



STEWARDS OF LIFE OUT HERE™

2023 Stewardship Tear Sheet



A Message from Hal Lawton

To our stakeholders,

In 2023, Tractor Supply celebrated our milestone 85th anniversary. Since our founding in 1938, we have been a growth company with a clear purpose – to serve Life Out Here. Over the years, we have operated in all types of economic conditions, while embracing innovation and adapting to changing times. Our purpose has endured, with our Mission and Values serving as a firm foundation. Life Out Here not only represents a lifestyle, but a way of life. We remain steadfast in our commitment to preserve and protect that way of life and our planet as we continue to evolve and grow.

We are proud of the progress that is reflected in our 2023 Stewards of Life Out Here Tear Sheet. Some of our achievements include:

- Announced our commitment to set a science-based target to reduce carbon emissions, in line with the Science Based Targets initiative (SBTi). Tractor Supply is in the process of developing a science-based target, which will be submitted to and approved by SBTi. In parallel with reductions of carbon emissions in our internal operations, we are working to reduce our Scope 3 emissions by engaging with our suppliers to reduce their emissions.
- Made significant progress toward our ambitious three-year water conservation goal to conserve 25 million gallons of water by the end of 2025. Over the past two years, we have planted approximately 68,000 trees, restored over 470 acres of riverbank landscape and conserved more than 10 million gallons of water through partnerships with Ducks Unlimited and Trout Unlimited.
- 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.
- Opened our first distribution center built to LEED Gold certification standards and completed construction on another built to these exacting standards. Combined, these two distribution centers are more than 2.1 million enclosed square feet. Both facilities can offset 100% of electricity requirements with renewable energy, thanks to their rooftop arrays of more than 20,000 solar panels capable of producing 10 megawatts of electricity per year.
- Recognized for the fifth year in a row as a SmartWay® High Performer for the sustainability of our freight and shipping operations.
- Issued our fourth 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, including certification from Great Place to Work for the fourth consecutive year and inclusion in the Bloomberg Gender Equality Index for the third consecutive year, alongside acknowledgement on lists including Fortune's Best Workplaces in Retail™, Forbes' Best Employers for Women, Newsweek's America's Greatest Workplaces and ComputerWorld's Best Places to Work in IT.
- Earned a 95% score on the Human Rights Campaign Equality Index.
- Donated nearly \$16 million to the communities we call home as we continued to show our appreciation for our customers and their passions. We welcomed the first class of FFA Future Leaders scholars as part of the Tractor Supply Foundation's five-year, \$5 million commitment, representing the largest agricultural scholarship of its kind.

Our commitment to our stakeholders—Team Members, customers, vendors, supply chain partners, communities 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. We invite you to explore this report and share in our dedication to making a positive environmental and social impact as we serve Life Out Here.

On behalf of more than 50,000 Tractor Supply Team Members, we appreciate your ongoing support and look forward to the next steps in our journey as Stewards 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, the United Nations Sustainable Development Goals (UN SDGs) and was informed by the Global Reporting Initiative (GRI). This document covers the period January 1, 2023 through December 31, 2023, unless otherwise noted.



About Tractor Supply

Tractor Supply Company is the largest rural lifestyle retailer in the United States, ranking 291 on the 2023 Fortune 500. For 85 years, the company has been passionate about serving the needs of recreational farmers, ranchers, homeowners, gardeners, pet enthusiasts and all those who enjoy living Life Out Here.

The Company's more than 50,000 Team Members are known for delivering legendary service and helping customers pursue their passions, whether that means being closer to the land, taking care of animals or living a hands-on, DIY lifestyle. In store and online, Tractor Supply provides what customers need – anytime, anywhere, any way they choose at the low prices they deserve. On December 30, 2023, the Company operated 2,216 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 30, 2023, the Company operated 198 Petsense stores in 23 states. For more information on Petsense, visit www.Petsense.com.

Financial Performance Highlights



Net Sales

\$14.6B (+2.5%)



Capital returned to shareholders

\$1.05B



Comparable Store Sales

Flat



Sales from Neighbor's Club Members

77%



Diluted EPS Growth

3.9%



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 with legendary service. 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	2023	2022	2021
Number of: (1) retail locations and (2) distribution centers SASB: CG-MR-000.A	2,216 Tractor Supply stores, 198 Petsense stores and 9 Distribution Centers.	2,066 Tractor Supply stores, 186 Petsense stores and 8 Distribution Centers.	2,003 Tractor Supply stores, 178 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: 53,981,938 square feet Tractor Supply Stores Total Building Square Feet: 52,782,598 Petsense Total Building Square Feet: 1,199,340 (2) Distribution Centers Square Feet: 6,634,000	(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: 6,043,000	(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: 6,102,000
	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 1,960	Total Tier 1 suppliers were 1,980	Total Tier 1 suppliers were 1,870
Employees (FTE)	25,000	25,000	22,000
Net Sales (\$mm)	\$14,556	\$14,205	\$12,730



Environment

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



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Policies

Please see our [Environmental Policy](#).

Greenhouse Gas Emissions (MTCO_{2e})*

*Data rounded to nearest thousand unless otherwise noted.

Topic	2023	2022 ¹	2021
Scope 1	87,000	70,000	68,000
Scope 2 location-based	208,000	185,000	168,000
Scope 2 market-based	175,000	149,000	168,000
Emissions intensity (Scope 1 and 2 MTCO _{2e} /1,000 Cal. Norm Sq Ft)	4.35	3.90	4.40
Emissions intensity (Scope 1 and 2 MTCO _{2e} /Total Revenue (millions))	18.00	15.40	18.60
Scope 3 Purchased goods and services	7,682,000	7,262,000*	7,845,000
Scope 3 Capital goods	137,000	151,000	132,000
Scope 3 Fuel-and-energy-related activities (not included in Scope 1 or 2)	58,000	74,000	72,000
Scope 3 Upstream transportation and distribution	385,000	301,000	267,000
Scope 3 Waste generated in operations	82,000	54,000	51,000
Scope 3 Business travel	8,000	9,000	7,000
Scope 3 Employee commuting	115,000	118,000	93,000
Scope 3 Downstream transportation and distribution	1,000	0	3,000*
Scope 3 Use of sold products	13,800,000	17,800,000*	18,100,000
Scope 3 End of life treatment of sold products	873,000	886,000*	1,100,000

¹2022 Scope 3 GHG emissions are restated based on methodological improvements implemented in 2023.

*Indicates value has been restated.

Energy and GHG Emissions Reduction Efforts

Tractor Supply shares in the common belief with our customers that we must be good stewards of the land and our natural resources so that future generations can enjoy the benefits that we enjoy today. This desire to protect natural resources for our children and grandchildren is what drives our commitment to mitigating our impact on climate change and reducing our carbon footprint.

In 2021, we set decarbonization goals to reduce absolute emissions from our operational footprint. While these goals were an important first step, we have come to believe that setting a carbon reduction goal in alignment with Science Based Targets initiative (SBTi) criteria will create a reduction pathway that enables future generations to steward the land for years to come.

In late 2023, we sent our letter of commitment to SBTi, outlining our intention to set a science-based target. This new target, once approved by SBTi, will replace existing emissions targets, cover all three scopes, and hold us accountable for more meaningful reductions.

We continued to invest in capital projects in 2023 to increase the energy efficiency of our operations and become energy independent using clean energy technologies such as solar. Energy efficiency projects included LED lighting retrofits at distribution centers and designated Tractor Supply stores and Petsense stores. Becoming energy independent is discussed below under Renewable Energy Strategy.

We understand the importance of managing our Scope 3 emissions and continue to work to refine that part of our greenhouse gas (GHG) emissions inventory. Again in 2023, we actively engaged with suppliers by communicating our climate goals and expectations, and through surveys using an engagement tool. Supplier responses continue to 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.



In 2023, we submitted our letter of commitment to the Science Based Target initiative (SBTi) outlining our intent to set a science-based target.

Energy Management in Retail and Distribution

Topic	2023 ³	2022	2021
Total energy consumed (gigajoules)	3,247,000	3,010,906	2,830,779
Tractor Supply	3,161,000	2,929,088	2,742,854
Petsense	86,000	81,818	87,926
Percentage grid electricity (%)	46.7%	45.1%	51.1%
Percentage renewables (%)	12.3%	12.5%	6.8%

SASB: CG-MR-130a.1

Energy derived from renewables refers to renewable energy specifically contracted by Tractor Supply either in a purchase or operation of solar, geothermal, etc.

³Retail store square footage increased 9.7% in 2023.

Renewable Energy Strategy

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

In 2023, we continued to strategically invest in renewable energy technologies, procure eGreen Certified renewable energy credits and install energy-efficient technologies across our operations.

Our efforts to procure green energy have been recognized by the U.S. EPA, which named Tractor Supply a Top 30 Retail Green Power Partner.

We know renewable energy technologies will be important as we future proof our operations from the effects of climate change. We opened our ninth distribution center in Navarre, Ohio, on January 18, 2023. This distribution center is the first Tractor Supply facility built to LEED Gold standards. It features a rooftop solar array consisting of more than 10,000 solar panels that will produce five megawatts of electricity per year, which is enough energy to power the electricity needs of the building as well as electric yard trucks and electric forklifts used to move inventory. In 2023, the Company continued construction of our 10th distribution center in Maumelle, Arkansas. This new facility will include many of the same sustainable attributes found in the Navarre distribution center, including a large solar array and construction to LEED Gold standards.



For the fifth consecutive 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. In 2022, it became a requirement that new carriers for Tractor Supply become SmartWay-certified. We are proud to say that 100% of Tractor Supply’s carriers are now 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. This realignment improved service to stores and reduced stem miles and over-the road emissions, in addition to saving 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	2023	2022	2021
Total water withdrawn (cubic meters)	1,318,759	1,307,432	1,104,373
Water withdrawn per employee (cubic meters)	26.22	26.15	24.10
Tractor Supply (cubic meters)	1,258,571	1,264,165	1,067,956
Petsense (cubic meters)	60,188	43,267	36,417

Water Use Reduction Efforts

We are committed to our water conservation goal of conserving 25 million gallons of water by 2025. Through operational improvements and partnerships with Ducks Unlimited and Trout Unlimited, we have already begun to make significant progress towards achieving our goal. These partnerships are designed to make a positive impact on nature by supporting work to restore sensitive habitats that are so important to Life Out Here. This commitment, in addition to our climate pledge, reinforces Tractor Supply's vision that a healthy environment, responsibly managed resources and vibrant communities are key to a secure and prosperous future.



In partnership with Ducks Unlimited and Trout Unlimited, we made progress against our goal to conserve 25 million gallons of water by 2025. Over the past two years, we have planted approximately 68,000 trees, restored over 470 acres of riverbank landscape and conserved more than 10 million gallons of water through these partnerships.

While we continue to grow customer offerings to include self-serve pet washing stations at Tractor Supply stores, grooming services at Petsense stores and garden centers at a limited number of Tractor Supply stores, we have several companywide initiatives to reduce our water usage. These include the use of low-flow fixtures, which require 25% less water than regular flow fixtures. When we find 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.

Waste and Recycling

Topic	2023	2022	2021
Recycling			
Battery (number)	391,736	274,500	392,000
Used Oil (gallons)	114,931	103,361	99,900
Cardboard (tons)	20,456	27,676	32,610
Wood Pallet (number)	4.5 million	4.2 million	4.3 million

Solid Waste

Solid waste is produced as part of our normal business operations. We work with a third party for disposal and recycling efforts, ensuring the provider adheres to 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.

Recycling

We have implemented initiatives designed to support the circular economy through recycling plastics, cardboard and other valuable materials, as well as customer-facing programs for used oil and battery recycling in-store. In 2023, we revamped our in-store signage to better promote our used oil recycling program with customers. We also created a dedicated landing page on our website with helpful information about recycling used oil. This landing page is cross-promoted via a QR code on in-store signage. As shown in the table above, this has already resulted in more than a 10% increase in collections year-over-year in-store. This is just one of many ways we're working to conserve resources through recycling to protect and steward Life Out Here for all full-time and certain part-time Team Members.

We also believe using less materials prevents the generation of waste in the first place. Our distribution center teams rolled out a new 300% stretch shrink wrap initiative. By using a film that stretches by 300% versus 200%, we were able to get a much better force-load on the pallet, making unloading easier and safer for Team Members. Distribution centers also used less plastic shrink wrap—about 100 tons less.



Less plastic purchased means less plastic for stores to handle, less plastic in our dumpsters and less plastic in landfills – making it a true triple-bottom-line win for people, profit and planet.

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 responsibly 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 or recycling of waste managed through this program.



Product Sourcing, Packaging and Marketing

Topic

Revenue from products third-party certified to environmental and/or social sustainability standards

SASB: CG-MR-410a.1

Tractor Supply does not currently track this data.

Discussion of process to assess and manage risks or hazards associated with chemicals in products.

SASB: CG-MR-410a.2

SASB: CG-AA-250a.2

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:

Star Level 1: “Must Do”

These are the federal and state laws that would be considered regulatory requirements such as CPSIA, CFR tests, tests related to recalls, etc.

Star Level 2: “Should Do”

These are tests that are considered industry best practice. These tests may be conducted to ensure that products meet customer expectations for safety and functionality. If Tractor Supply is the importer of record, we require all products to be tested at a certified third-party laboratory for functionality, quality and compliance with federal and state regulations. Products are also 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.

Discussion of strategies to reduce the environmental impact of packaging.

SASB: CG-MR-410a.3

Tractor Supply supports the use of safe and sustainable materials in our product packaging. Suppliers are required to make every effort to use recyclable, compostable or biodegradable packaging component materials.

Rigid PVC plastics are not a preferred component in our packaging programs based on recoverability, and alternative solutions are required whenever possible. Minimizing our packaging footprint is very important to us and we are evaluating programs and practices to help further reduce this footprint.



Social

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



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Policies

Topic	
Equal employment policy	At Tractor Supply, we strive to nurture a diverse workforce that reflects the communities we serve. 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, page 8 .

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion Program

Tractor Supply is an 85-year-old business that is deeply rooted in its Mission and Values. Our values guide us in how we treat each other as Team Members and how we create a welcoming environment for everyone we serve, including each other, our customers and our communities. We are committed to providing a diverse, equitable and inclusive culture where we respectfully foster different perspectives, ideas and innovative thinking. By focusing on our Team Members first, we know our customers and communities will be well-served.

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. Our progress to date is as follows:

✓ Team Member Representation

- Double the number of stores where Team Members mirror the communities we serve.
 - 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 are on track to meet our 2026 goal.

The foundation of our DE&I strategy is to provide a welcoming environment and 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 that the executive committee has embedded into their respective business units.

The DE&I pillars include:

✓ 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 serve

✓ Suppliers

- Establish a program to monitor and expand diverse supplier relationships. Ensure our suppliers share our values and respect for human rights

Supported by a commitment to foster a culture of inclusion and belonging, we've established 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 representing the diverse perspectives of all Team Members.

Our resource groups include:



Topic

Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management and (c) all other employees

SASB: CG-MR-330a.1

	Officers	Directors	Managers	All other Team Members	Total Team Members
Female	24.6%	29.7%	39.5%	49.7%	48.9%
Male	73.8%	69.1%	59.9%	49.6%	50.5%
Minority	6.2%	10.6%	12.5%	17.9%	17.5%

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 \$208,933

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 and Retention

Team Member Engagement Efforts



Tractor Supply is a Great Place to Work Certified company for the fourth consecutive year in 2023.

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

- 1 Overall job satisfaction**
- 2 Intent to remain employed**
- 3 Likelihood to recommend TSC as a great place to work**
- 4 Personally committed**
- 5 Energized at work**

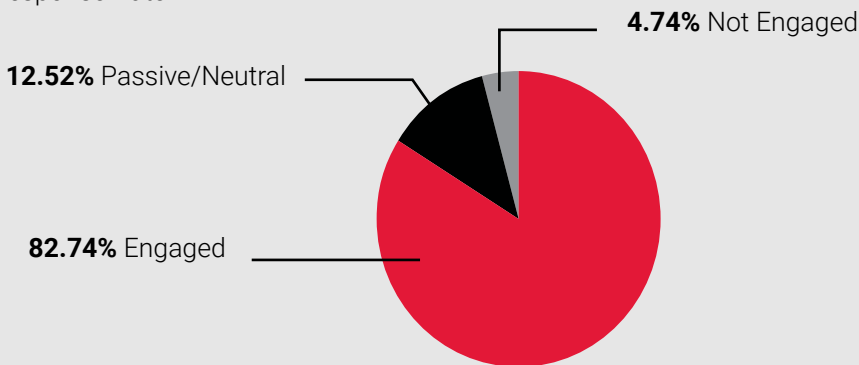
Once feedback has been thoroughly evaluated, leaders cascade results to their department Team Members where they create action plans for the year.

2023 Annual Engagement Survey Results

2023 Tractor Supply and Petsense Combined

Total Responses: 42,054

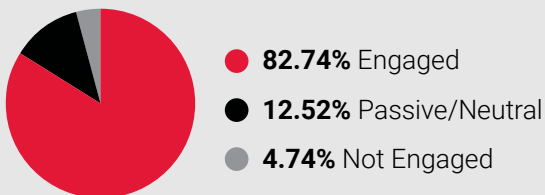
91% Response Rate



2023 Tractor Supply Only

Total Responses: 40,709

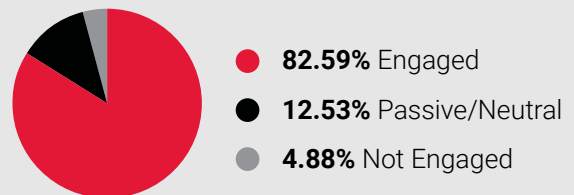
91% Response Rate



2023 Petsense Only

Total Responses: 1,345

91% Response Rate



Benefits

We also engage Team Members by offering competitive benefits. Tractor Supply's financial benefit offerings include an Employee Stock Purchase Plan that is available to all full-time and certain part-time Team Members. Participants are able to buy stock at a 15% discount. We also offer a 15% merchandise discount to all Team Members and a 401(k) match to all Team Members after one year of service. In 2023, we increased our tuition reimbursement maximum to \$5,250 and included professional certifications as reimbursable up to \$2,500 annually, as well as eliminating the six-month waiting period for all full-time and certain part-time Team Members.

Tractor Supply introduced several enhancements to our physical and mental wellbeing benefits offerings in 2023. These included adding a fourth medical plan, giving Team Members more choices; capping the copays for certain insulins; adding a cancer support program through Access Hope; and enhancing our gender dysphoria benefits to align with HRC guidelines. We also added alcohol and opioid addiction services through Quit Genius, enhanced our Livongo partnership with pre-diabetes and hypertension programs and rolled out a newly updated employee assistance program (EAP) with our partner, CuraLinc. Additionally, we included flexible paid time off in our benefit offerings for Team Members to recharge as needed.

All full-time Team Members are eligible to participate in our benefits and wellbeing programs, while part-time Team Members must average 10 hours per week to qualify. Starting in 2024, part-time Team Members must average 15 hours per week to qualify.

Talent Development

Team Member Recruitment

Our success begins with our most important strategic asset, our Team Members. We recruit individuals from a variety of diverse talent pools to provide the Company with a breadth of experience and perspective. In 2023, our Early Talent Program (Interns and Rotation Programs) began pulling demographic data from our college and university partnerships to understand if their programs were mirroring our DE&I efforts and goals for early talent. We utilize this data to establish early talent benchmarks and identify organizations for partnership opportunities. Additionally, we created a diversity recruitment plan that focuses on partnerships with identified organizations like the [1890 Universities Foundation](#) and [MANRRS](#). This summer we also sponsored and participated in the University of Tennessee's first Minority Supply Chain Camp for high school seniors pursuing a Supply Chain degree.

We continue to partner with local community organizations as we recruit for both our distribution centers and Store Support Center. Some of these include MANRRS, Out and Equal, Blacks In Tech, Conexion Americas and Fort Campbell for military recruitment.

For specific stores needing more diverse representation, we identified local organizations and events to drive applicant flow. Training materials were created for those select stores that focused on the importance and business benefits of a diverse workforce as well as interview best practices. We also created guides on how to select community partners that would mutually benefit the store and/or district.

In 2023, we awarded nearly 150 scholarships through Future Farmers of America (FFA) to students attending community colleges, trade schools and four-year colleges. Our scholarship program helps us attract a broad range of students to be potential future leaders at Tractor Supply. More information about our scholarship program is detailed in the Community Involvement section of this report.

Alongside these efforts, we partner with Direct Employers to ensure our job postings are listed on niche sites that have diverse representation within their audience and subscribers. We utilize diverse visual representation and storytelling when building employment brand and recruitment marketing materials for our WorkAtTractor Instagram page and other social sites, and we rotate a variety of images and reels that demonstrate the diversity of our workforce at stores, distribution centers and the Store Support Center.

Team Member Training

We strive to cultivate a legendary learning environment at Tractor Supply. We cultivate development opportunities and experiences for all Team Members to ensure they feel equipped to be a star, grow their careers and develop as professionals and leaders, while feeling a sense of belonging and inclusion. In 2023, we navigated a dynamic landscape and delivered new talent development programs that not only aligned with our Life Out Here and Go the Country Mile strategies, but also yielded excellent results.

Tractor Supply conducted approximately 836,000 hours of training for our Team Members in 2023, averaging 16.5 training hours per Team Member, an increase from 16.2 hours in 2022.

We have a robust portfolio of more than 75 learning and development programs that provide a variety of development opportunities for Team Members, from those on the front line to executives. In 2023, we advanced our learning and development initiatives through refining existing programs and cultivating new ones to grow the skillsets of our valued Team Members. These opportunities include in-person workshops, virtual instructor-led learning and on demand e-learning.

In 2023, we increased programming for our executive talent by bringing a new, modern and collaborative approach to leadership development. The Leadership Acceleration Forum is a self-nominated, four-month long program for Director and above level Team Members. We also developed the Aspiring Leader program, a nomination-based program designed to help our early career leaders learn foundational leadership skills. We launched and proudly graduated our first class from TSC Leadership EDGE, which is a nomination-based program for our high potential Director and above talent. The second cohort of TSC Leadership EDGE launched in August. Additionally, we offered leadership and career development for our District Managers through assessments, career coaching workshops and on-demand leadership programs.

At our distribution centers, we launched two new “Legendary Leadership” programs for supervisors and introduced a new Situational Leadership program for our Operations Managers. We brought close to 500 new Store Managers and Leaders to our Store Support Center for our Leadership Fundamentals program, with a mix of Executive Committee and Store Support Center Team Members in attendance, facilitated by our Talent and Leadership Development team.

We take pride in our training and development programs and ensure all of our Store Team Members are provided with product knowledge, sales and service training monthly to best serve our customers. In light of our efforts, Tractor Supply was recognized with a Chief Learning Officer “Learning in Practice” award for our Propane Certification training program.

This is just a small sample of the investments we are making in cultivating our legendary learning environment. As we evolve our learning strategy and curriculum, we continuously track participants and satisfaction in our talent development programs. We’ve experienced an increase in learners year over year and satisfaction rates steadily above 95% for the majority of our programs. If a program does not meet this threshold quality level, we determine an action plan for its improvement or replacement.

Talent Development Audience	Total Hours of Training
Stores	697,000
Store Support Center	38,600
Distribution Centers	100,500

Topic

(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region

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	\$16.72	42,108	0	0.0%
Petsense	\$16.07	1,620	0	0.0%
Distribution Centers	\$22.58	4,606	0	0.0%
Total Company	\$17.26	48,334	0	0.0%

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

SASB: CG-MR-310a.2

2023 Tractor Supply Only: Voluntary Turnover Rate – 73.7%

2023 Tractor Supply Only: Involuntary Turnover Rate – 7.3%

**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

\$1,904.40



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

- (1) 100%
- (2) Not disclosed
- (3) 100%

Tractor Supply Company contracts with a leading provider of supply chain compliance solutions with on-the-ground presence in over 100 countries to conduct our social and security audits. These 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 an audit.

Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits.

SASB: CG-AA-430b.2

We had a total of **288** Social Audits, with an average score of **89%**.

2023 Social Audit Results were:

275 Green: 95%
 0 Yellow: 0%
 13 Red: 5%

We had a total of **295** Security Audits, with an average score of **85%**.

2023 Security Audit Results were:

287 Green: 97%
 5 Yellow: 2%
 3 Red: 1%

The above charts reflect 16 red (failing) scores. After successfully completing corrective action plans, 16 factories achieved a green (passing) score.

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.

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

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

Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain

SASB: CG-AA-430b.3

Tractor Supply has identified the following environmental and social risks in its supply chain:

Working Hours and Wages: These risks include the potential for violations of wage and hour laws and regulations.

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.

Health and 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.

Community Involvement

Charitable Giving & Communities

Tractor Supply is proud to support Life Out Here. Our mission to work hard, have fun and make money underlines our commitment to giving back to the communities we serve and making a difference. To ensure we are helping the people we care most about – our Team Members and customers– we focus our corporate giving on four areas:

- **Agriculture Education for Youth**
- **Preserving Land and Clean Water for Future Generations**
- **Caring for Companion Pets and Animals**
- **Being a Good Neighbor in the Places We Call Home**

In 2023 we contributed nearly \$16 million in charitable donations through direct giving, sponsorships, fundraisers and more.

Agriculture Education Highlight



4-H

\$20 million raised since 2010 through the Paper Clover Campaign

Nearly \$2.1 million
raised in 2023



FFA

Over \$22 million raised since partnership began in 1985

Over \$2.7 million
raised in 2023

In 2022, Tractor Supply announced a \$5 million scholarship program through FFA. The Future Leaders Scholarship is for students attending trade schools, community colleges and four-year universities in any field or trade related to the rural lifestyle or agriculture. Each year for five years, Tractor Supply will commit \$1 million to the fund, making it the largest scholarship of its kind.



Scholarships were awarded in 2023 to the inaugural class of scholars which consisted of 92 students going to community colleges or trade schools and 54 students going to a four-year college or university.

We strive to take care of the communities and individuals we serve. In 2023, we provided support through our Foundation to communities impacted by natural disasters to bring relief to areas in need.



Governance

8 DECENT WORK AND ECONOMIC GROWTH



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



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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 and 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 2022 Conflict Minerals Report .

Political Contributions/Lobbying Expenditures

Please see our [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 2023 was approximately \$700,000, of which roughly 35% was used for nondeductible lobbying and political expenditures based on information obtained from these organizations. The total payments to these organizations represented less than one percent of the Company's fiscal 2023 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](#).

Listed below are trade and industry associations to which Tractor Supply paid \$10,000 or more in membership dues or other payments in 2023:

National Retail Federation \$77,500	Nashville Chamber of Commerce \$60,000	California Retail Association \$50,000
Retail Industry Leaders Association \$65,000	U.S. Chamber \$20,000	Florida Retail Federation \$10,000
Williamson, Inc. (Williamson County Chamber of Commerce) \$50,000	Retail Council of New York \$10,000	Business Roundtable \$300,000

Data Security

Topic

Description of approach to identifying and addressing data security risks

SASB: CG-MR-230a.1

Data Security and Privacy Value Statement

Technology has touched nearly every aspect of how we live, work and shop. Informed by data, technology enables Tractor Supply Team Members to deliver legendary yet modern customer experiences both in-store and online.

Protecting technology and data from today's pervasive threats is the mission of the Information Security and Privacy teams. Tractor Supply's [Privacy Policy](#) describes how and why we collect, use and share data on behalf of our customers and Team Members. It also [offers options](#) to influence how we use and retain customers' information, including providing the right to access, rectify and delete their data.

Governance

Our Information Security and Privacy programs are designed to manage risk, maintain strong security aligned with threats, respond effectively to incidents and recover quickly. To accomplish these goals, Tractor Supply uses cybersecurity and privacy frameworks, including those from the National Institute of Standards and Technology (NIST).

Our Information Security Governance Council meets quarterly to review and approve the strategy, priorities and investments. Tractor Supply's executive leadership and Board of Directors are regularly briefed on active and emerging threats and efforts to strengthen defenses against them. Tractor Supply's Audit Committee provides oversight of the cybersecurity and privacy programs.

We regularly engage independent third-party experts to assess the effectiveness of our cybersecurity and privacy programs. In addition, we receive annually an attestation of compliance with the Payment Card Industry Data Security Standard.

Data Security

Topic

Description of approach to identifying and addressing data security risks

SASB: CG-MR-230a.1

Vendor Security

Tractor Supply's vendors are contractually obligated to meet our requirements to enforce data security and privacy controls. We conduct risk assessments of third-party vendors who provide Tractor Supply with important technology or services through our Third-Party Risk Management program. These risk assessments consider security policies and procedures to protect sensitive data, among other risk indicators.

Business Continuity

We regularly test our incident and crisis response procedures. These are designed to help us recover rapidly from a cyber incident. All Tractor Supply business units have business continuity plans that are regularly tested.

Awareness

Our security awareness program seeks to create a culture of shared responsibility for the security of sensitive data and systems. We train all Team Members each year on data security so they know their role in protecting our customers and our company. Periodic testing ensures the training is effective.

(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected.

SASB: CG-MR-230a.2

Tractor Supply has not experienced a reportable data breach.

Corporate Governance Best Practices

As of April 2024

Board Nominee Composition

58

Average Director Age

6

Average Tenure in Years



89%

Independent



44%

Female



33%

Ethnic Minorities



100%

Standing Board Committee membership independence



Shareholder Engagement

We place a high priority on proactive and consistent engagement with our shareholders to better understand their perspectives on Tractor Supply and the broader market. Throughout 2023, we reached out to shareholders representing more than 40% of our outstanding shares to engage on a broad range of ESG-related topics, including:

- **Board and committee oversight of ESG matters**
- **Integration of our ESG strategy, Stewards of Life Out Here, into every aspect of our business strategy**
- **Human capital management, including DE&I and how we have invested in our team and progressed in our DE&I goals**
- **Sustainability and ESG matters within our supply chain**
- **Environmental topics, such as our net zero goals, strategic partnerships and carbon emissions**

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 to promote Board refreshment
- Independent Chairman of the Board
- 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



TRACTOR SUPPLY CO[®]



TSC TRACTOR SUPPLY CO[®]

5401 Virginia Way

Brentwood, TN 37027

investorrelations@tractorsupply.com

(615) 440-4000

tractorsupply.com