



# PARTS ARE JUST PART OF WHAT WE DO

**Environmental, Social and Governance Report 2024** 

2024 Environmental, Social and Governance Report

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The 2024 ESG Report includes data from fiscal year 2023 (FY2023) (August 28, 2022 to August 26, 2023).

## A Letter from Phil Daniele, PRESIDENT AND CEO

Since the opening of our first store in 1979, AutoZone has been committed to serving the needs of the driving public. Still, we know that our obligations must extend far beyond the four walls of our physical spaces. At AutoZone and as AutoZoners, we're deeply dedicated to always putting our customers first, taking care of our fellow AutoZoners and serving the communities we cherish. Today, with more than 7,100 stores across the Americas and approximately 119,000 AutoZoners around the world, we share a common goal to LIVE AutoZone's Pledge and demonstrate our Values each day. When you shop at our stores, you know firsthand that, as AutoZoners, we are people of service, action and commitment. Whether taking care of our customers, proactively responding to ever-emerging global environmental needs or ensuring we are an inclusive workplace where all AutoZoners can thrive, we don't take for granted the responsibility and what it means to be an AutoZoner. As only the fifth CEO in our company's rich history, I am incredibly honored and enthusiastic about the opportunity to help serve and lead a company I love dearly and have been a part of for over three decades. Whether



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past, present or future, our ability to put our customers first is and will forever be the key to our accelerated growth and continued success.

In keeping with our plans to publish our Environmental, Social and Governance (ESG) report annually, each April, we are proud to share our 2024 ESG Report.

Consistent with our Supplement to the 2022 ESG Report, which includes, among others, our Net Zero Ambition, Climate Transition Goals and Plan, Governance and Engagement, this Report provides meaningful disclosures, progress toward our commitments and programs already implemented that are driving us to our goals. Building upon our materiality assessment, we continued to evolve our ESG work through four distinct workstreams-Environmental. Products, Social (People and Communities) and Governance. Each workstream reports to our cross-functional ESG Steering Committee led by senior officers of our company. As previously disclosed, our Climate Transition Goals and Plan include our ambition to achieve Net Zero greenhouse

gas (GHG) emissions by 2050. We have also set short-, medium- and long-term GHG reduction targets that are intended to align with the Paris Agreement's goal of maintaining global temperature rise at 1.5-degrees Celsius. In addition to our Climate Transition Goals & Plan, we measured our GHG emissions footprint across our business. Our focused efforts are in service to our overall goal of reducing our carbon footprint and identifying the right "mix" of strategies toward our Net Zero GHG emissions aspirations in a timely and capital-effective manner.

In FY2023, we added 197 global stores to our portfolio, leading to a 4% increase in square footage. Yet our global emissions were essentially flat compared to FY2022. We began to see improvement and results from the emissions reduction and efficiency projects we put in place over the last few years. We expect to continue to see progress in our energy efficiency and emissions reductions in the years to come. For example, in FY2022, we secured an investment tax credit opportunity for a solar farm outside of San Antonio, Texas and we will purchase the underlying renewable energy credits produced directly from that project. We have deployed more fuel-efficient vehicles in our light-duty fleet and are testing hybrid and electric vehicles as well. As we have done for years, we continue to prioritize recycling, as many of our products can be collected for reuse or safe disposal.

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Governance and Transparency l often say while we sell auto parts, at our core, we're really in the people business. To that end, I'm awe-inspired by our unique and powerful people-centric culture and what we do together every day to impact the lives of people. I'm particularly proud of our success as it relates to one of our six AutoZone Values, which is *"An AutoZoner Always... Embraces Diversity."* At AutoZone, every AutoZoner is a part of our AutoZone family and embracing diversity is who we are. I take great pride in the diversity of our organization, from our Board of Directors to senior leadership, and particularly, our incredible field leadership team (Store Managers, Commercial Sales Managers, Territory Sales Managers, District Managers, etc.). In FY2023, 50% of our promotions were racially/ethnically diverse and 26% were women. Our executive leaders were 40% ethnically diverse and 13% gender diverse and of our Board of Directors, 30% were female and 30% were racially/ethnically diverse. Still, we are genuinely dedicated to evaluating our progress as our company grows and we proudly welcome new AutoZoners to our AutoZone family.

In reading this Report, please know that our ESG journey is one of evolution, continuing to put people first, reducing our environmental impact and continuing to create positive impact in our communities. Also, despite the myriad of tactics we have leveraged and will continue to leverage to be honorable corporate citizens, make no doubt about it: our AutoZoners are the key to our success.

By Living our Pledge and exemplifying our Values, we continue to make great strides in our ESG efforts. I appreciate you, our customers, AutoZoners and our vendors, for the advancements we have made and continue to make and for your many contributions to helping ensure we have what it takes to do the job right.

Thank you, AutoZoners, for making this work possible each and every day!

di Blaniel

President and CEO Customer Satisfaction

#### Who We Are ABOUT AUTOZONE

AutoZone is the leading retailer and distributor of automotive replacement parts and accessories in the Americas. Each store carries an extensive product line for cars, sport utility vehicles, vans and light duty trucks, including new and remanufactured automotive hard parts, maintenance items, accessories and non-automotive products. We have a commercial sales program that provides commercial credit and prompt delivery of parts and other products to local, regional and national repair garages, dealers, service stations, fleet owners and other accounts. We also sell automotive hard parts, maintenance items, accessories and non-automotive products through www.autozone.com, and our commercial customers can make purchases through www.autozonepro.com. Additionally, AutoZone also sells the ALLDATA brand automotive diagnostic, repair and shop management software through www. alldata.com. We also provide product information on our Duralast branded products through www.duralastparts.com. AutoZone does not derive revenue from automotive repair or installation.

#### Parts are Just Part of What We Do

We sell auto parts, but our purpose is to passionately serve our customers; offer great career opportunities for our employees, affectionally called AutoZoners; serve the communities where we live, work and play; and provide value to our shareholders. We are constantly innovating to improve programs and processes that enhance our service to customers and deliver value to shareholders while protecting and caring for people, the environment and the communities we proudly serve.



#### **OUR HISTORY**

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 and recognized an opportunity existed for a retail auto parts store that could supply individual customers with aftermarket parts so they could care for their own vehicles. Pitt believed the characteristics found in supermarkets could be applied to the auto parts business: clean, well-lit, well-merchandised stores and exceptional, friendly customer service. The first Auto Shack store opened in Forrest City, Arkansas on July 4, 1979. In 1987, the name was changed to AutoZone.

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# FY2023 Fast Facts



#### 7,140 Stores

- 6,300 stores in all
   50 U.S. states
- 98 Mega Hubs and 210 Hub<sup>1</sup> stores in the U.S.
- •740 stores in Mexico
- 2 Mega Hubs and 37 Hub stores in Mexico
- 100 stores in Brazil
- Opened 197 net new stores

#### Employed approximately 119,000 AutoZoners

- Over 103,000 in the U.S.
- Approximately 15,500 internationally
- 60% full-time; 40% part-time
- Approximately 91% work in stores or direct field supervision; 6% in DCs; 3% in Store Support Centers (SSCs) and other functions

#### 14 Distribution Centers (DCs)





**5,682 U.S.** Commercial programs serving technicians, professional shops, government entities, independent and national repair professionals

90% of U.S.

#### Vast majority

of stores in Mexico and Brazil

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#### **Over 754,000** skus

**Over 50%** of products carried are **"Our Brands"** (Duralast and the family of Duralast brands, TotalPro, ProElite, ShopPro, SureBilt, TruGrade, Econocraft and Valucraft)

Our primary international sourcing office is located in Shanghai, China with multiple sourcing offices around the world providing additional support. In FY2023, we opened a new direct import facility on the west coast of the U.S. to make our direct import program more efficient.

#### 6 Store Support Centers & ALLDATA

- Memphis, Tennessee: Hyde and Formanek SSCs
- Monterrey, Mexico: Centro de Apoyo a Tiendas (CAT)
- São Paulo, Brazil: Centro de Suporte at Lojas (CSL)
- Chihuahua, Mexico: Business Technology Store Support Center (BTSSC)
- Haryana, India: BTSSC
- Elk Grove, California: ALLDATA Support Center

Our regular Hub stores allow us to carry roughly 50,000 SKUs, more than twice the assortment of a typical store and our Mega Hubs allow us to carry approximately 80,000 to 110,000 SKUs



# 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.

## 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.



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#### **OUR CULTURE**

At AutoZone, our unique and powerful culture of customer service is what sets us apart from the competition. For 44 years and counting, we have dedicated ourselves to offering the best merchandise at the right price, providing WOW! Customer Service and Trustworthy Advice. Across our stores, distribution centers (DCs), Store Support Centers (SSCs) and at ALLDATA, the foundation of our success is the rich culture our AutoZoners strive to live by. Every day, AutoZoners Go the Extra Mile for each other, our customers and the communities where we all live, work and play. We strive to create a welcoming, inclusive environment for our customers and for one another.

We are guided by our Pledge and Values. Our Pledge is our promise to customers and to each other as AutoZoners. The four simple, actionable lines of our Pledge help AutoZoners across the company know What It Takes To Do The Job Right, or what we call, WITTDTJR. Every AutoZoner, from AutoZoners in our stores to our CEO Team (officers of the company), strives to *LIVE the Pledge.* We are also guided by our Values as 1TEAM: *An AutoZoner Always... Puts Customers First, Cares About People, Strives for Exceptional Performance, Energizes Others, Embraces Diversity and Helps Teams Succeed.* 



# **Elements of Our Culture**

#### 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 performed any time five or more AutoZoners are present.

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!

#### PLEDGE

After the Cheer, we then collectively recite our 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 note from a satisfied customer or from an AutoZoner recognizing a peer for going above and beyond.

Reading an Extra Miler Story at the start to every 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 replicable behaviors aligned with our Values and culture
- Recognize exceptional performance

# **Our Journey**



#### 1979

First Auto Shack opened in Forrest City, Arkansas



#### 1987

Auto Shack changed its name to AutoZone



#### 1991

AutoZone became a publicly traded company on the NYSE with the ticker symbol AZO



#### 1998

2000

2023)

First store in Mexico opened

DataZone Support Center in

Chihuahua, Mexico opened to support

electronic cataloging (named BTSSC in

• Began selling and shipping direct to consumers through autozone.com

#### 1986

- The Pledge was written by Lynda Ireland, setting the standard for the company's commitment to customer satisfaction
- · Duralast launched, which is the brand more technicians choose for automotive aftermarket parts





#### 1996

- · autozone.com launched
- · Commercial program launched, offering credit and delivery to professional technicians
- ALLDATA acquired





#### 2002

Hub stores debuted and substantially increased local market parts availability





#### 2003

Duralast tool line introduced

#### 2006

Partnered with St. Jude Children's Research Hospital to create an innovative, in-store, point-of-sale campaign, now recognized across many companies as the Thanks and Giving campaign

#### 2007

Six new Values are introduced







Mobile app launched

# **Our Journey**



#### 2012

First store in Brazil opened

#### 2014

- Mega Hubs launched, which have twice as many parts as Hub stores
- AZ WIN, AutoZone's Women's Initiative, the first business resource group, launched

#### 2015

- Stores expanded to all 50 U.S. states with the opening of first store in Hawaii
- International sourcing office opened in China

#### 2018









Launched Next Day Delivery Program

#### 2019

First Corporate Social Responsibility Report published

#### 2020

- Committed funding to establish the Corporate Equity Center at the National Civil Rights Museum focused on increasing the representation of Black executives in C-suite and senior leadership positions
- Antonian Britanian Britania Britanian Britania Bri
- First recognized by the *Military Times* as a top employer of veterans



#### 2021

Named to Forbes World's Best Employers list

**2022** Opened 7,000<sup>th</sup> store

**2023** Opened 100th store in Brazil

# FY2023 Highlights



**Generated over** 

1.7MM kilowatt hours (kWh)

of solar energy on-site

#### **Recycling in FY2023**

1,081,355

wood pallets

1,284 tons of plastic

930K pounds of electronics 24,881 tons of cardboard

**14.4MM** gallons of motor oil

**127.6MM** gallons of water saved through smart irrigation systems since program inception

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#### 40%

of purchases were U.S.-made products

#### 100%

of vendors contractually agreed to comply with our Vendor Code of Conduct

#### 245

Independent, thirdparty audits conducted of vendors' factories on environmental, social, quality and security criteria (including child labor, forced labor, human trafficking and slavery) and 121 gap assessments performed by AutoZoners to identify vendor factory strengths and risks

#### 1,789

Pre-Shipment Examinations conducted, ensuring our products meet our quality standards

8 of 15 Executive Committee members (Senior Vice Presidents and above)

are diverse

#### 89,000+

training modules AutoZoners complete every week

#### Nearly \$6.8MM

contributed by AutoZone and AutoZoners to the **AutoZoner Assistance Fund (AAF)**  DC OSHA recordable injury and lost time rates **over 60% lower** than the national average

# FY2023 Highlights



**Over 100** nonprofits supported through AutoZone Community and Charitable Giving efforts

**\$2.0MM** generated for nonprofits through AutoZoner giving programs

**94%** of AutoZone's Charitable Giving focused on racially and/or ethnically **diverse communities** 

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Governance and Transparency **30%** of Board members were **female** 

**30%** of Board members were **racially/ethnically diverse** 

**100%** of AutoZoners globally acknowledged the **Code of Conduct** 

**0** material data breaches







# **About This Report**

#### REPORTING PERIOD AND BOUNDARIES

Our ESG Report covers our ESG material topics and is an annual update about our progress, achievements and opportunities. The data and information contained in this ESG Report includes performance metrics and activities that occurred in FY2023 (August 28, 2022 to August 26, 2023) and where noted, may also include data from previous fiscal years for comparison.

#### **REPORTING STANDARDS**

Our ESG Report contains disclosures following the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) reporting standards and definitions. This ESG Report also includes progress updates on the United Nations Sustainable Development Goals (UN SDGs) and our U.S. EEO-1 Report for Calendar Year 2022.

#### MATERIALITY

The table below lists our ten most significant ESG materiality issues, which remain unchanged since FY2021. To learn more, please see our FY2021 ESG Report.

#### **AUTOZONE'S MATERIAL ISSUES**

TIER 1 – Highest priority	TIER 2	TIER 3
Energy management and GHG emissions	Product responsibility (quality, safety, labeling and vendor compliance)	Board composition
Waste and recycling, including hazardous waste	Community involvement	
AutoZoner health and safety	Data security	
Diversity, equity and inclusion (DEI)	Business ethics and integrity	
AutoZoner engagement, recruitment and retention		



# DATA COLLECTION AND ASSURANCE

The data and information in this ESG Report was compiled by internal subject matter experts. Our ESG efforts are supported across the enterprise including leaders in Operations, Supply Chain, Finance, Legal and Human Resources. For the third year in a row, we retained a nationally recognized, energy and sustainability company to calculate our specific climate and energy data and information.

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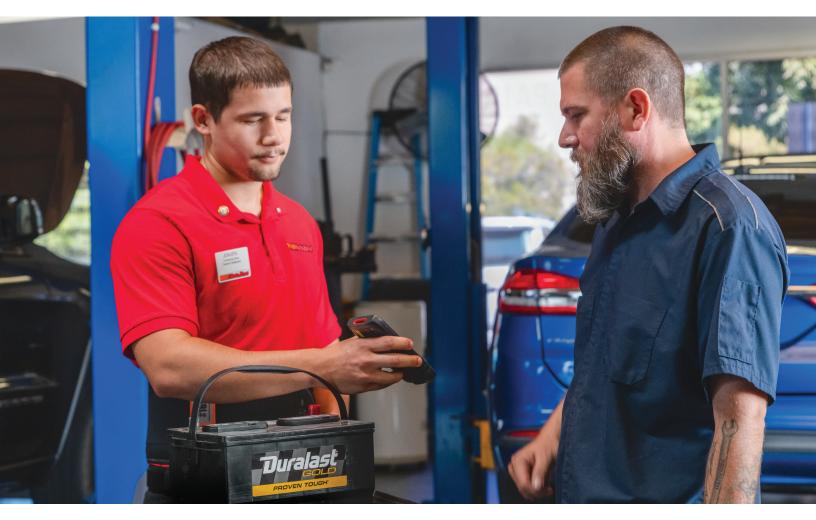


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# **Our Progress on ESG**

We have a long history of being a responsible corporate citizen. Since FY2022, we have publicly disclosed our ESG goals, metrics and progress. We will continue to evolve and learn as we execute toward our short- and medium-term climate transition goals and our long-term aspirations. We will remain focused on our Values, business and stakeholders' priorities.



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# Environmental Stewardship





# **Our Commitment**

With a footprint of more than 7,100 stores, being a good corporate citizen is a top priority at AutoZone. Whether it's driving energy efficiencies in our stores and operations, investing in solar energy, recycling or reducing packaging — we are committed to progress, including measuring and reporting reductions in our GHG emissions.

#### **AMBITION:**

To be a responsible corporate citizen and do our part in creating a better global environment for all.

#### **OUR APPROACH**

As disclosed in our FY2021 ESG Report, we assessed our climate-related risks, set boundaries and established baselines for our global footprints. These efforts allowed us to create a climate transition plan announced in our FY2021 ESG Report and supplemental disclosure. The initial plan included a restatement of our short-term GHG reduction goal, along with new medium- and long-term reduction targets that are intended to align with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius.

A key element of our climate transition plan is our ambition to achieve Net Zero GHG emissions by 2050. As in the prior two years, in FY2023, we, along with our third-party energy management service provider, conducted a global Scope 1 and 2 GHG emissions inventory, which measures our progress on our current short-term GHG goal and other Key Performance Indicators (KPIs). This inventory gave us insight to better understand our Scope 1 and 2 decarbonization levers and informed the development of our climate transition planning.

We have invested time and resources to advance toward meeting our goals and aspirations and will continue to do so. We are beginning to see the results of our projects and initiatives realized in the form of reduced GHG emissions.

Recycling remains a key tenet of our environmental stewardship. We recycle for our business and for our customers. In our business, we recycle wood pallets, cardboard, steel and plastic. For our customers, we recycle their used oil, lead batteries, filters and core auto parts in a responsible manner. Our management of hazardous and other waste is governed by policies and supported by store and DC-specific programs. We train our AutoZoners on the proper handling of waste to keep them safe, comply with environmental laws and protect the communities we serve.

Since FY2022, we have addressed water conservation by completing the installation of smart irrigation systems in 312 stores and four DCs, resulting in more than 127.6 million gallons of water saved.

In the following pages, we report on our environmental KPIs and provide more detail on our emissions reduction strategies and initiatives.



#### **KEY CONSIDERATIONS**

An AutoZoner always uses resources wisely. It's part of our Values. Accordingly, we have spent significant time evaluating the right capital allocation strategy that will allow us to further our climate transition plans, while continuing to deliver strong returns for our shareholders. As a result, we disclosed in our FY2022 Report our decision to consider meaningful environmental-related investments with hurdle rates between 7.5% and 15%, below our established rate for all other capital investments. We believe this decision furthers our stated objectives and provides objective guideposts to ensure we continue to make prudent investments and meet our environmental goals.

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# **Our Climate Transition Goals & Plan**

Our GHG emissions and energy usage disclosures include the full enterprise. Since we first published our short-term GHG emissions reduction goal in our FY2021 ESG Report, we have made meaningful commitments and investments to improve our environmental performance and intend to continue scaling these efforts. We have continued to assess and inventory our GHG emissions and energy usage across our company, measure progress and develop commitments that are in line with our Values and business.

#### Our Short-Term GHG Emissions Reduction Goal

We previously announced a short-term goal of decreasing our heat- and electricity-related GHG emissions by 15% across Scopes 1 and 2 from our U.S. operations by 2025, measured against a 2019 baseline.

#### Our Medium-Term GHG Emissions Reduction Goal

We have set a medium-term target to reduce Scopes 1 and 2 GHG emissions across the entire enterprise by approximately 50% by 2030, measured against a 2019 baseline.

#### Our Long-Term GHG Emissions Reduction Aspiration

We aspire to achieve Net Zero GHG emissions across Scopes 1 and 2 by 2050.

#### Progress On Our Medium-Term Goal And Long-Term Aspiration

In FY2023, we added 197 stores globally to our portfolio, a 4% increase in square footage. Yet, our building-related emissions decreased by 3%. Despite our growth, our absolute global emissions were essentially flat to FY2022. Energy efficiency efforts, such as completing LED retrofitting projects in 1,285 stores in the U.S, led to this 3% decrease. In FY2022, we replaced dock doors at five DCs for improved insulation that carried into FY2023. We continue to explore other renewable energy projects to support our environmental targets.

While our mobile emissions have increased by 5% since FY2022, we are actively exploring the use of more fuel-efficient vehicles, such as electric vehicles (EV) and hybrids, in our light-duty fleet operations. For example, we ordered 60 electric vehicles and over 1,400 light-duty vehicles that will increase the miles per gallon for our commercial fleet. Not only will this initiative support our efforts to lower our GHG footprint, it's good for business. We will learn more about the operational benefits and challenges of EVs and hybrid vehicles, their maintenance and failure cycles and their charging requirements. We will gain better insights into the impact on our business as EVs enter the vehicle populations we service and support, and this will ultimately enable us to continue to Put Our Customers First.

Our abatement levers and decarbonization initiatives are on track, including renewable energy credits (RECs) and investment tax credits. We expect our abatement projects, such as renewable energy investments, transition to more fuel-efficient vehicles and efficiency projects like on-site solar, will translate to reductions in emissions over the coming years. Additionally, we are continuing to evaluate several opportunities both domestically and globally to identify the right "mix" of abatement tactics to achieve our Net Zero aspiration in a timely and capital-effective manner.

# **Progress On Our Short-Term GHG Emissions Reduction Goal**

In FY2023, our U.S. heat- and electricity-related emissions decreased 6% compared to FY2022 and 3% compared to our baseline year, 2019. These reductions were primarily driven by a mild winter, reducing the need for natural gas and propane to heat our stores and reduced electricity usage across our stores. In FY2022, we continued our store re-lamping program by adding new, more efficient LED lamps in 1,285 of our stores. With this re-lamp, electricity use decreased and so did the heat generated due to the more efficient lamps. This caused our HVAC systems to operate more efficiently and in turn further reduced our energy consumption in each store. We will continue our store re-lamping program and work to identify other opportunities to reduce the carbon footprint of our operations.

The following tables cover U.S. heat- and electricity-related emissions.

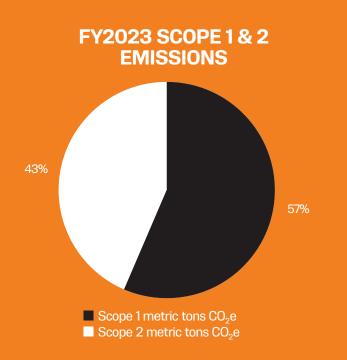
SCOPES 1 & 2 HEAT- AND ELECTRICITY-RELATED GHG EMISSIONS (METRIC TONS CO <sub>2</sub> e) - U.S. OPERATIONS							
	FY2019	FY2020	FY2021	FY2022	FY2023	% Change (FY2019-23)	
Scope 1 (Natural gas and propane only)	37,861	31,573	31,689	38,381	32,578	-14.0%	
Scope 2 <sup>1</sup> (Purchased electricity)	167,982	168,868	172,769	173,124	167,116	-0.5%	
Total (Scope 1 + 2)	205,843	200,441	204,458	211,505	199,695	-3.0%	

<sup>1</sup>Location-based figure

#### **GHG EMISSIONS INTENSITY – U.S. OPERATIONS**

	FY2019	FY2020	FY2021	FY2022	FY2023	% Change (FY2019-23)
Emissions Intensity (kg CO <sub>2</sub> e per sq ft)	4.5839	4.3599	4.2978	4.2635	4.1476	-9.5%

## **FY2023 KPIs** Emissions and Energy



#### ENERGY BY SOURCE FOR SCOPES 1 & 2 (GIGAJOULES) - GLOBAL OPERATIONS

	FY2023
Global Total	6,059,581
Gasoline - Mobile - Light - Duty Fleet	2,581,953
Electric Power	1,851,611
Diesel - Mobile - Heavy Duty Fleet	965,858
Natural Gas	630,469
Propane	14,023
On-site Solar	6,224
Other	162

#### TOTAL SCOPES 1 & 2 GHG EMISSIONS (METRIC TONS CO2e) - GLOBAL OPERATIONS

	FY2019	FY2020	FY2021	FY2022	FY2023	% Change (FY22-23)	% Change (FY19-23)
Scope 1 <sup>1</sup> (metric tons CO <sub>2</sub> e)	249,305	228,462	237,585	253,026	257,975	2.0%	3.5%
Scope 2 <sup>2</sup> (metric tons CO <sub>2</sub> e)	186,677	195,154	198,661	200,080	198,230	-0.9%	6.2%
Total (Scope 1+2)	435,982	423,616	436,246	453,106	456,205	0.7%	4.6%

#### **ENERGY CONSUMPTION (MWh) - GLOBAL OPERATIONS**

	FY2019	FY2020	FY2021	FY2022	FY2023	% Change (FY22-23)	% Change (FY19-23)
Scope 1 <sup>1</sup> (metric tons CO <sub>2</sub> e)	1,107,861	1,015,376	1,055,333	1,138,105	1,168,881	2.70%	5.5%
Scope 2 <sup>2</sup> (MWh)	477,631	523,826	534,525	527,115	514,326	-2.89%	7.7%
Total (Scope 1+2)	1,585,492	1,539,202	1,589,859	1,665,220	1,683,207	0.93%	6.2%

<sup>1</sup>Global value, includes Mexico and Brazil. Gasoline, Diesel, Natural Gas, Propane and Other Fuel included. <sup>2</sup>Global value, includes Mexico and Brazil. Location-based figure.



#### ENERGY

We recognize that the majority of our Scope 1 emissions stem from transporting products and people and the burning of fossil fuels to heat our business, while Scope 2 emissions are primarily a result of electricity purchased to power and cool our business.

#### Investments in Energy Efficiency

We have made significant investments in technologies and projects designed to use energy more efficiently. These efforts help us reduce GHG emissions and realize cost savings. In FY2023, 1,114 stores in the U.S. completed LED or energy projects. Recall that in FY2022 we added more efficient LED lamps in 1,285 of our stores. Some of the more effective measures we deploy in select stores and most DCs, both domestically and internationally, include the following:

- Operating a centrally managed Energy Management System to control heating and air conditioning systems (HVAC) and lighting, while upgrading HVAC systems with peak power reduction controls
- Installing LED interior and exterior lighting, including signage
- Replacing dock doors at our DCs for improved insulation
- Using energy-efficient roofing to reduce heat buildup during the summer months
- Upgrading to more efficient battery chargers for powered industrial equipment

- Engaging independent auditors to perform energy conservation audits in our DCs
- Installing rooftop solar panels at 100 stores currently in progress

All stores and DCs are now using LED lamps. We also replaced 36 HVAC units at our Ontario DC and 32 HVAC units at our Lexington DC to improve efficiency. As we reported in FY2021, we have two new DCs under construction in Chowchilla, California and New Kent, Virginia which are expected to open in FY2025. When finished, they will encompass many sustainability features, such as highly-efficient HVAC systems and smart lighting.

As mentioned in our FY2022 ESG Report, we secured an investment tax credit (ITC) opportunity in which we are investing \$215 million to build a solar farm outside San Antonio, Texas that will generate up to 400K MWh of renewable energy annually. We will be purchasing the underlying RECs produced which are expected to be a direct incremental expense of \$17 million over the 10-year period without financial return. The RECs generated from this investment will significantly offset our U.S. electricity usage, helping us meet our 2025 GHG emissions reduction goal and meaningfully contribute toward our 2030 goal. We have made significant investments to support the greening of the grid, providing capital for the development of renewable energy projects and receiving ITCs in return.

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#### **ENERGY** Fuel Efficiency for Fleet

Total miles driven by our light-duty, private vehicle fleet, which is primarily used to deliver merchandise from our stores to commercial customers, increased by 6% compared to FY2022, as our commercial business continued to accelerate.

We are making significant investments to improve the fuel efficiency of our commercial fleet and continue to assess electric and hybrid vehicle technologies. These investments not only benefit the environment but benefit our business by lowering fuel costs and learning about emerging vehicle technologies. As of FY2023, orders had been placed for over 1,400 light-duty vehicles to replace less fuel-efficient vehicles in our commercial fleet and 60 EVs for initial testing.

For our Class 8 tractor and trailer fleet, which mainly transports merchandise from our DCs to stores, we are continuing to invest in the following technologies to capture greater fuel efficiencies:

- Updating the scheduling and routing system by examining daily routes to identify efficiencies, such as consolidating loads and reducing miles driven
- Installing solar panels on tractors to help run the tractors' battery-powered HVAC systems, as well as solar panels on trailers to help power liftgates
- Equipping tractors with automatic transmissions, which improved MPG by an average of 0.15 miles per gallon in FY2023 compared to standard transmissions. As of FY2023, our tractor fleet is 85% automated with more than 114,000 gallons saved annually
- Testing active lubrication management axle technology on new tractors to drive additional fuel economy





#### REDUCING WASTE THROUGH RECYCLING & BETTER PACKAGING

As environmental stewards, we seek opportunities to reduce waste, reuse materials and minimize raw material use—and importantly, we recycle whatever we can.

Our recycling program is substantial and shows up in two distinct ways: recycling that occurs in our own operations and recycling that our customers are incentivized to do through our stores. Collectively, we recycle all types of materials—from steel and cardboard, to batteries, oil and more.

#### **Recycling in Our Operations**

One of our main strategies for minimizing waste in our operations is to capture materials that can be recycled rather than disposed of in other ways. Many of the materials have monetary value because they can be reused, remanufactured, renewed or repurposed. For instance, wooden pallets, which are used at our DCs to stack, store and transport products, can be reused until they wear out. At that point, they are recycled. Steel, cardboard and plastic are materials that we recycle through third-party vendors. See the table below for a breakdown of our recycling by type.

Within our transportation fleet, we recycle old lead batteries and used motor oil and always follow best practices for disposing of these and other chemical products or hazardous waste items. Our store recycling efforts collectively prevented more than 180,710 metric tons of GHG emissions associated with the transportation and long-term impact of disposal in landfills.

Material	FY2022	FY2023 <sup>1</sup>
Wood (in pallets)	1,083,236	1,081,355
Cardboard (in tons)	29,322	24,881
Steel (in tons)	19,515	19,274
Plastic (in tons)	1,451	1,284

<sup>1</sup>Decreases in FY2023 recycling driven primarily by reduced piece counts in our DCs and reduced packaging due to better packaging initiatives mentioned on page 24.

#### **Customer Recycling**

At our stores, we offer convenient, reliable, one-stop recycling programs for our customers to dispose of used oil, lead batteries, filters and core auto parts in an environmentally responsible and easy manner. Customers simply hand over their recyclable parts and products to an AutoZoner and through one of our expert, third-party service providers, we have them properly recycled and/or disposed. All stores and DCs complete an annual review of our Environmental Health and Safety policy.

**Batteries** – Lead batteries are the world's most recycled consumer product, with more than 6 million tons of lead collected every year for reuse in new batteries. When handling these or other hazardous items, AutoZoners must abide by our policies and procedures to ensure safe handling before a thirdparty takes possession for recycling. We require our vendors to be in compliance with applicable laws and regulations related to the proper handling and recycling of the hazardous materials covered in the table on page 24.

**Core Parts** – A core is essentially an old auto part that can be recycled or remanufactured. Some cores are scrapped, while others have value because they can be rebuilt or remanufactured into fully functional parts. For example, calipers are big chunks of metal that have been machined for a primary purpose. If a caliper wears out, its interior components, such as seals or pistons, are replaced and the entire product is revived into its original working condition. These remanufactured products are then sold as replacement parts. Other common parts with cores include starters, alternators, engines, transmissions and power steering parts.

**Oil** – Recycled motor oil can be re-refined into new oil, processed into fuel oils or used as raw material by the petroleum industry. This provides a responsible alternative rather than disposing of used oil in an environmentally unfriendly manner. There is a climate benefit to recycling used oil as well. AutoZoners are trained in our Environmental Health and Safety policy regarding the handling, storing and labeling of used oil among other products and processes. Only our authorized third-party service providers are permitted to remove used oil from our stores for recycling.

#### **Customer Recycling by Product**

Product	FY2022	FY2023
Motor Oil	13.8 million gallons	14.4 million gallons
Batteries	281,010 tons	287,830 tons
Oil Filters	Nearly 909,000	Nearly 970,000
Core Parts <sup>1</sup>	55,488 tons	52,415 tons

<sup>1</sup>Decreases in FY2023 recycling driven primarily by fewer core returns processed in FY2023.

#### **Better Packaging**

Packaging plays a vital role in preventing products from being damaged, protecting peoples' safety and providing important product information. Yet, packaging waste is a growing concern. Over the past several years, we have accelerated efforts to optimize product packaging as a means to reduce waste, prevent potential injuries and improve our overall packaging footprint. We have engaged our suppliers in this effort.

We continue to employ the following efforts:

- Working to shrink packaging in line with the product size and eliminate redundant outer packaging
- · Removing inner case packaging where possible without risking damage to the products
- · Implementing perforated boxes to avoid the use of box cutters
- Optimize unit packaging to decrease the package footprint and increase storage capacity on shipping containers

In FY2023, the above efforts resulted in a reduction of over 26,000 pounds of packaging materials from our products.



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PROVEN TOUGH

# Products





# **Our Commitment**

#### "YES! WE'VE GOT IT."

That's precisely what we want our customers to hear when they come to AutoZone in need of auto parts and accessories. If a local AutoZone store doesn't have a specific part in stock, we ensure shipments from our many Hub or Mega Hub stores can help us exceed customer expectations. Our Hubs carry roughly 50,000 SKUs and our Mega Hubs carry 80,000 to 110,000. Every day, we work to deliver "The Best Merchandise at the Right Price" per our Pledge while providing Trustworthy Advice for our do-it-yourself (DIY) and commercial customers.

#### **AMBITION:**

To help our customers keep their vehicles running safely and efficiently.

#### **OUR APPROACH**

Our approach to product merchandising comes down to three key strategies.

- · First and foremost, our dedication to putting the customer first
- Having an extensive assortment of merchandise in stock at each store, including high-quality products in "Our Brands" that are well-priced
- Having a vendor compliance process in place to ensure our products meet quality, safety, packaging, labeling and ethical responsibility requirements

#### + KEY CONSIDERATIONS

We are dedicated to providing our customers with the best possible service while also being mindful of our impact on the environment and the community. Our check engine light service, AutoZone Fix Finder, is a prime example of our commitment to responsible and sustainable business practices. AutoZone Fix Finder provides a free, easy-to-understand report on Check Engine, Anti-Lock Braking System and maintenance lights in less than a minute. This service not only helps our customers save time and money, but it also helps reduce unnecessary emissions by identifying and addressing issues in a timely manner. If a fix is needed, AutoZone Fix Finder will even recommend a trusted local shop, supporting small businesses in our communities. We are proud to offer the most complete, free warning light report backed by technician-verified fixes, and we will continue to strive toward making a positive impact on our stakeholders and the wider community. More information on AutoZone Fix Finder is located here. A Letter from Phil Daniele, President and CEO

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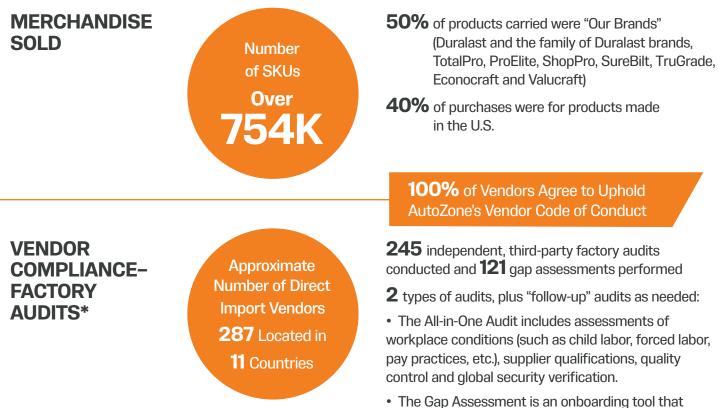
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# FY2023 KPIs



• The Gap Assessment is an onboarding tool that evaluates each vendor's overall processes with an emphasis on environmental and workplace conditions to ensure the vendor will be an appropriate business partner for AutoZone.

\*Direct Import vendors are audited using all or several of the above methods.



# **Key Initiatives**

#### LEGENDARY CUSTOMER SERVICE

When a customer comes into one of our stores, often times that visit is not discretionary. That customer needs assistance now—they need What It Takes To Do The Job Right (WITTDTJR)—nothing more, nothing less. We emphasize to our AutoZoners that they should always put customers first by providing prompt, courteous service and Trustworthy Advice. They also consult our proprietary electronic catalog, Z-net, to locate the right product. Customers can also use our online tools or mobile app to find and order parts for pick-up or delivery.

AutoZoners are trained to provide Trustworthy Advice and extra services, such as checking engine light readings through our AutoZone Fix Finder service; testing of starters, alternators and batteries; battery charging; and the collection of used oil for recycling.

We also provide 190 specialty tools free of charge. Through our Loan-A-Tool program, customers can borrow a tool, such as a steering wheel puller, for which a DIY customer would have little or no use for this tool beyond the single repair job.

#### WIDE PRODUCT ASSORTMENT

Each store is well-stocked with products tailored for the local vehicle population based on the year, make and model of cars owned in the vicinity. We carry a wide range of auto parts needed to repair and maintain vehicles plus a large assortment of discretionary items such as floor mats, mirrors and steering wheel covers. Our product mix includes well-known brands such as Valvoline and Bosch, along with our own brands, such as Duralast and ProElite.

As of the end of FY2023, we had 210 Hubs and 98 Mega Hub stores domestically. These larger format stores offer an even broader assortment of parts and also deliver to smaller stores to ensure the customer is served. Our plan is to ultimately have over 200 Mega Hubs and 300 Hubs, or 500 stores with substantially larger product assortment.

In addition to serving DIY customers at our stores, we also provide auto parts to our commercial customers via our commercial sales program. The growth of our commercial business is linked to having the right parts on hand and available for quick delivery to our customers.

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BBB was named AutoZone's 2023 Vendor of the Year in recognition of their dedication to supporting major AutoZone initiatives to increase sales by having the right merchandise at the right price and improving the customer experience. As an AutoZone strategic partner, BBB provided best-inclass catalog content, increased first-to-market parts availability and offered training support to ensure AutoZoners provided Trustworthy Advice to customers.

#### **OUR BRANDS**

Among the vast array of our branded products, the Duralast brand and family of Duralast products are the most popular. "Our Brands" make up over 50% of all the products sold in our stores and online. These products are not manufactured by AutoZone. Instead, they are produced by vendors located in multiple countries. Before engaging a vendor, we do our due diligence to ensure they can meet our supply demands and our product quality, ethics and safety standards, as well as operate in compliance with our Vendor Code of Conduct and other requirements.



AutoZone dedicates attention and resources to various industries and trade memberships, commitments and appointments of our officers and others to boards and committees, and other related activities, such as Retail Industry Leaders Association (RILA), AutoCare Association, Coalition for Automotive Repair Equity (CARE), Responsible Battery Coalition and other local and national organizations.

#### PRODUCT QUALITY AND SAFETY

Our promise to our customers is that we have the best merchandise at the right price. Inherent in this promise is that the auto parts and/or other products they buy from us will meet their expectations for quality, innovation and safety. This is why it's necessary that we conduct ongoing Product Qualification Testing to ensure our products meet or exceed necessary safety and quality standards.

Once orders are placed with our Direct Import vendors and the product order is ready to

ship, we conduct a Pre-Shipment Examination (PSE). These inspections are conducted at least once a quarter for every Direct Import vendor.

It's not unusual to have some items fail the PSE initially. When this happens, the vendors are required to address the discrepancies and pass a reinspection before shipment. A Letter from Phil Daniele, President and CEO

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1,789 PSEs were conducted in FY2023 to ensure our products met our quality standards.

#### VENDOR CODE OF CONDUCT (VENDOR CODE)

We have a long history of succeeding through honest, ethical business practices. When we market our products, we do so fairly, accurately and truthfully. 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.

These are the same attributes we look for in our vendors. We seek out only ethical, law-abiding, high-quality suppliers who share our Values. 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.

Every AutoZone supplier is required to adhere to our Vendor Code, which is also placed in the form of a vendor contract and must be signed by the vendor before doing business with us. This includes our expectations regarding their workplace conditions, treating their employees and our AutoZoners with dignity and respect, manufacturing operations and business conduct, consistent with our Values. Our zero-tolerance policy forbids any instance of child and/or forced labor; harassment in the workplace; corruption and bribery; among others. We do not do business with companies that do not prohibit such practices.

In addition to complying with our Vendor Code, we require all vendors to uphold applicable local laws and regulations in the countries and communities in which they do business. This includes, but is not limited to, legal employment age, compensation, maximum working hours and human rights laws as specified by local and country regulations.

#### TRAINING ON OUR VENDOR CODE

As part of the onboarding process, every new vendor acknowledges the Vendor Code and AutoZone's business requirements. Additionally, on a regular basis, we train suppliers and AutoZoners on our Vendor Code which includes, among other things, human rights such as, no harassment, no discrimination, fair treatment, no underage labor, no forced labor, no slave labor, or human trafficking, compliance with local laws on working hours, rest days, breaks, working conditions, wages and benefits. Beyond this training, our annual Vendor Summits provide additional touchpoints where aspects of our Vendor Code are communicated, reinforced and our business requirements are underscored.

#### **VENDOR AUDITS**

We require all vendors to adhere to our Vendor Code. Our domestic vendors work with their factories to ensure they are abiding by the standards of factory audits. Our Direct Import vendors are audited by globally-recognized, thirdparty auditors and/or AutoZoners on compliance with our Vendor Code and industry standards. All vendors are held accountable and subject to corrective action including termination of our contractual relationship to our strict safety, quality and performance standards as well as commitments to no harassment, no discrimination, fair treatment, no underage labor, no forced labor, no slavery or human trafficking and compliance with local laws among other things.

A new vendor must pass on-site factory and business assessments in order to become an AutoZone Global Sourcing partner. Thereafter, we conduct regular in-person factory evaluations and audits which identify risks, adherence and compliance to our requirements and standards on human rights, safety, quality, performance, physical plant standards and other requirements. Our Global Sourcing and Quality teams personally make regular visits to our Direct Import vendors' factories to evaluate conditions. To remain an AutoZone vendor, it is well understood that our expectations and standards must be maintained and verified through our audit process. Vendors are subject to corrective action including, but not limited to, termination of our contractual relationship for violations of the Vendor Code and repeated audit and inspection failures. This includes violations of forced labor and/or human trafficking, among others. Information and metrics pertaining to the type of audits conducted are reported here.

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# **People and Communities**



TOTALPRO



# **Our Commitment**

To be an AutoZoner is to be a part of something special—a culture unlike any other that is rooted in caring about people. We strive to cultivate a great place to work where everyone is respected and celebrated; where hard work and strong values bring equitable opportunities; and where our workforce is a reflection of the communities we serve. It is our passion, service and caring that make us a winning team.

#### **AMBITION:**

To live up to our Pledge and Values in everything we do for our customers, stakeholders and each other. We are committed to attracting and retaining great people who provide great customer service every day.

#### **OUR APPROACH**

Our Pledge and Values communicate how AutoZoners treat customers and one another. They are also the foundation of our approach to creating a great AutoZoner experience. We are committed to embracing diversity and promoting fairness and mutual respect. We engage AutoZoners through open, transparent communication; provide training and development starting on an AutoZoner's first day; and offer opportunities for advancement at all levels.

We work to support AutoZoners' overall wellbeing through a variety of programs, including competitive compensation and benefits. And of course, creating a safe work environment for every AutoZoner is always a priority.

In the following pages, we report on our KPIs and provide more detail on our approach and related initiatives. A Letter from Phil Daniele, President and CEO

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#### **KEY CONSIDERATIONS**

AutoZone cares about the well-being of each AutoZoner and their families and understands the many hardships faced by the loss of a loved one. As such, AutoZone offers a Survivor Benefit Program that provides 12 weeks of salary continuation to support the lost AutoZoner's loved ones during an extremely difficult period.

# FY2023 KPIs

# Continued to cultivate a fulfilling AutoZoner experience that develops and engages talent

#### 53%

of AutoZone's Executive Committee (Senior Vice Presidents, Executive Vice President, COO, CFO and CEO) are diverse

# 79% overall engagement

AutoZoner engagement reflects an attachment to the job and AutoZone as measured on our engagement survey<sup>1</sup>

#### **Prioritized AutoZoners' health, safety and well-being**



Supported AutoZoners through the AutoZoner Assistance Fund (AAF)

Nearly **\$6.8MM** contributed to the AAF in FY2023

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<sup>1</sup>As of FY2022 AutoZoner engagement survey. Engagement surveys are performed approximately every 24 months.

50% of promotions were racially/ethnically diverse

26% of promotions were women

Of the 61 member CEO Team (officers of the company), 38% began their careers working in our stores, DCs or field management.

2024 Environmental, Social and Governance Report

#### Leon, Gto, Mexico, Dec 8th, 2022

**HERE WE GROW AGAIN!** 

**7000 STORES** 

AutoZone

#### Key Initiatives DIVERSITY, EQUITY AND INCLUSION

We welcome every AutoZoner's background, identity, unique qualities and experiences, and we believe all people should be treated with dignity and respect. As our company has grown, so has our journey and efforts around diversity, equity and inclusion and what it means to be a part of the AutoZone family. Setting the tone at the top is essential. Since 2007, one of our core Values has been "Embraces Diversity." We welcome each individual's heritage, differences, and unique qualities. We know our teams are stronger when they are filled with AutoZoners with diverse thoughts, skills, knowledge and backgrounds. We strive to continuously build a strong, diverse team of leaders-from the Board of Directors to frontline managementwho communicate transparently, engage often and demonstrate our Values every day. We are also committed to building teams from the communities in and around our stores, allowing us to better serve our customers and create opportunities for every AutoZoner.

Over the past several years, we have made great strides in laying a strong foundation. With the oversight and support of our DEI Steering Committee, our strategy is to attract, engage, retain, develop and advance talent; reach and serve all customers; and positively impact our communities through equitable practices and policies to promote inclusion and belonging. Our cross-functional Diversity Council also advises and champions DEI efforts, helping to expand DEI across the company.

Our Business Resource Groups (BRGs) are just one of the many ways we live our Values. Our first BRG, AZ WIN—AutoZone Women's Initiative, was established in 2014 and was followed by the launch of additional groups over the years. BRGs bring together AutoZoners with common interests, backgrounds or characteristics to help us attract and retain high-performing talent; provide opportunities for development through networking, mentoring A Letter from Phil Daniele, President and CEO

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Governance and Transparency and learning programs; empower AutoZoners to share their voices, time and talent to diversify thought leadership and increase innovation; and provide a strong bench of future AutoZone leaders.

We currently have six BRGs: AZ WIN (Women's Initiative), AZ BE BOLD (Black Excellence Building Opportunities for Leadership Development), AZ ¡HOLA! (Hispanic Organization for Leadership at AutoZone), AZ NextGen (Next Generation of Leaders), AZ VALOR (Veterans and Active Leadership Organization for Recruitment and Retention) and AZ PRIDE+ (People Recognizing Individuality, Diversity and Equity). Each BRG helps raise cultural awareness and drive diversity and provides inclusive networking, learning and community outreach opportunities. Every BRG is open to all AutoZoners and each BRG has an executive sponsor who advises, guides and champions the group.

In FY2023, our BRGs embarked on a mission to capture stories from AutoZoners who have grown in their careers to illustrate the various career paths for AutoZoners. For example, AZ NextGen created weekly career spotlights that showcased how AutoZoners from diverse backgrounds have achieved rewarding careers at AutoZone. Our BRGs are aligning their efforts to attract and retain high-performing talent at AutoZone.

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#### Our Business Resource Groups

### *////AZ* W<sup>°</sup>N

AutoZone's Women's Initiative helps strengthen women's engagement by facilitating networking and creating ongoing leadership and learning opportunities. The AZ WIN motto is, "Embrace. Engage. Empower." AZ WIN currently has chapters throughout the organization including our store regions, SSC, DCs, ALLDATA, Mexico and Brazil.

#### ///AZ BE B¥LD

Black Excellence Building Opportunities for Leadership Development exists to drive a diverse and inclusive environment that connects AutoZoners through networking, educational opportunities and community engagement while raising cultural awareness. BE BOLD supports diversity through Historically Black Colleges and Universities (HBCU) recruitment and student development.

#### *₩AZ ¡H漛LA!*

Hispanic Organization for Leadership at AutoZone's mission is 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 provides AutoZoners between the ages of 21 to 40 opportunities to connect and grow with other AutoZoners, practice and extend their leadership skills and introduce innovative thinking and practices to AutoZone.

#### *IIIIAZ* VAL∉R

Veterans and Active Leadership Organization for Recruitment and Retention's mission is to attract, connect, develop and support AutoZone's current and former military service members, their families and supporters through networking, learning opportunities and community engagement.



AutoZone's People Recognizing Individuality, Diversity and Equity's vision is to build a supportive and inclusive atmosphere for Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Allies (LGBTQIA+) AutoZoners by celebrating diversity and creating a safe environment through education, communication and relationship building.



#### DIVERSITY, EQUITY AND INCLUSION INITIATIVES

A few of our key DEI efforts include:

- Veterans: Providing a supportive environment for the 8% of AutoZoners who are veterans or active members of the U.S. Armed Forces. Our military BRG, AZ VALOR, supports current and former service members and their families through recruitment, networking, training and community engagement. In FY2023, AutoZone achieved Recognized Employer Status by the VETS Index.
- **Neurodiversity:** Creating opportunities in our DCs and fulfillment center for neurodiverse people and those with physical disabilities through our People with Abilities program. As part of this program, in FY2023, we employed 145 AutoZoners in various roles, including slotting merchandise, picking and order processing, shipping and and more.
- Interns: Welcoming 82 interns in FY2023 through our Summer Internship Program.

The interns spent nine weeks receiving hands-on, educational and practical experiences in operations, supply chain, finance, merchandising, marketing, human resources, legal and IT. Among this group of interns, 44% were ethnically and/or racially diverse and 44% were women. As we've done for several years, in FY2023, AZ BE BOLD hosted HBCU Day, inviting students from HBCUs to learn more about us through workshops and quest speakers.

• **BRGs**: Hosting a variety of events and programs through our BRGs focused on celebrating diversity, leadership development, networking, as well as community and customer engagement. For example, AZ ¡HOLA! deployed the "Por Que No Yo?" series which captured stories from various AutoZoners answering the question "Why Not Me?" This series specifically highlighted our Hispanic population and shared tips for all AutoZoners to grow in their career.

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### **Workforce Representation Data**

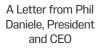
In FY2023, we continued to build and develop 1TEAM of AutoZoners to provide Trustworthy Advice for our customers.

#### **Representation of Women as a Percentage of Total U.S. Workforce, Leadership and Management**

	FY2021	FY2022	FY2023
All AutoZoners	23.5%	23.4%	22.7%
Leadership			
Board of Directors	30.0%	27.0%	30.0%
Executive Committee	17.6%	20.0%	13.3%
Vice President	22.5%	20.9%	23.8%
Director	18.2%	20.7%	19.4%
Management	24.7%	26.5%	27.7%

#### Representation of Racially/Ethnically Diverse AutoZoners as a Percentage of Total U.S. Workforce, Leadership and Management

	FY2021	FY2022	FY2023
All AutoZoners	50.0%	50.1%	50.8%
Leadership			
Board of Directors	30.0%	27.0%	30.0%
Executive Committee	43.7%	46.7%	40.0%
Vice President	35.0%	32.6%	31.0%
Director	27.6%	29.8%	30.4%
Management	45.1%	44.9%	46.2%



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#### **TALENT ATTRACTION**

To be a great workplace, we have to attract great AutoZoners who consistently *LIVE the Pledge.* Our focus is on reaching potential candidates through a multi-pronged approach that intentionally focuses on targeting diverse talent.

We continue to expand our recruitment outreach efforts to attract new candidates. Over the last year, we launched our Rising Stars program and we are now hiring 16 and 17-year-olds. This program has been successful and allowed us to hire over 8,600 AutoZoners in its first year. We are excited about continuing to strengthen this program along with our internship programs to provide opportunities for those early in their careers.

We provide additional career opportunities through our Shifting Gears programs. The Shifting Gears programs (AutoZone Tech Program and Shifting Gears Driver Program) enable AutoZoners from our stores and DCs to pursue higher paying careers in IT (as Associate Software Engineers) and AutoZoners from our DCs to pursue higher paying careers in Transportation (as commercially licensed drivers). Additionally, we continue to partner with key stakeholders such as our BRGs and Summer Internship team to bring in unique, diverse talent into the organization.

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#### AUTOZONER ENGAGEMENT

An AutoZoner Always... Cares About People is a core AutoZone Value, and it is on display every day; whether it's treating each other with dignity and respect; providing constructive feedback; demonstrating concern for others and our community; creating a safe work environment; or owning our personal development while helping others with theirs.

Our Values are the backbone of AutoZone's culture and a key reason for our success. All AutoZoners are expected to provide constructive feedback to make our business better. We also believe in continuously listening to our AutoZoners to learn and understand what is working well and where we have opportunities for growth and progress.

Our connections are both formal and informal. For example, routine opportunities to listen, coach and recognize strong performance occur during store and DC visits every day from our leadership teams. Each quarter, our CEO Team fans out across the country to visit stores and DCs to collect information from and engage with customers and AutoZoners.

Also, our Executive Committee holds quarterly townhalls plus monthly functional area meetings. Our Field and DC management teams conduct weekly conference calls covering specific operational opportunities and recognizing AutoZoner tenure and achievements.

Since FY2013, we have conducted an engagement survey, delivered approximately every 24 months to collect quantitative feedback on our AutoZoners' workplace experience and level of engagement. Our FY2022 engagement rate was 79% with a response rate of 39%. We have used the outcomes of these surveys to help identify and reset priorities. Our next engagement survey will be conducted in FY2024.



## An AutoZoner Always... Helps Teams Succeed

### COMMUNICATION AND LISTENING

Trust and effective communication are key to building strong working relationships and Living our Pledge and Values.

Over the past few years, we increased our use of digital mediums including the use of collaboration tools. We also enhanced our AutoZoner mobile app to deliver information directly to individual AutoZoners including paystubs, medical and pharmacy identification cards, retirement savings, health tracking, etc. In FY2023, approximately 75% of AutoZoners had downloaded the app.

#### **AUTOZONER WELL-BEING**

AutoZone offers a robust range of health and wellness programs to encourage and motivate AutoZoners to take control of their overall wellbeing.

- During this year's annual benefits enrollment, 4,117 AutoZoners utilized Benefit Pros, licensed benefit counselors who help our AutoZoners select and enroll in the healthcare plans best suited for their needs.
- AutoZone's continued partnership with Virta, our weight loss and prediabetes/ diabetes reversal program, has transformed the lives of nearly 1,000 AutoZoners to date. In the last two years, 50% of AutoZoners who enrolled in Virta completely eliminated their use of insulin. People who lose at least 5% of their weight typically experience better sleep, improved blood pressure, reduced inflammation and a reduced risk of heart disease and other chronic conditions. With Virta, AutoZoners lost over 7% of weight after two years.

 The AutoZoner Living Well Program, our employee assistance program, in partnership with Health Advocate provides well-being support at no cost to fulland part-time AutoZoners and their ligible dependents. AutoZone offers this benefit to uninsured Puerto Rico and U.S. Virgin Island AutoZoners and their eligible dependents. The program also offers mental health support for various life moments, such as counseling after the loss of a loved one; behavioral health and wellness coaching; guidance following a stressful or traumatic event; financial counseling; and assistance in navigating AutoZone's health insurance plans. In FY2023, AutoZoners had nearly 4,000 clinical interactions and over 6,000 interactions with digital guidance resources.

AutoZone looks for ways to help our AutoZoners save money. For example, through our partnerships with RX Savings Solutions and Surgery Plus, they can save on some of their most costly out-of-pocket healthcare expenses: pharmacy and elective surgery. RX Savings Solutions and Surgery Plus are benefits that are available at no cost to AutoZoners.

- Rx Savings Solutions is a secure, online tool that can identify ways to save money on prescription medications. In FY2023, AutoZoners saved \$409K on prescription medications.
- Surgery Plus covers the most expensive costs associated with surgery, giving AutoZoners access to a network of thousands of highly qualified surgeons, real savings and guided support throughout the surgery process.

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#### COMPETITIVE COMPENSATION AND BENEFITS

We recognize that in today's talent market, competitive compensation and benefits are key to helping us attract and retain great AutoZoners who champion our Pledge and Values and who are driven to Always Put Customers First.

The benefits we offer include paid time-off that can be taken as vacation, sick time, bereavement and/or parental leave. We also offer a maternity support program and adoption assistance in addition to other leaves of absence that may be paid or unpaid depending on the type of leave and eligibility. Our AutoZoners depend on our success for their livelihood and count on us to help them save for retirement through 401(k), AutoZoner Stock Purchase plans and other benefit plans. Financial wellness programs include tuition reimbursement and a college scholarship program for AutoZoner dependents; access to a credit union; and financial education sessions to help AutoZoners and their families achieve their financial goals.

Eligible Parental Leave <sup>1</sup>	Women	Men	Total
Full-time Hourly:	20,950	58,325	79,275
Full-time Salary:	2,844	7,691	10,535
Part-time:	18,079	75,936	94,015
AutoZoners Who Took Parental Leave	339	163	502

<sup>1</sup>Includes all AutoZoners who worked at AutoZone at any point during the reporting year and were entitled to and/or took parental leave.

We regularly review our compensation structures and total rewards packages to ensure they meet the market. We also reward and recognize high performers with even greater incentives and bonuses. We pay an average hourly wage of \$15.52 for store and DC AutoZoners significantly higher than the federal minimum wage \$7.25 and a 4% increase over FY2022. More than 62% of our full-time workforce makes at or above \$15/hour and more than 95% of our total workforce makes over \$10/hour. AutoZone regularly reviews our pay data, policies and practices to ensure our pay system is fair and equitable.

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Total New Hires	Wo	men	Men	Under 30	Ages 30-5	0	Over 50
89,813	- , .	399 2%)	69,914 (77.8%)	53.549 (59.6%)	25.632 (28.5%)		10,632 (11.8%)
AutoZoner Turnov	er¹	Volun	ntary Turnovei	- Involuntary	Turnover	Т	otal Turnover
Distribution Cente	rs		55.5%	13.	1%		68.6%
Stores			56.6%	9.0	0%		65.6%
SSCs			12.2%	1.7	%		13.9%

<sup>1</sup>Turnover metrics reflect full-time AutoZoner turnover.

#### LENDING A HELPING HAND

AutoZoners are always helping fellow AutoZoners. In our stores, DCs and SSCs, this can mean supporting a team member on a project or lending another set of hands to get a customer on their way. Through the AutoZoner Assistance Fund (AAF), AutoZoners help other AutoZoners facing personal challenges by donating their own money. The AAF is an independent, nonprofit organization primarily funded by AutoZone and AutoZoners that helps cover the cost of the unexpected-personal tragedies, natural disasters or sudden loss. The organization is independently managed by a cross-functional board of AutoZoners who volunteer their time.

Since its founding in 2000, it has provided more than \$13.3 million in financial assistance to AutoZoners. In FY2023, AutoZone made a \$10 million financial commitment to the AAF to continue its mission of helping AutoZoners through shortterm financial emergencies, both now and in the future. AutoZone contributed \$5.5 million of the \$10 million commitment in FY2023, and combined with individual AutoZoner contributions, the AAF raised nearly \$6.8 million. AAF was able to assist 1,800 AutoZoners and their families in FY2023 with over \$1.6 million of direct support to AutoZoners.



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#### TRAINING, DEVELOPMENT AND CAREER PATHING

When a new AutoZoner joins the company, they take part in a formal onboarding process to set a strong foundation for their AutoZone career. We introduce and welcome them into our culture and communicate clear performance expectations.

All new AutoZoners learn about our company's culture, Pledge and Values on their first day whether they work part-time in a store or are on the CEO Team. This dedicated time gives each AutoZoner a strong start on their AutoZone journey.

As they begin to grow with the company, AutoZoners take part in continuous formal education and on-the-job training. Online training modules include key skills and product knowledge development, individual development planning, management job aids and required compliance trainings. Our Parts Expert program provides a way for those who want to go above and beyond in developing extensive automotive knowledge. Once certified, AutoZoners who are Parts Experts act as a resource for their teams and customers.

AutoZoners are often busy learning—they complete more than 89,000 training modules in total every week; topics include customer service, parts knowledge, safety, leadership and regulatory compliance among others.

Especially for our frontline DC and store AutoZoners, on-the-job learning is an ongoing part of their role. Targeted onboarding training for DC AutoZoners includes safety as well as hands-on shadowing with advisors and peers, among others. Specific trainers in the DCs Pure la construcción de la const

continue to offer coaching and follow-up after AutoZoners are onboarded. We also support evolving career paths and recruit AutoZoners in our DCs to undergo paid training to become Class A commercially licensed tractor trailer drivers which can result in more than doubling the AutoZoners' pay.

In our stores, managers work with AutoZoners to reinforce and apply learnings from online training modules within the store environment. Store AutoZoners also get the chance to try out different parts of store operations with rotational experiences. We even prioritize hands-on experience for AutoZoners who don't work in DC or store environments. Every AutoZoner, from the Board of Directors to individual performers in the SSCs, completes their onboarding by working in AutoZone stores. Additionally, many AutoZoners, regardless of position, spend time working alongside their fellow AutoZoners in our DCs.

Annual written and interactive performance evaluations are standard practice for AutoZoners. Managers work with their direct reports to develop individual development plans based on opportunities for growth and future career interests. Through these plans, AutoZoners have a clear idea of what it takes to get to the next level, while continuously updating their managers on their career goals and aspirations. These plans also inform our succession planning process and ensure the right skills and expertise are in place as future leaders come up the ranks.

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AutoZone has always been focused on creating opportunities for AutoZoners. As of FY2023, the average tenure of our CEO Team was 18 years with total years served over 1,100 years. Of the 61 member CEO Team, 38% began their careers in our stores, DCs or field management and 8% began their careers as hourly AutoZoners.



#### **AUTOZONER HEALTH AND SAFETY**

AutoZone's commitment to safety is evident in our various initiatives and programs. By engaging and empowering AutoZoners to take responsibility for creating a safe workplace and providing ongoing training and support, we can minimize incidents and injuries and create a positive and safe work environment for all. To ensure we minimize any safety risks across our operations, we work to standardize our operating procedures and foster a culture of safety. We use data and analytics to inform preventative strategies and decision-making; fine-tune our training, communications and processes; and get in front of potentially unsafe situations before an incident occurs.

In both our stores and DCs, the most common injuries are from lifting; slips, trips and falls; and being struck by objects. Vehicle collisions are another source of injuries.

In FY2023, we experienced a noteworthy reduction in vehicle collisions, attributable in part to our strategic collaboration with a retail risk management and employee benefits vendor that provided training specifically concentrated on mitigating the risks associated with distracted driving, thereby significantly enhancing overall driver safety. The innovative program facilitated the delivery of monthly micro-training videos to our AutoZoners, engaging them in a dynamic learning experience. Following each video, AutoZoners were involved through interactive questions, fostering a comprehensive understanding of the material and reinforcing our commitment to continual improvement in driver safety.

Our goal is to continuously reduce our Occupational

Safety and Health Administration (OSHA) recordable incident rate and our preventable collision rate. As a benchmark, we compare our performance against the industry average as defined by the U.S. Bureau of Labor Statistics, as well as our own all-time best OSHA recordable incident rate and lost time injury rate. For FY2023, our recordable injury rate for general warehousing and storage was 61% lower than the national average and our lost time rate was 75% lower than the national rate.

Since our performance is well below the industry average, we also use a "personal best" to drive continuous improvement. In FY2023, our safety performance improved in DC OSHA recordable injury rate and preventable collision rate. We will continue to evaluate tools and training to reduce our injury rates.

#### AUTOZONE SAFETY PERFORMANCE

	FY2021	FY2022	FY2023
DC OSHA Recordable Injury Rate <sup>1</sup>	3.04	3.08	2.24
Total Lost Time Injury Rate <sup>2</sup>	0.78	0.63	0.64
DCs	0.91	0.71	0.55
Stores	0.76	0.63	0.65
Fatalities	2	2	1
Preventable Collision Rate <sup>3</sup>			
Commercial Fleet	7.60	8.52	8.08
Class 8 Tractor and Trailer Fleet	2.38	3.30	2.34

<sup>1</sup>Number of OSHA recordable incidents per 200,000 hours worke

<sup>2</sup> Number of lost time incidents per 200,000 hours worked

<sup>3</sup> Number of preventable collisions per 1,000,000 miles

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#### **Safety Culture and Awareness**

To minimize incidents and injuries, we engage and empower every AutoZoner to take responsibility for creating a safe workplace. AutoZoners joining the company in DC roles participate in safety reviews with their managers after 30, 60 and 90 days of employment to ensure they understand our safety culture and injury prevention practices. We also provide ongoing safety training and consistent communications to raise awareness and keep best practices top-of-mind while AutoZoners are on the job. We have a 24/7, 365-day-a-year safety hotline that allows AutoZoners to report concerns, issues and problems anonymously.

We celebrate and recognize store and DC teams that embrace safety best practices throughout the year with three awards presented at our annual National Sales Meeting: Safest Region, Most Improved Region and Safest DC of the Year.

#### **Stores and DCs**

Store visits are conducted on a consistent basis by district and regional managers to recognize top performance, train and improve execution, elevate concerns, identify risks and participate in problem-solving. All DCs have an on-site safety manager and some engage a third-party, on-site vendor who is responsible for injury prevention and treatment. We have also partnered with an occupational health provider to train our "industrial athletes" for physically demanding activities, provide feedback on proper body mechanics and principally to help AutoZoners prevent injury.

#### **Our Fleet**

Our commercial fleet is comprised of light-duty delivery vehicles that primarily transport merchandise from our stores to our commercial customers. Our Class 8 tractor and trailer fleet mainly transports merchandise from our DCs to stores. For all our drivers, safety is the most important priority.

Our drivers are trained extensively on safe driving techniques before they can begin driving delivery routes. We use automated telematics tracking on our light-duty fleet vehicles and tractor trailers to identify unsafe driving behaviors. Should concerns arise, we alert managers so they can coach the driver and develop or reinforce preventative measures, as needed.

In FY2023, we again partnered with our primary light-duty fleet manufacturer to improve safety features in our delivery vehicles. These features include automatic emergency braking, which helps prevent rear-end collisions, and an updated telematics platform, reducing the need and expense associated with plug-in telematics devices. A Letter from Phil Daniele, President and CEO

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#### AUTOZONER RECOGNITION **AND AWARDS**

We love to celebrate and recognize AutoZoners who live our Values. One of the most visible ways we do this is by awarding collar pins and certificates to AutoZoners who stand out. Some of these awards also come with financial incentives.

Pins can be awarded for a wide variety of reasons, including years of service, sales leadership, safety and safe driving practices, certifying automotive knowledge, protecting store assets through good faith reporting, living our Values, significantly impacting the business in a positive way, or serving other

AutoZoners, people or our community. Every AutoZoner receives their first collar pin when they complete Foundations, our onboarding program. This LIVE the Pledge pin is a visual reminder of the commitment to our Pledge and Values. This pin is worn on the same side of the collar as the annual service pin, which is awarded for each year of service with the company.

Additionally, top field leaders can earn awards and recognition trips and top performers are recognized at the annual National Sales Meeting.

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### Communities

#### **OUR COMMITMENT**

From our first store opening on July 4, 1979, we have been active in the communities we serve. Through his philanthropy, AutoZone's founder, J.R. "Pitt" Hyde, III, set the example of giving back to the communities and places where we live and work. His leadership continues to inspire AutoZoners in every place we call home, as we remain committed to philanthropy, local volunteerism and community involvement.

#### **AMBITION:**

Engage AutoZoners and our customers in giving back to their communities.

#### **OUR APPROACH**

AutoZoners are immersed in our communities and able to identify the challenges where we can make the greatest impact on community progress. We've increased our commitment to supporting programs focused on historically underrepresented and diverse communities. We've also continued to encourage and empower our customers and AutoZoners to join us in giving back, through point-of-sale contributions, matching gifts and volunteering programs.

### 94%

of all Charitable Giving directed to organizations serving racially and/or ethnically diverse communities

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# KEY CONSIDERATIONS

AutoZone has always viewed diversity, equity and inclusion as a part of its Charitable Giving strategy. However, in 2018, AutoZone introduced diversity, equity and inclusion as a Charitable Giving Pillar to be more intentional about driving funding for initiatives encouraging diverse, equitable and inclusive spaces in our communities. Since adding this as a pillar, we have increased our funding to DEI-related initiatives by 224%. In FY2023, we provided \$492K in funding for initiatives that specifically drive diversity, equity and inclusion in the Memphis community. For more about our five strategic charitable pillars, see page 48.

### FY2023 KPIs

#### Helped support our diverse communities

### **Over 100**

nonprofits supported through AutoZone Charitable Giving

### 224%

increase in funding for initiatives that drive DEI since FY2018

#### Engaged AutoZoners in giving their time, money and efforts to the places we call home

### <sup>\$</sup>2.0MM

generated for nonprofits through AutoZoner giving programs

### More than <sup>\$</sup>975K

provided in matched donations by AutoZone

#### Provided a means for our customers to give back

### More than <sup>\$</sup>5.6MM

raised for St. Jude Children's Research Hospital in FY2023

### More than <sup>\$</sup>57MM

raised through St. Jude *Thanks and Giving* partnership between FY2006-FY2023

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# an AutoZoner always... cares about people

# **Key Initiatives**

#### **OUR APPROACH TO COMMUNITY IMPACT**

All of our community activities—from grant programs to active civic leadership to AutoZoner giving and volunteerism—center around five strategic pillars.

#### Health and Wellness

Improving health and well-being through affordable healthcare options and preventative healthcare methods

#### Community Development

Advancing the community through place-based development and social services

#### **Representation 2 Arts and Culture**

Broadening access to the arts and cultural experiences

These five pillars also guide our efforts in the neighborhoods around our SSC in Memphis. In 2023, Memphis tied for first place in overall poverty and child poverty on a per capita basis<sup>1</sup>. Our aim is to help improve struggling communities around the city by taking action in these five key areas.

<sup>1</sup>As presented in the 2023 Poverty Fact Sheet released by the University of Memphis.

#### Education and Youth Development

Supporting youth from young childhood through joining the workforce with enhanced education opportunities

### Diversity, Equity and Inclusion

Supporting initiatives that advance DEI objectives and create inclusive community spaces



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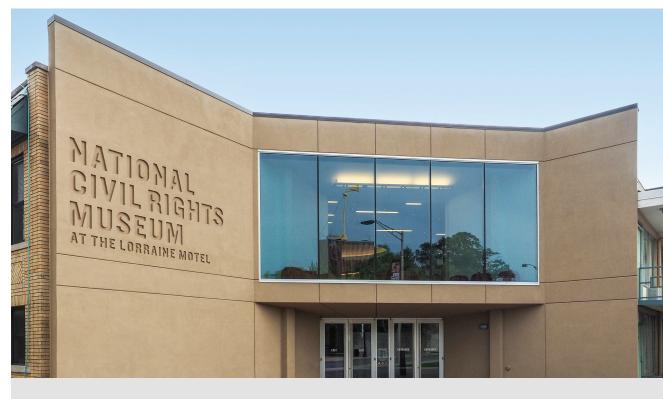
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# Key Initiatives

We donate all types of excess inventory such as wash and waxes, deicers and fuel injector cleaners to nonprofit organizations via Good360, a global leader in product philanthropy. During FY2023, we made 13 donations of grade A, sorted and packaged excess inventory to nonprofit agencies.

In-kind donations are a win-win. They help nonprofits better serve their communities, and for us, it helps to avoid unnecessary waste. In FY2023, the value of our in-kind donations via Good360 totaled \$108,500. In FY2022, AutoZone began a partnership with ER2, a local minority-owned company, to responsibly recycle electronics. We donated over 930,000 pounds of electronics to ER2 during calendar year 2023.



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#### THE NATIONAL CIVIL RIGHTS MUSEUM

The National Civil Rights Museum (NCRM) in Memphis has been one of our key partners for 30 years. We've provided nearly \$7 million in cash and in-kind support—we've made contributions toward major capital campaigns to renovate



exhibits and facilities; our executives have served on NCRM's Board; and other AutoZoners have volunteered their time with the organization. In 2022, we provided a generous grant to support the launch of NCRM's Corporate Equity Center. The Center offers world-class corporate and community training focused on the historical root causes of civil rights issues, racial discrimination and implicit bias to create positive present-day change. We are honored to play a role in the amazing work NCRM does every day to educate the world on the American Civil Rights Movement, address inequity and increase diversity in corporate spaces and beyond.

AutoZone has donated more than \$6.6MM to the Mid-South Food Bank in Memphis since our partnership began in 1979, providing nearly 20MM meals to our community.

#### AUTOZONERS IN THEIR COMMUNITIES

We encourage AutoZoners to be active members of their communities. This is one of the ways we believe AutoZoners can LIVE our Pledge and Values. We provide opportunities for AutoZoners to volunteer, support their giving through our Matching Gift program and offer payroll deductions as a means of giving directly to individual charities. The majority of our CEO Team leads the way by serving on nonprofit boards and lending their expertise to organizations serving our communities.

Another way AutoZoners give back is through the AutoZone Matching Gift program, which is available to all AutoZoners. We support causes AutoZoners care about by matching their donations dollar-for-dollar up to \$500 to qualified charities of their choice. For Vice Presidents, AutoZone will match dollarfor-dollar up to \$10,000 and for Executive Officers, AutoZone will match dollar-for-dollar up to \$50,000. In FY2023, AutoZone provided nearly \$1 million in matched gifts, generating a total of \$2 million contributed through this program.

In FY2023, many AutoZoners got involved in giving back through our BRGs. AZ WIN continued their partnership with the Girl Scouts of the Mid South at an annual event exposing over 1,000 children to the wonders of our industry through basic car care maintenance, a career and photo booth and through a tractor trailer tour. AZ WIN also participated in the grant review process for local nonprofits as part of its ongoing partnership with the Women's Foundation for a Greater Memphis. A Letter from Phil Daniele, President and CEO

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### **St. Jude Children's Research Hospital**<sup>®</sup>

#### THE ST. JUDE THANKS AND GIVING® CAMPAIGN

AutoZone and St. Jude Children's Research Hospital have a long history of working together. In 2006, we joined forces to help support the mission of St. Jude: Finding cures. Saving children. <sup>®</sup> That same year, in looking to expand our reach and impact, we worked together to create a point-of-sale campaign that would encourage customers to get involved by making a small donation.

Through the St. Jude *Thanks and Giving* campaign, AutoZone has helped raise more than \$57 million from customer donations since its inception. In FY2023, we raised \$5.6 million. AutoZone also supports St. Jude through grants, volunteerism, AutoZoner giving campaigns, in-kind donations and sponsorships.



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# Governance and Transparency





### **Responsible Marketing**

We are committed to providing accurate and transparent information about our products. Our Brand Council is an internal, cross-functional group of AutoZoners responsible for developing "Our Brands" 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. Claims we make about our private-label products are supported by our own testing. AutoZone also ensures products from our vendors are vetted and tested for performance and safety so they are reliable for our customers. A Letter from Phil Daniele, President and CEO

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### **Our Commitment**

Our Values underscore what matters most to AutoZoners. This includes acting in a manner consistent with the highest legal and ethical standards, taking accountability and honoring our commitments. We maintain good governance principles, believe in transparency and have an engaged Board of Directors. These are important attributes that allow AutoZone to build trust with our investors, customers, vendors and with each other.

#### **AMBITION:**

### To be a trusted company in everything we do.

#### **OUR APPROACH**

Since our founding in 1979, the company, leadership and all AutoZoners have been committed to pursuing excellence for all our stakeholders, including fellow AutoZoners, the communities we serve, our shareholders, our vendors and, most notably, our customers.

In the following pages, we report on our KPIs and provide more detail on our approach and related initiatives.

#### We have a highly engaged, talented and diverse Board of Directors

- 30% female
- 30% racially and/or ethnically diverse
- Lead Independent director is racially diverse
- 33% of our committee chairs are racially diverse
- 44% of our independent board members have served 5 years or less
- Board charters continue to reflect strong governance of ESG matters

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#### **KEY CONSIDERATIONS**

We take the responsibility of operating as a good corporate citizen seriously at AutoZone. As we continue to understand our ESG risks and opportunities, we are continuously improving our ways of working, setting targets and exploring new technologies to help us reduce our environmental footprint and continue to be a valued employer and member of the communities where we operate. This ESG Report is one of the key ways we communicate our ESG commitments and progress, which includes ongoing engagement with our stakeholders.

# **Key Initiatives**

#### **BOARD GOVERNANCE**

Our Board of Directors acts in and seeks to promote the best interests of our company while representing our shareholders. We rely on our Directors' business acumen and experience and look to select members with deep expertise from disciplines key to our company, such as accounting and finance, business strategy and management, crisis response, retail, human capital management, marketing, information technology, executive leadership and international operations.

Each of our Directors must stand for reelection annually and be elected by a majority of our shareholders. In selecting Directors for election, our Board recognizes the importance of having a diversity of experiences and perspectives as it contributes to more effective decisionmaking. The Board considers diversity of race, ethnicity, gender, age, cultural background and experiences in evaluating candidates for Board membership.

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Governance and Transparency On June 26, 2023, we announced our leadership transition plan which included separating the office of Chairman of the Board from the office of President and CEO. In January 2024, Bill Rhodes transitioned from Chairman, President and CEO to Executive Chairman and Phil Daniele was promoted to President and CEO having previously served as Executive Vice President Merchandising, Marketing and Supply Chain. Mr. Daniele also became a member of the Board of Directors.

#### ESG GOVERNANCE

The full Board is engaged on and has oversight of ESG topics. While the management team has direct accountability and responsibility, certain committees engage on topics relevant for their area of responsibility:

- The Nominating and Corporate Governance Committee has primary responsibility for assisting the Board in overseeing Board governance policies and practices, DEI efforts, ESG reporting, other human capital management matters and ESG-related shareholder engagement efforts.
- The Compensation Committee considers risk in connection with the design of AutoZone's compensation programs and periodically reviews and discusses with management the alignment among AutoZone's compensation programs, company strategy and human capital management strategy.
- The Audit Committee provides oversight of enterprise risks, environmental and safety compliance and AutoZone's information security program.

Topics that rise to the level of strategic risk and/or opportunities for the company—such as, for example, enterprise risk management, operations, finance, information security and ESG, among others—are overseen by the full Board. Committee Charters are clear how ESG topics are reviewed by the Board, clarify the level of oversight and visibility into our ESG work, and designate additional oversight to a committee of the Board, where appropriate. In FY2022, we amended our Corporate Governance Guidelines to include a Board Diversity Policy.



### ESG Governance and Management at AutoZone

The full **Board of Directors** has oversight of ESG. Certain ESG matters may be delegated to a specific committee and then brought back to the full Board for review and discussion, as needed.

1

Our **President and CEO and the Executive Committee** provide the Board with up-to-date information on AutoZone's ESG practices and progress. They ensure AutoZone's internal ESG Committee has the right leadership in place. Our CEO may engage directly with shareholders on their ESG priorities, while keeping the Board abreast of these discussions.

Our **Executive Committee** works to prioritize and align AutoZone's ESG programs with the company's broader strategic direction and long-term initiatives. The Executive Committee receives regular reports from the ESG Steering Committee about initiatives, progress towards goals and potential roadblocks.

Our **ESG Steering Committee** provides executive oversight of our ESG initiatives, builds awareness of priority topics across our organization. This Committee includes our CEO, CFO, COO and Senior Vice President, General Counsel and Secretary plus four Vice Presidents among others in leadership roles. This Committee tracks progress to goals and assesses initiatives submitted by the ESG Committee.

A Letter from Phil Daniele, President and CEO

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The **ESG Committee** is a cross-functional group of senior leaders drawn from the CEO Team that is responsible for day-to-day leadership of our ESG program. They are tasked with monitoring progress towards goals and seeking innovative solutions to reach AutoZone's climate targets and aspirations.

#### STAKEHOLDER ENGAGEMENT AND CONSULTATION

We understand we are accountable to many different stakeholders, including those who work for AutoZone; buy from AutoZone; supply products and services to AutoZone; invest in AutoZone; are in communities where AutoZone has a presence; receive charitable donations and grants; and/or are positively or negatively impacted by AutoZone's business. AutoZone has direct and ongoing engagement with our most significant stakeholders-customers, AutoZoners, vendors, shareholders and local communities. Customers can provide feedback at our stores, via email, live chat on our app or by calling our toll-free number. We have multiple touchpoints to hear from AutoZoners, from in-store meetings to routine management visits to engagement surveys to our toll-free hotline. Our President and CEO and other senior officers meet directly with shareholders. During FY2023, we invited our top shareholders, representing 60% of our shares outstanding, to discuss our corporate governance initiatives, including any feedback or suggestions they had as well the recently announced CEO transition plan. In response, 17 shareholders representing approximately 36% of our shares outstanding accepted our invitation to discuss. Topics discussed included Board oversight of CEO succession, shareholder engagement and outreach cadence, our ESG Report and initiatives and compensation programs, among others.

#### BUSINESS ETHICS AND INTEGRITY

As the leading retailer and distributer of automotive replacement parts in the Americas, we recognize the importance of ethical leadership and doing business with integrity. In every interaction—with each other, customers, vendors, government officials and others—we are committed to always doing the right thing and conducting ourselves in the highest legal and ethical manner.

This commitment is formalized in the AutoZone Code of Conduct, or "Code", which guides

AutoZoners in Living our Pledge and Values on a daily basis. The Code establishes clear standards and guidance for making responsible ethical decisions, especially when faced with tough circumstances. Some topics covered in the Code include adherence to labor laws and human rights; cybersecurity; safe working environment; diversity, equity and inclusion; conflicts of interest; compliance with anti-corruption laws; insider trading; advertising and selling practices; and fair competition.

We review and update the Code annually to ensure it guides AutoZoners on evolving best practices. In the Code, we emphasize how to report ethical concerns and the policies on gifts and conflicts of interest. The Code is translated in the languages of every country we operate and available through our enterprise-wide, internal policy data system and is posted on our website. It may be found here.

Our Respect in the Workplace training makes clear that we do not tolerate discrimination, harassment, or retaliation in the workplace. It guides all of us in treating each other with dignity and respect.

#### **AutoZoner Commitment**

AutoZoners live and breathe our Values every day. It's imperative to continually raise awareness and educate them on the role they play in upholding our standards, complying with our policies, Living the Pledge and representing our culture and Values. As a starting point, all AutoZoners are required to read and submit acknowledgement of the Code on an annual basis.

When first joining the company, AutoZoners are required to acknowledge the Code and other related policies essential for their particular roles and responsibilities as part of their onboarding process. For example, certain AutoZoners across the enterprise and particularly in Brazil, Mexico and Asia, receive targeted training on such Code topics as anti-corruption, anti-bribery, the U.S. Foreign Corrupt Practices Act, conflicts of interest, and the Vendor Code, among others. In FY2022, 100% of such AutoZoners completed these trainings. A Letter from Phil Daniele, President and CEO

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#### **Raising Concerns**

Throughout the year, we communicate internally on Code topics to keep ethics, integrity and our Values-driven best practices top of mind. Annually, we share best practices and guidance on common concerns, such as gifts and entertainment, conflicts of interest and insider trading. We also continuously remind AutoZoners how to report concerns.

We encourage AutoZoners to talk to each other openly and honestly and to come forward with questions or potential misgivings related to ethics, unlawful conduct, harassment or discrimination. We believe this approach builds trust, quickly addresses issues, develops process improvements and strives to keep small issues from escalating down the road.

In those circumstances where specific or a different level of attention is needed, we offer a variety of stakeholder grievance mechanisms for AutoZoners and vendors to report concerns and issues. One such example is a 24/7, 365-day-a-year Code, Financial Fraud and Foreign Corrupt Practices Act hotline to report concerns. All mechanisms offer anonymous reporting. AutoZoners can also raise concerns with their manager or a member of human resources, or through mail or email. Each report or complaint is taken seriously, investigated and promptly addressed, as necessary. We do not tolerate retaliation toward those who speak up in good faith.

A Letter from Phil Daniele, President and CEO

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Governance and Transparency Political Advocacy

We participate in political activities and advocate for legislation when there is a connection to our business and/or our community. We only take positions on ballot measures, initiatives or propositions that have a direct impact on our company and community interests. For example, in the past, we have been active in policy discussions and have advocated on issues related to the collection and remittance of state sales taxes by online retailers and right-to-repair legislation.

AutoZone's public policy and government advocacy efforts are always consistent with our Values, Code and the law. Our Policy on Political Contributions and Lobbying Engagements sets our expectations for all AutoZoners. Although rare, we occasionally participate in the political process by using corporate funds to support third-party organizations and associations that may make political contributions to parties and/ or campaigns aligned with our business strategies. All contributions are reviewed and approved in advance by the Vice President, Human Resources and Public Affairs, and the Senior Vice President, General Counsel and Secretary. The Board receives annual updates on corporate contributions and advocacy efforts; all lobbying engagements over \$250,000 must be approved by the Nominating and Corporate Governance Committee.

We support AutoZoner participation in the political process and provide them with the opportunity to contribute to the AutoZone, Inc. Committee for a Better Government political action committee (PAC). The PAC is a separate legal entity with its own oversight council, which is funded solely from voluntary AutoZoner contributions, and it supports candidates who align with our business priorities.



#### DATA SECURITY AND PRIVACY

#### **Our Approach**

Our data security and privacy program is designed to align with international best practices, including the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF). As we accept debit and credit cards, we are subject to the American National Standards Institute encryption standards, and we are a certified Payment Card Industry Data Security Standard Level 1 Merchant.

AutoZone's Information Security policy governs the various systems and processes we use to ensure data integrity, security and privacy and minimize risk. These include an intrusion, detection and prevention system and firewalls on our network, cloud and web applications. Users of AutoZone's digital systems have certain access controls, and we deploy advanced email security filters. Our dedicated security threat and operations center continuously monitors our IT environments. We have plans in place to recover information when an incident occurs.

We routinely monitor and test our systems, both internally and with the help of external industry-leading third parties, to identify vulnerabilities, inform ongoing improvement and ensure our continued alignment with prevailing standards. External assessments are conducted during the normal course of business to assess our data security and privacy practices and ensure alignment with the NIST CSF.

Senior management is actively engaged in our data security program and regularly provides updates to the Audit Committee. The Audit Committee oversees the company's enterprise risk management program, which includes information security risks.

#### **AutoZoner Participation**

As all AutoZoners use and rely on our digital systems, keeping them up-to-speed on best practices is one of the top defenses in protecting private data. All AutoZoners are required to acknowledge the AutoZone Handbook on an annual basis, which covers requirements for the confidential handling of customer, vendor and AutoZoner data. Similarly, our Code—which AutoZoners must acknowledge annually—covers data security practices.

Ongoing internal communications on Code topics ensure AutoZoners receive timely and relevant updates on data security best practices. AutoZoners are also kept informed through a security awareness campaign specific to Microsoft Office applications. Going forward, we plan to host similar campaigns.

We conducted tailored trainings for AutoZoners whose responsibilities are directly related to data security and privacy in FY2023.

As privacy regulation continues to evolve, we plan to stay ahead of and identify any additional trainings that may be required for AutoZoners on an enterprise-wide basis.

#### **Customer Privacy**

AutoZone collects and uses personally identifiable information to enhance the customer's experience. We take steps to ensure that customers can actively engage with us concerning their privacy. We comply with state specific privacy laws, including the California Consumer Privacy Act (CCPA), and the General Data Protection Regulation (GDPR). Customers can learn more about our privacy practices here. A Letter from Phil Daniele, President and CEO

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### **Future-Proofing IT Security Strategy**

We believe the systems we have in place are effective. Like other companies, we will continue to experience cyberattack attempts as security risks become increasingly complex and concentrated. In FY2023, while we did not have a material breach of our information systems or data security program, unauthorized parties gained limited access and exfiltrated data. To stay on top of these dynamics, we expanded and enhanced aspects of our data security program, including governance, risk assessment, compliance and privacy protocols. We have also made upgrades to our incident response and threat intelligence efforts, and we are evaluating opportunities for further investment in critical technology and resources.

One of our top priorities is incorporating emerging technologies that can support our business growth, while ensuring these technologies meet the highest cybersecurity protocols. We remain vigilant and continuously review our plans for any necessary enhancements. We also aim to recruit the best in IT talent. A Letter from Phil Daniele, President and CEO

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### **SASB Index**

SASB Code	Accounting Metric	SASB Data
Energy Management in F	Retail & Distribution	
CG-MR-130a.1	1) Total energy consumed 2) Percentage grid electricity 3) Percentage renewable energy	<ul> <li>See FY2023 KPIs, Emissions and Energy on page 20.</li> <li>Direct Response: <ol> <li>6,059,581 gigajoules (GJ) were consumed by AutoZone's global operations (Scopes 1 and 2). Higher Heating Values (HHVs) are considered for the fuels included in this total.</li> <li>30,6% of total energy consumed globally (across Scopes 1 and 2) was purchased electricity.</li> <li>Percentage of energy consumed from a renewable energy source was 0.1%.</li> </ol> </li> </ul>
Data Security		
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	See Data Security and Privacy on page 59.
CG-MR-230a.2	<ol> <li>Number of data breaches</li> <li>Percentage involving personally identifiable information (PII)</li> <li>Number of customers affected</li> </ol>	AutoZone experienced no material breaches or hacks during the reporting period.
Labor Practices		
CG-MR-310a.1	(1) Average hourly wage (2) Percentage of in-store employees earning minimum wage, by region	<ul> <li>See Competitive Compensation &amp; Benefits on page 40.</li> <li>Direct Response: <ol> <li>Hourly U.S. store employees (including DC employees) earned an average wage of \$15.52 per hour, with overtime earnings.</li> <li>Approximately 15% of U.S. hourly employees earned the local minimum wage and only one employee earned the federal minimum wage.</li> </ol></li></ul>
CG-MR-310a.2	<ol> <li>Voluntary turnover rate for store AutoZoners</li> <li>Involuntary turnover rate for store AutoZoners</li> <li>Voluntary turnover rate for DC AutoZoners</li> <li>Involuntary turnover rate for DC AutoZoners</li> </ol>	See Competitive Compensation and Benefits on page 40.
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 AutoZone's 2023 10-K Report.

### **SASB Index**

SASB Code	Accounting Metric	SASB Data		
Workforce Diversity & Inc	Workforce Diversity & Inclusion			
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management (2) all other employees	See Workforce Representation Data on page 37.		
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated with labor law violations are included in AutoZone's 2023 10-K Report.		
Product Sourcing, Packa	ging & Marketing			
CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	AutoZone does not use external certifications for product environmental/social standards but does set and uphold its own standards in working with manufacturing vendors.		
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	See Product Quality and Safety on page 29.		
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	See Better Packaging on page 24.		
Activity Metrics				
CG-MR-000.A	Number of: (1) Retail locations (2) Distribution centers	See FY2023 Fast Facts on page 6.		
CG-MR-000.B	Total area of: (1) Retail space (2) Distribution centers	See FY2023 Fast Facts on page 6. <b>Direct Response:</b> 1) 7,140 Total Stores (total square feet = 47,899,349) 2) Approximately 6.9 million square feet and 14 distribution centers		

GRI STANDARD		REFERENCE AND RESPONSES	
GRI 2 - Organizational Pr	GRI 2 - Organizational Profile		
GRI 2-1	Organizational details	Who We Are, About AutoZone; pg. 5 Direct Response: AutoZone, Inc. is a publicly owned incorporated entity.	
GRI 2-2	Entities included in the organization's sustainability reporting	About This Report, Materiality; pg. 14 Products, Our Brands; pg. 29	
GRI 2-3	Reporting period, frequency and contact point	About This Report, Reporting Period and Boundaries; pg. 14 <b>Direct Response:</b> This ESG Report was published on April 15, 2024. For more information about this report and our ESG efforts, please email maria.leggett@autozone.com.	
GRI 2-4	Restatements of information	Direct Response: No prior period information has been restated in this report.	
GRI 2-5	External Assurance	About This Report, Reporting Period and Boundaries; pg. 14	
GRI 2-6	Activities, value chain and other business relationships	Who We Are, About AutoZone; pg. 5 About This Report, Reporting Period and Boundaries; pg. 14 Products, Wide Product Assortment; pg. 28 Products, Vendor Code of Conduct; pg. 30 Products, Training on Our Vendor Code; pg. 30 Products, Vendor Audits; pg. 30 2023 10-K Report; pg. 2-11	
GRI 2-7	Employees	People and Communities; pg. 31 <b>Direct Response</b> : Omission Statement: Total number of employees by contract type and region are not disclosed due to confidentiality constraints and competitive disadvantages that would arise if disclosed. <b>Reason for Omission:</b> Confidentiality Constraints	
GRI 2-8	Workers who are not employees	<b>Direct Response:</b> In the normal course of business, AutoZone engages with contractors and third-party service providers to perform a variety of services in support of AutoZone business.	
GRI 2-9	Governance structure and composition	Governance and Transparency, Board Governance; pg. 55 Governance and Transparency, ESG Governance; pg. 55-56 Corporate Governance Webpage 2023 Proxy Statement; pg. 7-16	
GRI 2-10	Nomination and selection of the highest governance body	2023 Proxy Statement; pg. 15-16	
GRI 2-11	Chair of the highest governance body	2023 Proxy Statement; pg. 7-8	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	A Letter from Phil Daniele, President & CEO; pg. 3-4 Governance and Transparency, Board Governance; pg. 55 2023 Proxy Statement; pg. 7-11	
GRI 2-13	Delegation of responsibility for managing impacts	Governance and Transparency, Board Governance; pg. 55 Governance and Transparency, ESG Governance; pg. 55-56 2023 Proxy Statement; pg. 9-11	
GRI 2-14	Role of the highest governance body in sustainability reporting	Governance and Transparency, Board Governance; pg. 55 2023 Proxy Statement; pg. 7 - 10	

GRI STANDARD		REFERENCE AND RESPONSES	
GRI 2 - Organizational Pro	GRI 2 - Organizational Profile		
GRI 2-15	Conflicts of interest	2023 Proxy Statement; pg. 20-21 AutoZone Code of Conduct; pg. 20	
GRI 2-16	Communication of critical concerns	2023 Proxy Statement; pg. 2, 7-8, 18-19	
GRI 2-17	Collective knowledge of the highest governance body	2023 Proxy Statement; pg. 12-15 AutoZone Corporate Governance Principles; pg. 1-3	
GRI 2-18	Evaluation of the performance of the highest governance body	2023 Proxy Statement; pg. 15 AutoZone Corporate Governance Principles; pg. 1, 7-8	
GRI 2-19	Remuneration policies	2023 Proxy Statement; pg. 2, 32-61	
GRI 2-20	Process to determine remuneration	2023 Proxy Statement; pg. 35-38	
GRI 2-21	Annual total compensation ratio	2023 Proxy Statement; pg. 44-49, 61	
GRI 2-22	Statement on sustainable development strategy	A Letter from Phil Daniele, President and CEO; pg. 3-4	
GRI 2-23	Policy commitments	AutoZone Code of Conduct; pg. 6, 9, 16 AutoZone Policy on Political Contributions and Lobbying Engagements AutoZone Vendor Code of Conduct; pg. 7-9 AutoZone Code of Conduct for Financial Executives; pg. 1-2 2023 Proxy Statement; pg. 8-9	
GRI 2-24	Embedding policy commitments	AutoZone Vendor Code of Conduct; pg. 12 AutoZone Code of Conduct for Financial Executives; pg. 1-2 AutoZone Code of Conduct; pg. 16, 27	
GRI 2-25	Processes to remediate negative impacts	AutoZone Vendor Code of Conduct; pg. 12 AutoZone Code of Conduct; pg. 25-30	
GRI 2-26	Mechanisms for seeking advice and raising concerns	AutoZone Code of Conduct; pg. 6, 9, 30 AutoZone Vendor Code of Conduct; pg. 2 AutoZone Code of Conduct for Financial Executives; pg. 2	
GRI 2-27	Compliance with laws and regulations	Environmental Stewardship; pg. 17 Environmental Stewardship, Reducing Waste Through Recycling and Better Packaging; pg. 23 People and Communities, Our Commitment; pg. 32 Governance and Transparency, Responsible Marketing; pg. 53 2023 10-K Report; pg. 10, 20–23 AutoZone Code of Conduct; pg. 6–30 AutoZone Vendor Code of Conduct; pg. 3–6	
GRI 2-28	Membership of associations	<b>Direct Response:</b> AutoZone dedicates attention and resources to various industry and trade memberships, commitments and appointments of our officers and others to boards and committees, and other related activities such as, for example, in Retail Industry Leaders Association (RILA), AutoCare, Coalition for Automotive Repair Equity (CARE), Responsible Battery Coalition, and other local and national organizations.	
GRI 2-29	Approach to stakeholder engagement	Governance and Transparency, Stakeholder Engagement and Consultation; pg. 57 2023 Proxy Statement; pg. 2, 18–20.	
GRI 2-30	Collective bargaining agreements	Direct Response: AutoZone has collective bargaining agreements in Brazil.	

GRI STANDARD		REFERENCE AND RESPONSES	
GRI 3 - Material Topics	GRI 3 - Material Topics		
GRI 3-1	Process to determine material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14	
GRI 3-2	List of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14	
GRI 3-3	Management of material topics	About This Report, Materiality; pg. 14 About This Report, Our Progress on ESG; pg. 15	
GRI 205 - Anti-Corruption			
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 Governance and Transparency, Business Ethics and Integrity; pg. 57	
GRI 205-1	Operations assessed for risks related to corruption	Governance and Transparency, Business Ethics and Integrity; pg. 57	
GRI 205-2	Communication and training about anti- corruption policies and procedures	People and Communities, Training, Development and Career Pathing; pg. 42 Governance and Transparency, Business Ethics and Integrity; pg. 57 AutoZone Code of Conduct; pg. 13, 26 AutoZone Vendor Code of Conduct; pg. 4	
GRI 205-3	Confirmed incidents of corruption	Direct Response: AutoZone had no confirmed incidents of corruption in FY2023.	
GRI 302 - Energy			
GRI 3-3	Management of material topics	About This Report, Materiality; pg. 14 Environmental Stewardship, pg. 17 Environmental Stewardship, FY 2022 Highlights, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reduction Goal; pg. 18 - 19 2023 10K Report; pg. 14 - 23	
GRI 302-1	Energy consumption within the organization	Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reductions Goals; pg. 18-19	
GRI 302-2	Energy consumption outside of the organization	Direct Response - Omission Statement: AutoZone does not collect information on energy consumption outside of the organization. Reason for Omission: Information Unavailable	
GRI 302-3	Energy Intensity	Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20 Environmental Stewardship,Progress on Our GHG Emissions Reductions Goals; pg. 18 - 19	
GRI 302-4	Reduction of energy consumption	Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reductions Goals; pg. 18-19 <b>Direct Response:</b> Organization-wide initiatives such as LED lighting retrofits and replacing diesel generators with auxiliary power units (APUs) on fleet tractor trailers have yielded savings seen in year-over-year energy trend while AutoZone's business continues to grow. Going forward, we plan to track energy reduction initiatives across our global footprint and report annually on results.	
GRI 302-5	Reductions in energy requirements of products and services	Direct Response - Omission Statement: AutoZone does not currently report on this metric. Reason for Omission: Information Unavailable	

GRI STANDARD		REFERENCE AND RESPONSES
GRI 305 - Emissions		
GRI 3-3	Management of material topics	About This Report, Materiality; pg. 14 Environmental Stewardship, pg. 17 Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reduction Goals; pg. 18 - 19 2023 10K Report; pg. 14 - 23
GRI 305-1	Direct (Scope 1) GHG emissions	Environmental Stewardship, FY2023 KPls, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reductions Goals; pg. 19 2023 CDP Report
GRI 305-2	Energy indirect (Scope 2) GHG emissions	<ul> <li>Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20</li> <li>Environmental Stewardship, Progress on Our GHG Emissions Reductions Goals; pg. 19</li> <li><b>Direct Response:</b></li> <li>Emissions factors and GWP used:</li> <li>GWP: AR5</li> <li>U.S. EPA eGRID2023 (w/2021 data) &amp; International Energy Agency 2023 (w/2021 data)</li> <li>Consolidation approach for emissions: Operational Control</li> <li>The GHG Protocol is our primary guide for methodology standards.</li> </ul>
GRI 305-3	Other indirect (Scope 3) GHG emissions	Direct Response: Omission Statement: AutoZone does not currently report on this metric. Reason for Omission: Information Unavailable
GRI 305-4	GHG emissions intensity	Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reductions Goals; pg. 19
GRI 305-5	Reduction of GHG emissions	Environmental Stewardship, FY2023 KPIs, Emissions and Energy; pg. 20 Environmental Stewardship, Progress on Our GHG Emissions Reductions Goals; pg. 18 - 19
GRI 305-6	Emissions of ozone-depleting substances (ODS)	<b>Direct Response</b> - Omission Statement: AutoZone does not currently report on this metric. <b>Reason for Omission:</b> Information Unavailable
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	Direct Response - Omission Statement: AutoZone does not currently report on this metric. Reason for Omission: Information Unavailable
GRI 306 - Waste		
GRI 3-3	Management of material topics	About This Report, Materiality; pg. 14 Environmental Stewardship, Reducing Waste Through Recycling and Better Packaging; pg. 23-24

GRI STANDARD		REFERENCE AND RESPONSES	
GRI 306 - Waste	GRI 306 - Waste		
GRI 306-1	Waste generation and significant waste-related impacts	Environmental Stewardship, Reducing Waste Through Recycling and Better Packaging; pg. 23-24 <b>Direct Response:</b> AutoZone's focus has been on understanding and reducing the impacts of waste in the organization's own operations and in some cases, downstream in the value chain. AutoZone is also focused on recycling materials that can be repurposed, reused and/ or remanufactured. More than 180,710 metric tons of CO2e were avoided by AutoZone's store recycling efforts in FY2023.	
GRI 306-2	Management of significant waste-related impacts	Environmental Stewardship, Reducing Waste Through Recycling and Better Packaging; pg. 23-24	
GRI 306-3	Waste generated	Direct Response: Omissions Statement: AutoZone does not currently measure this metric. Reason for Omission: Information Unavailable	
GRI 306-4	Waste diverted from disposal	Environmental Stewardship, Reducing Waste Through Recycling and Better Packaging; pg. 23-24	
GRI 306-5	Waste directed to disposal	Direct Response: Omission Statement: AutoZone does not currently report on this metric. Reason for Omission: Information Unavailable	
GRI 401 - Employment			
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 People and Communities, AutoZoner Engagement; pg. 38	
GRI 401-1	New employee hires and employee turnover	People and Communities, Competitive Compensation and Benefits; pg. 40	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People and Communities, Competitive Compensation and Benefits; pg. 40 People and Communities, Training, Development and Career Pathing; pg. 42	
GRI 401-3	Parental leave	People and Communities, Competitive Compensation and Benefits; pg. 40 <b>Direct Response:</b> Includes all AutoZoners who worked at AutoZone at any point during the reporting year and were entitled to and/or took parental leave. Parental leave includes family medical leave, maternity and paternity leave and short-term disability leave. AutoZone doesn't report on AutoZoners return to work and/or retention after parental leave.	
GRI 403 - Occupational H	lealth and Safety		
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 People and Communities, AutoZoner Health & Safety; pg. 43	
GRI 403-1	Occupational health and safety management system	People and Communities, AutoZoner Health and Safety; pg. 43	
GRI 403-2	Hazard identification, risk assessment and incident investigation	People and Communities, AutoZoner Health and Safety; pg. 43	

GRI STANDARD		REFERENCE AND RESPONSES					
GRI 403 - Occupational Health and Safety							
GRI 403-3	Occupational health services	People and Communities, AutoZoner Health and Safety; pg. 43					
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	People and Communities, AutoZoner Health and Safety; pg. 43					
GRI 403-5	Worker training on occupational health and safety	People and Communities, AutoZoner Health and Safety; pg. 43					
GRI 403-6	Promotion of worker health	People and Communities, Competitive Compensation and Benefits; pg. 40 People and Communities, AutoZoner Health and Safety; pg. 43 - 44					
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People and Communities, AutoZoner Health and Safety; pg. 43					
GRI 403-8	Workers covered by an occupational health and safety management system	Direct Response: AutoZone has implemented key elements of a safety, health and environmental system covering all AutoZoners. Direct Response: Omission Statement: AutoZone currently does not report on workers who are not employees. AutoZone currently does not have an annual internal or external audit of the process of management systems. Reason for Omission: Information unavailable					
GRI 403-9	Work-related injuries	People and Communities, AutoZoner Health and Safety; pg. 43					

GRI STANDARD		REFERENCE AND RESPONSES					
GRI 404 - Training and Education							
GRI 3-3	Management of material topics	About This Report; Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 People and Communities, Training, Development and Career Pathing; pg. 42					
GRI 404-1	Average hours of training per year	<b>Direct Response:</b> Omission Statement: AutoZone doesn't track the number of hours of annual training per AutoZoner. We track how many training modules AutoZoners take. Or average, they engage in approximately 89,000 training modules every week. <b>Reason for Omission:</b> Information Unavailable					
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	People and Communities, Training, Development and Career Pathing; pg. 42					
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	People and Communities, Training, Development and Career Pathing; pg. 42					
GRI 405 - Diversity and E	qual Opportunity						
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 People and Communities, Diversity, Equity and Inclusion; pg. 34-36 Governance and Transparency, Board Governance; p. 55					
GRI 405-1	Diversity of governance bodies and employees	People and Communities, Diversity, Equity and Inclusion; pg. 34-36 Governance and Transparency, pg. 52 Governance and Transparency, Board Governance; pg. 55					
GRI 405-2	Ratio of basic salary and remuneration of women to men	<b>Direct Response:</b> Omission Statement: AutoZone does not currently report on this metric. <b>Reason for Omission:</b> Information Unavailable					
GRI 412 - Human Rights A	Assessment						
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 Products, Product Quality and Safety; pg. 29					
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Direct Response: Omission Statement: AutoZone does not currently report on this metric. Reason for Omission: Information Unavailable					
GRI 412-2	Employee training on human rights policies or procedures	Products, Product Quality and Safety; pg. 29 Products, Vendor Code of Conduct; pg. 30 AutoZone Code of Conduct; pg. 16 AutoZone Vendor Code of Conduct; pg. 8-10					
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	AutoZone Vendor Code of Conduct; pg. 8-10					

GRI STANDARD		REFERENCE AND RESPONSES					
GRI 413 - Local Communities							
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 People and Communities, Vendor Code of Conduct; pg. 30					
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	People and Communities, Communities; pg. 46 People and Communities, FY2023 KPIs; pg. 47 People and Communities, Key Initiatives; pg. 48-49 People and Communities, AutoZoners in their Communities; pg. 50					
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	<b>Direct Response:</b> Omission Statement: This is not applicable to our business. AutoZone creates economic opportunities as an employer, in the communities in which we operate and serve, and as a leading retailer and distributor of automotive replacement parts and accessories in the Americas. <b>Reason for Omission:</b> Not applicable					
GRI 414 - Supplier Social	Assessment						
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 Products, Product Quality and Safety; pg. 29					
GRI 414-1	New suppliers that were screened using social criteria	AutoZone Vendor Code of Conduct; pg. 6					
GRI 414-2	Negative social impacts in the supply chain and actions taken	AutoZone Vendor Code of Conduct; pg. 6					
GRI 416 - Customer Heatl	h and Safety						
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 Products, Product Quality and Safety; pg. 29					
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Products, Product Quality and Safety; pg. 29 AutoZone Vendor Code of Conduct; pg. 10-11					
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	AutoZone Vendor Code of Conduct; pg. 10-11					
GRI 418 - Customer Privacy							
GRI 3-3	Management of material topics	About This Report, Reporting Period and Boundaries; pg. 14 About This Report, Materiality; pg. 14 Governance and Transparency, Data Security and Privacy; pg. 59 Governance and Transparency, Future-Proofing IT Security Strategy; pg. 60					
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance and Transparency, Data Security and Privacy; pg. 59					

# 2022 EEO-1 Report

		anic or tino	Non-Hispanic or Latino												
		Male					Female								
Job Categories	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	Overall Total
Executive/Senior Level Officials and Managers	4	1	32	7	-	4	-	2	9	1	-	1	-	-	61
First/Mid Level Officials and Managers	94	25	674	87	1	168	6	13	228	71	-	51	1	6	1,425
Professionals	166	54	444	119	6	29	1	17	141	100	2	21	5	11	1,116
Technicians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Workers	18,053	5,394	32,003	10,542	267	1,264	672	599	8,130	3,510	77	167	240	187	81,105
Administrative Support Workers	12	32	55	44	-	11	2	3	60	71	-	5	1	3	299
Craft Workers	80	7	222	42	1	10	3	7	18	12	-	-	-	2	404
Operatives	1,098	764	1,518	457	12	53	16	38	837	297	8	35	9	16	5,158
Laborers & Helpers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Workers	-	-	10	4	-	-	-	-	2	7	-	-	-	-	23
Total	19,507	6,277	34,958	11,302	287	1,539	700	679	9,425	4,069	87	280	256	225	89,591

2023 EEO-1 reporting window opens April 30, 2024.

## **UN Sustainable Development Goals**



The United Nations Sustainable Development Goals (UN SDGs) were adopted in 2015 as a global blueprint for environmental and societal progress. We recognize the importance of the SDGs and are proud to share how we are contributing.

UN SDG	Our Contributions
<ul> <li>Good Health and Well-Being</li> <li>Ensure healthy lives and promote well-being for all at all ages</li> </ul>	One of AutoZone's core Values, Cares About People, comes to life through how we take care of AutoZoners and support them in every aspect of their lives. We offer a range of benefits at no cost to AutoZoners. This includes our Total Well-being and Guidance Resources programs, both of which provide free access to resources and live coaching and/or counseling on a range of physical, mental, emotional and financial health topics. AutoZone provides competitive compensation and benefits, including health plan options. See, AutoZoner Well-being, page 39. AutoZoner Well-being of their requirements. Additionally, workplace conditions assessments of vendors verify factory working conditions, including health and safety standards and labor standards, such as fair practices around wages and hours. See, Vendor Code of Conduct, page 30.
<ul> <li><b>4. Quality Education</b></li> <li>• Ensure inclusive and quality education and promote lifelong learning opportunities for all</li> </ul>	We provide training and education to all AutoZoners on a range of topics to help support their development and career growth. This can include key skills and product knowledge development, individual development planning and management job aids. Our Parts Expert program certifies AutoZoners who have taken special training to develop extensive automotive knowledge. AutoZoners complete approximately 89,000 training modules in total every week. In line with our Code of Conduct, we do not discriminate or tolerate discrimination in all aspects of employment, including the educational opportunities we provide. See, Training, Development and Career Pathing, page 42.
<ul> <li>5. Gender Equality         <ul> <li>Achieve gender equality and empower all women and girls</li> </ul> </li> </ul>	As articulated in our Code of Conduct, 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. We welcome everyone's heritage, differences, unique qualities and experiences and believe all people should be treated with dignity and respect. It is our aim to attract, engage, retain, develop and advance diverse talent, including women. One of the ways we do this is through our women's business resource group, AZ WIN. This group helps to strengthen women's development by facilitating networking and leadership training opportunities. AZ WIN chapters can be found throughout company, including our store regions, the SSCs, DCs, ALLDATA, Mexico and Brazil. See, Diversity, Equity and Inclusion, page 34.
<ul> <li>7. Affordable and Clean Energy</li> <li>Ensure access to affordable, reliable, sustainable and modern energy for all</li> </ul>	Learn more about the ways we are ensuring more sustainable energy on page 21.
8. Decent Work and Economic Growth <ul> <li>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</li> </ul>	We are a leading employer and create positive economic impact in the local communities in which we live and serve. We offer competitive compensation, benefits and training opportunities to all AutoZoners regardless of race, gender or ethnicity. See, People and Communities, page 31. Our Code of Conduct, AutoZoner Handbook and our Values articulate our commitment to Respect in the Workplace. We are committed to a work environment that is respectful and free of all forms of harassment. We recruit, retain, train, promote and pay AutoZoners equitably, regardless of gender, race or ethnicity. Our Vendor Code of Conduct makes clear our zero-tolerance policy toward child labor, forced labor and harassment or abuse. As part of regular third-party factory audits of merchandise vendors, we evaluate human rights and safety standards. We also assess vendors for maintaining good labor practices, such as fair wages and working hour limits.
<ul> <li>10. Reduced Inequalities</li> <li>Reduce inequality within and among countries</li> </ul>	AutoZone's approach to community giving focuses on alleviating poverty, and specifically supports initiatives that drive diversity and inclusion in the U.S., Brazil and Mexico. For example, in the U.S., 94% of our charitable giving is directed toward programs that support diverse communities. See, People and Communities, page 31.

UN SDG	Our Contributions
<ul> <li>12. Responsible Consumption and Production</li> <li>• Ensure responsible consumption and production patterns</li> </ul>	AutoZone continued our recycling program in FY2023, including: 1,081,355 individual wooden pallets, flat to prior year 24,881 tons of cardboards, a 15% decrease; 1,284 tons of plastic, a 12% decrease; 14.4MM gallons of motor oil, a 4% increase See, Recycling in Our Operations, page 23.
<ul> <li>13. Climate Action         <ul> <li>Take urgent action to combat climate change and its impacts</li> </ul> </li> </ul>	Over the past several years, our approach to limiting our greenhouse gas (GHG) emissions—and our impact on climate change - has focused on capturing efficiencies across our existing U.S. portfolio. Over 14.4MM gallons of motor oil and 261,115 tons of batteries were recycled through AutoZone in FY2023. We disclosed our climate performance data to CDP in July 2023. We are committed to setting GHG targets covering Scopes 1 and 2 emissions in line with the Paris Agreement's 1.5°C emissions reduction goal. See, Environmental Stewardship, page 16.

### Forward-looking Statements

Certain statements herein contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and are typically identified by words or phrases such as "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "prospects," "potential," "aim," "commit" and "forecast," and similar expressions. These forward-looking statements include, but are not limited to, our GHG emissions reduction goals, our ambition to reach net zero emissions by 2050, and steps we hope that will help us achieve these. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, targets, assumptions, risks and uncertainties. These statements speak only as of the date they are originally made and are based on management's current expectations in light of historical experience, expected future developments and other factors. These statements are not guarantees of future results or performance and are subject to known and unknown risks, uncertainties, changes in circumstances, and assumptions that are difficult to predict and are often beyond our control. Actual results and outcomes may differ materially from those expressed in or implied by any of these forward-looking statements due to a variety of factors, including, among others, global socio-demographic and economic trends, climate-related conditions and weather events, legislative and regulatory changes, the ability to consummate contractual arrangements on contemplated or otherwise desirable terms and other unforeseen events or conditions. You should not place undue reliance on any forwardlooking statement. Factors that could cause actual results to differ materially from those described in forward-looking statements can be found in our filings with the SEC, including, without limitation, the "Risk Factors" section of our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company undertakes no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

#### TRADEMARKS AND SERVICE MARKS

We have registered several trademarks and service marks with the U.S. Patent and Trademark Office as well as in certain other countries, including without limitation: "AutoZone," "ALLDATA Tech-Assist," "Get in the Zone," "Parts Are Just Part of What We Do," "What It Takes To Do The Job Right (WITTDTJR)," "Duralast," "Econocraft," "ProElite," "Shop Pro," "SureBilt," "TotalPro," "TruGrade," "Valucraft," "Loan-A-Tool," "AutoZone Fix Finder" and "Z-net," along with variations of these trademarks. Solely for convenience, our trademarks, tradenames and service marks referred to in this report appear without the ®, TM and SM symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these marks. Third-party trademarks mentioned are the property of their respective owners. The use of words such as "partnered," "partnering," "partner" and variations of such words in this report are not intended to and shall not be construed to imply that a legal relationship exists between AutoZone and any other company.

