



September 17, 2021

VIA e-mail: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N. E.
Washington D.C. 20549
Via email: shareholderproposals@sec.gov

Re: AutoZone, Inc. - Omission of Shareholder Proposal Submitted by As You Sow

The Elizabeth Gale Michaels Rev Tr (S) (the "Proponent") is a beneficial owner of common stock of AutoZone, Inc. (the "Company"). As You Sow has submitted a shareholder proposal (the "Proposal") on behalf of the Proponent to the Company. This letter responds to the August 6, 2021 letter ("Company Letter") sent to the Securities and Exchange Commission by Bass, Berry & Sims PLC. In that letter, the Company contends that the Proposal may be excluded from the Company's 2021 proxy statement

Based upon a review of the Proposal, the letter sent by the Company, and the relevant rules, the Proposal is not excludable and should be included in the Company's 2021 proxy materials under Rule 14a-8. A copy of this letter is being emailed concurrently to Bass, Berry & Sims PLC.

SUMMARY

In this time of climate crisis, with little to no mandatory state or federal climate reporting requirements, investors have undertaken a private ordering effort to respond to increasing climate risk by developing material benchmarks for net zero reporting, and to engage companies with disparate and often inadequate reporting.

The Climate Action 100+ initiative (CA100+), a coalition of more than 615 investors with over \$55 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies' net zero emissions ambitions; short-, medium-, and long-term greenhouse gas (GHG) reductions goals; and strategic action plans to achieve decarbonization targets.¹

This climate-related disclosure Benchmark, where implemented, decreases climate risk for companies, creates clarity and comparability around a complicated subject matter for investors, and drives action to address climate change. Accordingly, and in alignment with the Benchmark, the Proposal asks the Company to issue an annual report that discloses short, medium, and

¹ <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

long term greenhouse gas (GHG) reduction targets aligned with the globally agreed upon Paris goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them.

The Company Letter asserts that AutoZone has substantially implemented the Proposal by addressing its underlying concerns and therefore should be omitted based on Rule 14a-8(i)(10). It has not. The one short term GHG reduction goal it recently implemented covers only a subset of the Company's emissions and the Company has not set medium or long term targets. Information on past actions to reduce GHG emissions, while useful, is not responsive to the Proposal.

Citing to Rule 14a-8(i)(7), the Company Letter further argues for exclusion of the Proposal on the basis that it relates to ordinary business, does not address a significant policy issue that transcends ordinary business operations, and seeks to micromanage the Company's day-to-day operations. To the contrary, the Proposal addresses the Company's response to the critical public policy issue of climate change which is recognized as a significant policy issue that transcends ordinary business. It asks the Company to disclose targets aligned with the global 1.5 degrees Celsius Paris goal (net zero), but does not predetermine the level of the individual GHG reduction targets; describe what actions, methods, strategies or operational changes the Company must use to achieve them; or dictate other minutiae. Rather, the Proposal asks the company to provide information that is responsive to the climate-related benchmarks the investment community has determined are material in making informed investment decisions.

THE PROPOSAL

Climate Transition Plan Reporting

Whereas: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission last year underscored that climate change could impair the productive capacity of the U.S. economy.²

Shareholders are increasingly concerned about material climate risk to their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. BlackRock's CEO notes that investment flows

² <https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>

into “sustainable” and climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.³

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of more than 615 investors with over \$55 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies’ net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals; and strategic action plans to achieve decarbonization targets.⁴

AutoZone, Inc. is a leading retailer and distributor of automotive replacement parts with over 6,000 global stores. Our company has not set enterprise wide GHG emission reduction targets or aligned its GHG reductions plans with Paris net zero goals. The limited activities its has taken to reduce greenhouse gas emissions, including lighting and heating upgrades in its buildings, reducing transportation fleet idle times, and increasing fleet fuel economy, are good initial steps. By setting and disclosing scope 1 through 3 GHG emissions reduction targets, including net zero ambitions, and developing and disclosing a clear climate transition plan, AutoZone can provide investors with assurance that management is reducing its full climate impact, building on climate-related opportunities, and addressing growing climate risk, including a radically changing landscape for vehicles.

Resolved: Shareholders request that AutoZone, Inc. issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short, medium, and long term GHG gas reduction targets aligned with the Paris Agreement’s goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. Reporting should cover the company’s full range of operational and product related emissions.

Supporting Statement: Proponents suggest, at Board and Company discretion, the report describe:

- The Company’s climate transition plans;
- How the Company’s capital allocation plans align with the Company’s climate transition plans, where relevant;
- A rationale for any decision not to set targets aligned with the Paris Agreement’s 1.5 degree goal;
- Other information the Board deems appropriate.

³ <https://www.blackrock.com/corporate/literature/whitepaper/bii-portfolio-perspectives-february-2020.pdf>; [Fink CEO Letter]

⁴ <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

BACKGROUND

Climate-related financial risks continue to intensify and create material threats for companies and shareholders. 2020 set a new record for billion-dollar weather and climate disasters in the U.S. with a total of \$95.8 billion of costs associated with storms, cyclones, wildfire, and drought.⁵ 2021 looks to be even deadlier and costlier. The U.S. Commodity Futures Trading Commissions states that climate change poses a major risk to the stability of the U.S. financial system,⁶ a problem investors are actively attempting to address with the Benchmark. In addition to physical risks, companies are exposed to increasingly costly policy, technology, and reputational risks associated with the transition to a low carbon economy.⁷

The establishment of Paris-aligned, net zero climate transition targets and plans is of high, and escalating importance to investors and companies alike. In 2015, the majority of the world's countries came together under the Paris Agreement⁸ to establish a framework for holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius. Global scientific analysis indicates that the most catastrophic effects of climate change can be avoided by limiting warming to 1.5 degrees Celsius above pre-industrial levels. The IPCC has found that global warming is occurring faster than anticipated and that negative impacts associated with climate change increase greatly with 2 degrees Celsius of warming compared to 1.5 degrees. To achieve this long term temperature goal and maintain global stability, net zero carbon emissions must be achieved by 2050 – a global transition that requires action from all companies and sectors.

BlackRock, the world's largest asset manager, reports that *"there is no company whose business model won't be profoundly affected by the transition to a net zero economy,"* and that investors are appropriately asking companies to disclose how their business model will be compatible with a net zero economy."⁹

Reinforcing the importance of net zero goals and effective climate transition plans to achieve them, the Climate Action 100+ Benchmark indicators encompass the basic metrics of accountability that investors intend to rely on to assess the sufficiency of a company's climate-related actions. The requested disclosures in the Proposal -- reporting on short, medium, and

⁵ <https://www.ncdc.noaa.gov/billions/summary-stats/US/2020>

⁶ [https://www.cftc.gov/sites/default/files/2020-09/9-9-](https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf)

[20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf](https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf) pg 1

⁷ http://blogs.edf.org/climate411/files/2021/02/Mandating_Climate_Risk_Financial_Disclosures.pdf pg 6

⁸ <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

⁹ <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>

long term GHG reduction goals aligned with 1.5 degrees Celsius, and progress in achieving them -- are indicators 1 through 5 of the Net Zero Benchmark.

ANALYSIS

I. THE COMPANY'S DISCLOSURES DO NOT SUBSTANTIALLY IMPLEMENT THE PROPOSAL.

For a Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), it must demonstrate that its disclosures address the essential objective of the Proposal. The resolved clause of the Proposal requests a report "that discloses short, medium, and long term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them."

The Proposal specifically asks for a report on short, medium, and long term GHG gas reduction targets for the "full range of operational and product related emissions," yet the Company does not disclose a medium or long term target. While the Company currently discloses a short term GHG reduction target, this short term goal fails to meet the purpose of the Proposal as it does not cover the full range of operational and product related emissions as requested. First, the company's short term goal only covers "energy-related" emissions and does not include, for example, the company's vehicle fleet emissions, which are significant.¹⁰ It reports only Scope 1 and 2 emissions, ignoring Scope 3 emissions entirely. Significantly, the short-term goal is limited to AutoZone's "U.S. business," leaving the entirety of its remaining global enterprise emissions unaddressed, including the company's employment of 10,000 people in Mexico and Brazil.¹¹ The Company's failure to provide the full range of information requested in even its short term target leaves shareholders unable to assess the adequacy of the Company's climate actions, including what share of its total emissions are covered by this goal.

As important, a failure to set medium term and long term GHG reduction goals increases the likelihood that the Company is not meaningfully considering and reducing its longer-term GHG emissions. Companies make decisions every day as to which product lines to carry, what suppliers to contract with, what buildings to lease or buy, and what equipment to purchase, among others. Where a Company lacks medium and long-term Paris-aligned goals, there is far less chance that these daily operational decisions, which could have decades-long climate impact, will include climate considerations, thereby locking in harmful emissions that could be avoided.

The Company also notes that it has started a partnership with a global specialist to develop short, medium and long term sustainability goals, which include "for example GHG reduction

¹⁰ <https://www.epa.gov/greeningepa/greenhouse-gases-epa>

¹¹ <https://investors.autozone.com/static-files/51a24a31-c242-493b-b66a-9fc5faa45c8a> pg 10

targets.”¹² This a step forward, but cannot be considered as meeting either the terms or essential purpose of the Proposal. Assuming that GHG goals are actually developed through this process, and not put off to a later date in order to focus on a range of different sustainability issues, there is no timeline for output. Second, even if GHG goals are eventually developed through this sustainability process, there is no commitment that they will be adopted by the Company or that they will be aligned with the Paris Agreement’s 1.5 degree goal. Similarly, there is no commitment that any goals developed through this process will cover the full range of operational and product related emissions as requested in the Proposal.

While the Company provides information on GHG reduction activities it has undertaken in the past and continues to work on, this does not meet the requirement of annual reporting on progress in meeting the requested targets. The essential purpose of the Proposal cannot be considered to have been met simply because a Company provides a small component of the information requested and a statement that the requested information may be developed in the future. Neither investors’ specific requests, nor the underlying objective of the Proposal have been met.

Investors have, through the CA100+ Benchmark, clearly delineated the information that is material to their assessment of climate risk and climate harm. The information requested in this Proposal asks the Company to address the first five criteria of the Benchmark. Having not provided the material information requested, the Company has not substantially implemented the Proposal nor met the essential purpose of the Proposal.

a. The Company Letter points to disclosures that, while recognizing the existence of related concerns, leave the Proposal’s core concerns unaddressed.

The Company Letters mischaracterize the essential concern of the proposal. The Company Letter assumes that the underlying concern of the Proposal is to outline the actions the Company is taking to reduce its GHG emissions. While the Company does provide generalized information on activities it has taken, and is taking, to reduce greenhouse gas emissions, including “lighting and heating upgrades in its buildings”, “increasing fleet fuel economy,” the “acquisition of renewable energy” – and highlights future action it may take, this does not fulfill the essential objective of the Proposal. The specific information requested will help ensure that the Company’s climate impact is reduced at the scope and rate dictated by science and that climate transition risks to the Company are reduced. The essential objective of the Proposal is not addressed by partial reporting and potential actions.

¹² https://www.autozone.com/company/images/AutoZone2021CSRDesign_Final.pdf pg 23

b. SEC precedents support that the Company's general statements relating to climate are insufficient to demonstrate substantial compliance with the Proponent's specific request.

Numerous decisions made by the SEC staff have concluded that general statements about an issue, and specifically climate-related issues, are insufficient to demonstrate compliance with a proponent's specific request.

For example, the Staff has previously found that a company that has taken some measures to reduce existing adverse environmental impacts has not met the guidelines of a proposal requesting the company to quantify those environmental impacts, or to step up the effort consistent with peers or societal needs or expectations. In *First Energy Corp.* (March 4, 2015), the proposal requested that the company establish quantitative targets for reducing carbon dioxide emissions. Although the company had taken various actions to reduce carbon emissions, it had not established quantitative goals reducing those emissions, and therefore the proposal was found by the Staff to not be substantially implemented. Similarly, at *Exxon Mobil* (March 13, 2015), a proposal seeking reporting of specific quantitative indicators indicating the results of company policies and practices to minimize adverse environmental and community impacts from the company's hydraulic fracturing operations was not fulfilled by the company's narrative reporting of its various environmental measures.

When a set of recommended requirements are requested in a proposal, the analysis of substantial implementation looks to the set of requirements and whether they have been fulfilled. Therefore, even where a company has provided certain quantitative information consistent with some portion of the request of the proposal, a failure to substantially fulfill the guidelines and the purpose of a proposal will bar exclusion. In *Lowe's Companies, Inc.* (March 10, 2017), a proposal requesting the company produce a report assessing the climate benefits and feasibility of adopting quantitative targets for increasing its renewable energy sourcing and/or production was not found by the Staff to be substantially implemented where the company reported various quantified sustainability goals such as improving efficiency, reducing waste and carbon emissions, and increasing tons of waste per haul.

Similarly, in *Exelon Corporation* (March 12, 2019), shareholders requested that the company publish an annual report of "actually incurred Company costs and associated actual/significant benefits accruing to shareholders, public health and the environment from the Company's environment-related activities that are voluntary and exceed federal/state regulatory requirements." Although the company disclosed a number of other climate-related items, the proponent argued that the company's disclosures did not present the type of *assessment* requested in the proposal. Staff agreed. For instance, disclosures, including reporting via CDP and other certification agencies, was not deemed sufficient to substantially implement the

proposal's request for assessment of costs and benefits accruing to shareholders. Accordingly, the Staff did not permit exclusion on the basis of Rule 14a-8(i)(10).

An identical proposal was brought in *Duke Energy Corporation* (March 12, 2019), asking for an annual report of "actually incurred Company costs and associated actual/significant benefits accruing to shareholders, public health and the environment from the Company's environment-related activities that are voluntary and exceed federal/state regulatory requirements." There, Duke, like *Exelon*, argued that the proposal had been substantially implemented because the company discussed costs and benefits in its annual Sustainability Report, in its 2017 Climate Report and, most significantly, in the Integrated Resource Plans (IRPs) publicly filed by its utility subsidiaries. Duke added that the company's IRPs included detailed cost analyses and assumptions used in scenario planning, which addressed the proposal's inquiries relative to costs. As with *Exelon*, the staff denied exclusion on the basis of Rule 14a-8(i)(10). Staff found that, although the subject matter might have been reported on in various ways, those reports did not fulfill the proposal's specific request.

As demonstrated in *O'Reilly Automotive* (February 14, 2020, chart decision), and a line of prior cases, generalized reporting by a company in the issue area sought by proponents is not sufficient to meet clearly defined disclosure requests made by shareholders. In *O'Reilly*, the Company argued that it had substantially implemented the requested human capital management disclosure despite not having met the specific elements of the Sustainability Accounting Standards Board (SASB) material disclosures sought by Proponent. Despite the company's similar argument to those made here by the Company, that its disclosures met the essential purpose of the proposal, Staff disagreed that *O'Reilly's* sustainability disclosures substantially implemented the request, given the requested investor-material disclosures sought by the proposal. Underscoring this fact, the Proposal went on to receive the support of 66% of *O'Reilly's* investors.

As confirmed by these above cases, partially fulfilled requests or general statements about an issue area are insufficient to demonstrate substantial compliance with a proponent's specific request. In this case, *AutoZone's* partial short-term target, its listing of prior climate reduction actions, and the fact that a sustainability consultant is being hired and that short, medium and long term GHG goals might be developed in the future, without commitment to actually adopt them or align them to the Paris Agreement's net zero goal, do not meet the specific requests of the Proposal or its essential objective of disclosing short, medium, and long term GHG reduction goals aligned with the Paris Agreement.

For the reasons set forth above, the Proposal should not be excluded on the basis of substantial implementation.

II. The Proposal is not excludable under Rule 14a-8(i)(7) for ordinary business

a. The proposal relates to the significance policy issue of climate change and does not micromanage.

A proposal may not be excluded under Rule 14a-8(i)(7) on the basis of ordinary business operations when it exclusively addresses matters related to a significant policy issue and does not micromanage.

This Proposal is not excludable under ordinary business because it focuses solely on the significant policy issue of climate change and the Company's plan to reduce emissions in line with the global Paris Agreement's goal.

Climate change has long been recognized as a significant policy issue that transcends ordinary business, and proposals addressing specific climate risks are not excludable as long as they do not micromanage. Asking the company to set targets, and report on the success of its plans, to reduce GHG emissions in line with the global Paris 1.5 degree goal does not micromanage and does not dictate how GHG reduction goals should be set, the exact specifications of the requested GHG reduction goals, or what capital investment decisions or action plans should be implemented to achieve such goals. Similarly the Proposal does not dictate what capital investment decisions or action plans should be implemented to achieve the GHG reductions. The Proposal does not substitute shareholder judgment for management and even requests that the report include "other information the Board deems appropriate" in the supporting statement. Rather than seeking to micromanage, the Proposal requests disclosure of how the Company is addressing the physical and economic risks of climate change and how the Company's climate transition plan aligns, or does not align, with the Paris Agreement.

The Proposal outlines specific, climate related information that a very large segment of the investment community seeks but, as with any proposal, this is not binding on the company; the proposal simply provides an opportunity for the board and management to disclose their own plans and actions with reference to the market's benchmark. As set forth in the supporting statement, the company is invited to provide a rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal. Thus, the proposal does not constrain management's discretion, other than to provide evaluation and disclosure, which is not micromanagement.

It is well settled in Staff determinations that proposals addressing the subject matter of climate change fall within a significant policy issue that transcends ordinary business. Numerous prior Staff decisions have made it clear that climate change is a significant policy issue by denying exclusion on climate proposals. See, e.g., *DTE Energy Company* (January 26, 2015), *J.B. Hunt Transport Services, Inc.* (January 12, 2015), *FirstEnergy Corp.* (March 4, 2015)(proposals not

excludable as ordinary business because they focused on reducing GHG and did not seek to micromanage the company); *Dominion Resources* (February 27, 2014), *Devon Energy Corp.* (March 19, 2014), *PNC Financial Services Group, Inc.* (February 13, 2013), *Goldman Sachs Group, Inc.* (February 7, 2011)(proposals not excludable as ordinary business because they focused on significant policy issue of climate change); *NRG Inc.* (March 12, 2009)(proposal seeking carbon principles report not excludable as ordinary business); *General Electric Co.* (January 31, 2007)(proposal asking board to prepare a global warming report not excludable as ordinary business). Staff Legal Bulletin 14H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related to that subject matter.¹³

CONCLUSION

The Company has provided no basis for the conclusion that the Proposal is excludable from the 2021 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request.

Sincerely,



Danielle Fugere
General Counsel
As You Sow

¹³ Staff Legal Bulletin No. 14H (October 2015), section C. Rule 14a-8(i)(7)

August 6, 2021

OFFICE OF CHIEF COUNSEL
DIVISION OF CORPORATION FINANCE
U.S. SECURITIES AND EXCHANGE COMMISSION
100 F STREET, NE
WASHINGTON, DC 20549

Re: AutoZone, Inc. - Omission of Shareholder Proposal Submitted by As You Sow

Ladies and Gentlemen:

On behalf of our client, AutoZone, Inc., a Nevada corporation (the “*Company*”), we are writing this letter to inform you that the Company intends to omit from its proxy statement and form of proxy for its 2021 Annual Meeting of Shareholders (collectively, the “*2021 Proxy Materials*”), a shareholder proposal and related supporting statement (together, the “*Proposal*”) received from As You Sow on behalf of Elizabeth Gale Michaels Rev Tr, as proponent (the “*Proponent*”) for inclusion in the 2021 Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (November 7, 2008) (“*SLB 14D*”), we are submitting this letter and its attachments to the Staff of the Division of Corporation Finance (the “*Staff*”) via e-mail at shareholderproposals@sec.gov, and the undersigned has included her name, email address and telephone number both in this letter and the cover email accompanying this letter. In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), we are submitting this letter to the U.S. Securities and Exchange Commission (the “*Commission*”) no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials, and a copy of this submission is being sent simultaneously to the Proponent, as notification of the Company’s intention to omit the Proposal from its 2021 Proxy Materials. We hereby request confirmation from the Staff that it will not recommend any enforcement action if the Company omits the Proposal in reliance on Rule 14a-8 from the 2021 Proxy Materials. This letter includes the Company’s statement of the reasons it deems the omission of the Proposal to be proper.

We take this opportunity to inform the Proponent that if it elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company in accordance with Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

Be it Resolved: Shareholders request that AutoZone, Inc. issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short, medium, and long term GHG gas reduction targets aligned with the Paris Agreement’s goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. Reporting should cover the company’s full range of operational and product related emissions.

A complete copy of the Proposal and related correspondence between the Company and the Proponent is attached to this letter as Exhibit A.

BASES FOR EXCLUSION

On behalf of the Company, we respectfully request that the Staff concur in the Company's view that it may exclude the Proposal from its 2021 Proxy Materials pursuant to:

- Rule 14a-8(i)(7), as the Proposal relates to the Company's ordinary business operations; and
- Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal.

ANALYSIS

A. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates to the Company's Ordinary Business Operations.

Pursuant to Rule 14a-8(i)(7), a proposal is excludable if it "deals with a matter relating to the company's ordinary business operations." The Commission has explained that two central considerations determine whether a proposal is excludable under Rule 14a-8(i)(7):

- when a proposal concerns tasks "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight," and
- "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." See SEC Release No. 34-40018 (May 21, 1998) (the "**1998 Release**").

In the 1998 Release, the Commission also explained that the second consideration may come into play in a number of circumstances, "such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." The Proposal is properly excludable from the 2021 Proxy Materials, as the Proposal's underlying subject matter relates to the Company's ordinary business operations, and the Proposal attempts to micro-manage the Company by probing the matters of a complex nature that are the appropriate responsibility of the Company's management and the Company's board of directors (the "**Board**"). As described below, this is supported by a review and assessment undertaken by the Nominating and Corporate Governance Committee (the "**Committee**") and the Board, past no-action letters of the Commission and specific discussion in this regard by the Staff in Staff Legal Bulletin No. 14K (Oct. 16, 2019) in which the Staff asserted a shareholder proposal substantially similar to the Proposal was excludable under Rule 14a-8(i)(7).

i. *The Proposal Does Not Address a Significant Policy Issue That Transcends the Company's Ordinary Business Operations*

In Staff Legal Bulletin No. 14E (Oct. 27, 2009), the Staff explained that in the context of social issues, proposals would generally not be excludable in those cases in which a proposal's underlying subject matter "transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote." In Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("**SLB 14I**"), the Staff explained that a company's board of directors is "well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote." Staff Legal Bulletin No. 14J (Oct. 23, 2018) ("**SLB 14J**") re-emphasized the Staff's position set forth in SLB 14I "that a well-developed discussion of the board's analysis of whether the particular policy issue raised by the proposal is otherwise significantly related to the company's business...or is sufficiently significant in relation to the

company...can assist the staff in evaluating a company's no-action request." SLB 14J offered additional guidance on the types of board analyses that might be useful to the Staff in evaluating, among other things, whether a proposal is sufficiently significant in relation to the company by probing too deeply into matters of a complex nature, upon which shareholders, as a group, would not be in a position to make an informed judgment. These may include, among others, (i) the extent to which the proposal relates to the company's core business activities; (ii) whether the company has already addressed the issue in some manner, including the differences—or the delta—between the proposal's specific request and the actions the company has already taken, and an analysis of whether the delta presents a significant policy issue for the company; (iii) the extent of shareholder engagement on the issue; (iv) whether anyone other than the proponent has requested the type of action or information sought by the proposal; and (v) whether the company's shareholders have previously voted on the matter and the board's views as to the related voting results."

In light of SLB 14I and SLB 14J, the Company considered and analyzed the Proposal's significance in relation to the Company for purposes of making a determination of whether the Proposal touches on matters squarely within the realm of ordinary business operations best overseen by Company's management. In various meetings and correspondence during June, July and August 2021, members of the Board considered with the Committee and management the matters identified in SLB 14J.

First, the Board noted that the Company has not previously received a shareholder proposal that requested specific action by the Company with respect to reporting and goal-setting of GHG emissions as is requested by the current Proposal, nor have the Company's shareholders previously voted on a matter similar to the one put forth in the Proposal. Furthermore, with the exception of the Company's engagement with the Proponent with respect to the Proposal, the Board acknowledged that the Company's extent of shareholder engagement on the issue of setting short, medium and long-term goals for reductions of GHG emissions has been minimal to nonexistent. Based on these observations, the Board concluded that the issues raised by the Proposal are not ones in which the Company's shareholders have either currently or historically emphasized as substantially significant to the Company.

Next, the Board also considered the differences between the Proposal's specific request and the actions the Company has recently taken with respect to its sustainability emissions goals. As discussed above, the Proposal requests that the Company "issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short, medium and long term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them." Although the Board acknowledged that alignment with the Paris Agreement with respect to reductions in greenhouse gas ("*GHG*") emissions is a significant policy matter for the Company, the Board noted that such significance has been greatly diminished by the Company's recent actions. In making this determination, the Board reviewed public disclosures and commitments to GHG reduction made by the Company in its recently-published 2021 Corporate Sustainability and Responsibility Report (the "**2021 Report**"), which the Board agreed are substantially similar to what is being requested by the Proposal. Most notably, the Company disclosed in its 2021 Report that it has partnered with a global specialist in sustainability and efficiency and is collaborating "to develop and act on specific short, medium and long term sustainability goals, including, for example, GHG reduction targets." The 2021 Report also provides that the Company is monitoring and measuring progress and has started quantifying GHG emissions that it produces as part of doing business. Finally, the 2021 Report provides that the Company has, "committed to conducting a yearly GHG emissions inventory with an aim to periodically update our stakeholders on our progress. We are also taking action to decrease the Scope 1 and 2 energy-related emissions stemming from our U.S. business by 15% by 2025."

After considering these disclosures, the Board believes the delta between the Company's current disclosure and efforts and desire to decrease its contribution to climate change and the reporting and goal-setting required by the Proposal is not sufficient to warrant inclusion of the Proposal in the 2021 Proxy Materials. The Staff consistently has concurred in the exclusion of proposals that touch upon a significant policy issue but that also encompass a company's ordinary business operations. For example, in *Amazon.com, Inc.* (Mar. 28, 2019), the proposal requested that the board annually report to shareholders "its analysis of the community impacts of [the company's] operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities." In its no-action request, the company successfully argued that "[e]ven if some of [the] issues that would be addressed in the report requested by the [p]roposal could touch upon significant policy issues within the meaning of the Staff's interpretation, the [p]roposal is not focused on those issues, but instead encompasses a wide range of issues implicating the Company's ordinary business operations within the meaning of Rule 14a-8(i)(7), and therefore may properly be excluded under Rule 14a-8(i)(7)." The Staff concurred and granted no-action relief under Rule 14a-8(i)(7) noting that "the [p]roposal relates generally to 'the community impacts' of the Company's operations and does not appear to focus on an issue that transcends ordinary business matters." See also *Walmart Inc.* (avail. Apr. 8, 2019) (concurring with the exclusion of a proposal requesting that the board prepare a report evaluating the risk of discrimination that may result from the company's policies and practices for hourly workers taking absences from work for personal or family illness because it related to the company's ordinary business operations, *i.e.*, the company's management of its workforce, and "[did] not focus on an issue that transcends ordinary business matters"); and *Exxon Mobil Corp.* (Mar. 6, 2012) (concurring with the exclusion of a proposal requesting the company prepare a report "discussing possible short and long term risks to the company's finances and operations posed by the environmental, social and economic challenges associated with the oil sands," noting that, even though the proposal "addressed the 'economic challenges' associated with the oil sands, it nevertheless did not focus on a significant policy issue).

The Board, the Committee and management believe that the Company has adopted comprehensive climate change strategies in alignment with the Paris Agreement where it deems it to be material to the Company's business operations and long-term strategy and has disclosed key aspects of such strategies, and the level of attainment thereof, in the 2021 Report as described above. As a result, adopting the Proposal's request to issue a report including specific actions required by the Proponent in the Proposal would not materially add to the Company's existing climate change initiatives and thus does not present a sufficiently significant policy issue that transcends the ordinary business of the Company. The Company therefore believes that the issue raised is not a sufficiently significant policy issue on which shareholders should vote.

ii. *The Proposal Seeks to Micro-Manage the Company by Imposing Specific Methods to Implement Complex Policies*

As discussed above, Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that seeks to micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. *1998 Release* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). Based on this framework, the Staff has consistently allowed companies to exclude proposals requesting reports related to a company's efforts to reduce environmental impact where such proposal effectively sought to micromanage the company. See *Exxon Mobil Corp.* (Apr. 2, 2019) (permitting exclusion under Rule 14a-8(i)(7) on basis of micromanagement of a proposal requesting an annual reporting from 2020, to include disclosure of short-, medium- and long-term GHG targets aligned with the GHG reduction goals established by the Paris Agreement to keep the increase in global average temperature to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius, noting that the proposal

seeks to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors); *Devon Energy Corp.* (Mar. 4, 2019) (“*Devon*”) (same); *Amazon.com, Inc.* (Mar. 6, 2018) (permitting exclusion under Rule 14a-8(i)(7) on the basis of micromanagement of a proposal requesting a report evaluating the potential to achieve net-zero GHG emissions by a certain future target date); and *Verizon Communications Inc.* (Mar. 6, 2018) (proposal requesting the Verizon board prepare a report evaluating potential for Verizon to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Verizon's acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue). Additionally, the Staff has recognized that a shareholder's casting of a proposal as a mere request for a report, rather than a request for a specific action, does not mean that the proposal does not seek to micromanage the Company, even when the proposal addresses a significant policy issue. *See Ford Motor Company* (March 2, 2004) (proposal requesting the preparation and publication of scientific report regarding the existence of global warming or cooling excludable “as relating to ordinary business operations” despite recognition that global warming is a significant policy issue).

The Staff has frequently allowed exclusion of proposals touching on significant policy issues where the proposals sought to micro-manage the company by specifying in detail the means by which the company should address the policy issue. In Staff Legal Bulletin No. 14E (October 27, 2009) (“*SLB 14E*”), the Staff stated that a proposal may be excluded if it seeks to micro-manage the company by specifying in detail the manner in which the company should address a policy issue. *See e.g. Goldman Sachs Group Inc.* (Mar. 12, 2019) (allowing the exclusion of a proposal that requested the company to adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the 2015 Paris goal of maintaining global warming well below 2 degrees, and issue annual reports describing targets, plans and progress under this policy); *Deere & Company* (Dec. 27, 2017) (allowing the exclusion of a proposal requesting that the company “prepare a report ... that evaluates the potential for the [c]ompany ... to achieve ‘net zero’ emissions of greenhouse gases by fixed future target date”); *EOG Resources, Inc.* (Feb. 26, 2018) (allowing the exclusion of a proposal requesting that the “company adopt company-wide, quantitative, time-bound targets for reducing [GHG] emissions and issue a report ... discussing its plans and progress towards achieving these targets”); and *Apple, Inc.* (Dec. 5, 2016) (allowing exclusion of a proposal to report within one year on a plan to reach “net-zero” GHG emission status by 2030).

The Staff has consistently concurred that shareholder proposals attempting to micromanage a company by substituting the judgment of shareholders for that of management with respect to complex day-to-day business operations are excludable under Rule 14a-8(i)(7). In SLB 14J, the Staff explained that this framework also applies to proposals that call for a study or report and further stated that it “would, consistent with Commission guidance, consider the underlying substance of the matters addressed by the study or report,” to determine whether a proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies. For example, the Staff noted that “a proposal calling for a report may be excludable if the substance of the report related to the imposition or assumption of specific timeframes or methods of implementing complex policies.” Further, according to the Staff in SLB 14K, if the method and strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the Staff may view the proposal as micromanaging the company. To demonstrate what would constitute an overly prescriptive proposal, the Staff provided the following illustration:

For example, this past season we agreed that a proposal seeking annual reporting on “short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius” was excludable on the basis of

micromanagement.[*Devon*]. In our view, the proposal micromanaged the company by prescribing the method for addressing reduction of greenhouse gas emissions. We viewed the proposal as effectively requiring the adoption of time-bound targets (short, medium and long) that the company would measure itself against and changes in operations to meet those goals, thereby imposing a specific method for implementing a complex policy.

In the Staff's view, the *Devon* proposal was overly prescriptive in its method for assessing reduction of GHG emissions, as well as effectively requiring the adoption of time-bound targets. For purposes of contrasting the *Devon* proposal, the Staff also included an example of a similar proposal that, in the Staff's view, was not overly prescriptive. *Anadarko Petroleum Corp.* (Mar. 4, 2019) ("*Anadarko*") (not allowing exclusion of a proposal seeking a report "describing if, and how, [a company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris [Climate] Agreement's goal of maintaining global temperatures well below 2 degrees Celsius," recognizing that the proposal did not seek to micromanage the company because it deferred to management's discretion to consider if and how the company plans to reduce its carbon footprint and asked the company to consider the relative benefits and drawbacks of several actions).

Here, the Proposal is substantially similar to the *Devon* proposal, including both of the overly prescriptive aspects that the Staff found in the *Devon* proposal, while failing to afford the deference to management's discretion found in the *Anadarko* proposal. As was the case in *Devon*, the Proposal requests an intricately detailed and complex report on emissions targets. Specifically, the report would require the Company to subject its daily operational strategies and business judgments regarding its transportation fleet, inventory product assortment, global sourcing operations, distribution center operations and store operations, among other ordinary business operations, to company-wide, time-based quantitative targets in the form of arbitrary short-, medium- and long-term emissions targets. By doing so, the requested report would necessarily exclude from the Company's management's analysis many other factors that would otherwise influence its decisions, such as operational matters, vendor selection, product assortment, global sourcing capabilities, product quality, shipping and delivery times, store and distribution center footprint, real estate construction costs and logistics programs, among others. Additionally, the Proponent seeks to impose the adoption of such targets and ultimately seeks to have the Company align its operations and investments with such goal. The Whereas clause of the Proposal lays out a set of specific criteria for alignment with the Paris Agreement, including aligning "its GHG reduction plans with Paris net zero goals" and "setting and disclosing scope 1 through 3 GHG emissions reductions targets, including net zero ambitions, and developing and disclosing a clear climate transition plan."

As described in its 2021 Report, the Company is committed to lowering its GHG emissions, is taking steps to quantify, monitor, measure and reduce such GHG emissions, and has already committed to periodically updating its stakeholders on the Company's progress. The 2021 Report also details the Company's plans to develop and act on specific short, medium and long term sustainability goals and even includes a stated goal of decreasing the Company's Scope 1 and Scope 2 energy-related emissions stemming from its U.S. business by 15% by 2025 (the "*2025 Goal*"). In other words, the Company has substantially implemented, and continues to act on, the important policy issues of climate change that the Proposal addresses. The Company's decisions and commitments to reductions of GHG emissions are the product of a thorough decision-making process by the Company's management and reviewed by its Committee and Board, requiring not only consideration of the Company's business and economic growth (including economic return to its shareholders), but also to the Company's values related to global policy concerns such as climate change. In evaluating whether the Proposal micromanages the Company, the Company considered the steps taken as part of its overall climate change and GHG emission reporting efforts and policies and overall sustainability initiatives consistent with its analysis of its business and

operations. The Company's management determined, and the Board believes, that the Proposal imposes specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by the Board and thus delves too deeply into complex matters upon which shareholders as a group would not be in a position to make an informed judgment.

Accordingly, consistent with SLB 14K and the precedent described above, the Company believes that the Proposal may be excluded from its 2021 Proxy Materials pursuant to Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

B. The Proposal May Be Excluded in Reliance on Rule 14a-8(i)(10), as the Company Has Substantially Implemented the Proposal via Other Relevant Disclosures.

We believe the Company has substantially implemented the Proposal with its existing public disclosures. We respectfully request that the Staff concur with our view that the Proposal may be excluded pursuant to Rule 14a-8(i)(10). The Company has published, and has publicly undertaken to continue to publish, information about climate change and the Company's plans to reduce its contribution to climate change that address the primary goals of the report requested in the Proposal. Although the Company's prior public disclosures were not made in precisely the manner contemplated by the Proponent, the Proposal is excludable because the essential disclosure objective of the Proposal has already been the topic of existing disclosures by the Company.

- i. *A Proposal May Be Excluded if the Company's Existing Policies, Procedures or Disclosures Substantially Implement the Guidelines of the Proposal.*

Pursuant to Rule 14a-8(i)(10), a company may exclude a shareholder proposal if the company has already substantially implemented the proposal. The Staff has stated that "substantial" implementation under the rule does not require implementation in full or exactly as presented by the proponent. *See* 1998 Release (n. 30). Rather, a company will have substantially implemented a shareholder proposal if the company's "particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (Mar. 28, 1991). The Commission has revised its approach to the exclusion over time to allow for exclusion of proposals that have been "substantially implemented." *See* SEC Release No. 34-19135 (Oct. 14, 1982); SEC Release No. 34-20091 (Aug. 16, 1983); and the 1998 Release.

To permit exclusion of a proposal on the grounds that a company's policies "compare favorably" with the proposal's guidelines, Rule 14a-8(i)(10) does not require a company to implement every detail of a proposal or to implement a proposal in exactly the same manner set forth by the proponent. Rather, the Staff has permitted the exclusion of shareholder proposals under Rule 14a-8(i)(10) when a company's actions have satisfactorily addressed the proposal's underlying concerns and its "essential objective," even when the manner by which a company implements the proposal does not correspond precisely to the actions sought by the proponent. *See MGM Resorts International* (Feb. 28, 2012); *ConAgra Foods, Inc.* (July 3, 2006); and *Johnson & Johnson* (Feb. 17, 2006). Specifically in the context of shareholder proposals requesting reports on environmental or other sustainability matters, the Staff has consistently concurred that such proposals are substantially implemented when the company's prior public communications, whether in the form of one or multiple reports, address the underlying concerns of the proposal. *See e.g., Anthem Inc.* (March 19, 2018) (concurring with the exclusion where the company's corporate responsibility report compared favorably with the proponent's proposal for a sustainability report on ESG performance, including GHG reduction targets); *Entergy Corp.* (February 14, 2014) ("*Entergy*") (concurring with the exclusion of a proposal calling for a report "on policies the company could adopt to take additional near-term actions to reduce its GHG emissions" to a certain target when the company already provided environmental sustainability disclosures on its website and in a separate report); *Target Corporation* (March 26, 2013) (concurring with the exclusion where the company's

corporate responsibility report addressed the concerns underlying the proposal for a report on the company's multifaceted sustainability policy); and *Abercrombie & Fitch Co.* (March 28, 2012) (concurring with the exclusion where the company's corporate responsibility report compared favorably with what would be achieved under the proposal for a report on GHG reduction measures and energy efficiency measures). Companies may demonstrate substantial implementation by referring to a combination of various existing corporate disclosures, even if the proposal requests one report. See *Entergy* (allowing exclusion of a proposal for a sustainability report where the relevant disclosures appeared in a company report and on the company's website).

In applying Rule 14a-8(i)(10), the Staff has consistently concurred with the exclusion of shareholder proposals that, like the Proposal, request a report containing information that the company has already publicly disclosed. In the case at hand, the essential disclosure objectives of the Proposal were previously disclosed by the Company through its 2021 Report, which is publicly available, described herein and attached as Exhibit B hereto (relevant portions highlighted in yellow). In 2019, the Staff allowed the Company to exclude a proposal submitted by the Proponent requesting a report relating to Sustainability Accounting Standards Board standards because various portions of the Company's Annual Report on Form 10-K, its 2019 Corporate Sustainability and Responsibility Report, and other disclosures across various parts of its website compared favorably with the guidelines of the proposal. See *AutoZone, Inc.* (Oct. 9, 2019). Even though the Company's prior public disclosures were not made in precisely the manner contemplated by the Proponent, that proposal was still excludable. This is similar to the Proposal insofar as the Proposal is also seeking disclosure that is not precisely that which has previously been disclosed by the Company. See also *Hess Corp.* (April 11, 2019) ("**Hess**") (concurring with the exclusion under Rule 14a-8(i)(10) of a stockholder proposal requesting a report on how the company can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal because the company's public disclosures compared favorably with the guidelines of the proposal); *Exxon Mobil Corporation* (Mar. 29, 2019) ("**Exxon**") (concurring in the exclusion of a proposal that requested a report on how the company's business activities contribute to the provision of affordable, reliable, sustainable and modern energy to alleviate energy poverty, in alignment with the Paris Agreement goal to limit global average temperature increases to well below 2 degrees Celsius above pre-industrial levels, by stating that the company's public disclosures compare favorably with the guidelines of the proposal); *Exxon Mobil Corporation* (Mar. 23, 2018) (concurring in the exclusion of a proposal that requested a report "describing how the company could adapt its business model to align with a decarbonizing economy by altering its energy mix" to substantially reduce societal greenhouse gas emissions and protect shareholder value when the company made various statements about its efforts to adapt to a lower-carbon environment in two different disclosure documents); *Dominion Resources, Inc.* (Feb. 19, 2015) (concurring in the exclusion of a proposal requesting a report on the company's effort to reduce environmental hazards associated with its coal ash disposal and storage operations and how those efforts may reduce legal, reputational, and other risks to the company's finances when the company had published a report that focuses on and makes disclosures regarding the risks associated with coal ash disposal and storage operations); *Entergy* (concurring in the exclusion of a proposal that requested a report on additional near-term actions to reduce its greenhouse gas emissions, when the company had already made numerous public disclosures on such topic; and *The Dow Chemical Co.* (Mar. 5, 2008) (concurring in the exclusion of a proposal that requested a "global warming report" that discussed how the company's efforts to ameliorate climate change may have affected the global climate when the company had already made various statements about its efforts related to climate change, which were scattered throughout various corporate documents and disclosures).

Additionally, a company does not need to implement a proposal in exactly the manner set forth by the proponent. See 1998 Release. The Staff has been willing to grant no-action relief under Rule 14a-8(i)(10) when a company has satisfied the "essential objective" of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in all details or exercised

discretion in determining how to implement the proposal. In *Exxon*, the Staff concurred with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2 degrees Celsius given that the company's previously issued report provided details on the company's GHG emission reduction efforts and addressed many, but not necessarily all, of the requests in the proposal's supporting statement. Similarly, in *Mondelez International, Inc.* (Mar. 7, 2014) ("*Mondelez*"), the Staff concurred with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board produce a report on the company's process for identifying and analyzing potential and actual human rights risks in the company's operations and supply chain, where the company already disclosed its risk management process and the framework it used to assess potential human rights risks. The facts described in *Exxon* and *Mondelez* are very similar to the Proposal because the proposals in both cases sought more specific disclosure than what had been previously disclosed. However, in such cases and the case at hand, the exclusion is appropriate because the broader essential objective had already been the topic of an existing disclosure. *See also PNM Resources Inc.* (Mar. 30, 2018) (concurring in the exclusion of a proposal requesting a report identifying which of the company's generation assets might become stranded due to global climate change, where the company disclosed all of its generation assets but declined to identify which were at risk for becoming stranded, noting that such determination is ultimately decided by the state regulator); *Pfizer Inc.* (Jan. 11, 2013, *recon. denied* Mar. 1, 2013) (concurring in the exclusion of a proposal requesting that the board issue a report detailing measures implemented to reduce the use of animals and specific plans to promote alternatives to animal use, where the company cited its compliance with the Animal Welfare Act and published a two-page "Guidelines and Policy on Laboratory Animal Care" on its website); and *Exelon Corp.* (Feb. 26, 2010) (concurring in the exclusion of a proposal that requested a report on different aspects of the company's political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided "an up-to-date view of the [c]ompany's policies and procedures with regard to political contributions"). The Company believes that its public disclosures compare favorably to, and address the underlying concerns of, the Proposal.

ii. *The Company's Various Public Disclosures Address the Underlying Concerns of the Proposal.*

The core of the Proposal, or its "essential objective," is for the Company to produce a report on plans to measure and reduce its GHG emissions and align its operations with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius. Based on the Proponent's supporting statement and the language of the proposal, the Company interprets the Proponent's "underlying concern" to be the measures that the Company is taking to reduce its total GHG emissions. As described further below, the Company's disclosures in its 2021 Report demonstrate that the Company has addressed the essential aspects and the underlying concerns of the Proposal by detailing the Company's strategy to reduce its GHG emissions, as well as reporting on the Company's related efforts to date and future plans regarding the same.

The 2021 Report directly addresses the Proposal's request that the Company describe and provide information that relates to the short, medium and long term GHG emissions reduction targets. As part of the Company's Sustainability Emissions Goals, the Company has started to quantify the GHG emissions that are produced.

While the Proponent states in the Whereas clause of the Proposal that the Company "has not set enterprise wide GHG emission reduction targets or aligned its GHG reductions plans with Paris net zero goals," such assertions were made shortly before the Company published its 2021 Report, which directly addresses the Company's plans to "develop and act on specific short, medium and long-term

sustainability goals, including, for example, GHG reduction targets.” Although the Company has not indicated whether it plans to align its GHG reduction goals with those set forth in the Paris Agreement, the Staff has previously concurred with the exclusion of similar proposals where a company’s public disclosures do not use a proposal’s exact language but nonetheless sufficiently address a proposal’s essential objective and underlying concern. Existing disclosures that capture the essential objectives of a proposal without mirroring its exact language or scope may nevertheless establish that a company has substantially implemented the proposal. *See Exxon Mobil Corp.* (Mar. 20, 2020); *Sempra Energy* (Mar. 6, 2020) (concurring in the exclusion of a proposal that requested a report describing how the company is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, where the company’s sustainability disclosures had addressed the proposal’s essential objective, even if the company’s sustainability disclosures do not use the phrase “stranded assets” contemplated in the proposal); *Hess* (concurring in the exclusion of a proposal that requested a report on how the Company can reduce its carbon footprint necessary to achieve the Paris Agreement’s goal, even though the Company’s prior public disclosure was not made in precisely the manner contemplated by the proponent); *Western Union Co.* (Feb. 12, 2016) (concurring in the exclusion of a proposal that requested the board adopt a “proxy access” bylaw with the procedures and criteria set forth where the board had adopted a proxy access bylaw that addressed the proposal’s essential objective, because the company’s existing and proposed policies have captured the essential objectives of a proposal even without mirroring its exact language or scope).

As disclosed in the 2021 Report, the Company has started a partnership with a global specialist in sustainability and efficiency and has been in the process of collaborating to develop and act on short, medium and long-term sustainability goals that include GHG reduction targets. To this end, the Company has already begun to quantify the GHG emissions that are produced as part of its business. Additionally the Company has disclosed in its 2021 Report the various steps it has made in working towards reducing its GHG emissions, such as using energy saving programs in its stores; making significant investments in solar power in order to make meaningful GHG reductions, including installing over 27,000 MWh of rooftop solar panels; replacing over 1.1 million lightbulbs across 3,000 stores with more efficient lightbulbs; and replacing rooftop HVAC blower motors with more efficient Software Smart Motor systems, which is expected to save up to 52,000 MWh of energy annually.

Moreover, the 2021 Report details the Company’s recycling efforts, which have prevented more than 170,000 metric tons of GHG emissions. Additionally, the Company already characterizes its emissions into two types: Scope 1 and Scope 2. Scope 1 measures the emissions that are produced from burning fuels, and Scope 2 measures emissions that are created when generating the electricity that is used to power the Company’s business. The Company also discloses in its 2021 Report details of its commitment to the 2025 Goal, and that achievement of the 2025 Goal will result in the reduction of GHG emissions that will be equivalent to avoiding charging over 4 billion smartphones, preventing burning nearly 37 million points of coal, and planting nearly 41,000 acres of trees. Finally, the Company has disclosed in its 2021 Report its plans to annually conduct a GHG emissions inventory with an aim to periodically update its stakeholders on its progress made towards its 2025 Goal. At this time, the Company has set a goal to decrease the Scope 1 and Scope 2 emissions by 15% over the next four years.

As described above, the Company has adequately publicly disclosed its plans for continuing to reduce its contribution to climate change and align its operations and investments with the goal of reducing its GHG emissions consistent with its 2025 Goal, including details of how the Company plans to achieve such reductions, by describing in its 2021 Report its strategy for setting targets to reduce the reliance on fossil fuels in its operations, applying technological innovation and efficiency to decrease energy use and GHG emissions across its operations, accounting for carbon costs for new investments, and explaining how these disclosures contribute towards its 2025 Goal. In addition, the Company has disclosed its strategy for how it will implement further efforts to more accurately and comprehensively

August 6, 2021

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quantify, monitor and measure its GHG emissions and its plans to improve its efforts on greater GHG emissions reductions in the future. The Company anticipates documenting these efforts through future, periodic updates to its Corporate Sustainability and Responsibility Reports. For these reasons, the Company has substantially implemented the Proposal's "essential objective."

CONCLUSION

Based upon the foregoing analysis, we hereby respectfully request that the Staff concur with our view that the Company may properly omit the Proposal from its 2021 Proxy Materials in reliance on Rule 14a-8. Should the Staff disagree with this conclusion, we would appreciate the opportunity to confer with the Staff prior to the issuance of the Staff's response.

If the Staff wishes to discuss the responses provided, please do not hesitate to contact the undersigned via phone at 901-543-5979 or via email at ssiddiqui@bassberry.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Siddiqui", with a stylized flourish extending to the right.

Sehrish Siddiqui

CC: Danielle Fugere, President, As You Sow, as Representative of the Stockholder named in the Proposal
Kristen Wright, Senior Vice President, General Counsel & Secretary, AutoZone
Laura Brothers, Member, Bass, Berry & Sims PLC

31101659.6



EXHIBIT A

VIA USPS OVERNIGHT MAIL & EMAIL

June 25, 2021

Kristen C. Wright
Corporate Secretary
Autozone, Inc.
P.O. Box 2198, Dept. 8074
Memphis, TN 38101-2198
Kristen.Wright@autozone.com

Dear Kristen Wright,

As You Sow is filing a shareholder proposal on behalf of Elizabeth Gale Michaels Rev Tr (“Proponent”), a shareholder of Autozone, Inc., for inclusion in Autozone, Inc.’s 2021 proxy statement and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholder meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent’s concerns.

To schedule a dialogue, please contact David Shugar at david@asyousow.org. Please send all correspondence to David **with a copy to** shareholderengagement@asyousow.org.

Sincerely,

Danielle Fugere
President

Enclosures

- Shareholder Proposal
- Shareholder Authorization

cc: investor.relations@autozone.com

Climate Transition Plan Reporting

Whereas: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector’s contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission last year underscored that climate change could impair the productive capacity of the U.S. economy.¹

Shareholders are increasingly concerned about material climate risk to their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. BlackRock’s CEO notes that investment flows into “sustainable” and climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.²

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of more than 575 investors with over \$54 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies’ net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals; and strategic action plans to achieve decarbonization targets.³

AutoZone, Inc. is a leading retailer and distributor of automotive replacement parts with over 6,000 global stores. Our company has not set enterprise wide GHG emission reduction targets or aligned its GHG reductions plans with Paris net zero goals. The limited activities its has taken to reduce greenhouse gas emissions, including lighting and heating upgrades in its buildings, reducing transportation fleet idle times, and increasing fleet fuel economy, are good initial steps. By setting and disclosing scope 1 through 3 GHG emissions reduction targets, including net zero ambitions, and developing and disclosing a clear climate transition plan, AutoZone can provide investors with assurance that management is reducing its full climate impact, building on climate-related opportunities, and addressing growing climate risk, including a radically changing landscape for vehicles.

Resolved: Shareholders request that AutoZone, Inc. issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short, medium, and long term GHG gas reduction targets aligned with the Paris Agreement’s goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. Reporting should cover the company’s full range of operational and product related emissions.

Supporting Statement: Proponents suggest, at Board and Company discretion, the report describe:

- The Company’s climate transition plans;
- How the Company’s capital allocation plans align with the Company’s climate transition plans,

¹ <https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>

² <https://www.blackrock.com/corporate/literature/whitepaper/bii-portfolio-perspectives-february-2020.pdf>; [Fink CEO Letter]

³ <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

where relevant;

- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal;
- Other information the Board deems appropriate.

4/27/2021 | 2:58:50 PM PDT

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,


As of the date of this letter, the undersigned authorizes As You Sow (AYS) to file, co-file, or endorse the shareholder resolution identified below on Stockholder's behalf with the identified company, and that it be included in the proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder: Elizabeth Gale Michaels Rev Tr (S)
Company: AutoZone, Inc
Annual Meeting/Proxy Statement Year: 2021
Resolution Subject: Climate Transition Plan Reporting

The Stockholder has continuously owned over \$2,000 worth of company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2021.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:

47338525B5E8404...

Name: Liz Michaels

Title: owner

Galante, Priya

From: David Shugar <david@asyousow.org>

Sent: Monday, June 28, 2021 4:06 PM

To: Wright, Kristen <Kristen.Wright@autozone.com>; Leggett, Maria <maria.leggett@autozone.com>; Campbell, Brian <brian.campbell@autozone.com>

Cc: Danielle Fugere <DFugere@asyousow.org>; Butler, Pam <pam.butler@autozone.com>

Subject: AutoZone - As You Sow

Brian, Maria, and Kristen,

Thank you for the opportunity to have a dialogue on net zero transition planning. We are looking forward to reviewing AutoZone's upcoming CSR report, emissions disclosures, and reduction targets.

Would it be possible to confidentially share a draft of this upcoming report? This would be very helpful for our internal analysis and won't be shared externally.

Sincerely,

David

David Shugar

ESG & Climate Data Analyst

As You Sow

Main Post Office, P.O. Box 751 | Berkeley, CA 94701

(650) 773-4680

david@asyousow.org | www.asyousow.org



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Galante, Priya

Attachments: Confidential Draft.pdf

From: Wright, Kristen <Kristen.Wright@autozone.com>

Sent: Wednesday, June 30, 2021 10:26 AM

To: David Shugar <david@asyousow.org>; Leggett, Maria <maria.leggett@autozone.com>; Campbell, Brian <brian.campbell@autozone.com>

Cc: Danielle Fugere <DFugere@asyousow.org>; Galante, Priya <priya.galante@autozone.com>

Subject: Re: AutoZone - As You Sow

Good morning David,

Thank you for your follow-up email. We appreciated the opportunity to discuss our plans with you and Danielle on June 22, and we found it to be a very productive conversation. We were surprised to receive As You Sow's Shareholder Proposal via email from Gail Follansbee on June 25, as we believed that you and Danielle were pleased with AutoZone's engagement of an ESG consultant and specialist to undertake a materiality assessment and inventory of our GHG emissions in order to develop conscientious short, medium and long-term goals.

You will see our plans and commitments reflected in our 2021 Corporate Sustainability and Responsibility Report (CSR) which was published on our website this morning. (Please note that some validation work is still underway and data may be subject to adjustment.) The CSR includes disclosures and targets specific to your Proposal, in particular: our efforts to develop and act on specific short, medium and long-term sustainability goals; definitive efforts to quantify the GHG emissions that we produce; our commitment to conducting a yearly GHG emissions inventory with an aim to update our stakeholders on our progress; and our short-term goal of decreasing Scope 1 and 2 energy-related emissions from our US business by 15% by 2025.

These initiatives, in addition to the comprehensive work we are undertaking through our engagement of an ESG specialist, demonstrate that the spirit of your Proposal has been substantially implemented within the parameters of Rule 14a-8 under the Securities Exchange Act of 1934. We would be happy to discuss further and trust that your analysis of our new report will lead As You Sow to reconsider its Proposal.

Also, as required by relevant rules, please note that we will be submitting a formal letter requesting that the shareholder proponent provide proof of ownership.

Best regards,
Kristen

Galante, Priya

From: Wright, Kristen
Sent: Wednesday, July 7, 2021 12:23 PM
To: Danielle Fugere; David Shugar
Cc: shareholderengagement@asyousow.org; Leggett, Maria; Galante, Priya; Butler, Pam; Gail Follansbee
Subject: AutoZone - As You Sow - Proof of Ownership
Attachments: AZO_Letter_to_AYS_re_Beneficial_Ownership.pdf; 1. Rule 14a-8. Shareholder Proposals.pdf; 2. Staff Legal Bulletin No. 14F (Shareholder Proposals).pdf; 3. Shareholder Proposals_ Staff Legal Bulletin No. 14K (CF).pdf

Danielle and David,

We hope you've had the opportunity to review our 2021 Corporate Sustainability and Responsibility Report. We're pleased to report that the initial feedback from our investor community has been overwhelmingly positive! As previously mentioned, please find attached AutoZone's request for proof of ownership.

Best Regards,
Kristen

Galante, Priya

From: Shareholder Engagement <shareholderengagement@asyousow.org>
Sent: Wednesday, July 14, 2021 6:36 PM
To: Wright, Kristen; Danielle Fugere; David Shugar
Cc: Leggett, Maria; Galante, Priya; Butler, Pam; Rachel Lowy
Subject: Re: AutoZone - As You Sow - Proof of Ownership
Attachments: 21.AZO.1 Proof of Ownership - Elizabeth Michaels.pdf

Hi Kristen,

Please see the attached proof of ownership for **6 shares** of AZO for **Elizabeth Gale Michaels Rev Trust**.

Please confirm receipt of this proof and also that all deficiencies have been satisfied.

Thank you so much,
Gail

Gail Follansbee (she/her)
Coordinator, Shareholder Relations

As You Sow

2020 Milvia Street, Suite 500

Berkeley, CA 94704

(510) 735-8158 x 718 (work) ~ (650) 868-9828 (cell)

gail@asyousow.org | www.asyousow.org

From: Gail Follansbee <gail@asyousow.org>

Date: Wednesday, July 7, 2021 at 10:28 AM

To: "Wright, Kristen" <Kristen.Wright@autozone.com>, Danielle Fugere <DFugere@asyousow.org>, David Shugar <david@asyousow.org>

Cc: Shareholder Engagement <shareholderengagement@asyousow.org>, "Leggett, Maria" <maria.leggett@autozone.com>, "Galante, Priya" <priya.galante@autozone.com>, "Butler, Pam" <pam.butler@autozone.com>

Subject: Re: AutoZone - As You Sow - Proof of Ownership

Hello Kristen-

Confirming receipt of this deficiency letter today, 7/7. We will respond regarding proof of ownership within 14 days of receipt of this notice, so by 7/21/21.

Best,
Gail

Gail Follansbee (she/her)

Coordinator, Shareholder Relations

As You Sow

2150 Kittredge St., Suite 450

Berkeley, CA 94704

(510) 735-8139 (direct line) ~ (650) 868-9828 (cell)

gail@asyousow.org | www.asyousow.org

From: "Wright, Kristen" <Kristen.Wright@autozone.com>

Date: Wednesday, July 7, 2021 at 10:24 AM

To: Danielle Fugere <DFugere@asyousow.org>, David Shugar <david@asyousow.org>

Cc: Shareholder Engagement <shareholderengagement@asyousow.org>, "Leggett, Maria" <maria.leggett@autozone.com>, "Galante, Priya" <priya.galante@autozone.com>, "Butler, Pam" <pam.butler@autozone.com>, Gail Follansbee <gail@asyousow.org>

Subject: AutoZone - As You Sow - Proof of Ownership

Danielle and David,

We hope you've had the opportunity to review our 2021 Corporate Sustainability and Responsibility Report. We're pleased to report that the initial feedback from our investor community has been overwhelmingly positive! As previously mentioned, please find attached AutoZone's request for proof of ownership.

Best Regards,

Kristen

Galante, Priya

Subject: FW: AutoZone - As You Sow
Attachments: Autozone Withdrawal Letter_20210719.docx

From: David Shugar <david@asyousow.org>
Sent: Monday, July 19, 2021 7:09 PM
To: Wright, Kristen <Kristen.Wright@autozone.com>; Leggett, Maria <maria.leggett@autozone.com>; Campbell, Brian <brian.campbell@autozone.com>
Cc: Danielle Fugere <DFugere@asyousow.org>; Galante, Priya <priya.galante@autozone.com>
Subject: Re: AutoZone - As You Sow

Kristen,

Thank you for the opportunity to continue our dialogue. Following our discussion last week, we have attached an agreement detailing actions AutoZone can take for *As You Sow* to withdraw the filed shareholder proposal.

Please reach out if you have any additional questions or comments,

Best,

David

David Shugar

Say on Climate Initiative Coordinator

As You Sow

Main Post Office, P.O. Box 751 | Berkeley, CA 94701

(650) 773-4680

david@asyousow.org | www.asyousow.org



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Galante, Priya

From: Leggett, Maria
Sent: Friday, July 23, 2021 7:42 AM
To: DFugere@asyousow.org; David Shugar
Cc: Wright, Kristen; Galante, Priya; Campbell, Brian
Subject: Response to As You Sow's 7/19/21 Draft Proposal
Attachments: AsYouSow_072221.pdf

Good morning, Danielle and David.

Please see the attached letter from Kristen in response to your July 19, 2021 draft proposal. Thank you.

Maria M. Leggett
Vice President, Assistant General Counsel & Assistant Secretary
Customer Satisfaction
AutoZone, Inc.
123 South Front Street
Memphis, Tennessee 38103
(901) 495-8700
maria.leggett@autozone.com



123 South Front Street, Memphis, TN 38103 Phone (901) 495-6500

KRISTEN C. WRIGHT
Senior Vice President and General Counsel
Customer Satisfaction

July 23, 2021

Danielle Fugere
President
As You Sow
dfugere@asyousow.org

Re: Proposed Withdrawal Agreement of 2021 Resolution on Climate Transition Plan Reporting

Dear Danielle,

Thank you for taking the time to speak with us regarding your proposal and AutoZone, Inc.'s (AutoZone) disclosures and plans regarding sustainability efforts generally and reduction in greenhouse gas (GHG) emissions specifically. We are in receipt of your draft proposal dated July 19, 2021. We understand from your draft proposal that you seek the following from AutoZone:

- I. "Conduct annual reporting of company's transition plan for and progress in meeting the Company's GHG reduction goals, published in a publicly available climate transition report or other reporting on the Company's website."**

In response to this request, we respectfully note the disclosure contained in our Corporate Sustainability and Responsibility Report (CSR Report), published on autozone.com at the end of June, and delivered to you in draft form on June 30, 2021. Specifically, within the CSR Report, we disclose the following:

"We have committed to conducting a yearly GHG emissions inventory with an aim to periodically update our stakeholders on our progress." (page 23)

By including this language, we have publicly disclosed our commitment to an annual inventory on our progress towards our GHG emissions reduction goals. We further publicly undertake to disclose to our stakeholders such progress periodically, which we intend to be no less frequently than every other year and included within our CSR Reports. We believe this undertaking appropriately addresses the goal of reliable, consistent disclosure to our stakeholders regarding this matter.

You also seek the following from AutoZone:

- II. "On or before March 31, 2022, set medium interim GHG targets (2026 – 2035) across all relevant scopes to reduce emissions in line with the Company's 1.5°C emissions reduction goal."**

In response to this request, we respectfully note the disclosure already contained within our CSR Report. Specifically, within the CSR Report, we disclose the following:

We have started a partnership with a global specialist in sustainability and efficiency, and are collaborating to develop and act on specific short, medium and long term sustainability goals including, for example, GHG reduction targets. This includes creating a consistent approach to monitoring and measuring progress. We have started by quantifying the GHG emissions that we produce as part of doing business. (page 23)

By including this language, we have publicly disclosed our commitment to set specific sustainability goals, including medium-term GHG reduction targets. We have also publicly disclosed the mechanism by which we will set these goals, which we have also discussed with you during our phone conversations. Specifically, in addition to the global sustainability specialist, we will engage a global ESG consultant to assist us with these targets. As part of our 12-month consulting agreement with the ESG consultant, we will develop our ESG journey systematically and responsibly including, for example, creating internal governance, conducting a materiality assessment, developing a multi-year ESG roadmap (including medium-term GHG reduction targets) and ESG reporting, among other objectives.

Finally, in your proposed withdrawal agreement, you seek the following from AutoZone:

III. “On or before November 30, 2021, publicly release a statement on AutoZone’s ambition to reach net-zero Scope 1, 2, and 3 GHG emissions by 2050 or sooner.”

We respectfully refer you to the following disclosure contained within the CSR Report:

As a global corporate citizen, it is our responsibility to understand our environmental footprint and the impact that heating our stores and powering them has on the world. We have committed to conducting a yearly GHG emissions inventory with an aim to periodically update our stakeholders on our progress. We are also taking action to decrease the Scope 1 and 2 energy-related emissions stemming from our U.S. business by 15% by 2025. (page 23)

In addition, as referenced above, we have started a partnership with a global specialist to help us develop short, medium, and long-term sustainability goals, including GHG emissions reductions targets plus will soon engage an ESG consultant to evaluate our current approach and recommend next steps. We take our commitment to corporate social responsibility and reducing our carbon footprint seriously and develop applicable goals and targets after appropriate data collection, assessments and resources have been compiled to develop and commit to the same. As indicated in our CSR Report, we have set forth specific short-term goals related to Scope 1 and 2 energy-related emissions from our U.S. business by 2025 – although the strategic planning work we are undergoing this year may provide us with additional insights on this possibility going forward. In our journey towards reducing energy-related emissions, we are not currently in a position to commit to net-zero Scope 1, 2, and 3 GHG emissions by 2050 or sooner.

We believe that AutoZone's current progress and future plans for emissions reduction align with much of what you are seeking. We look forward to reaching additional common ground on our commitment to responsible corporate citizenship consistent with our conversations.

Sincerely,

A handwritten signature in black ink that reads "Kristen C. Wright". The signature is written in a cursive, flowing style.

Kristen C. Wright

Galante, Priya

Subject: RE: Response to As You Sow's 7/19/21 Draft Proposal

From: David Shugar <david@asyousow.org>

Sent: Thursday, July 29, 2021 6:31 PM

To: Wright, Kristen <Kristen.Wright@autozone.com>

Cc: Galante, Priya <priya.galante@autozone.com>; Campbell, Brian <brian.campbell@autozone.com>; Leggett, Maria <maria.leggett@autozone.com>; Danielle Fugere <DFugere@asyousow.org>

Subject: Re: Response to As You Sow's 7/19/21 Draft Proposal

Kristen,

Thank you for the thorough response to the agreement. We appreciate that AutoZone has set a short-term emission reduction goal and is working with consultants to establish medium and long-term reduction targets. With that said, we believe it is necessary and reasonable for the company to set a timeline for establishing longer-term reduction targets.

Please find an updated agreement attached with marked edits, which we anticipate will work better with AutoZone's current process of developing targets. The agreement omits a net zero commitment and includes an increased timeframe for setting medium-term and long-term goals. Furthermore, we had added an item for the disclosure of Scope 3 emissions, which is critical in assessing AutoZone's relevant sources of emissions.

I hope we can work to find an agreement and feel free to reach out for any questions or comments.

Best,
David

David Shugar

Say on Climate Initiative Coordinator

As You Sow

Main Post Office, P.O. Box 751 | Berkeley, CA 94701

(650) 773-4680

david@asyousow.org | www.asyousow.org



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Galante, Priya

Subject: RE: Response to As You Sow's 7/19/21 Draft Proposal

From: Wright, Kristen <Kristen.Wright@autozone.com>

Sent: Thursday, August 5, 2021 10:47 AM

To: David Shugar <david@asyousow.org>

Cc: Galante, Priya <priya.galante@autozone.com>; Campbell, Brian <brian.campbell@autozone.com>; Leggett, Maria <maria.leggett@autozone.com>; Danielle Fugere <DFugere@asyousow.org>

Subject: Re: Response to As You Sow's 7/19/21 Draft Proposal

David,

Thank you for your email and revised terms to a withdrawal agreement.

As you know, our 2021 Corporate Sustainability and Responsibility Report (“CSR”) demonstrates not only the progression of our ESG journey since we first met in the summer of 2019, but also our steadfast commitment to ESG matters, as evidenced by a new energy reduction goal, SASB and GRI aligned reporting, EEO-1 compliant data and more. In fact, we’re pleased to share that the feedback from our investor community on these new and expanded disclosures has been overwhelmingly positive!

While AutoZone is aligned with As You Sow’s mission, we strive for meaningful, enduring change that will be impactful to our customers, employees, communities, and our stockholders. We have operated with the highest integrity for 41 years and honor our commitments; we do not make them lightly. As a reminder, we serve thousands of customers every day by coming together as a team of over 100,000 AutoZoners; by providing Wow! Customer Service in our more than 6,600 stores; by leveraging our network of 13 distribution centers, hundreds of fleet vehicles and global store support centers; and by partnering with thousands of suppliers and vendors in all facets of our business. As such, we do not believe it’s reasonable to complete a thorough and reliable analysis of Scope 3 emissions for our entire global footprint and also set meaningful GHG reduction goals all within your tight proposed timeframe.

However, in an effort to be responsive to your request and work collaboratively, we are able to commit to complete a comprehensive study of our business to properly assess material Scope 1, 2 and 3 emissions from our US operations by December 31, 2022. We believe these are foundational, necessary steps that must be completed carefully and diligently before moving forward on any climate-related medium and long term plans. While we are already partnering with both an existing global sustainability specialist and a new ESG consultant to conduct a materiality assessment and multi-year roadmap, we are prepared to augment those plans with the above-referenced comprehensive study.

As such, enclosed are proposed edits to your draft withdrawal agreement which we are prepared to sign. We would be happy to schedule a call to clarify any questions or discuss further. We’re generally available Thursday or Friday for a call.

Thanks,

Kristen

EXHIBIT B



PARTS ARE JUST A PART OF WHAT WE DO

CORPORATE SUSTAINABILITY AND RESPONSIBILITY REPORT - 2021

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Through Quarter 2 Fiscal Year 2021 (Q2 FY2021) unless otherwise stated



STARTING LINE

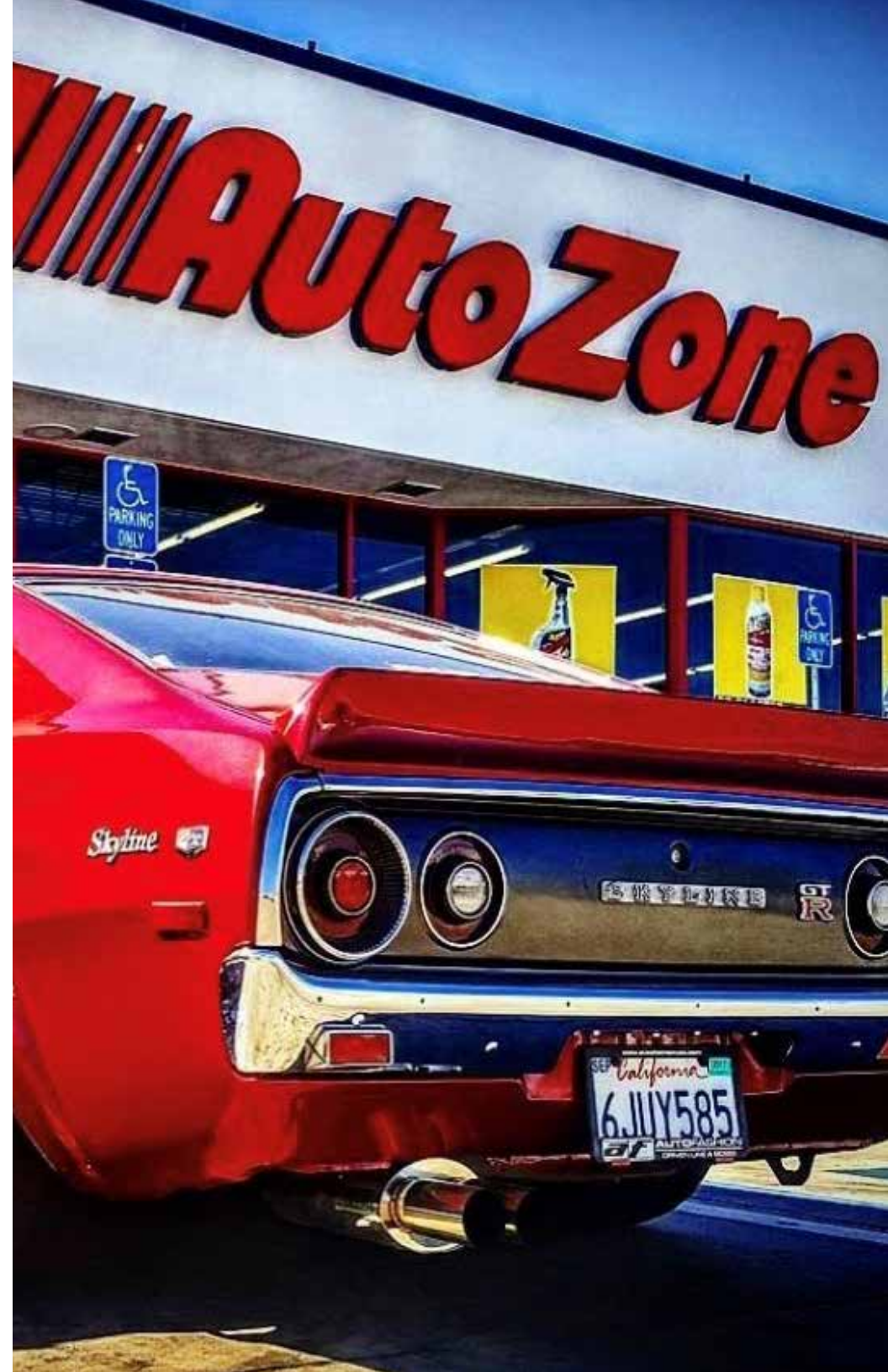
AutoZoners always put customers first!
We know our parts and products.
Our stores look great!
We've got the best merchandise at the right price.

AutoZone Pledge, est. 1986

At AutoZone, our culture is what sets us apart from the competition. For more than 40 years, we have dedicated ourselves to offering the best merchandise at the right price and providing WOW! Customer Service and Trustworthy Advice. Across more than 6,600 stores, Distribution Centers (DCs), our Support Centers and at ALLDATA, the foundation of our success is the rich culture that our more than 100,000 employees, affectionately called AutoZoners, strive to live by. Every day, AutoZoners Go the Extra Mile for our customers and the communities where we all live, work and play. Guided by our Values, we strive to create a welcoming, diverse

environment for our customers and for one another. As ITEAM, AutoZoners always Put Customers First, Care About People, Strive for Exceptional Performance, Energize Others, Embrace Diversity and Help Teams Succeed.

We sell auto parts, but our purpose is to passionately serve our customers, the motoring public, provide great career opportunities for our AutoZoners, and provide value to our shareholders. We are constantly innovating to improve programs and processes, which enhance our service to our business and shareholders while protecting and caring for people and the environment.



2020-2021 HIGHLIGHTS

COVID-19 RESPONSE AND EFFORTS

- Each store implemented practices, policies and new customer service measures to keep AutoZoners and our customers safe while operating as an essential business
- No AutoZoners were furloughed or laid-off as a result of the COVID-19 Pandemic
- Eligible full-time and part-time AutoZoners received Emergency Time Off (ETO) benefits
- Sourced and distributed over 20 million face masks, 70 million gloves, tens of thousands of gallons of hand sanitizer and hundreds of touch-free thermometers and disinfectant sprays to frontline workers in our stores, Distribution Centers (DCs), hospitals and charitable organizations

RECYCLING

- Over 12MM gallons of oil and 412,000 tons of batteries and remanufactured parts recycled through AutoZone (“Company”) stores in FY2020

SAVING ENERGY AND REDUCING EMISSIONS

- Except for FY2020, 33% reduction of kilowatt-hour (kWh) usage per square foot since 2007
- Continual reduction in kWh usage year over year as new stores and square footage were added

- Committed to decreasing our U.S. Scope 1 and Scope 2 energy-related emissions by 15% by 2025 from a 2019 baseline

DIVERSITY, EQUITY AND INCLUSION

- 24% of our workforce and management is made up of women
- 44% of our management is ethnically diverse
- 30% of our Board of Directors are ethnically diverse and 30% are women
- 90% of our Board members serve as Independent Directors
- Our Code of Conduct and Employee Handbooks describe our policies and commitment to workplace inclusivity and respect
- We recruit, train, promote and pay AutoZoners equitably, regardless of gender, race or ethnicity

CARES ABOUT PEOPLE

- Over \$16.5MM donations generated in FY2020 to non-profit organizations
- Over 80% of AutoZone’s Charitable Giving Grants were made to organizations serving historically underrepresented communities

- The majority of our CEO Team (officers of the Company, Vice President level and above) serves on non-profit and industry boards

PUTTING SAFETY FIRST

- For FY2020, AutoZone’s Supply Chain Occupational Safety and Health Administration (OSHA) reporting documented:
 - Recordable Injury Rate for General Warehousing and Storage is 59% lower than the national rate*
 - Lost Time Rate for General Warehousing and Storage is 71% lower than the national rate*
- In FY2020, our third-party auditors conducted 500 factory audits (more than 12,000 hours) of our suppliers’ employees’ safety and well-being as well as physical plant operations, use of personal protection equipment (PPE), air emissions and wastewater limits
 - Audits are generally conducted annually. If there is a fail, then the re-audit is conducted within 90 days

* National rate according to same industry U.S. Bureau of Labor Statistics data as of 2019



FROM THE DESK OF BILL RHODES

Our Company proudly exists to serve the needs of our customers, the motoring public. Whether during times of natural disasters or as we go about our day-to-day lives, our ability to ensure that our customers can safely and responsibly operate their vehicles is and will always be essential. No one could have imagined all that has been and surrounds the COVID-19 Pandemic. That said, I give very special thanks to our AutoZoners, throughout the entire enterprise, for their tremendous and heroic response to COVID-19 and the challenges of our time.

On behalf of our over 100,000 AutoZoners and their incredible efforts, I am so proud to share with you our 2021 Corporate Sustainability and Responsibility Report (CSR). Understanding that the work of Environmental, Social and Corporate Governance (ESG) is truly a journey, we are committed to identifying opportunities and continuing progress through establishing meaningful disclosures and goals that are important to AutoZone, benefit our customers, and support our AutoZoners and the communities where we live and serve. Knowing

that “parts are just a part of what we do,” our commitment to the customer goes far beyond selling and distributing the highest quality automotive aftermarket parts and products at the right price. It is clear that our goal of delivering shareholder value must never come at the expense of our obligation to reduce our environmental footprint nor can our passion for always putting our customers first ever diminish our ability to support and further develop our communities – all must be who we are and not simply what we do.

Since publishing our inaugural CSR Report in 2019, in true AutoZone fashion, we have engaged with stakeholders, embraced feedback, positively evolved, and doubled down on our drive to be an even more transparent, and responsible corporate contributor. During FY2020, our AutoZoners in the U.S., were responsible for recycling over 12 million gallons of oil, 1,000 tons of plastic, and over 346,000 tons of batteries. Ambitiously, we have made it our goal to decrease our U.S. Scope 1 and Scope 2 energy-related emissions by 15% by 2025.

In this report, you will also find that we continue to make decisions and significant investments in support of our AutoZoners and communities. But, of all the decisions our leadership team has made in FY2020, I am most proud of our decision to invest in our AutoZoners on the frontlines with an Emergency Time Off (ETO) benefit. Early in the Pandemic, while we all were facing unprecedented challenges and uncertainty, our Executive Committee (Senior Vice Presidents and above) and Board of Directors unanimously decided to provide up to 80 hours of ETO for eligible full-time hourly AutoZoners and up to 40 hours of ETO for eligible part-time AutoZoners. Along with other Pandemic-related expenses, including an additional round of ETO and \$100 COVID-19 vaccine incentive, our Company has invested over \$128 million to support AutoZoners. I am also pleased to report that we did not layoff, nor furlough, a single AutoZoner during the COVID-19 Pandemic.

Despite our progress, investments and accomplishments outlined in this CSR Report, there

will always be room for us to do more, and we will not rest on our past performance, but rather use it as a springboard for evolution and growth. For FY2021, with an operating theme of “AutoZone Strong” – we built upon our unique and powerful Values and culture, and we are committed to creating a more equitable, sustainable and overall better global environment for all. Thank you for staying in the Zone with us for all these years!

Sincerely,

Bill Rhodes

Bill Rhodes
Chairman, President, and CEO,
Customer Satisfaction



UNDER THE HOOD AT AUTOZONE

Originally named “Auto Shack”, AutoZone began as a division of Malone & Hyde, Inc, a publicly traded wholesale food distributor started by the Hyde family. Our founder, J.R. “Pitt” Hyde III, started Auto Shack with a few key members of the Malone & Hyde management team.

Seeking to diversify the business, Pitt and team researched several retail sectors including evaluating a few auto parts companies.

The team recognized there was an opportunity for a retail auto parts store that could help anyone take care of their vehicle.

They believed that the characteristics found in supermarkets could be applied to the auto parts business: clean, well-lit, well-merchandised stores and exceptional, friendly customer service.

On July 4, 1979, the first Auto Shack store opened in Forrest City, Arkansas.

Today, AutoZone is the leading retailer and a leading distributor of automotive replacement parts and accessories in the Americas. ALLDATA, an AutoZone company, is the leading provider of unedited original equipment manufacturers’ (OEM) information serving the automotive repair and collision industries. With more than 6,600 stores and over 100,000 AutoZoners across all fifty states in the U.S., Mexico, Brazil, and supporting operations on four continents, much has happened during our 41 years in business.

1979



The first Auto Shack in Forrest City, Arkansas opens.

1987



Auto Shack changes its name to AutoZone.

1991



AutoZone becomes a publicly traded company on the New York Stock Exchange (ticker symbol: AZO).

The AutoZone Pledge is written by Lynda Ireland setting the standard for our commitment to customer satisfaction.



1986

AutoZone launches Duralast. Today, more technicians choose Duralast parts than any other aftermarket parts brand in the U.S.



1986

autozone.com debuts.



1996

1998



Our first store in Mexico opens.

2000



autozone.com starts to sell and ship parts and products to customers' homes.

2002



Hub stores debut and substantially increase local market parts availability.

2010



autozone.com goes mobile.

2014



Mega Hubs are added, carrying twice as many parts as Hub stores.

2015



AutoZone stores are in all 50 U.S. states.

AutoZone launches Commercial offering credit and delivery to professional technicians and acquires ALLDATA.



1996

DataZone Support Center in Chihuahua, Mexico opens to support electronic cataloging and Commercial.



2000

Six Values are introduced to support the AutoZone culture.



2007

International expansion grows with our first store opening in Brazil.



2012



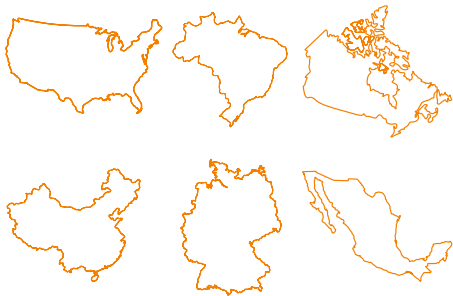
Next Day Delivery Program is launched which allows customers to order parts and products on autozone.com as late as 10 p.m. and have them delivered to their doorstep the following day.

2018

TEAM

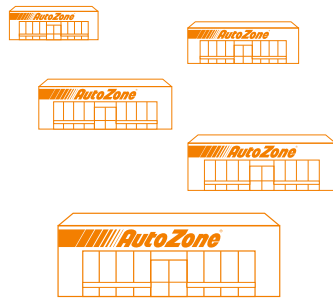
OVER 100,000 AUTOZONERS

We employ over 90,000 AutoZoners in the United States of America (U.S.) and over 10,000 internationally (Brazil, Canada, China, Germany and Mexico).



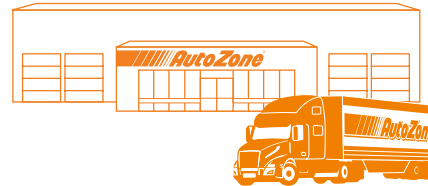
OVER 6,600 STORES

We operate more than 5,900 stores in the U.S., 600 in Mexico, and 45 in Brazil.



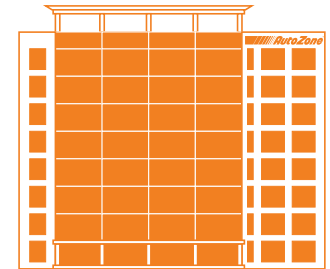
13 DISTRIBUTION CENTERS

We operate 10 DCs in the U.S., two in Mexico and one in Brazil.



5 SUPPORT CENTERS

AutoZone's J.R. Hyde III Store Support Center (SSC), is in Memphis, Tennessee. Based in Monterrey, Mexico, the "Centro de Apollo a Tiendas" (CAT) supports all Mexico stores; in Brazil, the "Centro de Suporte as Lojas" (CSL) is in Sao Paulo. Our DataZone Support Center is in Chihuahua, Mexico. ALLDATA is located in Elk Grove, California.





AutoZone



PLEDGE & VALUES

AutoZoners always put customers first!

We know our parts and products.

Our stores look great!

We've got the best merchandise at the right price.



ALLDATA

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An AutoZoner Always...

PUTS CUSTOMERS FIRST

Exceed your customers' expectations by providing WOW! Customer Service and going the Extra Mile. Understand your customers' needs and solve their problems. Treat each customer as your only customer.

CARES ABOUT PEOPLE

Treat people with dignity and respect. Recognize great work and provide frequent feedback. Demonstrate concern for others and your community. Create a safe environment. Own your development and help develop others.

STRIVES FOR EXCEPTIONAL PERFORMANCE

Be accountable and honor your commitments. Act in a manner of the highest legal and ethical standards. Use resources wisely and promote a culture of thrift. Take strong initiative, act quickly and do the job right the first time.

ENERGIZES OTHERS

Share your passion for the business. Generate enthusiasm, motivate others and promote innovation. Listen and assume positive intent in others.

EMBRACES DIVERSITY

Welcome each individual's heritage, differences and unique qualities. Build teams with diverse thoughts, skills, knowledge and backgrounds. Value the ideas and opinions of others.

HELPS TEAMS SUCCEED

Actively contribute to team goals and seek opportunities to lead. Be a reliable and supportive team member. Strive for accurate and clear communication. Place team goals over personal goals.

CULTURE

Our Pledge and Values guide our actions and decisions. The Pledge is our promise to customers and to each other as AutoZoners. Using its four simple, clear, concise, yet actionable lines, AutoZoners in our stores, DCs and other parts of the organization have a clear guide to What It Takes To Do The Job Right, or what we call, WITTDJR®. Every AutoZoner, from the CEO Team (Vice Presidents and above) to AutoZoners in our stores, strive to LIVE the Pledge.

OUR CHEER

Meetings at AutoZone begin with our Cheer to remind us of our commitment to customer satisfaction and our promise to put customers first. The Cheer is high energy, exciting and is practiced in our stores, DCs, Support Centers and any other location where five or more AutoZoners gather.

How the Cheer works: An AutoZoner leads the Cheer and all other AutoZoners in attendance respond.

Give me a: A-U-T-O-Z-O-N-E
Who's the best? AutoZone!
Who's number one?
The customer!

Then we collectively recite our Pledge.

PLEDGE

Most companies have a vision and/or mission statement. We have a Pledge! A Pledge to ourselves and our customers. In true AutoZone fashion, our Pledge starts with the Customer.

AutoZoners always put customers first!

We know our parts and products.

Our stores look great!

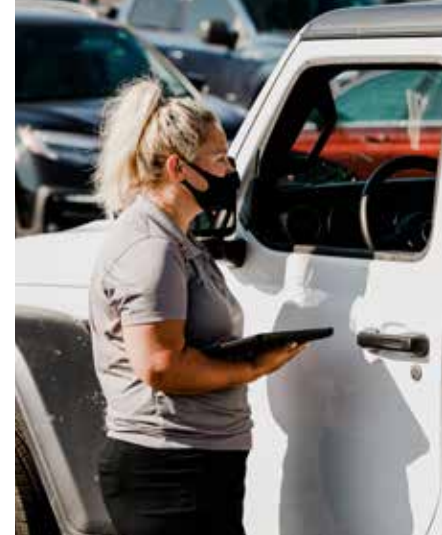
We've got the best merchandise at the right price.

EXTRA MILER

Following the Cheer and Pledge, an Extra Miler story is read. This story may be a letter from a satisfied customer or from an AutoZoner recognizing a peer for going above and beyond the call of duty.

Reading an Extra Miler story before each meeting is another way to:

- Reinforce our culture
- Emphasize that AutoZoners work hard to provide WOW! Customer Service
- Remind AutoZoners to put customers first
- Spotlight repeatable behaviors aligned with our Values and culture



OUR COVID-19 PANDEMIC RESPONSE

“An AutoZoner Always... Helps Teams Succeed and Cares About People.”

Our teams are our AutoZoners, our customers, and the communities we serve, and we are firmly committed to always help them succeed, while also keeping health and safety our top priority.

In March 2020, the World Health Organization declared COVID-19 a global Pandemic. In response, we established three important guiding principles:

1. We are an essential business, and we are here to serve our customers, the motoring public, including essential workers.
2. We want to continue providing good jobs and pay for our AutoZoners during the quarantine/stay-at-home orders.
3. We will ensure both the long-term viability and sustainability of the enterprise in order to continue to provide great service to our customers and tremendous career opportunities for AutoZoners in the future.



COVID-19 AUTOZONER SUPPORT

The health, safety and well-being of our AutoZoners and customers are our top priority.

In March 2020, we provided an Emergency Time Off (ETO) benefit for AutoZoners. Unanimously, our Executive Committee and Board of Directors voted to provide 80 hours of ETO for eligible full-time AutoZoners and up to 40 hours of ETO for part-time AutoZoners. This ETO benefit was unrestricted. AutoZoners could use the time as they needed to, and at the end of the calendar year receive a payout for unused time or rollover the time to 2021. In May 2020, we extended a similar benefit to all store managers and DC advisors (front line supervisors).

In December 2020, we expanded the ETO benefit, providing an additional 40 hours of ETO to eligible full-time AutoZoners (including store managers and DC advisors) and up to 16 hours of ETO for part-time AutoZoners, as of 2021. We also extended the paid time-off (PTO) carryover period to give all AutoZoners more flexibility to use their well-earned time off. In February 2021, to further support AutoZoners, we announced a one-time incentive of \$100 for all AutoZoners who complete their COVID-19 vaccination. To date, we have invested over \$128 million to help AutoZoners manage challenges caused by COVID-19.

COVID-19 PROTOCOLS – STORES, DCs AND SUPPORT CENTERS

To protect the safety and well-being of our customers and AutoZoners, we implemented enhanced safety protocols and adapted business practices in March 2020:

- **Masks & Hygiene:** AutoZoners were required to wear masks appropriately (fully covering their mouth, nose and chin). Daily temperature and health checks were conducted at stores and DCs.
- **Cleanliness:** Cleaning and disinfecting efforts were increased, including the use of a Preventative Cleaning and Disinfection Checklist for daily use in stores and DCs.
- **Signage and Social Distance:** Signs were posted about social distancing. Floor markings and barriers were also used when necessary to help maintain six feet of social distance between AutoZoners and customers.
- **Sneeze Guards:** Plexiglass sneeze guard partitions were installed at points of interaction with customers to provide an additional safety barrier.
- **Customer Limitations:** The number of customers allowed in stores was limited based on applicable guidelines, store size, and social distancing requirements.
- **Curbside Pickup:** To better serve our customers, while keeping safety our top priority, we launched free Curbside Pickup.
- **Reporting:** AutoZoners must immediately report any COVID-19 symptoms and illness to their manager and follow the Centers for Disease Control (CDC) guidelines and local health ordinances regarding proper return to work procedures. COVID-19 cases were tracked and reported to local and state health authorities consistent with regulations.

COVID-19 COMMUNITY SUPPORT

We sourced, purchased and distributed over 20 million face masks, 70 million gloves, tens of thousands of gallons of hand sanitizer and hundreds of touch-free thermometers and disinfectant sprays to AutoZoners and essential healthcare workers. When industry sources found that a wiper motor sold in our stores could be used to power much-needed ventilators for local hospitals and emergency response teams, we sourced and distributed a significant supply. We partnered with the local non-profit community to provide much needed in-kind and financial support.





PRODUCT, SOURCING, QUALITY AND COMPLIANCE

“We’ve got the best merchandise at the right price.”

VENDOR QUALIFICATION AND ONBOARDING

At AutoZone, we fulfill our promise of offering the best merchandise at the right price by sourcing products worldwide, including from over 184 direct import vendors located in nine different countries. Our Merchandising and Global Sourcing teams are responsible for conducting in-depth due diligence with all potential vendors either directly or through third-party contractors before entering any business relationship.

All global-sourcing vendors are evaluated based on a variety of criteria including the Vendor Code of Conduct as well as workplace standards, treatment of employees, manufacturing operations and business conduct that is consistent with AutoZone’s Values.

We strive to continuously improve our products, business and operations to benefit our AutoZoners, customers, vendors and communities

OVER **33%** OF OUR PRODUCTS,
(OVER **\$2B** IN PURCHASES)
ARE MADE IN THE **U.S.**



VENDOR CODE OF CONDUCT (Vendor Code)

We have a history of succeeding through honest business competition. When we market our products, we do so fairly, accurately and truthfully. Regardless of who we are working with, they can expect us to act with integrity. We do not misrepresent or make false claims about AutoZone or our products, and we do not make unfair or untrue statements about our competitors.

Because we know our business partnerships reflect our reputation and culture, we put serious thought into where we purchase the products and services that keep our business running. We seek out only ethical, law-abiding suppliers, and when we find companies that meet our high standards, we work with them to establish lasting relationships. We avoid doing anything to give one supplier an unfair advantage or preferential treatment over another.

We are committed to doing the right thing and require our suppliers to do the same. Our merchandising vendors are expected to sign and comply with our Vendor Code, which describes our expectations, high standards and commitment to ethical business conduct and responsible global citizenship. We have a Zero-Tolerance policy towards the use of child labor, forced labor

and harassment, corruption and bribery, and we do not do business with companies that employ such practices.

All vendors are required to comply with applicable local laws and regulations in the countries and communities in which they do business including, but not limited to, legal employment age, compensation, maximum working hours, and human rights laws among others as specified by local and country regulations.

Select AutoZoners and our merchandising vendors receive training on our Vendor Code. To view a copy of our Vendor Code please visit: <https://investors.autozone.com/code-conduct-0>

AutoZone believes in doing business with those vendors that embrace high standards of ethical business behavior and demonstrate commitment to those standards through rigorous practices. AutoZone believes in conducting all business activities with honesty, integrity, and fairness.

Our Vendor Code defines our commitment as a responsible global citizen. The Vendor Code allows us to select business partners whose workplace standards and business ethics are consistent with AutoZone's Values.

FACTORY ASSESSMENTS

Before we do business with a new vendor, we assess and screen them. Our Global Sourcing and Quality team visits factories regularly to evaluate conditions. We require Merchandising vendors to pass third-party factory audits annually to ensure products they manufacture meet our human rights, safety, quality, physical plant, and other requirements.

- **Workplace Conditions Assessment (WCA)** - The WCA verifies factory working conditions and ensures products are manufactured at facilities that follow both local and national laws. WCAs provide transparency in key areas including, but not limited to, labor conditions, wages and hours, health and safety, environmental management systems, handling of wastewater, human rights, facility and environmental practices and other compliance matters.
- **Supplier Qualification Program (SQP)** - The SQP assessment provides accredited training programs, qualified trainers / auditors, risk-based scorecards, improvement opportunities, continuous corrective and preventative action processes.
- **Global Security Verification (GSV)** - The GSV includes assessments of current security measures as they relate to U.S. Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) security criteria.
- **Gap Assessment** - A tool that evaluates each vendor's overall processes with an emphasis on environmental and workplace conditions.

PRODUCT TESTING

- **Product Qualification Testing** - To ensure our products meet or exceed necessary safety and quality standards, AutoZone conducts or reviews product testing before placing orders with suppliers.
- **Pre-Shipment Inspection (PSI)** - A PSI is conducted to ensure that the products meet or exceed the standards set forth in product qualification testing and in our packaging requirements. PSIs are conducted at least once a quarter for direct import products.

CONTINUOUS TESTING

After a vendor passes the initial assessments and is certified to become an AutoZone Global Sourcing partner, we continue to conduct routine and intermittent audits and annual assessments. Suppliers are aware that quality standards must be maintained through verifiable audits and tests to remain an AutoZone supplier.

AutoZone has a Zero-Tolerance policy towards the use of child labor, forced labor, corruption, bribery, harassment or abuse.

In FY2020, our third-party auditors conducted 500 factory audits (over 12,000 hours) and AutoZoners conducted over 4,600 hours of Gap Assessments.

RECENT HIGHLIGHTED QUALITY INITIATIVES

We continuously seek to improve our processes to provide the very best parts and products for our customers. Select recent and ongoing highlights include, but are not limited to:

- **Testing Matrix** - This proprietary matrix uses an assessment-based approach to ensure that vendors are continually providing high-quality parts that meet our specifications.
- **All-in-One Factory Audit** - An annual, single audit creating a more holistic and unified approach to factory compliance assessments.
- **Quality Scorecard** - A quality and compliance scorecard for our globally sourced private label vendors and factories.
- **Product Requirements Documents (PRDs)** - PRDs help to effectively document our product standards for testing, packaging and key attributes of our private label brands.

All these processes, and more, are designed to ensure we always have the best merchandise at the right price.

Innovation: Launching our Copper-free Brakes

Our copper-free brakes initiative began in 2015. Today, AutoZone's copper-free Duralast Gold Brake Pads and Duralast Brake Pads decrease runoff of toxic materials from roads into streams, rivers, and lakes.

PACKAGING

Our packaging strategies are designed to reduce the environmental impact of package waste, improve our product footprint, decrease the risk of product damage and improve AutoZoner safety.

In recent years, we have:

- Optimized individual hard parts box sizes to create more space in the stores and DCs and reduce cardboard waste
- Created lid-less master cartons to stop the use of box cutters, reduce injuries and improve safety
- Enhanced inner packaging to maintain product integrity and eliminate excess packaging
- Produced standardized master cartons to meet replenishment needs and remove extra boxes

We changed the Duralast rotor box from a square, flat box to a center-opening "dual clamshell" box in FY2016 and moved it to the Duralast Gold brand in the beginning of FY2020 when the Brand Council approved the brown-box transition. The new boxes are noticeably more durable in the store than the old full-print Duralast Gold and white-box Duralast rotors. We will continue to expand these strategies and develop new ones by engaging third-party packaging experts as needed.

RESPONSIBLE MARKETING MANAGEMENT

AutoZone's Brand Council is an internal, cross-functional group of leaders responsible for developing our private-label strategy, understanding how these products meet our customers' needs and fit within our brand portfolio and ensuring they are compliant with our brand guidelines.

The Brand Council follows an established set of guidelines, which include protocols to ensure merchandise and advertising about our products and services are clear, accurate and compliant for optimal go-to-market strategies.



ENVIRONMENTAL RESPONSIBILITY

At AutoZone, we take our responsibility for the environment seriously. We seek to meet the needs of the present while protecting our future by practicing environmental responsibility every day and driving compliance with applicable environmental laws and regulations wherever we do business.

We utilize multiple methods, resources and controls to deploy initiatives and policies to enhance the safety, health and environment in our stores, DCs and Support Centers. These include, but are not limited to, an Environmental Safety & Health Policy and training and engagement measures developed by third-party experts.

**In FY2020,
we recycled**

802,000 wood pallets
21,000 tons of cardboard
17,000 tons of steel
1,000 tons of plastic

Our stores, DCs and transportation fleet are major recyclers of used lead batteries, used oil, scrap metal, cardboard, plastic and wood pallets. To minimize waste and protect the environment, we follow best practices for disposing of chemical products and hazardous waste items.

Our DCs recycle approximately 802,000 wood pallets, 1,000 tons of plastic, 21,000 tons of cardboard and 17,000 tons of steel annually. The wood pallets are reused and then recycled at our DCs. Steel, plastic and cardboard are recycled through third-party vendors that specialize in handling these materials. These efforts prevented more than 170,000 metric tons of greenhouse gas (GHG) emissions.

CUSTOMER RECYCLING

At AutoZone, we make it simple for customers to protect the environment by providing a safe and easy way to dispose of used oil, batteries and car parts. We offer one of the largest recycling programs in the U.S. for these items. Customers can recycle automotive batteries, oil and oil filters, cores from remanufactured parts, and damaged merchandise by simply dropping items off in our stores.

SUPPORTING NON-PROFITS WITH EXCESS INVENTORY

We donate excess inventory to non-profit organizations. To-date, we have donated over 100 pallets of parts and products to more than a dozen non-profits or small businesses across the U.S.

Additionally, we are a member of the National Safety Council (NSC), America's largest non-profit safety advocate. We utilize the NSC membership to track current trends, data, training concepts and key metrics.

In partnership with Good360, in FY2020 we donated pallets of oil, chemicals and cleaning supplies to a well-known Oregon non-profit organization, serving its community by offering automotive training to individuals seeking employment in the automotive field and by performing quality car services at a fair price.

FY2020 RECYCLING FACTS

we recycled
over
12 million
gallons
of oil



AUTHORIZED
DISPOSAL SITE

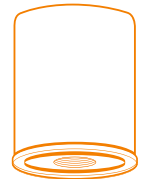
we recycled
346,000
tons



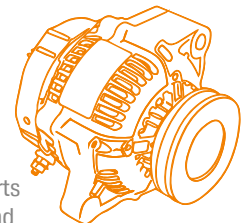
BATTERY
RECYCLING

of batteries back to suppliers to
be recycled and remanufactured

we collected
nearly
900,000
oil filters for recycling



we recycled
over
66,000
tons



of used and worn out auto parts
to suppliers to be recycled and
remanufactured

ECOFRIENDLY PHYSICAL BUILDING INITIATIVES

We utilize many energy efficiency programs and environmental, health and safety initiatives in select stores and DCs including but not limited to:

- Centrally managed Energy Management System that controls heating and air-conditioning systems (HVAC) and lighting
- LED sensor-enabled interior lighting
- LED exterior and sign lighting
- Energy-efficient roofing that reduces heat buildup during summer months
- Weather sealing on doors
- HVAC upgrades with peak power reduction
- Third-party energy conservation audits in DCs
- Energy-efficient dock doors in Arizona DC

- Fast-closing overhead doors in Florida DC
- Replaced power industrial equipment battery chargers with more efficient battery chargers
- Created AutoZoner Environmental, Health and Safety (EH&S) manual, which provides policies, guidance and procedures to manage store EH&S programs including segregating certain waste streams by colored buckets (Bucket Program), used oil and filter recycling program, and hazardous materials management plan (at most stores)
- Developed annual EH&S training for stores and DCs

We continually challenge ourselves to reduce energy costs despite the growing square footage of stores and DCs.

Our goal is to decrease Scope 1 and Scope 2 energy-related emissions from our U.S. business – that is, our stores, DCs and SSC – by 15% by 2025 (from a 2019 baseline). This means that we commit to decreasing the emissions produced by the burning of fuel to heat our U.S. business and the electricity to light and cool them by 15% over the next four years.

SUSTAINABILITY EMISSIONS GOALS

We have started a partnership with a global specialist in sustainability and efficiency, and are collaborating to develop and act on specific short, medium and long term sustainability goals including, for example, GHG reduction targets. This includes creating a consistent approach to monitoring and measuring progress. We have started by quantifying the GHG emissions that we produce as part of doing business.

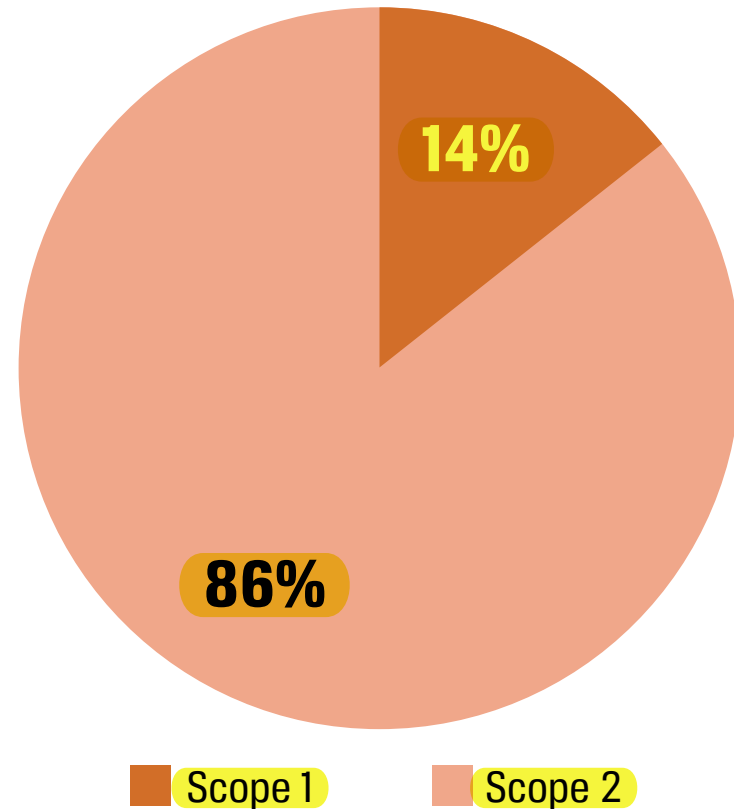
The main sources of AutoZone's emissions are categorized into two types, or 'Scopes,' as defined by the GHG Protocol. Scope 1 measures are emissions produced from burning fuels to heat our U.S. business. Scope 2 measures are emissions that are created when generating the electricity that we use to power our U.S. business. Most of our emissions come from the electricity used in our U.S. business.

As a global corporate citizen, it is our responsibility to understand our environmental footprint and the impact that heating our stores and powering them has on the world. We have committed to conducting a yearly GHG emissions inventory with an aim to periodically update our stakeholders on our progress. We are also taking action to decrease the Scope 1 and 2 energy-related emissions stemming from our U.S. business by 15% by 2025.

Table 1: AutoZone US FY2020 Emissions

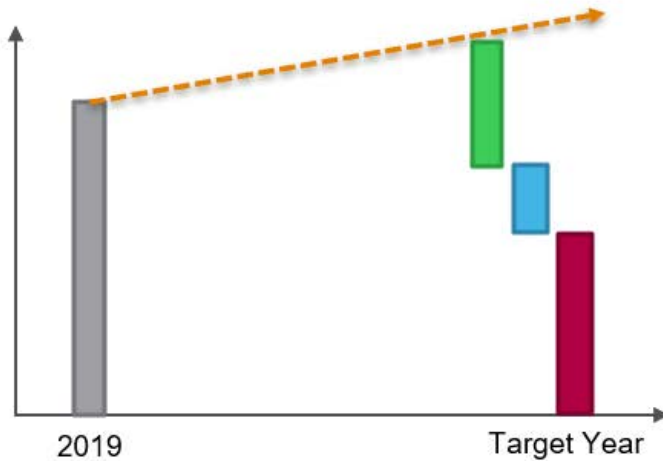
Scope	Activities	Emissions (MT CO2e)
Scope 1	Natural gas and propane combusted for heating	31,365
Scope 2	Electricity consumed	189,672

FY2020 Scope 1 & 2 Emissions



Creating Energy / GHG Targets – What is required?

Creating an actionable roadmap



Baseline



Where are we now?

Reduction Ambition & Targets



Where do we need to go?

Business Projections



How is our business changing?

Renewable Energy



How can we buy energy differently?

Project Pipeline



How can we increase efficiency?

Our goal reflects our commitment to Go the Extra Mile for our local and global communities.

This 15% decrease in emissions is equivalent to:

- Avoiding charging over 4 billion smartphones
- Preventing burning nearly 37 million pounds of coal
- Planting nearly 41,000 acres of trees

Our goal is both ambitious and achievable, reflecting the current energy saving projects that are already planned and budgeted for, as well as the greening (that is, more use of renewable power) of the U.S. electricity grid.

We plan to achieve our GHG emissions reduction goal by implementing energy-savings programs across our U.S. stores and DCs. Many of these programs are already underway and delivering positive results. Despite our store footprint growth of 2.65% between FY2019 and FY2020, our emissions stayed level, increasing just 0.07% over that time and, on a per square foot basis, we produced 2.57% fewer emissions in FY2020 than in FY2019.

We will continue to realize emissions reductions through projects such as:

- Installing over 27,000 MWh of rooftop solar panels
- Replacing over 1.1 million lightbulbs across nearly 3,000 stores with more efficient lightbulbs, resulting in nearly 39,000 MWh of energy saved per year
- Replacing rooftop HVAC blower motors with more efficient Software Smart Motor systems, which will save up to 52,000 MWh of energy annually

These initiatives alone are expected to avoid over 50,000 MT of CO² emissions. The emissions expected to be reduced through these projects, and together with the projected greening of the

U.S. electricity grid, combine to more than achieve our goal, even with our expected healthy growth in the number of stores, hubs and Mega Hubs.

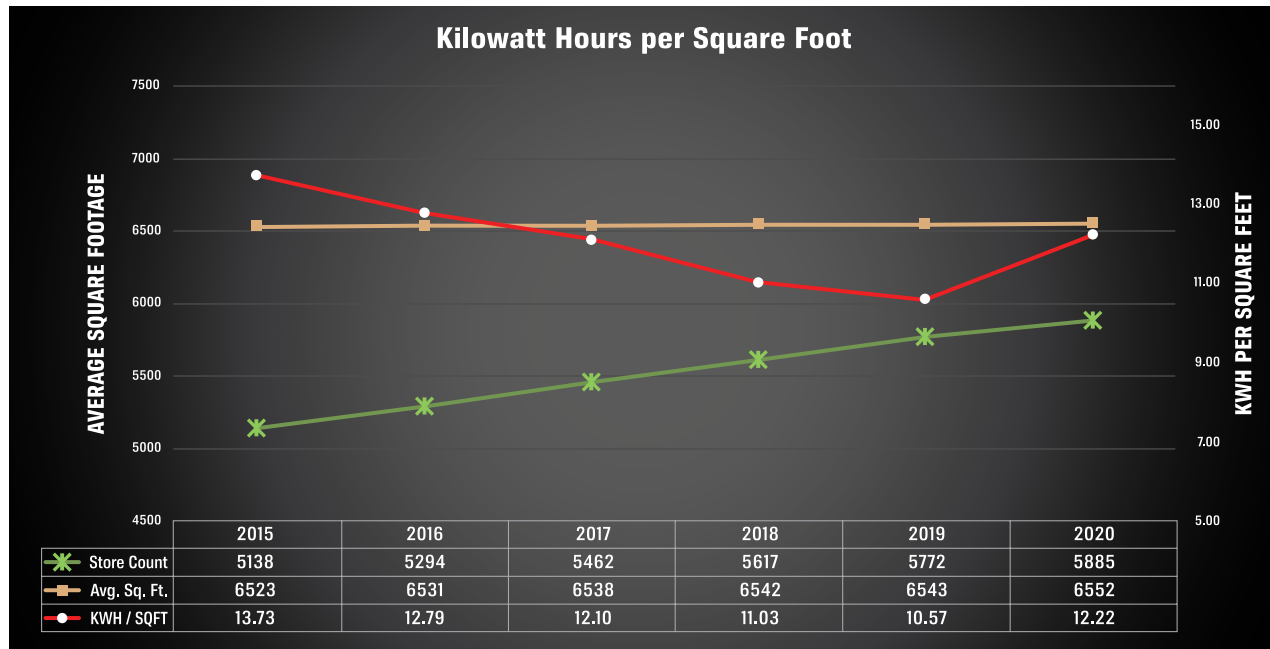


OUR FACILITIES SAVE MILLIONS OF kWh OF ENERGY PER YEAR

We continue to pilot new concepts and deliver a disciplined energy savings approach based on strategic initiatives like LED lighting, roof replacements, rooftop solar, thermostat locks, and weather stripping around doors in our stores. To date with these initiatives, except for FY2020, we have reduced kWh usage per square foot by 33% and avoided using nearly 2 billion kWh since 2007.

kWh per square foot increased in FY2020 primarily because of increased HVAC usage in our stores in response to COVID-19. For example, temperature set points were lowered in March 2020 due to face covering requirements that made stores less comfortable for AutoZoners and customers and increase in customer traffic count resulted in frequent door opening/closings.

WITH THE EXCEPTION OF FY2020, WE HAVE BEEN ABLE TO **REDUCE kWh YEAR OVER YEAR** EVEN THOUGH WE CONTINUE TO **ADD ADDITIONAL STORES AND SQUARE FOOTAGE.**



RENEWABLE ENERGY INVESTMENTS

In 2020, AutoZone made significant investments in solar power in six states— Massachusetts, Minnesota, Missouri, North Carolina, Vermont, and South Carolina. AutoZone's commitment to solar investment sets the stage for over 1.5 billion kWh of fossil fuel offsetting solar power to be delivered over the life of the projects. The impact of the lifetime generation of electricity from over 140,000 solar panels, installed across six states, equates to meaningful GHG impacts.

- The number of CO² emissions AutoZone offsets is equivalent to 13,772 tankers worth of gasoline used.
- GHG emissions avoided equates to 50,500 garbage trucks of waste that was recycled instead of landfilled.
- Carbon sequestration power of the annual capability of 1,275,000 acres of forests.

ON THE HORIZON

We continually look for ways to improve and plan to test new technologies to further reduce our energy and water usage footprint including:

- Installing rooftop solar panels to offset up to 71% of the location's annual energy spend on select sites such as California, Massachusetts, New Jersey and Rhode Island with other states expected in the future.
- Select stores in Texas have smart irrigation and receive real-time visibility to leaks to prevent over/under-watering with stores in other states to be added in the future.



ALLDATA's Support Center in Elk Grove, California, was constructed in 2008 and incorporates many environmentally friendly features including the installation of reclaimed water irrigation systems, use of drought-tolerant natural vegetation, specialty heating and ventilation systems to improve energy efficiency, and motion sensor-enabled fluorescent lighting.

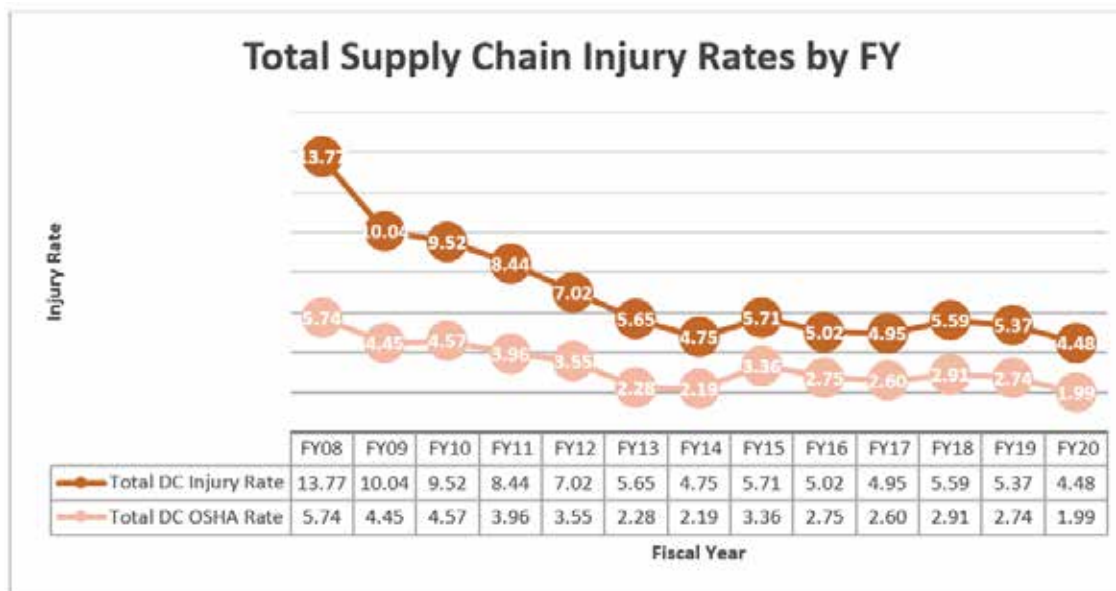
WORKPLACE SAFETY, TRANSPORTATION AND EMISSIONS

WE WILL BE SAFE TODAY

A safe working environment is one of the many ways we demonstrate one of our core Values, Cares About People. We continuously strive to improve workplace safety by utilizing data to understand opportunities. We use data to update and deliver more responsive training, communications, and processes to AutoZoners.

We verify weekly that every light-duty fleet vehicle has a working telematics device for GPS tracking. This provides a solid foundation for unsafe driving alerts and key performance indicators reporting provided to leadership.

We believe that safety starts with leadership and positive recognition drives effective behaviors. Annually, we celebrate our safest and most improved regions and DCs announcing “Safest Region”, “Most Improved Region”, and “Safest DC of the Year” at our National Sales Meeting.



VEHICLE SAFETY AND EMISSIONS

AutoZoners who deliver store orders using over-the-road tractors are trained extensively before operating any AutoZone over-the-road private fleet tractor. This training underscores safe driving techniques and reinforces procedures for reducing fuel use and emissions.

We are proud to announce a reduction in our over-the-road private fleet preventable collisions of 8% for 2020, all while keeping our total miles driven flat versus last year. Our continued efforts in technology and personal one-to-one coaching are imperative to our success for the safety of our AutoZoners while out on the road delivering WOW! Customer Service!

Our store fleet safety program is based on utilization of telematics data to identify unsafe driving behaviors. This leading indicator system is designed to prevent collisions from occurring by alerting management for coaching opportunities with our drivers. In 2019, our store Commercial fleet reported a 7.75 preventable collision rate (calculated by total preventable collisions, times 1,000,000, divided by miles driven).



BENEFITS OF IN-CAB TECHNOLOGY AND LOWERING FUEL CONSUMPTION

INNOVATIVE TRACTOR-TRAILER FLEET

We have lowered fuel consumption and GHG emissions by investing in technologies like solar charging and auxiliary power units, which also keep our drivers comfortable and improve lift gate performance.



Transportation Fleet 2020 Highlights

- Improved miles per gallon (MPG) by an additional 8% or .56 miles per gallon with the introduction of automatic transmissions to the fleet in 2018.
- All tractor-trailers use Strehle Trailer Blades or aero skirts that are Smartway Verified and meet the California Air Resource Board GHS standards. These blades/skirts improve MPG by an additional 5.5%, which has reduced annual fuel consumption by 500K gallons on average each year.
- Implemented Battery Powered auxiliary power units in 2018 eliminating the need for diesel-powered generator systems to provide climate control to the sleeper tractors during overnight stays reducing diesel fuel consumption by 300 gallons per tractor or 35,100 gallons annually and idle time from 13% to below 11%.
- Introduced solar charging technology on tractors in 2019 to power tractor-trailer lift gates used in store deliveries.

AutoZone



971329

USDOT 288323

800-4-AUTOZONE
MEMPHIS, TN

155

315

Our drivers go the extra
mile to get customers
the essentials they need.

Going the
Extra Mile

AutoZone

www.autozone.com

PROTECTING CUSTOMER, AUTOZONER AND AUTOZONE DATA

We protect AutoZoner and customer privacy by implementing industry-recognized data security practices and rigorously monitoring our performance.

LEADING PRACTICES

Our security program framework, which is designed to protect customer, vendor and AutoZoner information, is based on leading practices from industry standards such as the National Institute of Standards and Technology (NIST) Cyber Security Framework, and the Center for Internet Security (CIS) Top 20 Security Controls.

CERTIFIED LEVEL 1 MERCHANT

We are compliant with the Payment Card Industry Data Security Standard. Our data privacy program incorporates principles from relevant privacy regulations in the U.S. and other countries, such as California Consumer Privacy Act (CCPA), General Data Protection Regulation (GDPR) in Europe and “Lei Geral de Proteção de Dados Pessoais” (LGPD) in Brazil.

INFORMATION SECURITY (INFOSEC) GOVERNANCE AND OVERSIGHT

The Audit Committee of AutoZone’s Board of Directors reviews Information Security matters. This work is part of their oversight of the Company’s Enterprise Risk Management program. Additionally, Information Security matters are included in regular Information Technology (IT) presentations to the Board of Directors.

DATA CONTROLS AND RISK MITIGATION STRATEGIES

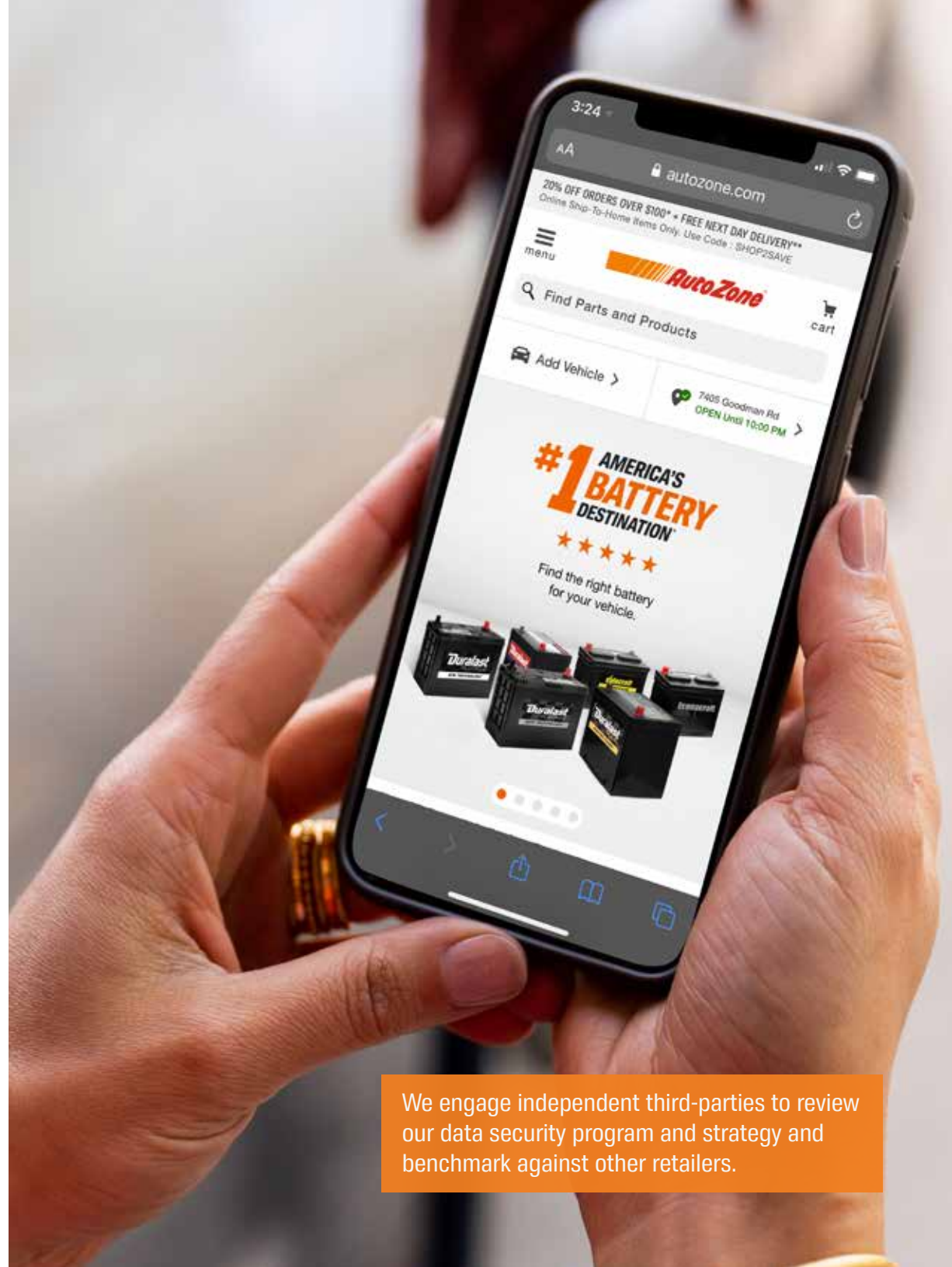
We utilize numerous deployed controls to ensure data integrity, security and privacy. These include, but are not limited to:

- InfoSec Policy
- Intrusion, Detection and Prevention Systems
- Network, Cloud, and Web Application Firewalls
- Identity and Access Management Controls
- Advanced Email Security Filters
- Dedicated Security Threat Intelligence and Operations Center

We regularly use supplementary mitigation strategies. These include:

- Penetration tests conducted by internal and external entities
- Industry-leading third-parties independently evaluate, assess and audit our security program multiple times a year. The results of these audits augment our overall strategy

- Required employee security awareness training is delivered annually and awareness messages are delivered on an ad-hoc basis, including but not limited to the following topics:
 - Email Best Practices
 - Anti-Phishing
 - Data Privacy, Security and Compliance
 - Mobile Device Best Practices
 - Social Media Best Practices
 - Passwords and Authentication
- Established data classification and retention policies limiting risk of unauthorized exposure
- Enterprise third-party risk management program to classify provider and partner risk
- Up-to-date policies, process, and controls consistent with applicable laws



We engage independent third-parties to review our data security program and strategy and benchmark against other retailers.

ETHICAL BUSINESS OPERATIONS

AUTOZONE'S CODE OF CONDUCT

We strive to go the Extra Mile every day to provide service that exceeds expectations. As a leader in the automotive aftermarket industry, we adhere to high standards of behavior and integrity. We demonstrate to our customers, vendors and each other that we know what it means to do the right thing, and we expect the same from our vendors and partners.

Our Code of Conduct, or "Code," is firmly rooted in our culture. It provides practical ways to achieve the goals defined by our Pledge and Values. Updated annually, the Code contains standards for all AutoZoners. It is designed to guide and help AutoZoners make responsible decisions and navigate the best course of action when faced with challenges or questions. Ultimately, we encourage AutoZoners to look to our Pledge, Values and the Code for guidance.

Some topics in our Code include: Diversity, Equity and Inclusion (DEI), Labor Laws & Human Rights, Safe Environment, Cyber Ethics, Using Resources Wisely & Culture of Thrift, Handling Conflicts of Interest, Insider Trading, Anti-Corruption Laws, Caring for Others and Our Community, Protecting Our Environment, Charitable Giving & Community Support, Product Safety, Selling Practices, Competing with Integrity, Business & Ethics among others. The Code is an extension of our Values and an example of our commitments to our AutoZoners, customers, communities, investors and the law.

Annually, AutoZoners submit a written acknowledgement that they understand and will comply with the Code. Further, we conduct periodic and interactive training on various Code topics such as anti-corruption and anti-bribery for pertinent AutoZoners.

While our business and customers may change, we are committed to providing WOW! Customer Service and Trustworthy Advice in an ethical manner.

To view a copy of our Code, please visit: <https://investors.autozone.com/code-conduct-0>



AUTOZONER ENGAGEMENT

An AutoZoner Always... Helps Teams Succeed. We operate our business based on fairness and mutual respect, and provide competitive compensation, benefits and training opportunities to all AutoZoners. Every AutoZoner can expect regular performance evaluations, development and growth opportunities, and promotions based on merit and other objective measures, without favoritism. We are committed to upholding basic human rights in all parts of our business.

We continuously listen to our AutoZoners to learn and understand what works well and where we have opportunities to improve. Our connections are informal (for example, speaking with AutoZoners during store and DC visits) and formal (quarterly townhalls with the Executive Committee, once-a-period functional area meetings, weekly field and DC management conference calls, and DEI listening sessions with small groups of SSC, field and DC AutoZoners). We also measure employee advocacy, commitment and discretionary effort. Between FY2013 and FY2020, we used a lengthy 30-question engagement survey, delivered roughly every 24 months. Every AutoZoner was given the opportunity to complete the survey with average response rates between 50% and 62%. Overall engagement from various efforts was consistently between 78% to 82%. Since the last survey in FY2019, we have worked to create an improved set of listening and engagement tools, which can be delivered more frequently and focus on critical, timely issues affecting our workforce. We expect to circulate the new engagement survey format later this calendar year.



COMPENSATION

We are committed to providing competitive compensation, benefits and training opportunities to all AutoZoners. We regularly evaluate our compensation plans, salary structures and overall total reward packages. Our goal is to reward and recognize high performers and create opportunities for above-market total cash compensation levels based on Company and individual performance. This compensation philosophy targets base salary at 100% of market median.

EXAMPLES OF SUSTAINABILITY LINKED PAY — DIVERSITY AND SAFETY METRICS

The manager can apply a positive or negative adjustment to overall performance directly impacting incentive pay based on factors, including, but not limited to:

- Builds diverse, high-performing teams
- Identifies individual and team opportunities and effectively coaches for change and improvement
- Mentors AutoZoners for growth and talent development
- Fosters an environment where all ideas are welcome and open communication is encouraged

In addition, our Store Operations and Supply Chain leaders are accountable for safety metrics in our DCs, for example, “Reduce total and severe injuries

through enhanced training, utilizing the Quarterly Injury and Collision Elimination Plans in all DCs.” We also measure and routinely communicate and train AutoZoners in safety best practices to achieve year-over-year reductions in total injuries, OSHA injuries and collisions.

TALENT DEVELOPMENT

To stay competitive in the market, we hire talented individuals who support our Pledge and Values and align with our culture. In addition to providing competitive benefits and compensation, we also offer a variety of online and in-person training programs to build AutoZoners’ skills, knowledge and abilities.

In stores, AutoZoners access online courses to support their current roles and career paths including product knowledge, safety, environmental, Commercial, and management. This is reinforced by managers with hands-on experience and opportunities to practice what was learned.

DC AutoZoners receive initial onboarding content in classroom followed by shadow training with advisors and peers. Coaching and follow-up is provided by DC trainers. Additional development in stores and DCs occurs formally and informally throughout an AutoZoner’s career through on-the-job and rotational experiences as well as through facilitated workshops and additional online learning modules.

Every new AutoZoner who works at the Support Centers is expected to follow a structured onboarding program that includes several days working in a local

store. For directors and above, a DC experience is also part of their onboarding. In our Store Support Centers, development is often specific to the skill set. Our AutoZone Leadership Academy program targets high-performing directors and managers by providing AutoZone and industry knowledge while networking with the CEO Team, board members and industry executives.

Using our annual performance management and succession planning processes, we encourage AutoZoners to complete actionable individual development plans and review these regularly with their managers. We also use these processes to support AutoZoners' career goals and aspirations and ensure AutoZone's leadership pipeline remains strong and able to support the Company's future growth.



RESPECT IN THE WORKPLACE

We are committed to treating everyone with dignity and respect. We have a Zero-Tolerance policy on discrimination, harassment and retaliation. This commitment is integral to our Pledge and Values, Code and AutoZoner Handbooks.

We do not discriminate, nor do we tolerate discrimination. We expect all employment decisions to be made based on a person's knowledge, skills and abilities to fulfill the requirements of the position.

We are committed to keeping AutoZone harassment-free and maintaining a safe working environment. We do not tolerate violent acts or threats of violence.

REPORTING GRIEVANCES

We have a formal grievance procedure for AutoZoners to report allegations of unlawful conduct, such as harassment, discrimination and/or retaliation. This includes, but is not limited to:

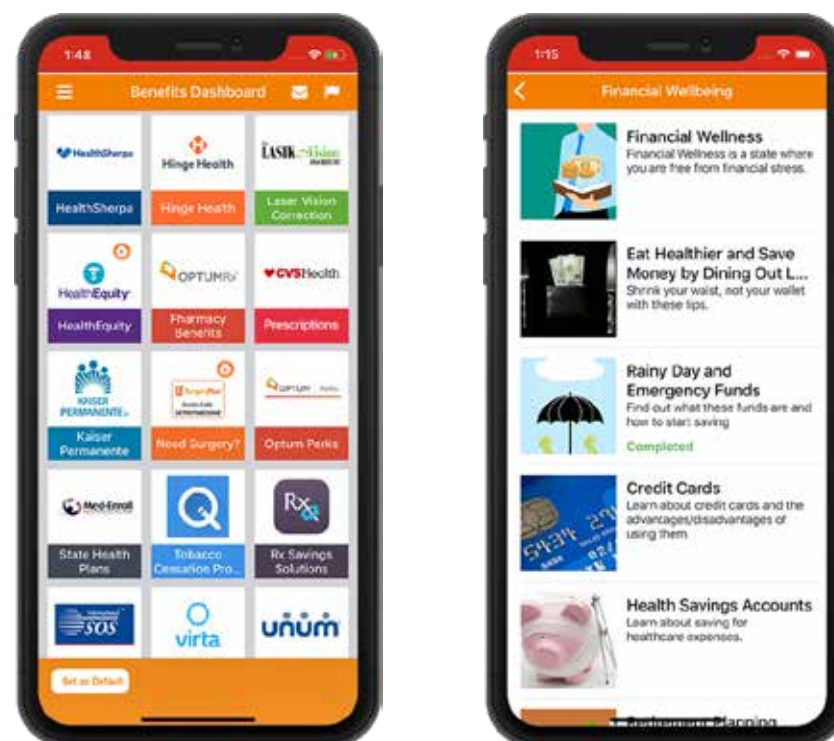
- Multiple avenues of reporting (including anonymously)
- A commitment to thoroughly investigate allegations
- A guarantee that complaints will not be subject to retaliation

Various times a year, we communicate and spotlight certain Code topics through different communication avenues. We feature a topic, illustrate best practices for compliance and provide reminders for reporting.

WELL-BEING FOR ALL

An example of how one of AutoZone's core values, Cares About People, comes to life is through our comprehensive "Total Well-being Program", which is delivered through our AutoZoners app and www.AutoZoners.com. These tools were specifically developed to put well-being at every AutoZoner's fingertips.

AutoZoners have free access to unlimited live coaching and guidance from a dedicated team of qualified health professionals. They help AutoZoners make healthy lifestyle choices and manage chronic conditions, such as high blood pressure and heart disease.



AutoZone offers a comprehensive Employee Assistance Program (EAP), through Guidance Resources, which is a confidential pre-paid benefit for full-time AutoZoners and their eligible dependents. Highly trained clinicians offer confidential, emotional support for any concerns, including anxiety, depression, stress, grief, loss, life adjustments, as well as relationship and marital conflict resolution.

Help managing the everyday concerns of home, work and family is provided through Guidance Resources Family Source services. Work-life Specialists provide help for a wide range of needs including child-care, elder-care, pet-care and housing options. Guidance Resources Legal and Financial Resources can help create a will, a trust, or a budget. AutoZone also provides Critical Incident Support which deploys counselors for solution-focused, compassionate onsite support in the event AutoZoners are involved in, or affected by a stressful or traumatic event in the workplace.

Beyond this primary support, additional behavioral health services are available to AutoZoners and their families through BlueCross BlueShield of Tennessee (BCBST) medical coverage, MDLive telehealth behavioral counselors, and AutoZone's comprehensive well-being program and contact center.

AutoZone offers at no cost, access to Health Champion Support through Guidance Resources to help AutoZoners navigate their healthcare. Nurse Case Managers are available to help manage medical invoices, understand Explanation of Benefits (EOB), determine what should have been paid, what the AutoZoner is responsible for and to set-up payment arrangements if needed. They can also help prepare for upcoming doctor's visits, lab work, tests, and surgeries.

PHYSICAL WELL-BEING

We provide physical well-being benefits like Medical, Telemedicine, Pharmacy, Dental, Vision, Health Savings and Spending Accounts, Disability, Life Insurance, and a host of other voluntary benefits. AutoZoners can explore these benefits with support from lifestyle and disease management coaches and health advocates, who meet AutoZoners where they are and help them navigate the complexities of the healthcare system to get the best care at the best price. Continuous communication through e-newsletters and timely reminders about immunizations keep AutoZoners informed about new programs and provide health tips and encouragement.

DOING OUR PART TO END THE OPIOID CRISIS

As a result of national guidelines that discourage opioid prescribing and through partnerships with our providers, opioid use has been lowered from 14,662 prescriptions in 2019 to 12,192 prescriptions in 2020 – a decrease of approximately 17% amongst covered individuals.

TIME AWAY FROM WORK

AutoZone knows work-life balance is an important element in total well-being and provides Paid Time-Off (PTO) benefits such as vacation, sick time, paid holidays, bereavement, as well as maternity and paternity leave. We are very proud to have provided Emergency Time Off (ETO) to help our AutoZoners through the COVID-19 Pandemic.

FINANCIAL WELL-BEING

AutoZone provides Financial Wellness programs including a 401(k) Savings Plan, Employee Stock Purchase Plan, Credit Union, discounts, financial webinars, in-person sessions, and programs aimed at helping AutoZoners and their families work toward financial security.

TRAINING AND INDIVIDUAL DEVELOPMENT

AutoZoners complete a structured onboarding process that gives them an understanding of our culture, sets clear performance expectations and establishes a strong foundation for on-the-job and continuous education.

We provide personalized access to online training modules to support compliance requirements, help AutoZoners develop skills needed for their roles, and prepare for management positions. Some examples of AutoZoner modules include Foundations, Level 1 and Level 2 product knowledge modules, Parts Expert, Selling Skills, Environmental Compliance, and Management Fundamentals.

Each week, AutoZoners complete upwards of approximately 70,000 training modules. Our Parts Expert program recognizes those AutoZoners whose extensive automotive knowledge make them resources for customers and for their teams when it comes to providing the right advice.



BUILDING DIVERSE TEAMS

An AutoZoner Always... Embraces Diversity.

AutoZone is more than 24% gender diverse and almost 44% ethnically diverse at the manager level and above. We have more than 800 different job roles and thousands of opportunities available in our stores, DCs and Support Centers for talented AutoZoners, many of whom begin their careers in our stores and DCs and then move into roles in the Support Centers.

As our Company continues to grow in stores and headcount, the conversation about and actions around DEI have also expanded. Since 2016, ethnic diversity at our leadership levels (from Director to our Board) has improved at each level by as much as 20%. Gender diversity has improved in these groups by as much as 12%.

Although there is still a lot of work to do, we are committed to continuously building a strong, diverse team from the Board to the part-time AutoZoner, who will drive our business and deliver the best possible service to our customers for generations to come.

WOMEN REPRESENT **MORE THAN 24%**
OF OUR MANAGEMENT ROLES, AND
ETHNICALLY DIVERSE AUTOZONERS
REPRESENT **ALMOST 44%** OF OUR
MANAGEMENT ROLES.

Diversity in Leadership

2021*	
Board of Directors	
Ethnically Diverse	30%
Women	30%
Executive Committee	
Ethnically Diverse	44%
Women	20%
Vice President	
Ethnically Diverse	33%
Women	21%
Director	
Ethnically Diverse	29%
Women	18%

**this chart is as of Q4 2021 (6/28/21)*

SUMMARY OF EFFORTS AND PROGRESS OF OUR DEI ACTION PLAN

We have laid a foundation of support that includes reliable and accessible reporting, a cross-functional Diversity Council, a DEI Steering Committee and five business resource groups (BRGs).



RECOGNIZING THE MILITARY

Almost 10% of AutoZoners currently serve in the U.S. Armed Forces or are military veterans. To support these AutoZoners and their families and attract this highly skilled workforce to our industry, we launched our military BRG, AZ VALOR (AutoZone Veteran and Active Leadership Organization for Recruitment and Retention) in FY2020. AZ VALOR supports current and former service members and their families through recruitment, networking, training and community engagement. The leadership team of the AZ VALOR BRG is composed of both field and Support Center AutoZoners, who are committed to helping AutoZone find ways to become the best employer for veterans and their family members. The BRG was recognized by Alpha Omega Veteran's Group for securing and donating hand sanitizer and PPE for the homeless veteran population during the COVID-19 Pandemic.



At AutoZone, we proudly support our military veterans and their families. We believe our Company is a great place to work for all people and are honored that almost 10% of our workforce includes active, separated or retired military.



In recognition of our significant organizational support of the National Guard and Reserve, we are a recipient of The Seven Seals Award promoting Employer Support of the Guard and Reserve (ESGR) mission across the Nation.



In 2020, Military Times magazine recognized us as a "Best for Vets" employer.

NATIONAL CIVIL RIGHTS MUSEUM PARTNERSHIP

AutoZone proudly donated \$5 million to the National Civil Rights Museum (NCRM) to create sustainable programming that focuses on combining the historical knowledge of the NCRM with an ever-growing need for strategic and culturally relevant corporate leadership development, with particular emphasis on developing black leaders.

EMPLOYING PEOPLE WITH ABILITIES

AutoZone welcomes people of all abilities. Our People with Abilities program, which began in 2012, allows our DCs to offer inclusive employment opportunities to people with mental, emotional or physical disabilities. The program is active in all 10 U.S. DCs and in our Memphis Fulfillment Center (FC). These more than 130 full-time AutoZoners know “What It Takes To Do The Job Right” and use their abilities and skills in a variety of roles, including slotting merchandise, picking and processing orders, shipping and more.



CREATING OPPORTUNITIES FOR WOMEN BATTLING ADDICTION

AutoZone has supported the New Beginnings Ministry in our Georgia DC since 2015. The program is a 10-month addiction recovery program for women. To-date, 165 women from New Beginnings have been part of the Georgia DC team. We are honored to be a part of this highly successful program and enjoy playing a role in helping these women enhance their lives.

NATIONALLY RECOGNIZED INTERN PROGRAM

Another program that provides us with great talent is our award-winning, nationally-recognized internship program. Interns are part of the AutoZone team and receive hands-on, educational and practical experiences that make a real impact on our business and AutoZoners.

This summer, we welcomed over 60 interns from Universities and Colleges from across the U.S., who are 38% ethnically diverse and 51% gender diverse. These new AutoZoners will join our Finance, Merchandising, Marketing, Human Resources, Legal and IT departments among others.

We welcome the insights, enthusiasm and energy of our newest AutoZoners.

BUSINESS RESOURCE GROUPS (BRGs)

EMBRACE DIVERSITY. BUILD COMMUNITY. DEVELOP LEADERS.

At AutoZone, we embrace diversity by welcoming all people, encouraging different philosophies, and valuing the ideas and opinions of others. Our BRGs help us create a welcoming environment for new and existing AutoZoners.

AutoZone's BRGs are open to everyone. They provide networking, mentoring, community engagement, and learning opportunities and support our efforts to attract, engage, retain and develop diverse talent. All events and activities across each of the BRGs are open to interested AutoZoners at all levels.

Each BRG is supported by officers of the Company, who serve as Executive Sponsors and volunteer their time to advise, guide, and champion DEI efforts. Currently, more than half of our Executive Committee serves as a BRG Executive Sponsor.



“An AutoZoner Always... Embraces Diversity”

“AutoZone is a diverse Company, full of caring, committed AutoZoners, who are passionate, service-focused, problem-solvers. When you are an AutoZoner, you are part of something special – a culture unlike any other that pledges to Put Customers First in all we do. As AutoZoners, our Values define and guide us. It is our commitment to those Values, along with the diversity of skills, knowledge, abilities and backgrounds possessed by our more than 100,000 AutoZoners that make AutoZone a winning team.”

- Bill Rhodes, Chairman, President and CEO, Customer Satisfaction

OUR BRGs



AZ BE BOLD, Black Excellence Building Opportunities for Leadership Development, connects AutoZoners through networking, learning opportunities and community engagement, raises cultural awareness and supports diversity through Historically Black Colleges and Universities (HBCU) recruitment and student development.



AZ ¡HOLA!, Hispanic Organization for Leadership at AutoZone, focuses on attracting, engaging, developing and inspiring AutoZoners to build relationships and drive business by establishing a strong reputation for AutoZone as a great place to work and shop.



AZ NextGen, AutoZone's Next Generation of Leaders, focuses on AutoZoners between the ages of 21 to 40 by providing opportunities to connect and grow with other AutoZoners, practice and extend their leadership skills, and introduce innovative thinking and practices.



AZ VALOR, Veterans and Active Leadership Organization for Recruitment and Retention, supports current and former military service members, their families and supporters through recruitment, networking, learning opportunities and community engagement.



AZ WIN, AutoZone's Women's Initiative, was established to help strengthen women's development by facilitating networking and leadership training opportunities. The AZ WIN motto is, "Embrace. Engage. Empower." AZ WIN currently has chapters in locations throughout the organization including our store regions, SSC, DCs, ALLDATA, Mexico, and Brazil.

AUTOZONER RECOGNITION

Recognition is a centerpiece of AutoZone's culture. Using storytelling, collar pins and appropriate financial rewards for some awards, and an annual awards trip for top field leaders, we celebrate the accomplishments of AutoZoners across the Company throughout the year. Annually, our top performers are recognized at the National Sales Meeting every Fall. Listed are our formal awards programs and the collar pins that AutoZoners wear.

Million Miles Safe Driver



Highlights transportation fleet drivers who have driven at least 1 million miles safely in an AutoZone tractor-trailer without a preventable collision



J.R. Hyde, Jr. Award (President's Club)

Recognizes an elite group of AutoZoners - the top five percent of AutoZone's store managers



Sales and Leadership Council (SLC)

Recognizes the best of the best from the Commercial and Retail sales teams



WITTDJR

Recognizes AutoZoners who do What It Takes To Do The Job Right to take care of their customers, each other or the business



Shrinkbuster

Recognizes AutoZoners who protect AutoZone's assets and prevent loss in our stores, DCs and across our Company by providing good-faith tips and information



Starters Club

Annual recognition of a group of AutoZoners who create a program that has a significant impact to AutoZone's business



Live the Pledge

Awarded to every new AutoZoner after completing their Foundations training, the pin serves as a daily reminder of our culture and commitment to AutoZone's Pledge and Values



Years of Service

Recognizes AutoZoners annually for their years of service



Military Service

Awarded to AutoZoners who have served or are currently serving in any branch of the U.S. Military



Automotive Service Excellence (ASE)

Identifies AutoZoners who have passed an independent, industry-wide certification on automotive knowledge



Ray of Hope

Distinguishes an AutoZoner who has demonstrated extraordinary compassion and/or has provided significant service to help people, a community or a cause



Safety

Recognizes individuals or groups of AutoZoners who demonstrate safe practices or take action to maintain a safe environment for our customers and AutoZoners

AUTOZONE RECOGNITION

- Compassionate Business Award (People for the Ethical Treatment of Animals): August 2020
- Best for Vets 2020 (Military Times): August 2020
- Innovation Award (Health Equity): August 2020
- Top 100 Diversity Officers (National Diversity Council): March 2021



COMMUNITY INVOLVEMENT

Starting with our founder, J.R. “Pitt” Hyde, and his dedication and commitment to philanthropy, AutoZone has a long history of giving back to communities. Pitt and his wife, Barbara, continue to be visionaries and standard-bearers of philanthropy, community involvement, and high-impact initiatives.

Our charitable giving work includes grant programs, active civic leadership, and volunteerism with a focus on five pillars:

- **Health and Wellness:** Improving health and well-being through affordable healthcare options and preventative healthcare methods
- **Education and Youth Development:** Fostering youth from the cradle to their career with enhanced education opportunities
- **Community Development:** Advancing the community through place-based development and social services
- **Diversity, Equity and Inclusion:** Highlighting community initiatives that provide diverse and inclusive objectives and spaces
- **Arts and Culture:** Supporting access to the Arts and a wide variety of cultural experiences

AutoZoners are encouraged to volunteer in the communities where they live, work and play. This is one of the many ways AutoZoners Live the Pledge and exemplify our Values. During the COVID-19 Pandemic, we have leveraged technology to provide virtual opportunities for AutoZoners and non-profit partners to connect, volunteer and fundraise together.

FY2020

AutoZone generated over \$16.5MM in donations to non-profit organizations through Charitable Giving, Employee Giving and Point-of-Sale Campaigns.

FY2020

AutoZone provided charitable grants to over 100 non-profit organizations.





COMMUNITY RELATIONS

An AutoZoner Always... Embraces Diversity

As a Company, we generated over \$16.5MM in donations and over 80% of the funding went to organizations driving the future in diverse community development in FY2020.

Over 80%

of AutoZone's Grant Funds are given to those serving racially diverse communities

AutoZone's commitment to DEI and Community Outreach spans across all areas including the arts, education and youth development, financial literacy, community development, leadership initiatives, health and more.



EMPLOYEE GIVING

We encourage AutoZoners to be active members of the community through volunteerism, the AutoZone Matching Gift program and payroll-deduction giving to individual charities.

Our leadership walks the walk, with the majority of our CEO Team serving on non-profit and industry boards, sharing their expertise, donating, fundraising and helping nonprofit organizations best serve the community.

The AutoZone Matching Gift program is available to all full-time AutoZoners and allows AutoZoners to donate up to \$500 to qualified charities of their choice and have those donations matched dollar-for-dollar by AutoZone.



AUTOZONER ASSISTANCE FUND

The AutoZoner Assistance Fund (AAF) is a 501(c)3 non-profit organization that was established in 2000, with the intent to support fellow AutoZoners who are experiencing short-term emergency funding needs resulting from natural disasters and personal tragedies.

The AAF is all about AutoZoners helping AutoZoners. It is managed by a cross-functional volunteer board of AutoZoners. The AAF is funded primarily by AutoZone and AutoZoners. We are proud to announce that during a special giving campaign in April 2020, focused on raising incremental funds to support our COVID-19 relief efforts, 100% of the CEO Team donated a record amount to the fund. Every dollar given goes to support a fellow AutoZoner.



SINCE ITS
INCEPTION, THE
AUTOZONER
ASSISTANCE FUND
HAS PROVIDED OVER
\$8.6MM
IN FINANCIAL
ASSISTANCE.

GOVERNMENT RELATIONS

At AutoZone, we believe that it is important to participate in political and regulatory processes on issues that affect our business and community interests. We work proactively to enable AutoZone's strategies through public policy and government advocacy. We also participate in political activities and advocate for legislation when there is a connection to our business and our ability to grow the business in a way that is consistent with our Values, legal obligations, and Code. AutoZone only takes positions on ballot measures, initiatives or propositions that have a direct impact on our business and community interests.

To view a copy of our policy on Political Contributions and Lobbying Engagements, please visit: <https://investors.autozone.com/>

Responsible Battery Coalition

We are a proud supporter of the Responsible Battery Coalition (RBC), a coalition of companies, academics and organizations committed to the responsible management of the batteries of today and tomorrow. Through our partnership, we aim to advance the responsible production, transport, sale, use, reuse, recycling, and resource recovery of batteries and other energy storage devices. In representation of our support, our Vice President, Government Relations and Community Relations serves on the Board of Directors for RBC.

GOVERNANCE

Our primary corporate governance objective is to maximize long-term business success and increase shareholder value, while adhering to the laws of the jurisdictions where we operate and conducting our business with the highest ethical standards. We are committed to good corporate governance as a key to maintaining the trust of our investors, customers and AutoZoners. We comply with all applicable requirements outlined in the New York Stock Exchange Corporate Governance Listing Standards.

Our corporate authority resides in our Board of Directors as the representative of the stockholders. Our Board has adopted Corporate Governance Principles, charters for each of its standing committees (Audit, Compensation, and Nominating and Corporate Governance), and policies to lead our governance practices.

Our Board uses its business judgment and due care in its oversight of AutoZone's management to ensure appropriate procedures are in place to identify and mitigate risks. Each of our Directors must stand for re-election annually and be elected by majority vote of our shareholders.

Our current Board is composed of 90% Independent Directors. Our Board believes having a combined Chairman, President and CEO with independent members and chairs of Board committees and an independent Lead Director currently provides the best Board leadership structure for AutoZone.

We recognize the importance of DEI in conducting our business, and we extend these values by nominating Board members from diverse backgrounds and professions. This ensures our Board has a variety of experiences, business judgment and perspectives that contribute to an effective decision-making process. Our Directors are diverse: 30%

are women, and 30% are ethnically diverse. The average tenure of our Independent Directors is eight years, with an average age of 60. 30% of our Directors have three years of service or less.

To adequately fulfill the Board's complex roles, from monitoring senior management performance to approving our strategic plan, a host of core competencies are represented on the Board. Each member contributes

knowledge, experience and skills in one or more domains: Retail, Information Technology, Accounting/ Finance, International Markets and Strategic Planning/ Business Development.

For more information on our Corporate Governance practices, policies and procedures, visit <https://investors.autozone.com/>.

Director	Board Committees			Leadership		Board Core Competencies				
	Nominating Committee	Compensation Committee	Audit Committee	CEO/C-Suite	Public Directorship	Retail	Information Technology	Accounting/ Finance	International	Strategic Planning
Douglas H. Brooks		•		•	•		•	•	•	•
Michael M. Calbert			•	•	•	•		•	•	•
Linda A. Goodspeed		•	•	•	•		•	•	•	
Earl G. Graves, Jr	•			•				•		•
Enderson Guimaraes	•			•		•		•	•	•
D. Bryan Jordan	•		•	•	•		•	•		•
Gale V. King		•		•				•		
George R. Mrkonic, Jr		•	•	•	•	•		•	•	•
William C. Rhodes, III				•	•	•	•	•	•	•
Jill A. Soltau	•			•	•	•	•	•		•
Total	4	4	4	10	7	5	5	10	6	8

Board Highlights					
Age		Tenure		Diversity	
< 60 Years	6	0 - 4 Years	3	Women	3
61 - 70 Years	4	5 - 9 Years	4	Ethnically Diverse	3
> 71 Years	0	10+ Years	3		

•	Chairperson
•	Member

CORPORATE SUSTAINABILITY & RESPONSIBILITY (CSR) GOVERNANCE FRAMEWORK

We recognize the need for a strong governance framework to ensure we Live the Pledge. Our governance framework connects individuals and teams across our Company and includes various levels of oversight through the organization.

- **Board of Directors:** The Board of Directors of AutoZone is a trusted fiduciary of stockholders' interests. The Board seeks to promote the best interests of the Company and ensure AutoZone's continued high performance by approving and monitoring Company strategy, providing advice and counsel to senior management, overseeing risk management responsibilities and observing the highest ethical standards at all time. The Board may exercise its responsibilities through its committees. For example, the Audit Committee assists the Board in overseeing the Company's compliance with legal and regulatory requirements including cybersecurity oversight. The Nominating and Corporate Governance Committee oversees progress on the Company's DEI efforts. All Committees provide reports and feedback to the full Board for its collective review and discussion.
- **Chief Executive Officer:** Our Chairman, President and Chief Executive Officer (CEO) is responsible for developing and executing AutoZone's strategy in a manner that is consistent with our Pledge and Values. In doing so, he ensures the Board of Directors receives complete and transparent information regarding our CSR practices so they may exercise their oversight responsibility to the fullest. He also ensures AutoZone's internal environmental, social and governance committee (ESG Committee) has appropriate leadership within the Company to make effective progress. Our Chairman, President and CEO engages directly with shareholders

on ESG matters to understand their priorities and feedback. Over the past year, our CEO or other members of our CEO Team have engaged with investors representing over 30% of our stockholdings to discuss ESG matters.

- **Executive Committee:** Our Executive Committee (EC), which is made up of AutoZone's CEO, Executive Vice Presidents and Senior Vice Presidents, provides oversight of our ESG practices. This ensures that the overall program receives strategic direction and that our practices align with longer-term initiatives. The EC also helps ensure our program is appropriately prioritized within the Company.
- **Executive Sponsor:** AutoZone's Senior Vice President, General Counsel and Secretary currently serves as the Executive Sponsor of our ESG Committee. In this role, she ensures the program receives the necessary attention at all levels of the Company.
- **ESG Committee:** A cross-functional group of the CEO Team provides day-to-day leadership of our ESG program to ensure we make continued progress and remain current with evolving rules, guidance and practices.

STAKEHOLDER ENGAGEMENT

An important part of our ESG work is stakeholder engagement. We engage regularly with our customers, AutoZoners, communities, investors, and vendor partners to understand their perspectives and what is important to them.

THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (“SASB”) INDEX

SASB is an independent organization that sets standards to guide the disclosure of material sustainability information by companies. This chart references select SASB indicators for the Multiline and Specialty Retailers & Distributors industry.

SASB Code	Accounting Metric	AutoZone's Response																				
Energy Management in Retail & Distribution																						
CG-MR-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable energy	1) AutoZone consumed 573,686 MMBtu of natural gas in fiscal year 2020 (“FY2020”) as well as 14,130 MMBtu of propane. We also consumed 449,280,120 MWh of electricity in FY2020. 2) Of that electricity, 99.93% (448,985 MWh) came from the grid and 0.07% (295MWh) from on-site rooftop solar.																				
Data Security																						
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	See discussion in the 2020 Form 10-K, pp. 19-20 and the Information Security section on pp. 32-33 of the Corporate Sustainability and Responsibility Report (“CSR”)																				
CG-MR-230a.2	(1) Number of data breaches, (2) Percentage involving personally identifiable information (PII), (3) Number of customers affected	When public disclosure criteria are met, data breaches are included in the 2020 Form 10-K																				
Labor Practices																						
CG-MR-310a.1	(1) Average wage of hourly store and distribution center employees (2) Percentage of hourly store and distribution center employees earning minimum wage	As of Q2 of FY2021, hourly Store and Distribution Center U.S. employees earned an average wage of \$13.43 per hour, before giving effect to overtime earnings. Approximately 16.58% earned the local minimum wage and 0.36% earned the federal minimum wage																				
CG-MR-310a.2	(1) Voluntary turnover rate for hourly store and distribution center employees (2) Involuntary turnover rate for hourly store and distribution center employees	<table border="1"> <thead> <tr> <th colspan="4">Hourly Annual Turnover Rates as of Q2 FY2021</th> </tr> <tr> <th>Job Type</th> <th>Voluntary</th> <th>Involuntary</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Distribution Centers</td> <td>35%</td> <td>15%</td> <td>50%</td> </tr> <tr> <td>Stores</td> <td>62%</td> <td>13%</td> <td>75%</td> </tr> <tr> <td>Total</td> <td>60%</td> <td>13%</td> <td>73%</td> </tr> </tbody> </table>	Hourly Annual Turnover Rates as of Q2 FY2021				Job Type	Voluntary	Involuntary	Total	Distribution Centers	35%	15%	50%	Stores	62%	13%	75%	Total	60%	13%	73%
Hourly Annual Turnover Rates as of Q2 FY2021																						
Job Type	Voluntary	Involuntary	Total																			
Distribution Centers	35%	15%	50%																			
Stores	62%	13%	75%																			
Total	60%	13%	73%																			
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated with labor law violations, are included in the 2020 Form 10-K																				

SASB Code	Accounting Metric	AutoZone's Response								
Workforce Diversity & Inclusion										
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management (2) all other employees	US Overall Employees								
		FY	Asian	Black/African American	Hispanic	Native American	Pacific Islander/Hawaiian	White	2 or More	Not Specified
		FY2021	1.94	15.6	28.9	0.86	0.33	48.5	2.41	1.43
		FY2020	1.87	15.6	27.5	0.79	0.36	48.5	4.14	1.19
		FY2019	1.75	15.0	26.6	0.69	0.34	48.7	5.87	1.00
		US Management								
		FY	Asian	Black/African American	Hispanic	Native American	Pacific Islander/Hawaiian	White	2 or More	Not Specified
		FY2021	3.80	13.6	22.6	0.65	0.45	55.0	2.71	1.07
		FY2020	3.50	13.7	22.4	0.62	0.43	55.6	2.81	0.78
		FY2019	3.11	13.9	22.4	0.59	0.37	56.4	2.43	0.75
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	If public disclosure criteria are met, monetary losses as a result of legal proceedings associated with employment discrimination, are included in the 2020 Form 10-K								
Product Sourcing, Packaging & Marketing										
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	See the Hazardous Materials section on pp. 20-27 under Environmental Responsibility section of the CSR								
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	See the Packaging section on pp. 18-19 of the CSR								
Activity Metrics										
CG-MR-000.A	Number of: (1) Retail locations (2) Distribution centers	2020 Form 10-K, p. 4-5, 23 and the ITEAM section on p. 10 of the CSR								
CG-MR-000.B	Total area of: (1) Retail space (2) Distribution centers	(1) 6,625 Total stores (total square feet = 44,021,282) (2) 2020 Form 10-K, p. 23								

GRI REFERENCED CONTENT INDEX

The Global Reporting Initiative (GRI) is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on various issues. We have referenced select GRI Standards as an identification and cross-reference tool to make meaningful data accessible to our stakeholders.

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020		
General Disclosures		
Section	Disclosure Number and Title	AutoZone’s Response
Organizational Profile	102-1 Name of the organization	AutoZone, Inc.
	102-2 Activities, brands, products, and services	2020 Form 10-K, p. 4 -9
	102-3 Location of headquarters	Memphis, TN
	102-4 Location of operations	Corporate Sustainability and Responsibility Report (“CSR”), pp. 6-7; 2020 Annual Report, p. 2; Form 10-K, pp. 4-5, 8-9, 23, 28, 30 https://investors.autozone.com/current-annual-report
	102-5 Ownership and legal form	AutoZone is a publicly traded company, incorporated in Nevada, USA, and listed on the NYSE under the ticker symbol “AZO,” 2020 Form 10-K p. 1
	102-6 Markets served	2020 Annual Report, p. 2; 2020 Form 10-K, pp. 4, 5, 8
	102-7 Scale of the organization	CSR, pp. 6-7; 2020 Annual Report, p. 2; 2020 Form 10-K, pp. 4-5, 8-9, 23, 28, 30, 44-52
	102-8 Information on employees and other workers	2020 Form 10-K, p. 6, 8, 10; http://www.autozone.com/careers
	102-9 Supply chain	2020 Form 10-K, Purchasing and Supply Chain, p. 9
	102-10 Significant changes to the organization and its supply chain	There have been no significant changes to the organization or its supply chain
	102-11 Precautionary Principle or approach	AutoZone does not have an official policy as it pertains to the Precautionary Principle
	102-12 External initiatives	AutoZone participates, endorses and has committed to various voluntary initiatives many of which can be found throughout the CSR
	102-13 Membership of associations	AutoZone dedicates attention and resources to various industry and trade memberships, commitments and appointments of its officers and others to boards and committees, and other related activities in Retail Industry Leaders Association (RILA), AutoCare and other local and national organizations
Strategy	102-14 Statement from senior decision-maker	CSR: CEO and Chairman Letter, pp. 6-7
	102-15 Key impacts, risks, and opportunities	2020 Form 10-K, Risk Factors pp. 13-22, Business, pp. 6-9; COVID-19 Impact, p.28; CSR: Governance Framework, pp. 52-54
Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior	See numerous examples throughout the CSR; Code of Conduct and Vendor Code of Conduct https://investors.autozone.com/code-conduct-0
	102-17 Mechanisms for advice and concerns about ethics	The Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0 ; about Employee Handbooks; Integrity Hotlines: Code of Conduct; Financial Fraud; FCPA; and AutoZoner Relations

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

General Disclosures

Section	Disclosure Number and Title	AutoZone’s Response
Governance	102-18 Governance structure	CSR: Governance Framework, pp. 52-54; 2020 Proxy Statement: Corporate Governance Matters, p. 4-9; Committee Charters, Committee Composition, Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1
	102-19 Delegating authority	CSR: Governance Framework, pp. 52-54; 2020 Proxy, Corporate Governance Matters, pp. 4-11; Corporate Governance: https://investors.autozone.com/corporate-governance-1
	102-20 Executive-level responsibility for economic, environmental, and social topics	CSR: Governance Framework, pp. 52-54; 2020 Form 10-K, Information about our Executive Officers, pp. 10-13 https://investors.autozone.com/current-annual-report
	102-21 Consulting stakeholders on economic, environmental, and social topics	CSR: Governance Framework, pp. 52-54
	102-22 Composition of the highest governance body and its committees	CSR: Governance Framework, pp. 52-54; 2020 Proxy, Corporate Governance Matters, pp. 4-11; https://investors.autozone.com/corporate-governance-1 ; https://investors.autozone.com/corporate-governance/board-of-directors
	102-23 Chair of the highest governance body	2020 Form 10-K, Information about our Executive Officers, pp. 10-13; 2020 Proxy, Corporate Governance Principles, pp. 4-11
	102-24 Nominating and selecting the highest governance body	2020 Proxy Statement: Corporate Governance Matters, p. 4-9; Committee Charters, Committee Composition, Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1 ; https://investors.autozone.com/corporate-governance/board-of-directors
	102-25 Conflicts of interest	2020 Proxy Statement: Corporate Governance Matters, Independence, pp. 4-5; Related Party Transactions, pp. 55-56; Conflicts of Interest, Gifts and Entertainment Policy; Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1 ; Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0
	102-26 Role of highest governance body in setting purpose, values, and strategy	CSR: Governance Framework, pp. 52-54; 2020 Form 10-K, Information about our Executive Officers, pp. 10-13
	102-27 Collective knowledge of highest governance body	CSR: Governance Framework, pp. 52-54; Proxy Statement, The Proposals, pp. 17-20; Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1 ; https://investors.autozone.com/corporate-governance/board-of-directors
	102-28 Evaluating the highest governance body’s performance	2020 Proxy Statement: Corporate Governance Matters, Director Nomination Process, pp. 10-11; https://investors.autozone.com/corporate-governance-1
102-29 Identifying and managing economic, environmental, and social impacts	CSR: Governance Framework, pp. 52-54; 2020 Form 10-K, Information about our Executive Officers, pp. 10-13	

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

General Disclosures

Section	Disclosure Number and Title	AutoZone’s Response
Governance Continued	102-30 Effectiveness of risk management processes	2020 Proxy Statement: Corporate Governance Matters, Board Risk Oversight, pp. 5-6; Committees of the Board, pp. 7-9; Procedure for Communication with the Board of Directors, p.11 https://investors.autozone.com/current-annual-report
	102-31 Review of economic, environmental, and social topics	2020 Proxy Statement: Corporate Governance Matters, Board Risk Oversight, pp. 5-6; 2020 Form 10-K, Risk Factors, pp. 13-22, COVID-19 Impact, p.28; CSR: Governance Framework, pp. 52-54
	102-32 Highest governance body’s role in sustainability reporting	2020 Form 10-K, Information about our Executive Officers, pp. 10-13; CSR: Governance Framework, pp. 52-54; https://investors.autozone.com/corporate-governance-1 ; https://investors.autozone.com/corporate-governance/board-of-directors
	102-33 Communicating critical concerns	2020 Proxy Statement: Procedure for Communication with the Board of Directors, p.11; Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0 ; Employee Handbooks; Integrity Hotlines: Code of Conduct; Financial Fraud; FCPA; and AutoZoner Relations
	102-34 Nature and total number of critical concerns	We consider this information is confidential and privileged
	102-35 Remuneration policies	2020 Proxy Statement: Corporate Governance Matters, Compensation of Directors, p. 15-16; Executive Compensation, pp. 30-52; Equity Compensation Plans, p. 56; CSR, Compensation Overview, p. 36
	102-36 Process for determining remuneration	2020 Proxy Statement: Compensation Discussion and Analysis, pp. 30-42
	102-37 Stakeholders’ involvement in remuneration	2020 Proxy Statement: Procedure for Communication with the Board of Directors, p.11
	102-38 Annual total compensation ratio	2020 Proxy Statement: Executive Compensation, pp. 30-55
	102-39 Percentage increase in annual total compensation ratio	2020 Proxy Statement: Executive Compensation, pp. 45-47
Stakeholder Engagement	102-40 List of stakeholder groups	Customers; Vendors; Investors; Civic and community organizations and influencers; Government officials; Industry and trade associations
	102-41 Collective bargaining agreements	US-based employees are not subject to a collective bargaining agreement
	102-42 Identifying and selecting stakeholders	2020 Form 10-K: Business, pp. 6-10; Risk Factors pp. 13-22; COVID-19 Impact, p.28
	102-43 Approach to stakeholder engagement	Stakeholder engagement varies based on a number of factors, including but not limited to, needs, interest, opportunity, etc.
	102-44 Key topics and concerns raised	Stakeholder topics vary depending on various factors, including but not limited to, business, marketing and merchandise strategies, community needs, trade opportunities, etc.
Reporting Practices	102-45 Entities included in the consolidated financial statements	2020 Form 10-K: Financial Statements and Supplementary Data, pp. 43-78; Exhibit 21.1 Subsidiaries of the Registrant, p. 89 (does not list all subsidiaries)
	102-46 Defining report content and topic boundaries	CSR: Governance Framework, pp. 52-54
	102-47 List of material topics	Topics are reflected in the CSR: Sustainability Accounting Standards Board (“SASB”), p. 55 and Sustainability Development Goals (“SDGs”) pp. 64-65 indices and based on a variety of factors including stakeholder engagement

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

General Disclosures

Section	Disclosure Number and Title	AutoZone’s Response
Reporting Practices	102-48 Restatements of information	Not applicable
	102-49 Changes in reporting	CSR Report 2019 reflects data from fiscal year 2019 (“FY2019”); CSR Report 2021 reflects data from fiscal year 2020 (“FY2020”) and first two quarters of fiscal year 2021 (“FY2021”)
	102-50 Reporting period	FY2020 and the first two quarters of FY2021, except where otherwise noted
	102-51 Date of most recent report	June, 2021
	102-52 Reporting cycle	Annual, except where otherwise noted
	102-53 Contact point for questions regarding the report	maria.leggett@autozone.com
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Comprehensive option
	102-55 GRI content index	This is the GRI Content Index for FY2020
	102-56 External assurance	Through our engagement with Schneider Electric, our sustainability goals were developed. We did not seek external assurance for the remainder of the CSR

Material Topics

Economic Performance	103-1 Explanation of the material topic and its Boundary	2020 Form 10-K: Management’s Discussion and Analysis of Financial Condition and Results of Operations, pp. 28-36; Risk Factors, pp. 13-22 https://investors.autozone.com/current-annual-report
	103-2 The management approach and its components	2020 Form 10-K: Management’s Discussion and Analysis of Financial Condition and Results of Operations, pp. 28-36; Risk Factors, pp. 13-22; CSR: Governance Framework, pp. 52-54; Code of Conduct: https://investors.autozone.com/code-conduct-0 ; Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1
	103-3 Evaluation of the management approach	2020 Form 10-K: Management’s Discussion and Analysis of Financial Condition and Results of Operations, pp. 28-36; Risk Factors, pp. 13-22; CSR: Governance Framework, pp. 52-54; Code of Conduct: https://investors.autozone.com/code-conduct-0 ; Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1
	201-1 Direct economic value generated and distributed	2020 Form 10-K, Selected Financial Data, pp. 26-27; Financial Statements and Supplementary Data, pp. 43-78
	201-2 Financial implications and other risks and opportunities due to climate change	We do not currently disclose this information
	201-3 Defined benefit plan obligations and other retirement plans	2020 Proxy: Executive Compensation, pp. 30-34
	201-4 Financial assistance received from government	AutoZone receives government assistance in the form of statutory and project-specific incentives, which may include tax credits. See, for example, CSR: Renewable Energy Investments, p. 27; 2020 Form 10-K: Financial Statements and Supplementary Data, Variable Interest Entities: p. 52

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

Material Topics

Section	Disclosure Number and Title	AutoZone’s Response
Indirect Economic Impact	203-1 Infrastructure investments and services supported	CSR: 2020 Highlights, p. 4; COVID-19 Pandemic Response, pp.4, 14-15; Community Involvement, pp. 48-50
	203-2 Significant indirect economic impacts	CSR: 2020-2021 Highlights, p. 4; COVID-19 Pandemic Response, pp. 4, 14-15; Community Involvement, pp. 48-50; http://www.autozone.com/careers
Anti-Corruption	103-1 Explanation of the material topic and its Boundary	2020 Proxy: Board Risk Oversight, pp. 5-6; https://investors.autozone.com/current-annual-report Code of Conduct: https://investors.autozone.com/code-conduct-0
	103-2 The management approach and its components	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6; Code of Conduct: https://investors.autozone.com/code-conduct-0
	103-3 Evaluation of the management approach	2020 Proxy: Board Risk Oversight, pp. 5-6; https://investors.autozone.com/code-conduct-0 ; CSR: Governance Framework, p. 52-54
	205-1 Operations assessed for risks related to corruption	2020 Proxy: Board Risk Oversight, pp. 5-6; Code of Conduct: https://investors.autozone.com/code-conduct-0
	205-2 Communication and training about anti-corruption policies and procedures	Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0 ; Employee Handbooks; Integrity Hotlines: Code of Conduct; Financial Fraud; FCPA; and AutoZoner Relations
Tax	207-2 Tax governance, control, and risk management	2020 Form 10-K: Management’s Discussion and Analysis of Financial Condition and Results of Operations, Tax footnote, pp. 40 and 63-65
Environmental Topics		
Materials	301-1 Materials used by weight or volume	Selected disclosure throughout CSR: Packaging, pp. 18-19
	301-2 Recycled input materials used	Selected disclosure throughout CSR: 2020-2021 Highlights, p. 4; Environmental Responsibility, pp. 20-27
	301-3 Reclaimed products and their packaging materials	Selected disclosure throughout CSR: Environmental Responsibility, pp. 20-27
Energy	302-1 Energy consumption within the organization	Selected disclosure throughout CSR: 2020-2021 Highlights; CEO and Chairman Letter, pp. 6-7; Environmental Responsibility, pp. 20-27
	302-2 Energy consumption outside of the organization	CSR: Environmental Responsibility, “Our Facilities Save Millions of Kwh of Energy Per Year”, pp. 20-27
	302-4 Reduction of energy consumption	Selected disclosure throughout CSR: 2020-2021, Highlights; CEO and Chairman Letter, pp. 6-7; Environmental Responsibility, pp. 20-27; Sustainability Emissions Goals, pp. 22-25
Emissions	305-1 Direct (Scope 1) GHG emissions	Selected disclosure throughout CSR: 2020-2021, Highlights; CEO and Chairman Letter, pp. 6-7; Environmental Responsibility, pp. 20-27; Sustainability Emissions Goals, pp. 22-25
	305-2 Energy indirect (Scope 2) GHG emissions	Selected disclosure throughout CSR: 2020-2021, Highlights; CEO and Chairman Letter, pp. 6-7; Environmental Responsibility, pp. 20-27; Sustainability Emissions Goals, pp. 22-25
	305-4 GHG emissions intensity	Selected disclosure throughout CSR: Environmental Responsibility, pp. 20-27; Sustainability Emissions Goals, pp. 22-25

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

Environmental Topics

Section	Disclosure Number and Title	AutoZone’s Response
Emissions Continued	305-5 Reduction of GHG emissions	Selected disclosure throughout CSR: Environmental Responsibility, pp. 20-27; Sustainability Emissions Goals, pp. 22-25
Effluents and Waste	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	103-3 Evaluation of the management approach	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6
	306-1 Waste generation and significant waste-related impacts	Selected disclosure throughout CSR: Environmental Responsibility, pp. 20-27
	306-2 Management of significant waste-related impacts	Selected disclosure throughout CSR, particularly: Environmental Responsibility, pp. 20-27
	306-4 Waste diverted from disposal	Selected disclosure throughout CSR: Environmental Responsibility, pp. 20-27
	306-5 Waste directed to disposal	Selected disclosure throughout CSR: Environmental Responsibility, pp. 20-27
Environmental Compliance	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	103-3 Evaluation of the management approach	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6
Supplier Environmental Assessment	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	308-1 New suppliers that were screened using environmental criteria	CSR: Vendor Qualifications and Onboarding; Factory Assessments, pp. 16-19; Vendor Code of Conduct, pp. 16-17
	308-2 Negative environmental impacts in the supply chain and actions taken	CSR: Vendor Qualification and Onboarding, pp. 16-19; Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0
Social Topics		
Employment	103-2 The management approach and its components	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6; Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0 ; Employee Handbooks; Integrity Hotlines: Code of Conduct; Financial Fraud; FCPA; and AutoZoner Relations
	103-3 Evaluation of the management approach	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6
	401-1 New employee hires and employee turnover	CSR: SASB Index, p. 55
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	CSR: Ethical Business Operations, Compensation, p. 36; COVID-19 Pandemic Response: AutoZoner Support, pp. 4, 14-15; Intern Program, p. 43; Employee Giving: Matching Gift, p. 51
	401-3 Parental leave	CSR: Well-Being for All, pp. 38-39
Occupational Health and Safety	403-1 Occupational health and safety management system	AutoZone submits OSHA required health and safety data in compliance with applicable regulatory requirements
	403-2 Hazard identification, risk assessment, and incident investigation	Selected disclosure throughout CSR, for example: Environmental Responsibility, for example: Work place Safety, Transportation and Emissions, “We Will Be Safe Today”, pp. 28-30; Environmental, Health and Safety manual, p. 22; and Sustainability Linked Pay, p. 36

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

Social Topics

Section	Disclosure Number and Title	AutoZone’s Response
Occupational Health and Safety	403-4 Worker participation, consultation, and communication on occupational health and safety	Selected disclosure throughout the CSR, for example: Environmental Responsibility: Workplace Safety, Transportation and Emissions, “We Will Be Safe Today”, p. 28-30; Environmental, Health and Safety manual, p. 22;
	403-5 Worker training on occupational health and safety	Selected disclosure throughout the CSR, for example: Environmental Responsibility: Workplace Safety, Transportation and Emissions, “We Will Be Safe Today”, p. 28-30; Environmental, Health and Safety manual, p. 22
	403-6 Promotion of worker health	Selected disclosure throughout the CSR, for example: Environmental Responsibility: Workplace Safety, Transportation and Emissions, “We Will Be Safe Today”, p. 28-30; Environmental, Health and Safety manual, p. 22
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Selected disclosure throughout CSR, for example: Environmental Responsibility: Workplace Safety, Transportation and Emissions, “We Will Be Safe Today”, p. 28-30; Environmental, Health and Safety manual, p. 22
Training and Education	404-1 Average hours of training per year per employee	CSR: Various examples of learning and development training courses in the CSR such as, for example, Parts Expert, Selling Skills, Environmental Compliance, Management Fundamentals, Vendor Code of Conduct, Vehicle Safety and Emissions, Information Security among others
	404-2 Programs for upgrading employee skills and transition assistance programs	Selected disclosure throughout CSR: Ethical Business Operations, Compensation; Careers, AutoZoner Assistance Fund, Culture: https://careers.autozone.com/working-here
Diversity and Equal Opportunity	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	405-1 Diversity of governance bodies and employees	CSR: SASB Index, p. 55
	405-2 Ratio of basic salary and remuneration of women to men	We consider this information confidential, privileged and competitive and do not currently disclose it
Non-Discrimination	103-1 Explanation of the material topic and its Boundary	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6
	103-2 The management approach and its components	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6
	103-3 Evaluation of the management approach	2020 Proxy: Board Risk Oversight, Enterprise Risk Management, pp. 5-6
	406-1 Incidents of discrimination and corrective actions taken	We consider this information confidential, privileged and competitive and do not currently disclose it
Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	See various examples throughout the CSR; Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0
Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	See various examples throughout the CSR; Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0

Global Reporting Index (“GRI”) Content Index (Referenced) - FY2020

Social Topics

Section	Disclosure Number and Title	AutoZone’s Response
Human Rights Assessment	412-2 Employee training on human rights policies or procedures	Selected disclosure throughout CSR: Ethical Business Operations, Compensation; Careers, Culture and Diversity: https://careers.autozone.com/working-here
Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	CSR: 2020-2021 Highlights, p. 4; COVID-19 Pandemic Response, p. 4, 14-15; COVID-19 Community Support, p. 4, 15; Community Involvement, pp. 4, 48-50
	413-2 Operations with significant actual and potential negative impacts on local communities	We consider this information confidential and do not currently disclose it
Supplier Social Assessment	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	414-1 New suppliers that were screened using social criteria	CSR: Vendor Qualifications and Onboarding, Factory Assessments, pp. 16-19; 2020 Proxy Statement: Corporate Governance Matters, Independence, pp. 4-5; Related Party Transactions, pp. 55-56; Conflicts of Interest, Gifts and Entertainment Policy; Corporate Governance Principles: https://investors.autozone.com/corporate-governance-1 ; Code of Conduct and Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0
	414-2 Negative social impacts in the supply chain and actions taken	CSR: Vendor Qualifications and Onboarding, pp. 16-19; Factory Assessments; Vendor Code of Conduct: https://investors.autozone.com/code-conduct-0
Public Policy	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	415-1 Political contributions	AutoZone Policy on Policy on Political Contributions: https://investors.autozone.com/corporate-governance-1
Customer Health and Safety	103-1 Explanation of the material topic and its Boundary	CSR: Governance Framework, pp. 52-54
	416-1 Assessment of the health and safety impacts of product and service categories	AutoZone has processes to address product performance, compliance and safety, and for it and its manufacturers to meet its reporting obligations under applicable laws
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We consider this information privileged and confidential and do not currently disclose it

THE SUSTAINABLE DEVELOPMENT GOALS (“SDGs”)

The SDGs focus on 17 areas and call on governments, businesses, and organizations to address problems facing our communities such as diversity, equality, inclusion, poverty, and sustainable development among others. We recognize the importance of the SDGs and are proud to share how we’re contributing thus far.



Sustainable Development Goals	Our Contributions
<p>3 Good Health and Well-Being</p> <ul style="list-style-type: none"> • Ensure healthy lives and promote well-being for all at all ages 	<p>Corporate Sustainability and Responsibility Report (“CSR”), pp. 38-39: An example of how one of AutoZone’s core Values, Cares About People, comes to life is through our comprehensive “Total Well-being Program”, delivered through our AutoZoners app and www.AutoZoners.com. These tools were specifically developed to put well-being at every AutoZoner’s fingertips.</p> <p>Another example of our well-being program is that AutoZoners have free access to unlimited live coaching and guidance from a dedicated team of qualified health professionals. This team helps AutoZoners make healthy lifestyle choices and manage chronic conditions, such as high blood pressure and heart disease. Additionally, together with our health care providers we launched an initiative to improve the lives of AutoZoners with diabetes, and another focused on efforts to reduce Opioid addiction.</p> <p>CSR, Vendor Qualifications and Onboarding, pp. 16-19: AutoZone conducts regular third-party factory audits of certain Merchandise vendors to ensure compliance with human rights, safety, quality, physical plant, and other requirements. Among other things, the audits strive to create transparency in vendors’ controls of safety hazards and ensure equipment is provided to and properly used by all factory employees. Workplace Conditions Assessments verify factory working conditions including, for example, labor conditions, wages and hours, health and safety, facility and environmental management systems, handling of wastewater, etc.</p>
<p>4 Quality Education</p> <ul style="list-style-type: none"> • Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 	<p>CSR: Various examples of learning and development training courses are described in the CSR such as, for example, Parts Expert, Selling Skills, Environmental Compliance, Management Fundamentals Code of Conduct, Vendor Code of Conduct, Vehicle Safety and Emissions, Information Security and AutoZone Leadership Academy among others. Each week, AutoZoners complete upwards of approximately 70,000 training modules. Our Parts Expert program recognizes those AutoZoners whose extensive automotive knowledge make them resources for customers and for their teams when it comes to providing the right advice.</p> <p>https://investors.autozone.com/code-conduct-0; CSR, p. 34: Code of Conduct: AutoZone does not discriminate, nor do we tolerate discrimination. This applies to recruiting, hiring, training, promotions, compensation, benefits, transfers, education and all other aspects of employment with AutoZone.</p>
<p>5 Gender Equality</p> <ul style="list-style-type: none"> • Achieve gender equality and empower all women and girls 	<p>AutoZone does not discriminate, nor do we tolerate discrimination. We expect all employment decisions to be made based on a person’s skills, knowledge and ability to fulfill the requirements of the position: https://investors.autozone.com/code-conduct-0</p> <p>CSR, pp. 44-45: AutoZone’s Women’s Initiative (AZWIN) strengthens women’s development by facilitating networking and leadership training opportunities. The AZ WIN motto is: “Engage. Embrace. Empower.” AZ WIN currently has chapters in locations throughout the organization including our store regions, Store Support Center, Distribution Centers, ALLDATA, Mexico and Brazil. CSR, p. 43: Creating Opportunities for Women Battling Addiction.</p>
<p>7 Affordable and Clean Energy</p> <ul style="list-style-type: none"> • Ensure access to affordable, reliable, sustainable and modern energy for all 	<p>CSR, pp. 20-27: We continue to increase our use of renewable energy through onsite generation. Except for fiscal year 2020 (“FY2020”), we realized a 33% reduction of kilowatt-hours (“kWh”) usage per square foot since 2007. Continual reduction in kWh usage year over year as new stores and square footage were added. We plan to install over 27,000 MWh of on-site rooftop solar by 2025. AutoZone’s commitment to solar investment sets the stage for over 1.5 billion kWh of fossil fuel offsetting solar power to be delivered over the life of the projects. The impact of the lifetime generation from over 140,000 solar panels, installed across six states, equates to meaningful greenhouse gas (“GHG”) impacts.</p>
<p>8 Decent Work and Economic Growth</p> <ul style="list-style-type: none"> • Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 	<p>CSR, pp. 3, 8, 10: With over 100,000 AutoZoners, we are a leading employer and create positive economic impact in the local communities we live and serve.</p> <p>CSR, pp. 36: We offer competitive compensation, benefits and training opportunities to all AutoZoners regardless of race, gender or ethnicity.</p> <p>CSR, p. 34: Our Code of Conduct and other policies are examples of our efforts and commitment to Respect in the Workplace. We recruit, retain, train, promote and pay AutoZoners equitably, regardless of gender, race or ethnicity. We are committed to a workplace that is respectful and free of all forms of unlawful harassment. See also, CSR, p. 41: Summary of Efforts and Progress of our Diversity, Equity and Inclusion (DEI) Action Plan.</p> <p>CSR, pp. 17-19: We have a Zero-tolerance policy toward child labor, forced labor and harassment or abuse, and do not do business with companies that do not comply to such policy. See also, CSR, pp.17-19 Vendor Qualifications and Onboarding.</p>
<p>9 Industry, Innovation and Infrastructure</p> <ul style="list-style-type: none"> • Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 	<p>CSR, p. 21: In FY2020 and the first two quarters of fiscal year 2021, our battery recycling program sent over 346,000 tons of batteries and more than 66,000 tons of used and worn out auto parts were sent back to our suppliers to be recycled and remanufactured. Our stores also recycled nearly 900,000 oil filters. See also, CSR: Environmental Responsibility, pp. 20-27 for additional examples of our efforts in recycling and other areas.</p>
<p>11 Sustainable Cities and Communities</p> <ul style="list-style-type: none"> • Make cities and human settlements inclusive, safe, resilient and sustainable 	<p>CSR, pp. 4, 15. We sourced and distributed over 20 million face masks, 70 million gloves, thousands of gallons of hand sanitizer and hundreds of touch-free thermometers and disinfectant sprays to frontline workers in our stores and distribution centers, plus hospitals and charitable organizations.</p>
<p>13 Climate Action</p> <ul style="list-style-type: none"> • Take urgent action to combat climate change and its impacts 	<p>CSR, pp. 20-27: We have set a goal to decrease our Scope 1 and 2 energy-related emissions by 15% by 2025 from a 2019 baseline. Over 12MM gallons of oil, 1,000 tons of plastic and 346,000 tons of batteries were recycled through AutoZone in FY2020. Also, approximately 802,000 wood pallets, 21,000 tons of cardboard, and 17,000 tons of steel. These efforts prevented more than 150,000 metric tons of GHG emissions.</p>

EEO-1 DATA FOR CALENDAR YEAR 2020

Job Categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Total
	Male	Female	Male						Female						
			White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Executive/Senior Level Officials and Managers	4	1	31	8	-	3	-	2	6	-	-	2	-	-	57
First/Mid Level Officials and Managers	88	19	674	69	1	127	4	21	214	56	-	47	1	6	1,327
Professionals	130	37	464	99	2	21	-	21	136	93	1	12	5	12	1,033
Technicians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Workers	16,359	5,037	29,524	8,810	209	1,207	472	1,516	7,616	3,106	47	167	202	471	74,743
Administrative Support Workers	10	23	70	41	-	9	-	4	67	63	-	8	2	7	304
Craft Workers	74	4	214	33	1	9	2	5	19	12	-	-	-	2	375
Operatives	1,029	650	1,634	446	13	49	20	62	848	244	8	30	20	21	5,074
Laborers & Helpers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Workers	-	-	11	8	-	-	-	1	1	5	-	-	-	1	27
Total	17,694	5,771	32,622	9,514	226	1,425	498	1,632	8,907	3,579	56	266	230	520	82,940

FORWARD-LOOKING STATEMENTS

This Corporate Social Responsibility Report contains forward-looking statements. Forward-looking statements typically use words such as “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “strive,” “strategy,” “seek,” “may,” “could” and similar expressions. These are based on assumptions and assessments made by our management in light of experience and perception of historical trends, current conditions, expected future developments and other factors. These forward-looking statements are subject to a number of risks and uncertainties. Certain of these risks and uncertainties are discussed in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of our Annual Report on Form 10-K for the fiscal year ended August 29, 2020, and these Risk Factors should be read carefully. Forward-looking statements are not guarantees of future performance and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements. Forward-looking statements speak only as of the date made. Except as required by applicable law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

NO FINISH LINE

We are very proud of the ESG progress we have made, while also deeply appreciating that our journey must remain ongoing, that is, “No Finish Line.” We continue to believe that our best days are ahead. Thank you for staying in the Zone with us for all these years.





Corporate Social Responsibility Report - 2021