



TSC Climate Announcement

Fact Sheet

On September 23, 2021, Tractor Supply Company announced goals to reduce our carbon footprint and achieve net zero emissions across all operations by 2040. At the same time, the Company announced our 5-year Diversity, Equity and Inclusion Goals. These commitments to climate and society reinforce Tractor Supply's vision that a healthy environment, properly managed resources and vibrant communities are keys to a secure and prosperous future.



"Tractor Supply is proud to be a retail leader in addressing climate change; we are uniquely positioned to contribute to building a regenerative future through our commitment to helping farmers, ranchers and all those who enjoy living the rural lifestyle across the US succeed in their efforts to positively impact the land."

Hal Lawton

President and Chief Executive Officer of Tractor Supply

Setting New Scope 1 and 2 Goals for 2025 and 2030 to Reduce Carbon Emissions while Committing to Achieving Net Zero Emissions in Operations by 2040

In 2018, Tractor Supply set an initial target to reduce carbon emissions from our facilities by 25% from a 2015 baseline (measured by market-based Scope 1 and 2 emissions per thousand square feet). In 2020, we met and exceeded this initial target five years ahead of schedule, achieving a 29% reduction, all while Tractor Supply's physical footprint and business revenue grew. Such reductions were made possible through investments in energy efficiency and energy management capabilities across our stores and operations, as well as initial purchases of renewable energy.

Building on our efforts to date, Tractor Supply is setting new targets to reduce Scope 1 and 2 emissions by 20% by 2025 and 50% by 2030 from a 2020 baseline. Tractor Supply will rely on a portfolio of solutions to achieve the needed reductions to meet these two goals. The largest portion of our Scope 1 emissions – natural gas and propane used to heat stores and distribution centers – will be reduced over time by transitioning to alternatives such as electric heat pumps and the use of clean energy sources while continuing to increase efficiency measures. Tractor Supply is also committed to reducing emissions from our owned-vehicles fleet by transitioning to electric, hybrid and alternative-fueled vehicles as they become more widely available in the market. Improving efficiency across our buildings and purchasing renewable energy will reduce tractor Supply's Scope 2 emissions.

Tractor Supply is excited to lead in our commitment to achieve net zero emissions across all operations by 2040. First and foremost, Tractor Supply will focus on reducing our carbon emissions over the next two decades, as outlined above. Additional reduction gains will be seen through Scope 3 improvements outlined below.

Tractor Supply is confident that our sustainability efforts are tied to business resilience and growth, and we look forward to helping drive the necessary change that is good for the environment, resources and communities.

Estimating Scope 1-3 Emissions Inventories and Increasing our Public Reporting and Disclosure

Tractor Supply undertook an extensive data-collection process, collecting energy-use data and leveraging third-party expertise to measure our carbon footprint across our entire network of operations. For the first time, we have measured our entire Scope 3 footprint. Tractor Supply is committed to transparency through public reporting, including CDP (formerly Carbon Disclosure Project) and Task Force on Climate-related Financial Disclosures (TCFD). In Spring 2022, Tractor Supply will publish our first-ever Sustainability Report. Tractor Supply's annual Tear Sheets are created in line with the Sustainability Accounting Standards Board (SASB) reporting standards.

Increasing Efficiency and Conservation through Building Energy Use Management

In achieving our initial emissions goals, Tractor Supply has focused on efficiency and conservation. We have conducted an extensive retrofitting of stores and distribution centers with LED lighting. Additionally, Tractor Supply has adopted a building management system to control and monitor mechanical and electrical equipment that are part of our stores and distribution centers. Tractor Supply has begun to deploy new HVAC systems with leading efficiency as well as changing vaccine coolers and vending coolers to use refrigerants that offer significantly lower potential emissions. To meet our 2025 targets, we are evaluating how to accelerate the cycle of HVAC upgrades, including the replacement of and conversion to climate-friendly refrigerants. In addition, Tractor Supply will explore alternative options to conventional heating with natural gas and propane as it seeks electrified and zero-carbon replacements.

Increasing Efficiency through Enhanced Building Design

Adopting innovative solutions in building design for both our stores and distribution centers is a key aspect of Tractor Supply's commitment. Tractor Supply has constructed three major facilities that were awarded LEED® Silver certification. These energy-efficient facilities include Tractor Supply's Store Support Center in Brentwood, TN (260,000 square feet) and our distribution centers in Casa Grande, AZ (650,000 square feet) and Frankfurt, NY (930,000 square feet). Our distribution center currently under construction in Navarre, OH is planned as a LEED® Gold certified facility and is expected to enter service in 2022.

Enhanced building designs under consideration include incorporating daylight harvesting and solar power into new stores as we continue to retrofit existing stores to higher energy efficiency standards. The Company is also excited to test new, more climate-friendly technologies including electric forklifts and EV charging stations at store locations across the country.

Sourcing Renewable Energy for Stores and Distribution Centers Across the Country

Tractor Supply is committed to sourcing more renewable energy as the primary component of our Scope 2 strategy. We intend to maximize the use of on-site solar at our stores and distribution centers where feasible.

Tractor Supply relies on energy from the grid, and we will prioritize the procurement of renewable energy in our engagement with our electric suppliers. While options to buy renewable energy remain limited in many parts of the country where our stores are located, we have secured more than 92 million kWh of renewable energy annually in recent electric supply agreements. This amount surpasses our initial target to buy 80 million kWh of renewable energy by 2022. Tractor Supply now has over 20% annual electricity usage at our facilities under contract from renewable energy.

Driving Emissions Reductions throughout Tractor Supply's Value Chain (Scope 3)

Tractor Supply takes seriously the need to reduce sources of emissions within our value chain and we aim to set a numerical reduction target for Scope 3 in the coming years. Tractor Supply has now fully measured our Scope 3 footprint. The largest pieces of our Scope 3 footprint are the upstream emissions arising from the production of products that we sell and the downstream emissions from customer use of products purchased at Tractor Supply stores. Other Scope 3 emissions arise from product disposal and energy use by our supply chain partners and employees. We aim to be opportunistic in addressing this diverse set of emissions sources.

Tractor Supply's first steps to address our Scope 3 footprint will include working closely with our more than 500 vendors and other key stakeholders. Tractor Supply intends to understand better how our vendors incorporate sustainability practices into their operations and their steps to reduce their emissions. Tractor will begin to prioritize partners that commit to sustainability and demonstrate the impact of their sustainability commitments. For example, Tractor Supply is a member of the Environmental Protection Agency's SmartWay Program, a voluntary initiative of

freight providers and customers focused on improving freight efficiency in ways that reduce cost. Tractor Supply is pleased that, for the reporting year 2020, 96% of our carriers were SmartWay carriers compared to an average of 90% among our peers. This earned Tractor Supply the unique distinction of SmartWay High Performer. Moving forward, Tractor Supply will require all contract carriers it works with be SmartWay certified.

Finally, while focusing first and foremost on emissions reductions from our operations and value chain, Tractor Supply is evaluating how it can contribute to carbon reduction and carbon removal opportunities in our communities. Our farms, forests and landscapes all play vital roles in addressing climate change. Tractor Supply is committed to embedding more sustainable practices throughout our business that enhance the health and the sustainability of customers, farms, gardens and ranches. Critical to our mission in enriching Life Out Here is making sure we are a strong partner to our customers by providing more environmentally friendly products on our shelves and connecting our customers with tools and resources to improve their own sustainability. Through improved climate and sustainability commitments, Tractor Supply seeks to offer products and services that create a win-win for all.

Announcing New Memberships

To further our success and commitment to renewable energy, Tractor Supply is excited to join the [Renewable Energy Buyers Alliance \(REBA\)](#) to do our part to contribute to the rapid transition of a more sustainable energy future. REBA works to facilitate the development of a resilient, zero carbon energy system with viable, expedient and cost-effective pathways to renewable energy. REBA's association of over 200 members spans the commercial and industrial sector as well as non-profit organizations seeking to procure renewable energy and accelerate a cleaner energy future. Tractor Supply is proud to join many of our peers as we work to secure more renewable energy for our stores and distribution centers across the U.S.

Tractor Supply is also excited to become a member of [The Sustainability Consortium](#), a non-profit organization working to transform the consumer goods industry to delivery more sustainable products to customers. The Sustainability Consortium offers companies like Tractor Supply help in addressing science-based solutions across Scopes 1, 2 and 3 of their business to create more transparent supply chains while leading the industry toward a more sustainable future. We look forward to being part of The Sustainability Consortium's network of companies gaining support and services to ensure Tractor Supply continues to be at the leading edge of climate and sustainability commitments.

Tractor Supply will also be joining more than 200 of the best minds in food, agriculture, science and technology as part of [U.S. Farmers and Ranchers in Action \(USFRA\)](#). USFRA is working to elevate food and agriculture as the primary solution for sustainability – positioning farmers and ranchers as key change agents in this important work. Tractor Supply is pleased to endorse [USFRA's Decade of Ag Vision](#) along with more than 100 organizations across the food and farming industry to create a more resilient, restorative, economically viable and climate-smart agricultural system that produces abundant and nutritious food, natural fiber and clean energy for a sustainable and vibrant future across the United States.

Forward-Looking Statements

This document contains certain statements, including statements relating to our sustainability, stewardship, carbon emission and DE&I related ESG priorities, targets, estimates, projections, goals, commitments and expected results, and the assumptions upon which those statements are based, that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, the Securities Act of 1933, and the Securities Exchange Act of 1934. These forward-looking statements may also be identified by words such as “will,” “believe” “projections” “expect,” “estimate,” “strategy,” “future,” “plan,” “goal,” “target,” and similar expressions. Forward-looking statements are made and are based on then-current expectations and assumptions as of the date they were made (or such other specified date), which are subject to risks and uncertainties. Actual results and outcomes may differ materially from what is sought, our historical results or from current expectations expressed or implied in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

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