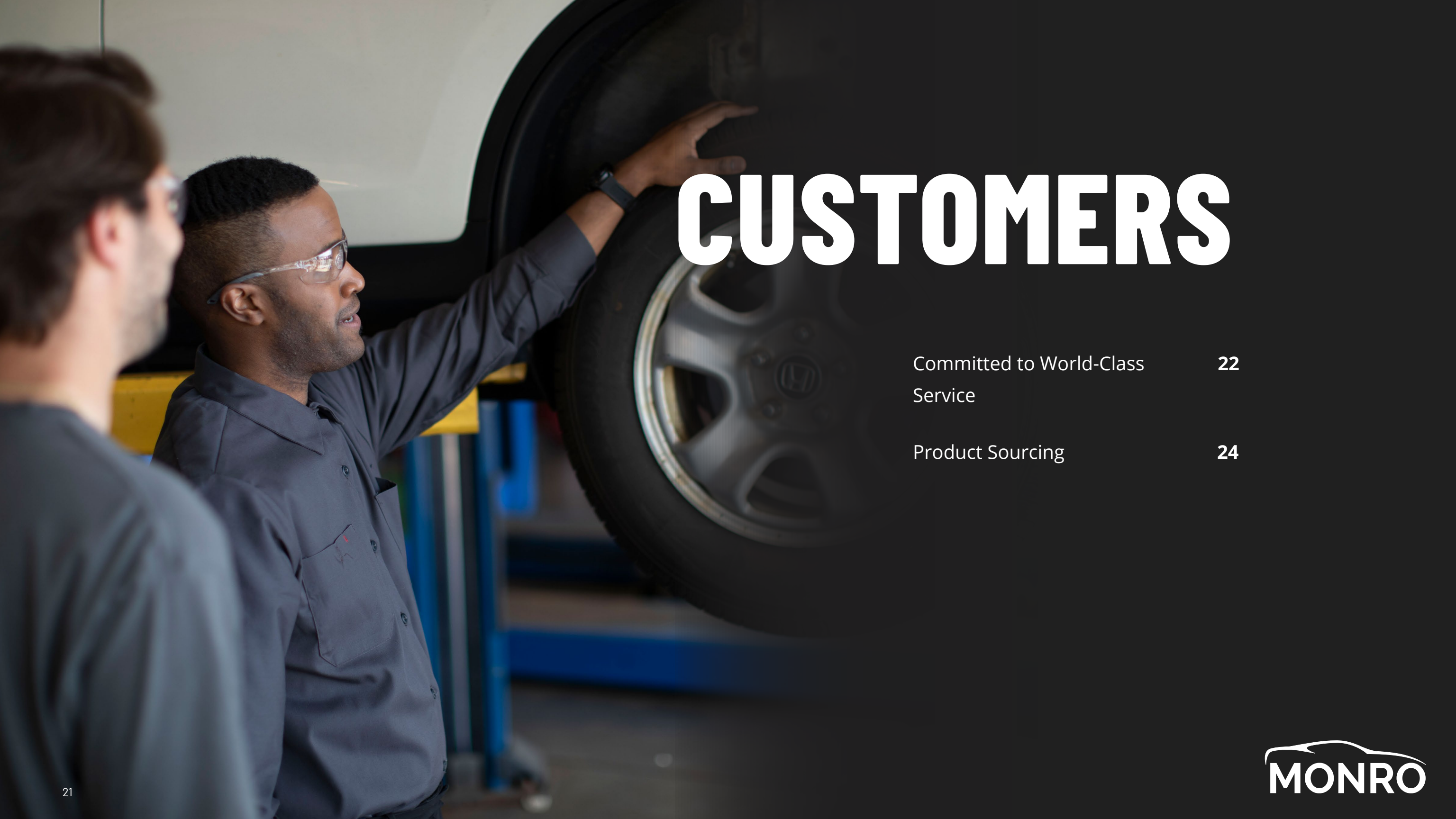


**27%**

of field management are ethnically diverse

**9%**

of field management are women



# CUSTOMERS

Committed to World-Class Service 22

Product Sourcing 24



# COMMITTED TO WORLD-CLASS SERVICE

## KEY ACCOMPLISHMENTS

We value long-term relationship-building with our Guests. Safety and providing an outstanding Guest experience are top priorities for Monro, in addition to convenience, merchandise assortment, transparency, and an attractive price strategy. Aligned with our values of **QUALITY** and **URGENCY**, we have recently implemented a series of initiatives within our Stores to continuously improve the overall experience. These include free check-ups on batteries, increased personalized service, additions to the variety of purchasing options, and the integration of CARFAX information which provides a Guest's vehicle service history and recall information.

We also continue to leverage mobile technology to improve wait times (through online appointments and mobile check-in), remind customers of oil change due dates, and, with our full rollout of smart tablet usage for Technicians, provide increased accuracy of vehicle diagnosis as well as Teammate education and training.

Over the last year, the American Tire Distributors' (ATD) acquisition of our wholesale tire distribution assets has benefitted our customers with improved service times on tires and more real-time delivery. Going forward, Monro and ATD will work together to identify further efficiency savings and service improvements that can maximize our customer experience.

The Monro Playbook continues to provide Store Teammates with a guide to the selling process, operating procedures, and clearly defines their roles and responsibilities to increase service quality and consistency across our Stores. We also conduct quality control audits to ensure accurate pricing and proper sales etiquette is being followed. After acquiring a new location, we incorporate the Monro Way while also integrating the strengths of acquired business.



**4.3/5 stars**

Google customer service rating across all locations

## EXCELLENCE THROUGH GUEST SERVICE AND CALL CENTER TEAMS

With a Guest Services Team average tenure of five years (as of Fiscal Year 2023), and a number of agents within our call center that have been on the team since it opened in October 2021, both teams pride themselves on exceptional service for our Guests. Camilia McKenzie, Head of Customer Service, has worked with Monro for 10 years. During her tenure, she has seen the role expand to what it is now. Camilia leads the team that provides support and listens to feedback from customers.



**“To me, a successful Guest service team is one that receives proper training and works in an environment where their needs are met. This, in turn, helps us provide the best service possible to our Guests. My favorite part of the job is being part of a dynamic team and being empowered to satisfy a Guest who contacts us.”**



## CUSTOMER SUPPORT

We maintain call center and dedicated guest services teams, both with the purpose of increased Guest satisfaction and effective management queries. Representatives prioritize retention as they answer Guest questions, work directly with Stores when needed, and assist with scheduling. Our call center service model has evolved to match our growing customer needs to now include more in-depth support beyond appointment making.

To support these teams, we invest in training to build a knowledge base that then allows them to provide a deeper level of support and immediate resolution to customer needs. Training includes in-store visits, seasonal vehicle needs, and evolving diagnostics of newer vehicles.

As customer service skills continue to evolve as Guest needs change, we aim to ensure that our support staff reflects our customer base and that members are equipped with relevant, bilingual language skills. We also include diversity topics within training sessions to help ensure the inclusive treatment of our Guests. We carefully track details of all incoming calls to further improve our overall service and have created a Teammate recognition program for those that receive specific positive feedback.



## CUSTOMER FEEDBACK

We view feedback as an essential component of our Guest relationships. We partner with a third party to collect feedback on ten critical touchpoints we have with our Guests, collect online Guest reviews, and track them through our call center and guest services teams. The call center and guest services teams are also able to act as a real-time conduit to resolve issues and share recurring trends with Store Managers for resolution.







# PRODUCT SOURCING

Another important part of our long-term Guest relationships is positive experiences long after they leave our Stores. We engage with trusted, top-tier suppliers to provide high-quality products and parts and offer warranties on a substantial number of the products and services we provide.

We are increasing our monitoring of suppliers and have a set of internal standards that must be met before doing business with Monro. We are also excited to launch a formal supplier code of conduct that will be rolled out to our top-tier suppliers in the coming fiscal year. Further work is being done to enhance our assessment process and monitoring strategy, within which we aim to include environmental and social criteria in the future.





# COMMUNITIES

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# GIVING BACK

Monro's history of community support started with our founders, who established a culture of giving back to the community over sixty years ago. This has been part of our DNA since then. We also view our community approach as part of the broader picture of building enhanced lifetime value for our Guests. In Fiscal 2023, we took further steps, led by two senior leaders, to implement our community strategy developed in fiscal year 2022, which included the creation of a Community Impact Committee.



We feel these three pillars get to the heart of issues faced by our communities. This past year, we began the implementation of our new strategy by solidifying our commitment to organizations with a national reach that also have a local touch in the areas we service. This includes considering the expansion of our participation in the United Way #DayofCaring Events that we have supported in Greater Rochester & the Finger Lakes area, as well as food-related organizations whereby we can also involve our Guests, Store Teammates, and vendors/partners.

Over the long-term, the pillars of our strategy will serve as guideposts for each location to then determine what approach and organizations best suit local needs and allow Monro to track impact and accountability over time. Our internal Community Impact Committee is working to implement a long-term roadmap, including the empowerment of senior leaders to lead the formation of a plan for the three pillars while also actively involving our Stores. We look forward to reporting on this progress in next year's report.

A key component of giving back included the creation of a Teammate Assistance Fund (see [page 17](#) for more information).

Our community strategy was created based on the desire to have an overarching Monro approach for our community engagement activities and the desire to embrace the unique needs of the diverse communities we service surrounding our Stores. This is why the development process included input from Teammates across the company. The process culminated into the identification of three pillars for our community engagement efforts:

## COMMUNITY STRATEGY MISSION STATEMENT

**Making a positive impact in the communities where our Teammates and Guests live, work, and raise their families by investing time, talent, and resources in social programs that align with Monro's mission and vision.**



**ECONOMIC AND  
FOOD SECURITY**



**EDUCATION OF YOUTH  
AND FAMILY SERVICES**



**VETERANS'  
SERVICES**

# MAKING A POSITIVE IMPACT

This past year, Monro contributed to our communities in ways such as the continuation of our decades-long support of United Way. United Way has a goal of improving lives by mobilizing people and resources to achieve the common good, helping children succeed in school, assisting parents in finding jobs, and helping more people access quality, affordable health care. We are planning to expand our local support of United Way more nationally.

We also continued our partnership with Junior Achievement of Central Upstate New York that was formed in fiscal year 2022. Alongside other local businesses, we have sponsored a storefront within the Paychex Junior Achievement Discovery Center in Rochester, New York. The Discovery Center will provide students the opportunity to put classroom lessons to the test as they become citizens in a simulated economy and learn about careers, work readiness, financial literacy, and entrepreneurship. The Discovery Center is currently under construction with an opening planned for January 2024.



*“Our community strategy is built on the history of our Founders establishing a strong culture of giving back to the community.”*

*- Michael T. Broderick, President and CEO*





# INVOLVING TEAMMATES

During our community engagement strategy interviews and surveys, it was confirmed that Teammates value volunteering as a way to give back and connect with their local community. Therefore, we are working to build out opportunities for Teammates to be formally involved with Monro's support. This includes executive level Teammates that offer their time and expertise sitting on non-profit boards.

This past year, members of our Store Support Center, along with other local corporate leaders, participated in the annual United Way #DayofCaring — a community-wide volunteer event that takes place across six counties in New York State. In spring 2023, our Information Technology (IT) and Finance teams participated in several community beautification and restoration projects. As part of our national expansion of United Way support, we plan to bring this #DayofCaring to our other local locations.



*“For more than 20 years, Monro has helped advance our work, mobilize resources throughout our communities, and create real opportunities for our neighbors. The generosity of Monro and its employees in giving back to their local communities inspires us. We are incredibly thankful for our continued partnership to make great things happen to strengthen our region.”*

- Jaime Saunders, President & CEO at United Way of Greater Rochester



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# ENVIRONMENTAL IMPACT

Monro recognizes that its operations, as well as the overall lifecycle of the products we use and offer, can have an impact on the environment. We are committed to growing our knowledge, increasing the measurement of our direct and indirect impact, and reporting to stakeholders. Over time, we anticipate that our efforts to limit our impact can decrease costs, create opportunities, and build business resiliency. The primary focus of our current approach includes understanding and taking action to reduce our energy consumption, as well as leveraging partnerships with industry leaders where possible.

Long-term climate change-related impacts on our business, as well as our impacts on climate change, vary by the geography of store locations, as well as the types of services required by our Guests. We consider these factors in our business planning and strategy. Risks include increased frequency of extreme weather events and the potential for rising energy costs. We find opportunities in collaborating with suppliers to improve the overall value chain and in servicing electric vehicles as the transportation sector continues to move towards cleaner options.

We lease approximately 75% of our land and/or building locations and often work with our landlords to make necessary efficiency upgrades. Our direct energy use comes from our Stores, with a very small amount coming from the Store Support Center. Our Stores consist of legacy locations that have been undertaking a rebranding/reimaging process, as well as newly acquired locations that are remodeled in line with the Monro brand.

*“A priority on a clean and healthy environment is better business.”*

*- Michael T. Broderick, President and CEO*

# REDUCING OUR FOOTPRINT

## ENERGY USE AND EFFICIENCY

With approximately 1,300 stores in 32 states, understanding our store-by-store consumption and each of their respective unique challenges is key to our progress in reducing our impact. As part of the changes to our Finance Team’s location and technology systems, we have included utility bill automation in the scope for Stores’ support for later in fiscal year 2024 so that we can more easily track energy usage and trend analysis. This monitoring system, which will be in addition to our current process, will enable more real-time analysis and early investigation where needed, for example, through the installation of control limits where there is excess consumption. This initiative, in addition to other planned ones, will allow us to accurately and efficiently measure our overall energy and emissions footprint and identify focus areas for improvement.

Lighting is the largest source of our energy consumption and an area of focus for Monro. Last year, we set a five-year goal to have 100% LED lights in all Stores owned by Monro for at least one year by fiscal year 2028. As of the end of Fiscal 2023, we are tracking ahead of our goal with 8% of Stores fitted with LED lighting. This progress has been accomplished primarily by upgrading the lighting inside our Stores where needed and installing more energy-efficient signage. In addition to upgrading and replacing lighting, we aim to improve efficiency through the installation of lighting timers for indoor and outdoor lights.

Other energy reduction initiatives within our Stores include:

- ▶ Replacing HVAC units with Energy Star rated units.
- ▶ Cleaning air dryer & air compressor filters and intakes regularly.
- ▶ Monitoring and actively repairing air & water leaks.



**We have a 5-year goal of 100% LED lights in Stores by FY 2028.**

When upgrading or replacing equipment, we also make technology enhancements that improve our Guest and Teammate experience, as well as our environmental impact, such as:

- ▶ Installing “Shockwave” lift technology which reduces energy consumption while increasing operating speed.
- ▶ Upgrading pneumatic overhead lubrication systems that require air and electric inputs with simpler, space-efficient, and cost-effective gravity fed systems.

## RENEWABLE ENERGY

While the source of our energy usage is somewhat dependent on our direct utility contracts, we explore the use of renewable energy sources where possible. We have begun participating in community solar projects where they are offered, such as in some of our locations in New York State and Minnesota, for a total of 135 stores.

## SUPPLY CHAIN

As Guest needs and distribution processes change, we have reduced the number of Monro-owned cars on the road by 68%, with an annualized reduction of 192,480 gallons of fuel consumed. We have reduced our direct footprint without compromising the overall Guest experience by leveraging third-party transportation companies for Guest transportation during maintenance and store-to-store delivery.

In addition, American Tire Distributors’ (ATD) acquisition of our wholesale tire and distribution assets during Fiscal 2023 has allowed Monro to eliminate most of our company-owned trucks and leverage the powerful logistics of ATD’s tire delivery. This allows us to meet Guest demands on a more real-time basis as well as reduce the overall upstream emissions for tire distribution.





# EFFICIENTLY MANAGING WASTE

Monro recognizes the importance of proper management of the by-products of items serviced in our Stores, including what could be considered hazardous waste. We are increasing our dialogue with existing vendors to communicate expectations regarding the end-of-life treatment of items such as tires. As part of this, an ongoing initiative is to include discussions of recycling and materials handling more regularly as a central component of our conversations and negotiations with vendors. We seek to understand their recycling processes and goals and ask for metrics and information on audits, environmental management systems, and certifications such as ISO 14001. Our aim over time is to have full traceability of products after they leave our Stores.

As a leading nationwide operator of retail tires, proper tire disposal is important to us. We maintain relationships with vendors that also prioritize the proper recycling or post-use of tires, and we engage with them within the context of an ESG strategy. Our continued relationship with ATD after the divestiture allows us to increase our tracing and tire recycling capabilities in addition to current recycling vendors. We are currently participating in a pilot recycling program with ATD at over 20 of our Stores.

Items recycled by licensed third-party contractors include antifreeze, used tires, automotive oils, other solvents, and oil filters (even in states where it is not required). Some used automotive parts are returned to the manufacturer and re-built into new parts. We also recycle cardboard and plastic containers at Stores where collection is available, and we have taken steps to encourage single-stream recycling at our Stores.

Furthermore, throughout our approximately 1,300 Stores and within our Store Support Center, we are taking steps forward on our digital transformation journey, which is positively impacting many aspects of our processes and has resulted in a significant paper usage reduction. We expect that this reduced paper commitment will eliminate more than ten million sheets of paper from our internal workflow in the coming year. This is equivalent to 47 tons of paper and 1,120 trees saved.

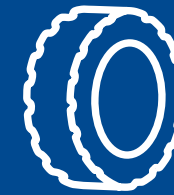
## Recycled Materials at Monro



84,637  
BATTERIES



343 TONS  
OF CARDBOARD



3.3  
MILLION  
TIRES



2.2  
MILLION  
GALLONS  
OF OIL

### TIRE RECYCLING

Given the large number of tires we replace for our customers every year, we are working to play our part in helping make sure the next step after the old ones leave our Stores is traceable and responsible. Working together with our vendors and partners, we look for ways to make the storage and transport efficient and that the recycling is part of the lifecycle that can maximize future use, safely. Over the last three years we have recycled over 10 million tires, preventing them from entering landfills.



**"This is an important work in progress for the industry, and we look forward to continuing the journey along with our Guests and business partners."**

- Jack Heisman, Vice President — Business Development and Real Estate

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# DATA TABLE

ESG PILLAR	DATA ITEM	FY2023	FY2022	FY2021
INTRODUCTION	Number of stores	1299	1304	1,290+
	Number of states	32	32	32
	Number of brands	9	9+	10+
GOVERNANCE	Number of Board Members	9	9	9
	Percentage of independent Board members	89%	89%	89%
	Average Board tenure	13 years	16 years	15 years
	Percentage of Board gender diversity	33%	22%	22%
	Percentage of Board ethnic diversity	11%	11%	0%
	Number of Board LGBTQ+ members	1	1	1
	Workers compensation frequency claim rate	1.54	1.51*	1.69*
TEAMMATES - DIVERSITY, EQUITY & INCLUSION	Percentage of field management that are ethnically diverse	27%	22%	22%
	Percentage of field management that are women	9%	6%	6%
	Workforce gender	7%	6%	5%
	Workforce ethnicity	33%	31%	26%

\*Numbers have been updated since last year's report due to factors such as late claims

# DATA TABLE (Cont'd)

ESG PILLAR	DATA ITEM	FY2023	FY2022	FY2021
TEAMMATES - DEI	Leadership gender	31%	33%	25%
	Leadership ethnicity	15%	20%	0%
TEAMMATES - DEVELOPMENT	Number of training hours	84,637	51,826	59,845
	Number of Monro U courses	6,226	5,157	3,472
CUSTOMERS	Customer satisfaction rating	Google star rating 4.3/5 stars	Google star rating 4.4/5 stars	Google star rating 4.6/5 stars
	Percentage energy use from stores	~100%	97%	90%
ENVIRONMENT	Approximate percentage land and/or buildings leased	75%	75%	75%
	Percentage of stores fitted with LED lighting	8%	~1%	<1%
	Metric tons of CO <sub>2</sub> avoided through closed-loop recycling for used oil and solvents	Currently under evaluation. Our vendor is currently re-evaluating the methodology and process for calculating emissions saved from our oil recycling.		
	Percentage of used oil and anti-freeze collected and recycled	100%	100%	100%
	Number of gallons of oil recycled	2.2 million	2.6 million	2.5 million
	Number of tires recycled	3.3 million	3.4 million	3.3 million
	Number of batteries recycled	84,637	78,000	73,000
	Amount of cardboard recycled	343 tons	316 tons	316 tons

# GOALS SUMMARY

TOPIC	GOAL	TIME FRAME	ESG REPORT PAGE #
Safety	30% reduction in workers' compensation frequency claim rate	5-year (fiscal year 2023-2027)	<a href="#">15</a>
Environment	100% LED lights in Stores	5-year (end of fiscal year 2027—for all Stores open for at least one fiscal year)	<a href="#">30</a>

# SASB TABLE

Below is relevant information from our report mapped to metrics within both the Multiline & Specialty Retailers and Auto Parts of the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) metrics. We continue to evaluate additional metrics for disclosure in future years.

TOPIC	ACCOUNTING METRIC	CODE	MONRO RESPONSE	ESG REPORT PAGE #
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	Our data privacy and security approach includes multiple layers of cybersecurity tools, processes and systems. We also regularly conduct comprehensive cybersecurity risk assessments and scenario testing.	<a href="#">12</a>
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	<p>FY2023: Percentage of field management that are women: 9%                      Percentage of ethnic diversity within field management: 27%</p> <p>We are taking action to increase the focus on our diversity efforts and are committed to making continuous progress.</p> <p>In further commitment to transparency, please click <a href="#">here</a> for our most recent EEO-1 filing.</p>	<a href="#">20</a>
Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	With the recent sale of our distribution business we will re-evaluate the future impact and approach to packaging of items we receive as we service our customers' vehicles.	N/A
Materials Efficiency	Percentage of products sold that are recyclable	TR-AP-440b.1	<p>We include discussions of recycling and materials handling more regularly as a component of our conversations and negotiations with vendors.</p> <p>Items recycled by licensed third party contractors include antifreeze, used tires, automotive oils, other solvents and oil filters (even in states where it is not required). Some used automotive parts are returned to the manufacturer and are re-built into new parts. We also recycle cardboard and plastic containers at store sites for which collection is available.</p>	<a href="#">32</a>

# FORWARD-LOOKING STATEMENTS

Certain statements in this report, other than statements of historical fact, and including statements regarding the Company's Environmental, Social and Governance initiatives, objectives, programs, and business plans are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Monro has identified some of these forward-looking statements with words such as "aims," "goal," "objective," "seek," "strive," "vision," "would," "committed to," "anticipates," "believes," "expects," "estimates," "projects," "may," "will," "should," and the negative of these words or other comparable terminology. These forward-looking statements are based on Monro's current expectations, estimates, projections, and assumptions as of the date such statements are made, and are subject to risks, challenges, and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements, including Monro's ability to achieve its environmental, social, and governance goals. Additional information regarding these risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our most recently filed periodic reports on Forms 10-K and Form 10-Q, which are available on Monro's website at <https://corporate.monro.com/investors/financials/sec-filings/>. Monro assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.



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