



AutoZone[®]

PARTS ARE JUST PART OF WHAT WE DO

Environmental, Social and Governance Report 2022

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A Letter From Bill Rhodes, Chairman, President and CEO, Customer Satisfaction

On behalf of our approximately 112,000 incredible AutoZoners serving our customers around the globe, we proudly share with you our 2021 Environmental, Social and Governance (ESG) Report. This current ESG Report is our boldest yet as it provides even more insightful data, makes our ambitions clear and truly highlights our ESG journey. That said, we sincerely appreciate that despite our many improvements and best efforts, our ESG work is genuinely a journey and worthy of constant refining. For 43 years and counting, AutoZoners, both past and present, have dedicated their careers to putting our customers first, providing Trustworthy Advice, and working tirelessly to ensure that our customers can safely and responsibly operate their vehicles. No single report can adequately capture all that it takes to create our tremendous story and words always fall short in expressing my most sincere thanks and appreciation. Thank you, AutoZoners!

Since our previous ESG Report (formerly known as Corporate Social Responsibility or CSR Report), we have doubled down on our overall ESG commitments and investments and collaborated with external experts to conduct our inaugural materiality assessment. In this Report, you will clearly see that we opened our doors to objectively examine our company’s environmental programs, diversity initiatives, workplace practices, vendor programs, and governance measures.

As a company, for FY21, our operating theme was “AutoZone Strong,” which nods to both our unique and powerful culture and a direct call to action. I am very pleased to report that during FY2021, we recycled 13.4 million gallons of motor oil and over 250,000 tons in vehicle batteries. Despite growing our footprint by nearly 3 million square feet in the U.S., we saw a decrease of absolute Scopes 1 and 2 emissions of approximately 1% from 2019. The reduction shows that we have neither lost sight nor wavered on our commitment of 15% reduction of our U.S. Scopes 1 and 2 greenhouse gas (GHG) emissions by 2025.

We listened to our shareholders and are proceeding earnestly yet cautiously. We took and continue to take the time to proactively solicit feedback, challenge any would-be false constraints and push beyond our comfort zone to ensure that we remain a trusted contributor. At our 2021 annual meeting of shareholders, our shareholders voted in favor of a proposal seeking annual reporting on a climate transition plan. We engaged directly with investors before and after the 2021 annual meeting to better understand their perspectives, priorities, and concerns with respect to climate transition plans. These various engagement efforts have allowed us to explain the progress we’ve made, the opportunities we see and the challenges we face in setting greenhouse gas emissions targets, all while receiving feedback from our shareholders.

We are approaching our emissions reduction goals and strategies with the urgency this matter requires and have taken very important steps to develop and advance ESG initiatives. This past year, we completed a materiality assessment to identify and prioritize the various ESG issues that are material to us, based on numerous internal and external interviews and perspectives. Building upon this assessment, we restructured the management and


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oversight of our ESG work into four distinct workstreams—Environmental, Products, Social (People & Community) and Governance—each led by a company officer, these workstreams then report into a cross-functional ESG Steering Committee lead by senior officers. We have completed a greenhouse gas emissions inventory which includes our Mexico and Brazil operations. We submitted expanded disclosure aligned with the TCFD (Task Force on Climate-related Financial Disclosures) to the CDP (formerly known as Climate Disclosure Project) requested by our shareholders during our engagement. And we revised our capital allocation strategy to allow an internal rate of return on climate-related projects that is closer to our weighted average cost of capital; we believe this approach ensures we are using resources wisely for our shareholders while also allowing us to move expeditiously on our journey of reducing GHG emissions.

Additionally, we are committed to disclosing in 2022 our aspirational ambition to reach net zero emissions by 2050 or sooner across Scopes 1 and 2 emissions. And we are also committed to setting GHG targets covering Scopes 1 and 2 emissions in line with the Paris Agreement’s 1.5°C emissions reduction goal.

Our scope of work and engagement with a global energy and sustainability consultant has increased to, among other things, develop a climate transition plan and evaluate and understand how to quantify our Scope 3 emissions. We continue to utilize a systematic, deliberative and disciplined approach to reducing emissions by focusing on those sources which yield the most value.

Further, we are carefully developing our GHG emission reduction goals to be credible and enable us to develop reasonable pathways for achievement, while maintaining the level of monitoring and accountability expected by our stakeholders. We remain

committed to doing our part to manage our carbon footprint, track and disclose our progress against our GHG emission reduction goals and seek additional ways to meaningfully increase the sustainability of our operations.

Achieving our tangible environmental goals is more than mere conjecture. At AutoZone and for us AutoZoners, it means cleaner air, habitable climate, keeping potentially hazardous material out of our water, and doing our part to create a more sustainable environment for all today and for generations to come.

As we push for greater outcomes and more positive change, focusing on our AutoZoners remains and will forever be essential to every AutoZone strategy. One of those non-negotiable areas of importance is our collective ability to live up to the AutoZone Value of “An AutoZoner Always...Embraces Diversity.” This means continuously building a strong, diverse team of leaders from our Board of Directors to AutoZoners on the frontlines who are passionate about Living our Pledge and Values each and every day.

Although we are excited about our meaningful progress, measurable goals and accelerated growth, especially as it relates to our environmental journey, we can never become complacent with our present-day success. Our industry leading ability to put the customer first must always extend far beyond the walls of our stores, distribution centers and other physical spaces. It is my belief that ESG is not about a scorecard. It is how we make a difference in the world.

Thank you for staying in the Zone with us for all these years!

Bill Rhodes

Chairman, President and CEO
Customer Satisfaction



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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 trucks, including new and remanufactured automotive hard parts, maintenance items, accessories, and non-automotive products. Many stores also 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 and public sector accounts. We also have commercial programs in all stores in Mexico and Brazil. AutoZone also sells the ALLDATA brand automotive diagnostic, repair and shop management software through www.alldata.com. Additionally, we 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. We also provide product information on our Duralast branded products through www.duralastparts.com. AutoZone does not derive revenue from automotive repair or installation.

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 that the characteristics found in supermarkets could be applied to the auto parts business: clean, well-lit, well-merchandised stores and exceptional, friendly customer service. The first Auto Shack store opened in Forrest City, Arkansas on July 4, 1979. In 1987, the name was changed to AutoZone.

AutoZone founder
J.R. “Pitt” Hyde, III

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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 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.

FY2021 Fast Facts



6,767 stores

- 6,051 in all 50 U.S. • 664 in Mexico states
 - 58 MegaHub and 179 regular Hub¹ stores in the U.S.
- 52 in Brazil
- Opened 218 new stores in FY2021

Employed approximately 100,000 AutoZoners

- Over 90,000 in the U.S.
- Approximately 12,000 in Brazil, Mexico, Germany and China
- 62% full-time; 38% part-time
- 90% work in stores or direct field supervision; 6% in DCs; 4% in SSCs



13 DCs

10

in U.S.

2

in Mexico

1

in Brazil

5,179 U.S. Commercial programs

serving technicians, professional shops, government entities, independent and national repair professionals

85%

of U.S. stores

100%

of stores in Mexico and Brazil

Over 675,000 SKUs

Nearly 51% of products carried are **“our brands”** (Duralast and the family of Duralast brands, ProElite, Shop Pro, SureBilt, TruGrade, Econocraft and Valucraft)

Global Sourcing offices in China, Mexico and other countries

4 Support Locations & ALLDATA

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

¹Our 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

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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 individuals' 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 43 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, DCs, SSCs and at ALLDATA, the foundation of our success is the rich culture that our AutoZoners strive to live by. Every day, AutoZoners Go the Extra Mile for our customers and the communities where we all live, work and play. We strive to create a welcoming, inclusive environment for our customers and for one another.

We are guided by our Pledge and Values in all that we do. Our Pledge is our promise to customers and to each other as AutoZoners. The four simple, clear, concise, actionable lines of our Pledge help AutoZoners across the company know What It Takes To Do The Job Right, or what we call, WITTDJR®. 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 letter 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

Our Journey



1979
First Auto Shack opened in Forrest City, Arkansas



1986
The Pledge was written by Lynda Ireland, setting the standard for the company's commitment to customer satisfaction



1986
Duralast launched, which is the brand more Technicians choose for automotive aftermarket parts

1987
Auto Shack changed its name to AutoZone



1991
AutoZone became a publicly traded company on the NYSE, with the ticker symbol AZO



1996
autozone.com launched



1996
Commercial program launched, offering credit and delivery to professional technicians

1996
ALLDATA acquired

2014
AZ WIN, AutoZone's Women's Initiative, the first business resource group, launched



2014
MegaHubs launched, which have twice as many parts as Hub stores



2012
First store in Brazil opened



2010
Mobile app launched



2007
Six new Values are introduced



2002
Hub stores debuted and substantially increased local market parts availability



2000
DataZone Support Center in Chihuahua, Mexico opened to support electronic cataloging



2000
Began selling and shipping direct to consumers through autozone.com



1998
First store in Mexico opened



Our Journey



2015

AutoZone stores expanded to all 50 U.S. states



2015

Global Sourcing office opened in China

2018

Launched Next Day Delivery Program



2019

First Corporate Social Responsibility Report published

2020

Brazil opens 50th store

2020

AutoZone envisioned and initially funded the Corporate Equity Center at the National Civil Rights Museum focused on increasing Black leaders in corporate America

2020 & 2021

AutoZone recognized by the Military Times as a top employer of veterans

2021

AutoZone named to Forbes World's Best Employers list

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ENVIRONMENT

Recycling in FY2021

1%

Decrease in Scope 1 and 2 energy-related greenhouse gas (GHG) emissions associated with our U.S. business to reduce emissions by 15% by 2025 against a FY2019 baseline

1,061,567
wood pallets

30,523
tons of cardboard

1,439
tons of plastic

13.4M
gallons of motor oil



PRODUCTS

34%
of sales were U.S. made products

More than 450 audits conducted of vendors' factories on environmental, social, quality and security criteria

1,073 Pre-Shipment Examinations conducted, ensuring our products perform up to our quality, safety and packaging standards

100%
Of vendors contractually agreed to comply with **our Vendor Code of Conduct**

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PEOPLE

7 of 16 Executive Committee members are ethnically or gender diverse

Environment

70,000+
training modules AutoZoners complete every week

Products

People and Communities

Nearly \$1M contributed by AutoZoners to the **AutoZoner Assistance Fund**

67% of U.S.-based AutoZoners proactively took advantage of AutoZone's **Total Wellbeing program** to access healthy lifestyle resources

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AutoZone named to **Forbes World's Best Employers List**

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COMMUNITY

105 nonprofits supported through **AutoZone Community and Charitable Giving** efforts

\$2.2M generated for nonprofits through employee giving programs

86% of AutoZone’s Charitable Giving went to racially and/or ethnically **diverse communities**

\$5M in start-up funding provided to the **National Civil Rights Museum’s new Corporate Equity Center** with the aim of eradicating racial bias and increasing Black leaders in corporate America



GOVERNANCE & TRANSPARENCY

Amended **Board Committee Charters** to reflect strong governance of Environmental, Social and Governance (ESG) matters

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**



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About this Report

BOUNDARIES AND SCOPE

Our FY2021 ESG Report covers the company’s environmental, social and governance material topics, and builds on the company’s FY2019 and FY2020 Corporate Social Responsibility Reports. The data and information contained in this ESG Report includes performance metrics and activities that occurred in FY2021 (August 30, 2020, to August 28, 2021) and may also include data from previous fiscal years for comparison. The geographic boundaries of this Report’s data and information are mostly contained to U.S. operations, where we have the majority of our stores and most employees. When noted, some of the data and information includes operations outside the U.S., such as those in Mexico and Brazil.

The data and information in this Report was compiled by internal subject matter experts, and specific environmental data and information was assessed and evaluated by a third-party energy and sustainability consultant. AutoZone’s Internal Audit team also reviewed the data for accuracy. The ESG Report’s contents were not externally assured.

MATERIALITY

In FY2021, we engaged a third-party consultant to help identify and prioritize the company’s ESG material issues.

The process commenced with extensive desk research, including a review of company materials and external examination of the key issues intersecting with the broader industry landscape. This analysis looked at what ESG rating services and institutional shareholders are focused on; the relevant issues covered in ESG standards and frameworks, such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI); specific stakeholder concerns that have been raised in the past; and peer company reports. The result of this research produced an initial list of material issues.

To validate and prioritize the material issues, over 70 internal and external stakeholders were interviewed, including company officers. Each interviewee was asked for input on what ESG-related issues were important to the company and to its stakeholders, and why they matter. Additional insights were captured through the interviews, including how much control or potential influence the company has on specific issues and what ESG-related issues have an impact on stakeholders and/or society-at-large.

Each topic was then scored and ranked according to the interviewees’ responses regarding relative importance. In all, 10 topics were deemed to be material, five of which were ranked as “Tier 1” or higher priority over the other five.

AUTOZONE’S MATERIAL ISSUES

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

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MOVING FORWARD ON ESG

While we have a long history of being a responsible corporate citizen, we have recently embarked on publicly disclosing our ESG journey. We expect our strategy to evolve, become sharper, and to set goals and targets that are aligned with our Values, business and stakeholder's priorities. More detail can be found [here](#).

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Environmental Stewardship



KEY CONSIDERATIONS

Today, there are growing concerns about the risks associated with climate change. Many companies, including AutoZone, are taking action to reduce GHG emissions along with tracking and disclosing performance against ambitious reduction targets. To achieve these targets, further efficiencies need to be captured to reduce energy and fuel consumption, and at the same time, more renewable energy needs to be deployed. Leveraging more effective waste streams, such as recycling and reuse, are critically important. Less packaging is another opportunity to decrease unwanted waste and limit resource use.

Our Commitment

At AutoZone, putting customers first is who we are, and we have always considered environmental responsibility to be an important part of what we do. Whether it's driving energy efficiencies in our stores and operations; investing in solar energy; recycling all types of materials; or reducing packaging – we go the extra mile. We are also committed to measuring and reducing our GHG emissions and reporting progress.

AMBITION

To create a more equitable, sustainable and better global environment for all.

OUR APPROACH

Keeping up with our data-driven and disciplined approach to business, we recently conducted a global Scope 1 and 2 GHG emissions inventory that will allow us to better measure progress against our existing GHG reduction target as well as develop aspirational GHG targets covering Scope 1 and 2 emissions aligned with the Paris Agreements 1.5°C emissions reduction goal. As part of this process, we are assessing the company's climate-related risks, setting boundaries and baselines for our global footprint, and expanding disclosures – starting with our submission to CDP in July 2022 and

continuing with this Report. We also continued to implement energy and fuel efficiency measures in FY2021, while growing our investment in solar projects within our portfolio. Recycling remains a key tenet of our environmental stewardship, which encompasses packaging materials but goes much further to include recovery of valuable materials.

Our management of hazardous waste is governed by policies and supported by store and DC-specific programs and trainings of AutoZoners who may handle this type of waste.

In the following pages, we report on our environmental Key Performance Indicators (KPIs) and provide more detail on our environmental strategies and related initiatives.

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FY2021 KPIs

Emissions and Energy

FY2021 SCOPE 1 & SCOPE EMISSIONS

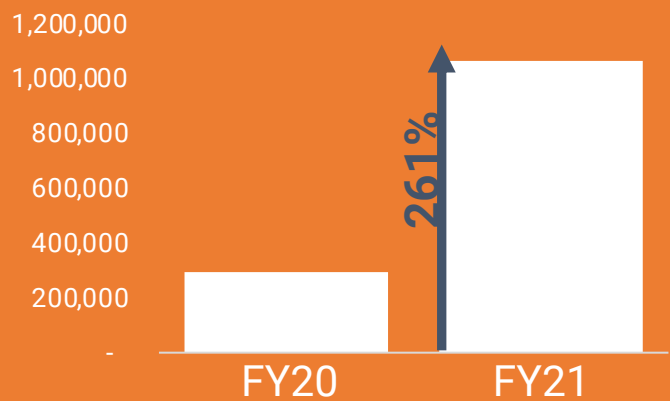


■ Scope 1 metric tons CO₂e
■ Scope 2 metric tone CO₂e

GHG EMISSIONS (METRIC TONS CO₂e) – GLOBAL OPERATIONS

	FY2019	FY2020	FY2021
Scope 1 ¹ (metric tons CO ₂ e)	259,494	238,046 ¹	247,060 ²
Scope 2 ² (metric tons CO ₂ e)	186,677	195,155	198,644

ON-SITE SOLAR GENERATION (kWh) YEAR OVER YEAR



¹ Global value, includes Mexico and Brazil as well as new data sources: Gasoline - Mobile; Diesel - Mobile; Diesel - Stationary; and Other Fuel.

² Global value, includes Mexico and Brazil. Location-based figure.

ENERGY BY SOURCE FOR SCOPES 1 & 2 (GJ) – GLOBAL OPERATIONS

	FY2021
Global total	5,875,683
Gasoline - Mobile - Light-Duty Fleet	2,359,834
Electric Power	1,924,123
Diesel - Mobile - Heavy-Duty Fleet	955,371
Natural gas	612,861
Propane	13,988
Other Fuel	5,679
On-site Solar	3,827
Diesel - Stationary	137

Our 2025 GHG Emissions Reduction Goal

Within the boundary for our initial operational GHG reduction goal focused on 2025, which includes heat and electricity-related emissions at stores, DCs and SSC facilities in the U.S., we saw a modest decrease of absolute Scope 1 and 2 emissions of approximately 1% from our baseline in FY2019 to FY2021. Over that same period of time, in the U.S. we added 434 new locations through organic growth

of the business, totaling nearly 3 million additional square footage.

In spite of our efforts to reduce consumption through modern, efficient store construction, and our ongoing initiatives to reduce energy and emissions through our existing portfolio, we have only experienced a reduction in emissions intensity (kg CO₂e per square foot) of 6%.

GHG EMISSIONS (METRIC TONS CO₂e) – U.S. OPERATIONS

	FY2019	FY2020	FY2021	% change FY2019-FY2021
Scope 1 (Natural gas, propane)	37,861	31,573	31,689	-16.3%
Scope 2 (Purchased electricity)	167,942	168,868	172,769	2.85%
Total (Scope 1+2)	205,843	200,441	204,458	-0.67%

SCOPE 1 & 2 GHG EMISSIONS INTENSITY – U.S. OPERATIONS

	FY2019	FY2020	FY2021	% change FY2019-FY2021
Number of stores	5,783	5,896	6,062	4.82%
Total square footage	44,905,945	45,974,073	47,572,190	5.94%
Emissions Intensity (kg CO ₂ e per sq. ft.)	4.5839	4.3599	4.2978	-6.24%

Total square footage includes SSCs, regional offices, DCs and the areas that hold the local MegaHub and Hub expanded assortment.

Key Initiatives



GREENHOUSE GAS EMISSIONS

We engaged our longstanding partner, a global energy management firm, to assess our carbon footprint and climate risks. Through this collaboration we are also focused on developing aspirational GHG emissions reduction targets for our global operations (Scopes 1 and 2) and aligning them with the Paris Agreement’s goal to limit global temperature rise to 1.5°C by mid-century.

As we continue to make progress on and enhance our ESG journey and reporting, we expect we will make use of several climate-related disclosures. In July 2022, we submitted our second CDP disclosures, which included comprehensive information on our expanded emissions baseline, progress against 2025 goals, governance and strategy.

Also, we are developing a climate transition plan with additional GHG emissions targets for Scopes 1 and 2 targets, adhering to a 1.5°C ambition. In parallel, we continue to evaluate and understand how to quantify and develop quantification methods for our Scope 3 emissions.

In the meantime, we are continuing to work toward meeting our 2025 short-term goal aimed at achieving a 15% reduction of our Scope 1 and Scope 2 energy-related GHG emissions associated with our U.S. business. We are measuring progress against a FY2019 baseline. To date, we have reduced these emissions by 1%.

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ENERGY

We recognize that the majority of our Scope 1 emissions stem from the burning of fossil fuels to heat our business, transport products and people, 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, which help us reduce GHG emissions and realize cost savings. Some of the more effective measures we deploy in select stores and DCs 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
- Using energy-efficient roofing to reduce heat buildup during summer months
- Upgrading to more efficient battery chargers for power industrial equipment
- Engaging independent auditors to perform energy conservation audits in our DCs

In FY2021, all LED lighting retrofits were completed in our stores in Mexico and Brazil, as well as Mexico's DCs. We also announced the development of two new DCs – one in Chowchilla, California, and the other in New Kent, Virginia, with anticipated openings in 2024 and 2025, respectively. The design for the facility will encompass many sustainability features, including a highly-efficient HVAC system, smart lighting and provisions for future solar power harvesting.



Investments in Solar

We installed rooftop solar panels to power facilities located in areas where this technology is commercially and economically viable. In FY2021, we completed another 25 solar installations, including 20 in Mexico and the other five in the U.S. To date, our solar capacity has generated over 1,350 MWh of renewable energy while preventing 527 metric tons of GHG emissions.

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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 5.6% in FY2021 over the previous fiscal year. This coincided with a 22.6% rise in domestic Commercial sales during the same time period.

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:

- Equipping new tractors with automatic transmissions, which improves MPG by 0.56. The MPG for the tractor fleet averaged 7.31 in FY2021, compared to 7.28 in FY2020, and 7.20 in FY19.
- Replacing diesel-powered generators with battery-powered auxiliary power units (APU), which are used to heat and cool the sleeper tractors. Solar panels are mounted on the vehicles' roofs, which helps to extend the operation of the battery-powered HVAC system. At the end of FY2021, 44% of trailers were outfitted with a battery-powered APU. The fuel savings per tractor is approximately 300 gallons per year.
- Using SmartWay-verified trailer fairings or aero skirts to make our tractor-trailers more aerodynamic. This has increased fuel efficiency by 5.5%, compared to trailers not outfitted with these fairings or skirts. Cost savings for fuel exceed \$500,000 annually.



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REDUCING WASTE THROUGH RECYCLING & BETTER PACKAGING

As environmental stewards, we seek opportunities to reduce waste, reuse materials and minimize raw material use – and most 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 valuable materials that we recycle through third-party vendors. In FY2021, we recycled more than 50,000 tons of steel, cardboard and plastic and over 1,000,000 individual wooden pallets which brought in \$9.9 million in recycle income.

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 18,000 metric tons of GHG emissions associated with the transportation and long-term impact of disposal in landfills.

RECYCLING

Material	FY2019	FY2021
Wood (in pallets)	715,423	1,061,000
Cardboard (in tons)	19,146	30,523
Steel (in tons)	18,118	18,876
Plastic (in tons)	802	1,439

Customer Recycling

At our stores, we offer convenient and 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'll have them properly recycled and /or disposed.

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 the safe handling before a third-party takes possession for recycling or disposal. We require our vendors to be in compliance with all applicable laws and regulations related to the proper handling and recycling of hazardous materials. In FY2021, we recycled over 251,000 tons of batteries.

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 rubber 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 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. Oil re-refining reduces the production of GHG emissions by 81% and prevents nearly all heavy metal emissions.

AutoZoners are trained on our Environmental Health & Safety policy regarding the handling, storing and labeling of used oil. Only our authorized third-party vendors are permitted to remove used oil from our stores for recycling.

CUSTOMER RECYCLING

Product	FY2020	FY2021
Motor Oil	12 million gallons	13.6 million gallons
Batteries	229,000 tons	246,000 tons
Oil Filters	Nearly 900,000	Nearly 870,000
Core Parts	44,000 tons	50,100 tons



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.

Some examples of recent efforts include:

- Working to shrink their packaging more 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 risky box cutters.

In March of 2022, we launched a 3-month pilot program focused on recycling used motor oil containers returned to participating store locations. Almost 3,000 pounds of bottles were collected during this pilot program and recycled. We are currently working to expand this program to additional stores with the goal to increase waste diversion.

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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 can have it sent quickly from one of our Hub or MegaHub stores. Our Hubs carry nearly 50,000 SKUs and our MegaHubs carry approximately 80,000 to 110,000. Every day, we work to deliver quality merchandise at the right price 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 is our strong focus on service that is always rooted in putting the customer first.



KEY CONSIDERATIONS

The price of new cars skyrocketed in 2021, partly due to a shortage of semiconductors as well as constraints within the supply chain. Used cars also became more expensive, rising on average by 40% in just one year, according to the U.S. Bureau of Labor Statistics. This led many car owners to forgo purchasing a new or used car in 2021, and instead they elected to keep driving their older cars longer. Today, the average vehicle on the road in the U.S. is 12.2 years old, and with age comes the need for repairs.

The pandemic provided some people the time to learn how to repair their own cars, creating a growing market of DIYers. What’s important to the DIY customer is to have assurance that the auto parts they are buying are safe, reliable, high quality, well priced, and simply put, products they can trust.

Having an extensive assortment of merchandise in stock at each store, including high-quality products in “our brands” that are well priced, is another priority. And we have a vendor compliance process in place to ensure our products meet quality, safety, packaging, labeling and responsibility requirements.

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FY2021 KPIs

MERCHANDISE SOLD AT AUTOZONE



Nearly 51%

Of products carried were “our brands” (Duralast and the family of Duralast brands, Econocraft, ProElite, Shop Pro, SureBilt, TruGrade and Valucraft)

34%

Of sales were for products made in the U.S.

VENDOR COMPLIANCE-FACTORY AUDITS*



240

Vendors assessed in FY2021

4

types of audits, plus “follow-up” audits as needed: Workplace Conditions Assessment, Supplier Qualification Program, Global Security Verification and the All-in-One audit

100%

Of Direct Import Vendors agree to uphold AutoZone’s Vendor Code of Conduct

* 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 nearly 6,800 stores, often times that visit is not discretionary. That customer needs help and 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 will also consult our proprietary electronic catalog, Z-net®, to locate the right product. Or customers can 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 more than 100 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.

Bosch Braking was named AutoZone's 2021 Vendor Partner of the Year in recognition of Bosch's innovation, ability to execute and commitment to delivering "the best merchandise at the right price"

WIDE PRODUCT ASSORTMENT

Each store is well stocked with products that are tailored for the local demographics, 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.

If the part needed is not in stock at the store, we turn to the closest Hub or MegaHub store for help. As of the end of FY2021, we had 179 Hub and 58 MegaHub stores, with Hubs carrying around 50,000 SKUs and MegaHubs having approximately 80,000 to 110,000 SKUs. These larger format stores will promptly deliver the product in need to ensure the customer is served. Our plan is to ultimately have 200 MegaHubs 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 professional shops and technicians 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 repair shops.

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OUR BRANDS

Duralast

Duralast
ELITE

PROELITE

SHOP
PRO

Among the vast array of our branded products, the Duralast brand and family of Duralast products are the most popular. “Our brands” make up more than 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 and safety standards, as well as operate in compliance with our Vendor Code of Conduct and other requirements.

SURE
BILT

TRUGRADE

Valucraft

Developed by Bosch in collaboration with us Duralast Elite Brake Pads provide smoother, quieter stopping combined with a longer lasting product. The pads contain Bosch’s patented technology available exclusively to AutoZone. This product took years of research and development to create and resulted in a next-generation, copper-free ceramic formulation that improves durability and stopping power.

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, before placing orders with our vendors, that we conduct Product Qualification Testing to ensure our products meet or exceed necessary safety and quality standards.

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.

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

1,073 Pre-Shipment Examinations were conducted in FY2021, ensuring our products meet our quality, safety and packaging standards.

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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 our form of vendor contract and must be signed by the vendor before doing business with us. This includes our expectations regarding their workplace and treatment of employees, 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; and we do not do business with companies that do not prohibit such practices. Periodic updates are made to our Vendor Code to include new and/or evolving topics.

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 Vendors On Our Vendor Code

As part of the onboarding process, every new supplier acknowledges the Vendor Code and AutoZone’s business requirements. Beyond this initial training, our annual Vendor Summits provide another touchpoint when aspects of our Vendor Code are communicated and reinforced, and our business requirements are underscored.

Vendor Audits

We require all vendors to adhere to our Vendor Code of Conduct. Our domestic vendors work with their factories to ensure they are abiding to the standards of factory audits. Our Direct Import vendors are audited by globally-recognized, a third-party auditors and inspectors on, among other things, compliance with our Vendor Code of Conduct and industry standards. All vendors are expected to ensure the products they manufacture meet our human rights, safety, quality, physical plant standards and other requirements.

A new vendor must pass the factory and business review assessments in order to become an AutoZone Global Sourcing partner. Thereafter, we continue to conduct annual assessments. Our Global Sourcing and Quality teams make regular visits to our Direct Import vendors’ factories to evaluate conditions. Third-party audits are also conducted annually. To remain an AutoZone vendor, it is well understood that our expectations and standards must be maintained and verified through our audit process.

Information and metrics pertaining to the type of audits conducted are reported [here](#).

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Our Commitment

We deeply believe that every day is a great day to be an AutoZoner! To be an AutoZoner is to be a part of something special – a culture unlike any other that is rooted in putting customers first and 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 rewarding opportunities; and where AutoZoners put customers first every day. 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



KEY CONSIDERATIONS

The past two years have challenged everyone. As an essential retailer and employer, our stores remained open to serve our customers throughout the pandemic. Global supply chain issues created worldwide shortages of popular items manufactured in China, making it more challenging to fully serve the customer.

The competition for talent has never been fiercer. As companies struggle to fill open positions, it is more important than ever to create a supportive and rewarding work environment that makes people feel welcome and valued.

first day; and offer opportunities for advancement at all levels.

We work to support AutoZoner's 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.

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FY2021 KPIs

Increased diversity among U.S. leadership from FY2019 to FY2021

67% increase

in women at the Vice President (VP) level

2 women

added to our Executive Committee

18% increase

in racially/ethnically diverse AutoZoners at the VP level

34% increase

in racially/ethnically diverse AutoZoners on the Executive Committee

Cultivated a fulfilling AutoZoner experience that develops and engages talent

82% overall engagement rate

AutoZoners that are engaged and speak positively about the company as measured on our engagement survey¹

Supported AutoZoners through the AutoZoner Assistance Fund (AAF)

\$1.5M contributed by AutoZoners to the AAF

Prioritized AutoZoners' health, safety and wellbeing

67% of AutoZoners took advantage of the Total Wellbeing Program to access healthy lifestyle resources²

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¹As of FY2019 AutoZoner engagement survey

²Figure is for U.S.-based AutoZoners during calendar year 2021

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25%

of internal promotions were women

36%

of internal promotions were racially/ethnically diverse AutoZoners



AutoZone was named to Forbes World's Best Employers List in 2021 and was ranked #39 out of the 750 multinational companies and institutions from 58 countries

Key Initiatives

DIVERSITY, EQUITY AND INCLUSION

We welcome every AutoZoner’s heritage, differences, unique qualities and experiences, and 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 (DEI) and what it means to be a part of the AutoZone family. Setting the tone at the top is important. To us, this means continuously building a strong, diverse team of leaders – from the Board of Directors to frontline management – who communicate transparently, engage often and demonstrate our Values every day. We are also committed to building teams that are from the communities in and around our stores, which in turn allows us to better serve our customers and always put them first.

Over the past several years, we have made great strides laying a strong DEI foundation. With the oversight and support of our DEI Steering Committee, our DEI strategy is to attract, engage, retain, develop and advance diverse 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.

Since FY2019, we’ve increased the representation of women and ethnically and/or racially diverse AutoZoners at the Vice President level and above through inclusive hiring and promotion. We continue to see an opportunity to increase both ethnic and racial diversity and the total number of women across our organization.

Our Business Resource Groups (BRGs) are just one of the many ways we live our Values.



BRGs bring together AutoZoners with common interests, backgrounds or characteristics to help us attract and retain diverse, high-performing talent; provide opportunities for development through networking, mentoring and learning opportunities; empower AutoZoners to share their voices, time, and talent to diversify thought leadership and increase innovation; and provide a strong bench of promotable AutoZoners with the ability to fill leadership positions as they arise.

We currently have five BRGs: AZ BE BOLD, ¡AZ HOLA!, AZ NextGen, AZ VALOR and AZ WIN. Each helps raise cultural awareness, drive diversity, and provides inclusive networking, learning and community outreach opportunities. Every BRG is open to all AutoZoners.

In FY2022, we will continue to leverage our BRGs; mature our management training through unconscious bias training; advance our external employer branding efforts to attract diverse demographics; and rely on AutoZoner feedback and listening tools to understand additional opportunities.

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Key Initiatives

DIVERSITY, EQUITY AND INCLUSION

A few of our key DEI efforts include:

- Providing a supportive environment for the nearly 10% 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. AutoZone was recognized as Military Times Best for Vets: Employers in 2020 and 2021.
- Creating opportunities in our DCs and fulfillment center for people with mental, emotional or physical disabilities through our People with Abilities program. As part of this program, in FY2021, we employed over 100 AutoZoners in a variety of roles, including slotting merchandise, picking and order processing, shipping and more.
- Welcoming more than 59 interns in FY2021 through our Summer Internship Program. The interns spent approximately three months receiving hands-on, educational and practical experiences in operations, supply chain, finance, merchandising, marketing, human resources, legal and IT. Among this group of interns, 39% were ethnically and/or racially diverse and 49% were women.



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REPRESENTATION OF WOMEN AS A PERCENTAGE OF TOTAL U.S. WORKFORCE, LEADERSHIP AND MANAGEMENT

	FY2019	FY2020	FY2021
All AutoZoners	23.6%	23.5%	23.5%
Leadership			
Board of Directors	25.0%	30.0%	30.0%
Executive Committee	7.7%	7.1%	17.6%
Vice President	13.5%	17.5%	22.5%
Director	17.8%	18.9%	18.2%
Management	23.3%	23.8%	24.7%

REPRESENTATION OF RACIALLY/ETHNICALLY DIVERSE AUTOZONERS AS A PERCENTAGE OF TOTAL U.S. WORKFORCE, LEADERSHIP AND MANAGEMENT

	FY2019	FY2020	FY2021
All AutoZoners	50.6%	50.2%	50.0%
Leadership			
Board of Directors	33.3%	30.0%	30.0%
Executive Committee	30.8%	28.6%	43.7%
Vice President	29.7%	32.5%	35.0%
Director	27.2%	27.5%	27.6%
Management	43.9%	44.1%	45.1%

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Listening Sessions

Our commitment to DEI took on new meaning in 2020 and 2021 as the U.S. grappled with events related to the murder of George Floyd. We began a series of CEO Team Listening Sessions in 2020 as an additional way to solicit input from AutoZoners about their personal experiences of DEI in the workplace. Each session was designed to raise awareness of diverse perspectives, cultures and experiences and to help define and encourage inclusive leadership behaviors such as empathy and active listening.

Focusing on the experiences and perspectives of Black, women, Hispanic and LGBTQIA+ AutoZoners, the sessions have been an important input into our ongoing DEI efforts across the company. The findings have also informed external employer branding efforts to attract talent from these key demographics.

Business Resource Groups (BRGs)

Our first BRG, AZ WIN – AutoZone Women’s Initiative was established in 2014 and followed by the launch of additional groups over the years. Each BRG has an executive sponsor who advises, guides and champions the group. More than half of our Executive Committee (Senior Vice Presidents and above) currently serves as a BRG executive sponsor. BRGs are open to all AutoZoners at any level, they play a key role in attracting, engaging and developing diverse talent. BRGs also help to strengthen our culture of inclusion by raising cultural awareness, welcoming all AutoZoners and valuing the ideas of opinions of others.

BRGs host a variety of events and programs focused on celebrating diversity, leadership development, networking, and community and customer engagement. For example, AZ WIN hosted “Mentor-ish,” a mentoring program that engaged participants in discussions on communication, owning your development, embracing change, being a team player, putting customers first and getting results the right way.

AZ BE BOLD, AutoZone's BRG, hosted HBCU Day, inviting students from historically Black colleges and universities (HBCUs) to learn more about us through workshops and guest speakers. Students also interviewed for paid opportunities in our Summer Internship Program.

OUR BUSINESS RESOURCE GROUPS

AZ BE BOLD

Black Excellence Building Opportunities for Leadership Development, connects AutoZoners through networking, learning opportunities and community engagement, raises cultural awareness and supports diversity through HBCU recruitment and student development.

AZ ¡HOLA!

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

AZ NextGen

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

AZ VALER

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

AZ WIN

AutoZone’s Women’s Initiative, helps strengthen women’s development by facilitating networking and leadership training 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.

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TALENT ATTRACTION

Candidly, from a talent attraction standpoint, we know and appreciate that everyone isn't for AutoZone and AutoZone isn't for everyone. 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 and veterans.

In the past year, we've ramped up our marketing efforts to promote open positions through a range of media, including advertising and social media. Through these avenues, we aim to tell the story of why it's "great to be an AutoZoner". We've also expanded our recruiting teams in the field to have more direct contact with potential candidates. Lastly, our Summer Internship Program is one of the key ways we bring in and develop early-career professionals.

performance occur during store and DC visits every day from our leadership teams. Each quarter, our CEO Team visits stores and DCs across the country to collect information from and engage with customers and AutoZoners. Also, our Executive Committee holds quarterly townhalls plus once-a-period functional area meetings. Our field and DC management teams conduct weekly conference calls covering specific operational opportunities.

Since FY2013, we conducted a 30-a multi-question engagement survey, delivered approximately every 24 months, except in FY2021, to collect quantitative feedback on our AutoZoners' workplace experience and level of engagement. Typically, engagement has ranged between 78% to 82%.

The outcomes of the last survey reset a number of priorities, which we have continued to work.

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.

Our connections are both formal and informal. For example, routine opportunities to listen, coach and recognize strong



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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 media including the use of collaboration tools and enhanced our AutoZoner mobile app to deliver personal and benefits information directly to individual AutoZoners.



AUTOZONER WELL-BEING

We provide a variety of resources and programs to make sure that our AutoZoners are taken care of and feel supported in every aspect of their life.



Our Total Wellbeing program is a digital platform – with both desktop and mobile app versions – that provides AutoZoners in the U.S., Mexico and Brazil free access to resources and unlimited live coaching on a range of health and lifestyle information, including how to manage chronic diseases like high blood pressure, heart disease and diabetes. More than 63,000 U.S.-based AutoZoners voluntarily used the platform in calendar year 2021.



Another broad-reaching AutoZoner support program is Guidance Resources, which offers coaching, counseling and information on a range of topics. AutoZoners can find emotional and mental health support, such as counseling after the loss of a loved one; behavioral health and wellness coaching; guidance following a stressful or traumatic event; financial counseling, such as help creating a budget or a will; and assistance in navigating AutoZone’s health insurance plans. In FY2021, over 1K AutoZoners accessed this resource.



We help drive preventative health and physical wellness by providing medical, dental and vision plans; health savings and spending accounts; and lifestyle and disease management coaches and health advocates. We also share timely preventative medicine updates and newsletters with health tips.



In FY2021, we encouraged AutoZoners to receive the COVID-19 vaccine by removing any work-related barriers to getting the shot and offered a one-time \$100 incentive for those who were fully vaccinated.

We also continued many COVID-19 safety protocols in our workplaces over the course of FY2021 – such as masks, social distancing and enhanced cleaning – to align with evolving guidance from the Centers for Disease Control and Prevention (CDC).

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Competitive Compensation and Benefits

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

Our culture seeks to develop and support an environment focused on the holistic wellbeing of AutoZoners and not exclusively on compensation and benefits. The benefits we offer include paid time-off that can be taken as vacation, sick time, bereavement and/or parental leave. We offer a maternity support program and adoption assistance. Financial wellness programs include 401(k) savings and AutoZoner stock purchase plans;

tuition reimbursement and a college scholarship program for AutoZoner children/dependents; access to a credit union; and financial education sessions to help AutoZoners and their families achieve their financial goals.

We regularly review our compensation structures and total reward packages to make sure they meet the market median. We also reward and recognize high performers with even greater incentives and bonuses. We pay an average of over \$13.71 per hour for our hourly store and DC AutoZoners – significantly higher than the federal minimum wage of \$7.25. Nearly 90% of our workforce make over (or at least) \$10/hour.

HELPING END THE OPIOID CRISIS

In FY2020, we launched an initiative in partnership with our group health plan providers to help reduce opioid usage among AutoZoners. Many of the communities we serve, and where we live and work, have been affected by the opioid crisis, including AutoZoners.

We have been actively working with our pharmacy benefit providers to ensure there are safeguards in place to reduce the risk of inappropriate opioid use or abuse. This includes prior authorization criteria to confirm the medication is needed for acute or chronic pain; quantity and refill limits; and monitoring for potential fraud, waste and abuse. These initiatives align with the latest national guidelines. Since 2019, opioid prescription rates among AutoZoners covered by our health insurance plan have decreased by nearly 25%.

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. AAF is a primarily AutoZoner-funded non-profit organization that helps cover the cost of the unexpected – personal tragedies, natural disasters or sudden loss. The company provides additional support, especially during times of increased hardship, such as the COVID-19 pandemic. The organization is independently managed by a cross-functional board of AutoZoners who volunteer their time.

AAF is an independent, nonprofit organization whose primary mission is to provide immediate, short-term assistance to AutoZoners and their family members impacted by natural disasters and personal tragedy. Since its founding in 2000, it has provided more than \$9.3 million in financial assistance to AutoZoners. In FY2021, with contributions from AutoZoners and AutoZone, AAF raised nearly \$1 million, and with these funds, AAF was able to support over 1,300 AutoZoners and their families.

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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 careers. 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 executive team. This dedicated time gives everyone a strong start on their AutoZone journey.

As they begin to grow with the company, full-time 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 Part Experts act as a resource for their teams and customers.

Whatever the topic, AutoZoners are often busy learning – they complete more than 70,000 training modules in total every week.

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 hands-on shadowing with advisors and peers. Specific trainers in the DCs continue to offer coaching and follow-up after AutoZoners are onboarded. 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 every full-time AutoZoner. 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 continually updating their managers on their career goals and aspirations. These plans also inform our succession planning process and ensure that the right skills and expertise are in place as future leaders come up the ranks.

The AutoZone Leadership Academy program is an opportunity for select, high-performing directors and managers to accelerate their career through educational sessions on the company and our industry while gaining exposure to the CEO Team (Vice Presidents and above).

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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 to AutoZoners who stand out. Some of these awards also come with financial rewards.

Pins can be awarded for a wide variety of reasons, including sales leadership, safety and safe driving practices, certifying in 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 annual awards and recognition trips, and top performers are recognized at the annual National Sales Meeting.

AUTOZONER HEALTH AND SAFETY

AutoZoners work in a safe environment that allows them to deliver their best effort. To ensure that 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; finetune 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.

The number of injuries from vehicle collisions has increased, coinciding with the considerable growth of our light duty Commercial fleet in recent years.

Our goal is to continually reduce our Occupational Safety and Health Administration (OSHA) recordable incident rate and our preventable collision rate every year. 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. Since our performance is often well below the industry average, we also use a “personal best” to drive continuous improvement. Unfortunately, in FY2021, our safety performance in recordable injuries and lost time injury rate deteriorated as compared to FY2019 and FY2020 while the preventable collision rate in our Class 8 tractor and trailer fleet reduced. Simultaneously, we experienced an increase in turnover and our newest AutoZoners are getting injured at an unacceptable rate.

AUTOZONE SAFETY PERFORMANCE

	FY19	FY20	FY21
DC OSHA Recordable Injury Rate ¹	2.74	1.99	3.04
Total Lost Time Injury Rate ²	0.71	0.71	0.78
DCs	0.67	0.59	0.91
Stores	0.71	0.72	0.76
Fatalities	0	2	2
Preventable Collision Rate ³			
Commercial Fleet	7.75	6.92	7.60
Class 8 Tractor and Trailer Fleet	3.32	3.18	2.38

¹Number of OSHA recordable incidents per 200,000 hours worked

²Number of lost time incidents per 200,000 hours worked

³Number of preventable collisions, times 1,000,000, per total miles driven

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 Supply Chain 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 site visits are conducted on a consistent basis by district and regional managers to recognize top performance, identify and troubleshoot process improvements, 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. In our DCs, we use telematics technology – a digital means of tracking the smallest details on equipment performance, location, fault codes and other safety indicators. Telematics is installed on all of our powered industrial equipment to help prevent injuries.

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 of 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 all our light-duty fleet vehicles and tractor trailers to identify unsafe driving behaviors. Should concerns arise, we alert managers so they can do some one-on-one coaching with the driver to address the issue and develop or reinforce preventative measures, as needed. On a weekly basis, we verify that every vehicle has a working telematics device.

In FY2021, we partnered with our primary light-duty fleet manufacturer to improve safety features in our delivery trucks and vehicles. One of the features we installed was automatic emergency braking, which helps prevent rear-end collisions. The vast majority of all light-duty delivery trucks will be equipped with this technology by the end of FY2023.

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FY2021 KPIs

Helped support our communities, including ongoing COVID-19 response

Committed to increasing giving in diverse communities

105

nonprofits supported through AutoZone Charitable Giving

235%

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

\$2.2M

generated for nonprofits through AutoZoner giving programs

Nearly \$1M

provided in matched donations by AutoZone

Provided a means for our customers to give back

Over \$5.8M

raised for St. Jude Children’s Research Hospital in FY2021

More than \$45M

raised through the Thanks and Giving Partnership between FY2006 – FY2021

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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

1 Health and Wellness

Improving health and wellbeing through affordable healthcare options and preventative healthcare methods

2 Community Development

Advancing the community through place-based development and social services

3 Arts and Culture

Broadening access to the arts and cultural experiences

4 Education and Youth Development

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

5 Diversity, Equity and Inclusion

Supporting initiatives that advance DEI objectives and create inclusive community spaces

These five pillars also guide our efforts in the neighborhoods around our SSC in Memphis. Memphis is the second most impoverished city in the U.S. on a per capita basis. Our aim is to help improve struggling communities around the city by taking action in these five key areas.



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SUPPORTING DIVERSE COMMUNITIES

While our philanthropy and community impact efforts have always focused on those in need, it's become more of priority in recent years to make sure we are reaching racially and/or ethnically diverse communities to further address the barriers they face. In FY2019, we formalized this emphasis by adding a new strategic pillar, DEI, to our Charitable Giving framework. Then in FY2021, we committed to providing over \$500,000 in funding for initiatives that specifically drive DEI in the community and exceeded \$2.5 million to organizations serving racially and/or ethnically diverse communities. We are proud to report that we exceeded both funding goals in FY2021.

PRODUCT DONATIONS

We donate all types of excess inventory to non-profit organizations such as wash and waxes, deicers and fuel injector cleaners via Good360, a global leader in product philanthropy. Among a dozen organizations benefiting from these donations was the Resource Center for Community Action in Thomson, Georgia. During the organization's annual Christmas event, products from AutoZone were included in the gift packages distributed to local families in need.

In-kind donations are a win-win. They help non-profits better serve their communities, and for us, it helps to avoid unnecessary waste. In FY2021, the value of our in-kind donations via Good360 totaled more than \$100,000.



The National Civil Rights Museum (NCRM) in Memphis has been one of our key partners for about 30 years. We've provided nearly \$6.7 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 line with our overarching emphasis on addressing inequity and increasing diversity, we envisioned and provided \$5 million in start-up funding in FY2021 to initiate the NCRM's new Corporate Equity Center, which will help to equip senior leaders with the tools to understand and address the systemic inequities that exist in hiring and promotion practices. A key goal of the Center is to eradicate racial bias and increase representation of Black leaders in corporate America.

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The African American Male Academy (AAMA) at the University of Memphis is working to improve college graduation rates among African American young men. AAMA provides early exposure to academic and career preparation and offers access to mentorship opportunities, organizational skill-building and scholarships. As part of our almost 40-year partnership with the University of Memphis, AutoZone donated \$25,000 to support AAMA in FY2021.

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 non-profit boards and lending their expertise to organizations serving our communities.

In FY2021, many AutoZoners got involved in giving back through our BRGs. AZ VALOR – our veteran’s BRG – has raised funds since FY2020 for Alpha & Omega Veteran Services, an organization serving homeless veterans in the mid-South region, and donated thousands of in-kind goods like hand sanitizer, hygiene products and home goods.

AZ WIN acted quickly when Hurricane Ida displaced thousands in southeastern Louisiana and left others without power for weeks, including many AutoZoners and their families. In four days, AZ WIN collected 412 family care kits – more than twice their original goal – for AutoZoners and their families affected by the storm.

Another way that AutoZoners give back is through the AutoZone Matching Gift program, which is available to all full-time and part-time AutoZoners. We support causes that AutoZoners care about by matching their donations dollar-for-dollar up to \$500 to qualified charities of their choice. In FY2021, AutoZone provided nearly \$1 million in matched gifts, generating a total of \$2.2 million contributed through this program.

AutoZone has donated nearly **\$6M** to the Mid-South Food Bank in Memphis since our partnership began in 1979, providing over **18M** meals to our community.



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ST. JUDE CHILDREN’S RESEARCH HOSPITAL: THE 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 St. Jude’s mission: to advance cures, and means of prevention, for pediatric catastrophic diseases through research and treatment, while ensuring no child is denied care. 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 Thanks and Giving campaign, AutoZone has helped raise more than \$45 million from customer donations since its inception. In FY2021, we raised a record \$5.8 million – the most in a single year! AutoZone also supports St. Jude through grants, volunteerism, AutoZoner giving campaigns, in-kind donations and sponsorships.



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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.

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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 constituents - most notably, our customers. As we “put our customers first”, as our Pledge and Values require, all benefit – our customers, AutoZoners, the communities we so proudly serve and ultimately, our shareholders.

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



KEY CONSIDERATIONS

Across every industry, investors are encouraging companies to identify their ESG risks and communicate how they are addressing them. Investors are looking for more transparency and disclosures on a company’s ESG strategy, goals and targets, and related performance. Beyond shareholders, other stakeholder groups have their own expectations of companies and want to better understand the role they play in society. Stakeholders look to the private sector for reliable, accurate and trustworthy information on a wide range of topics – from how companies treat their employees to the impact they have on the environment, local communities and society.

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FY2021 KPIs

We have a highly engaged, talented and diverse Board

- | 27% of Board members were **female**
- | 27% of Board members were **racially and/or ethnically diverse**
- | The Board's **Lead Independent director** was **racially diverse**
- | **33%** of our **committee chairs** were **racially diverse**
- | **18%** of Independent Board members had served less than 4 years
- | Amended Board committee charters to reflect strong governance of ESG matters

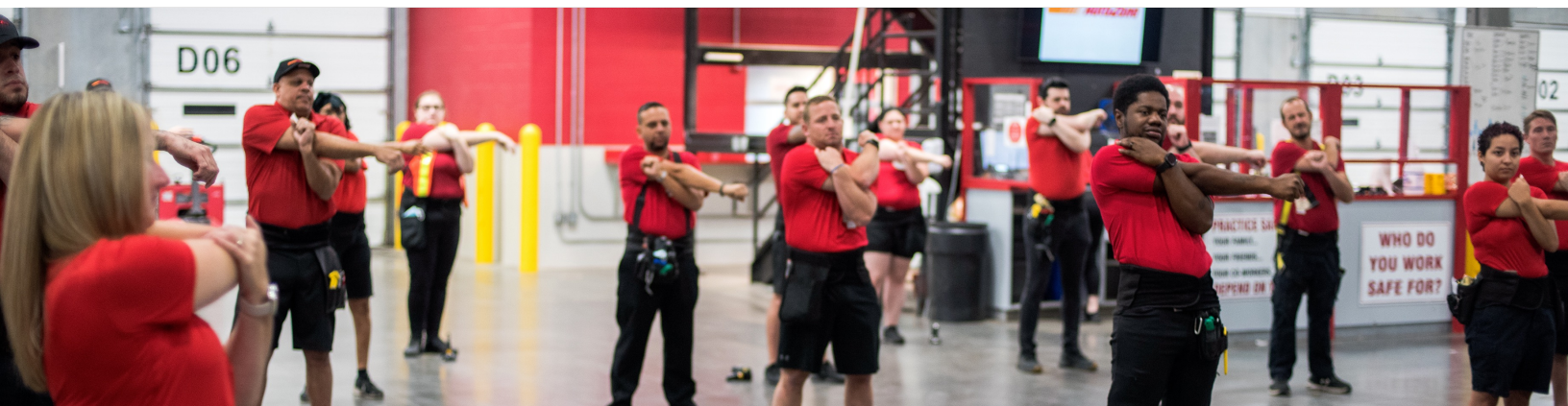
Updated AutoZone Code of Conduct to improve clarity and transparency

100%

of AutoZoners acknowledge the Code of Conduct

Continued to implement data security and privacy best practices

0 material data breaches



Key Initiatives

BOARD GOVERNANCE

Our Board of Directors acts in and seeks to promote the best interests of our company, while representing our stockholders. 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 expansion.

Each of our Directors must stand for re-election 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 decision-making. The Board considers diversity of race, ethnicity, gender, age, cultural background and experiences in evaluating candidates for Board membership.

ESG GOVERNANCE

The full Board is engaged on and has oversight of ESG topics. While the management team has the 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 the composition of the Board; and oversees DEI - diversity, equity and inclusion efforts; and ESG reporting and transparency, including progress on climate goals.
- The Compensation Committee oversees the company’s human capital management strategy and how it aligns with compensation and benefits programs.
- The Audit Committee provides oversight of enterprise risks, environmental and safety compliance, and AutoZone’s data security program.

Topics that rise to the level of a 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. In FY2021, the Board revised its Committee Charters to make clear how ESG topics are reviewed by the Board, clarifying the level of oversight and visibility into our ESG work, and designating additional oversight to a committee of the Board, where appropriate.

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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.



Our **Chairman, President and CEO with the Executive Committee** provides the Board with up-to-date information on AutoZone’s ESG practices and ensures 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.



Our **ESG Steering Committee** provides executive oversight of our ESG initiatives and builds awareness of priority topics across our organization and includes two Executive Vice Presidents, our Senior Vice President, General Counsel and Secretary (the Executive Sponsor) plus four Vice Presidents among others in leadership roles.



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.



BUSINESS ETHICS AND INTEGRITY

As a leader in our industry, 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. Topics covered in the Code include labor laws and human rights; cybersecurity; safe working environment; DEI; conflicts of interest; anti-corruption; insider trading; selling practices; and fair competition. The Code also includes specific details and information on how to report concerns, including suspected instances of fraud, anti-corruption or Code violations. We offer a variety of ways to report concerns and issues for AutoZoners and vendors. Reports can be made anonymously, if they wish. Each report or complaint is taken seriously, investigated, and promptly addressed, as necessary.

We review and update the Code annually to ensure it guides AutoZoners on evolving best practices. In FY2021, the Code was revised to improve clarity on a few key topics, including information on 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 in English on our website.

Our Zero Tolerance Policy 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.

In FY2021, we updated the policy to improve readability and revised the sections on DEI to better reflect changing trends in society and regulation. We conduct our own audits of the various components of the Code and related ethics policies throughout the year to ensure we are upholding our standards. Our internal audit process reviews all concerns raised through the ethics and compliance hotlines and other reporting mechanisms to identify any emerging and systemic trends. In addition, our annual enterprise risk assessment process elevates any compliance or integrity concerns that would trigger any necessary special audits and/or investigations. The findings of all audits – and any outcomes including those recommended as preventative measures and/or remediation action plans – are communicated to executive leadership and the Audit Committee.

AutoZoner Engagement

AutoZoners live and breathe our Values every day. It’s imperative to continually raise awareness and educate them on the role they play 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.

Certain AutoZoners across the enterprise and particularly in Brazil, Mexico and Asia, receive targeted training on such Code topic as anti-corruption, anti-bribery, the U.S. Foreign Corrupt Practices Act, conflicts of interest, and the [Vendor Code](#), among others. In FY2021, 100% of such AutoZoners completed these trainings.

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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. In FY2021, we shared 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 ways 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. If preferred, reports can be made anonymously. 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.

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 out 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, Communications and Public Affairs, and the Senior Vice President, General Counsel. 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 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.

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

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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're 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 details 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 monitor our IT environments. We have plans in place to recover information should an incident occur.

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 audits were conducted twice in FY2021 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 provides updates to the Audit Committee. The Audit Committee oversees the company's enterprise risk management program, which includes information security risks. The full Board is also regularly briefed on information security.

AutoZoners Take Part

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 confidential handling of customer and AutoZoner data. Similarly, our Code – which AutoZoners must acknowledge annually – covers data security practices. The Code was updated in FY2021 to cover new data security regulations.

Ongoing internal communications on Code topics ensure that AutoZoners receive timely and relevant updates on data security best practices. AutoZoners were also kept informed in FY2021 through a security awareness campaign specific to Microsoft Office applications. Going forward, we plan to host similar campaigns.

We conduct tailored trainings for AutoZoners whose responsibilities are directly related to data security and privacy. IT security managers and leaders are all Certified Information Systems Security Professionals, which requires continuing education. Our development engineers must attend annual Open Web Application Security Project trainings on secure development practices.

Other specific trainings were made available to all SSC AutoZoners in FY2021 and expanded this as a required training to additional AutoZoners in FY2022.

AutoZoners responsible for data privacy, which includes legal representatives and outside counsel, are required to take data privacy trainings. 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.

A Letter from
Bill Rhodes, Chairman,
President and CEO

Who We Are

FY2021 Highlights

About this Report

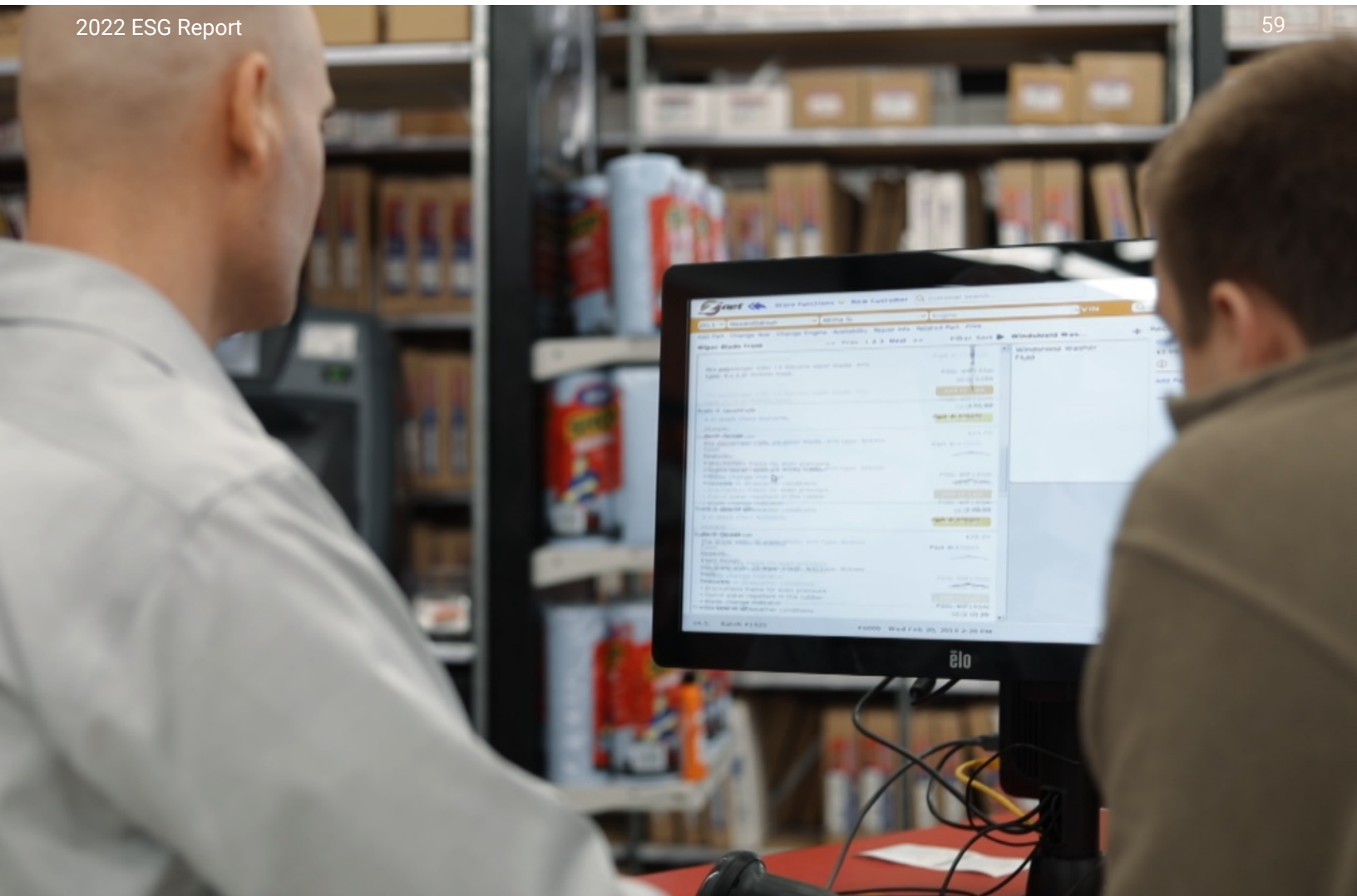
Environmental
Stewardship

Products

People and
Communities


Governance and
Transparency

Appendix



Future-Proofing Our IT Security Strategy

A Letter from Bill Rhodes, Chairman, President and CEO

Who We Are

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Products

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Appendix

We believe the systems we have in place are effective. To date, we have not had a reportable or material breach of our data security program. Nonetheless, like all companies today, we are routinely subject to attempted attacks as security risks become increasingly complex and concentrated. With the proliferation of remote work environments due to the pandemic, we remain vigilant and continuously review our plans for any necessary enhancements.

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've already made upgrades to our incident response and threat intelligence efforts, and we're 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.

Appendix

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

SASB Sector Standard for Multiline and Specialty Retailers and Distributors

Energy Management in Retail & Distribution														
CG-MR-130a.1	1) Total energy consumed 2) Percentage grid electricity 3) Percentage renewable energy	1) 5,875,683 gigajoules were consumed by AutoZone's global operations (Scopes 1 and 2). Hydraulic hybrid vehicles (HHVs) are considered for the fuels included in this total. 2) 55% of total energy consumed globally (across Scopes 1 and 2) was purchased electricity 3) Percentage of energy consumed from a renewable energy source was 0.065%												
Data Security														
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Data Security and Privacy, page 58 Also see AutoZone's FY2021 Form 10-K , page 17 and pps. 84-85												
CG-MR-230a.2	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of customers affected	AutoZone experienced no material breaches or hacks.												
Labor Practices														
CG-MR-310a.1	(1) Average wage of hourly store and DC employees (2) Percentage of hourly store and DC employees earning minimum wage, by region	1) Hourly U.S. store employees earned an average wage of \$13.13 per hour, with overtime earnings. Average hourly U.S. DC employees earned an average wage of \$19.40 with overtime earnings. 2) Approximately 13.45% of U.S. hourly employees earned the local minimum wage and 0.48% earned the federal minimum wage.												
CG-MR-310a.2	(1) Voluntary turnover rate for hourly store and DC employees (2) Involuntary turnover rate for hourly store and DC employees	<table border="1"> <thead> <tr> <th></th> <th>Voluntary turnover</th> <th>Involuntary Turnover</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>DCs</td> <td>49.86%</td> <td>14.15%</td> <td>64.01%</td> </tr> <tr> <td>Stores</td> <td>75.22%</td> <td>10.91%</td> <td>86.13%</td> </tr> </tbody> </table>		Voluntary turnover	Involuntary Turnover	Total	DCs	49.86%	14.15%	64.01%	Stores	75.22%	10.91%	86.13%
	Voluntary turnover	Involuntary Turnover	Total											
DCs	49.86%	14.15%	64.01%											
Stores	75.22%	10.91%	86.13%											
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated with labor law violations are included in the AutoZone's Form 10-K.												
Workforce Diversity & Inclusion														
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management (2) all other employees	Diversity, Equity and Inclusion, page 34												
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 employment discrimination, are included in the AutoZone's Form 10-K.												
Product Sourcing, Packaging & 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	Product Quality and Safety, page 29												
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Better Packaging, page 23												
Activity Metrics														
CG-MR-000.A	Number of: (1) Store locations (2) Distribution centers	AutoZone FY2021 Fast Facts, page 6												
CG-MR-000.B	Total area of: (1) Store space (2) Distribution centers	1) 55,310,050 square feet of store space 2) Approximately 5.9 million square feet of distribution center space												

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI 102: General Disclosures

GRI STANDARD		RESPONSE/REPORT PAGE/LINK
Organizational Profile		
102-1	Name of reporting organization	AutoZone, Inc.
102-2	Activities, brands, products and services	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 trucks, including new and remanufactured automotive hard parts, maintenance items, accessories, and non-automotive products. Many stores also 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 and public sector accounts. We also have commercial programs in all stores in Mexico and Brazil. AutoZone also sells the ALLDATA brand automotive diagnostic, repair and shop management software.
102-3	HQ location	Memphis, Tennessee
102-4	Location of operations	AutoZone's stores are located in all 50 United States ("U.S."), Puerto Rico, the U.S. Virgin Islands, Mexico and Brazil; and we have distribution centers (DCs) in the U.S., Mexico and Brazil.
102-5	Ownership and legal form	AutoZone is a publicly traded company, incorporated in Nevada and listed on the NYSE under the ticker symbol "AZO."
102-6	Markets served	Primarily U.S., Mexico and Brazil.
102-7	Scale of the organization	At the end of FY2021, AutoZone employed nearly 105,000 people referred to as "AutoZoners;" had 6,767 stores (6,051 in the U.S.; 664 in Mexico; 52 in Brazil) and 13 DCs (10 in the U.S.; 1 in Brazil; 2 in Mexico). Net revenues for FY2021 were \$14.6 billion, and we offered for sale over 675,000 SKUs
102-8	Information on employees and other workers	In FY2021, AutoZone had approximately 62% full-time and 38% part-time AutoZoners. Roughly 90% of AutoZoners worked in our stores; 6% worked in our DCs; 4% worked in our Store Support Centers (SSCs) and 4% worked in field leadership. AutoZone does not track AutoZoners by employment contract and region/gender.
102-9	Supply chain	2021 Form 10-K , Purchasing and Supply Chain, page 10.
102-10	Significant changes to the organization and its supply chain	There have been no significant changes to the organization or our supply chain.
102-11	Precautionary Principle or approach	2021 Proxy pps. 3-5.
102-12	External initiatives	AutoZone participates, endorses and has submitted to voluntary disclosures to the CDP.
102-13	Membership of associations	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 and other local and national organizations.
Strategy		
102-14	Statement from senior decision-maker	Chairman, President, and CEO Letter, page 3
105-15	Key impacts, risks and opportunities	Materiality, page 14 2021 Form 10-K , Risk Factors, page 14-23.
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Our Culture, page 8
102-17	Mechanisms for advice and concerns about ethics	AutoZone's Code of Conduct; AutoZone's Vendor Code of Conduct; Business Ethics and Integrity, pages 30 and 56.
Governance		
102-18	Governance structure	Board Governance, page 50 AutoZone's Corporate Governance 2021 Proxy, pages 3-11
102-19	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Board Governance, page 50 2021 Proxy, pages 3-11

Stakeholder Engagement		
102-40	List of stakeholder groups	AutoZoners, customers, vendors, civic and community organizations, shareholders and providers of capital, civil society, industry and trade associations and regulators.
102-41	Collective bargaining agreements	AutoZone has collective bargaining agreements in Brazil and Mexico.
102-42	Identifying and selecting stakeholders	AutoZone is an employer, a leading retailer, distributor and operator of 6,767 stores and 13 DCs, a provider of auto parts and products and a publicly traded U.S. company. We understand that 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.
102-43	Approach to stakeholder engagement	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 or our app, or by calling our tollfree number; we have multiple touchpoints to hear from AutoZoners, from in-store meetings to routine management visits to engagement surveys; our Chairman, President and CEO and other senior officers meet directly with shareholders; we have annual vendor summits and compliance programs that require our active due diligence and ongoing partnership; and we maintain active and meaningful relationships in our community.
102-44	Key topics and concerns raised	Materiality, page 14
Reporting Practice		
102-45	Entities included in the consolidated financial statements	<u>2021 Form 10-K</u> : Financial Statements and Supplementary Data, pps. 43-76; Exhibit 21.1 Subsidiaries of the Registrant, page 87 (does not list all subsidiaries)
102-46	Defining Report content and topic Boundaries	Boundaries and Scope, page 14 and Materiality, page 14. In addition to the materiality assessment process, we also applied GRI Principles for defining report quality in developing this Report: accuracy, balance, clarity, comparability, reliability and timeliness.
102-47	List of material topics	Materiality, page 14
102-48	Restatements of information	The FY2019 and FY2020 energy and GHG emissions data was updated to include Mexico and Brazil. Previously reported data was U.S. only.
102-49	Changes in reporting	This ESG Report covers FY2021. Future reporting of this nature is planned to be done annually and include data from the last, most recent fiscal year.
102-50	Reporting period	Data provided in this ESG Report is from FY2021 (August 30, 2020 to August 28, 2021). In some instances, qualitative updates may be reported for activities occurring in FY2020 and FY2022.
102-51	Date of most recent report	Our last ESG Report was published in June 2021.
102-52	Reporting cycle	Our plan is to report annually.
102-53	Contact point	maria.leggett@autozone.com
102-54	Claims of reporting in accordance with GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI Index	This is the GRI Content Index for the FY2021 ESG Report.
102-56	External assurance	This ESG Report was not externally assured and there are no current plans to seek external assurance.

Disclosures by AutoZone's Material Issues

DISCLOSURE	RESPONSE/REPORT PAGE/LINK																												
Material Issue: Energy Management and Greenhouse Gas Emissions																													
<p>103 Management Approach</p>	<p>103-1: Explanation of material topic 103-2: The management approach 103-3: Evaluation of management approach</p>	<p>Materiality, page 14 Boundaries and Scope, page 14 Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24</p>																											
<p>302 Energy</p>	<p>302-1: Energy consumption within the organization 302-2: Energy consumption outside of the organization 302-3: Energy intensity 302-4: Reduction of energy consumption</p>	<table border="1" data-bbox="511 380 1052 577"> <thead> <tr> <th>Global Energy by Source for Scopes 1 & 2</th> <th>MWh</th> <th>GJ</th> </tr> </thead> <tbody> <tr> <td>Gasoline - Mobile - Light-Duty Vehicles</td> <td>655,510</td> <td>2,359,834</td> </tr> <tr> <td>Electric Power</td> <td>534,467</td> <td>1,924,123</td> </tr> <tr> <td>Diesel - Mobile - Heavy-Duty Vehicles</td> <td>265,381</td> <td>955,371</td> </tr> <tr> <td>Natural Gas</td> <td>170,239</td> <td>612,861</td> </tr> <tr> <td>Propane</td> <td>3,885</td> <td>13,988</td> </tr> <tr> <td>Jet Fuel</td> <td>1,539</td> <td>5,542</td> </tr> <tr> <td>On-site Solar</td> <td>1,063</td> <td>3,827</td> </tr> <tr> <td>Diesel - Stationary</td> <td>38</td> <td>137</td> </tr> </tbody> </table> <p><i>Note: See below chart for breakdown by source for other years.</i></p> <p>Total energy consumption 5,875,683 GJ</p> <p>The GHG Protocol standard is our guide for the calculation of energy consumed and emissions related to activities across Scopes 1 and 2 for the boundaries of this disclosure. We also rely on the Protocol's methodology and standards to guide us in setting boundaries, estimating data where gaps are seen, and calculating emissions resulting from AutoZone's operations.</p> <p>Conversion factors are used from both the National and Global standard organizations, depending on data type and availability, including DEFRA and the U.S. EPA GHG Emission Factors Hub.</p> <p>AutoZone does not collect information on energy consumption outside of the organization.</p> <p>Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24</p> <p>Global square footage: 51,277,243</p> <p>Energy Intensity Ratios: 0.1146 GJ per square feet within our operations</p> <p><i>Metrics used to calculate the ratios:</i></p> <ul style="list-style-type: none"> • Numerator: GJ as listed above • Denominator: AutoZone global site square footage • Types of energy included in the intensity ratios: all of the company's Scope 1 and 2 energy types <p>Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24</p> <p>To date, site-level energy savings are not tracked per project. 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.</p> <p>Going forward, we plan to track energy reduction initiatives across our global footprint and report annually on results.</p>	Global Energy by Source for Scopes 1 & 2	MWh	GJ	Gasoline - Mobile - Light-Duty Vehicles	655,510	2,359,834	Electric Power	534,467	1,924,123	Diesel - Mobile - Heavy-Duty Vehicles	265,381	955,371	Natural Gas	170,239	612,861	Propane	3,885	13,988	Jet Fuel	1,539	5,542	On-site Solar	1,063	3,827	Diesel - Stationary	38	137
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<p>305 Emissions</p>	<p>305-1: Direct (Scope 1) GHG emissions</p>	<p>Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24</p> <p>Gross Scope 1 GHG emissions: 247,060 metric tons CO2e</p> <p>Global emissions calculated for the first time include sites in Mexico and Brazil, as well as previously unmeasured sources of emissions including gasoline - mobile and diesel - mobile from our fleet in the U.S. and Mexico, stationary diesel generators in Mexico and fuel utilized for business travel (referenced as "Other - Fuel", page 18), which is partially estimated because data is only as of Jan. 2020).</p> <ul style="list-style-type: none"> • Gases included in the calculation: CO2, N2O, CH4 • Biogenic CO2 emissions: 0 metric tons CO2e • Base year for the calculation: n/a <p>Emission factors and GWP used:</p> <ul style="list-style-type: none"> • GWP: AR5 • Fleet - Gasoline - Light Truck - Department for Environment Food and Rural Affairs (DEFRA) - 2021 Guideline to DEFRA • Diesel - Mobile: U.S. EPA Mandatory Reporting Rule (MRR) - Final Rule (40 CFR 98) - Commercial Sector 2013 • Diesel - Stationary: U.S. EPA Mandatory Reporting Rule (MRR) - Final Rule (40 CFR 98) - Commercial Sector 2013 • Other Fuel: The Climate Registry - Transport 2021 GRP - USA Transport • Natural Gas: U.S. EPA Mandatory Reporting Rule (MRR) - Final Rule (40 CFR 98) - Commercial Sector 2013 • Propane: U.S. EPA Mandatory Reporting Rule (MRR) - Final Rule (40 CFR 98) - Commercial Sector 2013 <p>Consolidation approach for emissions: Operational Control</p> <p>The GHG Protocol is our primary guide for methodology and standards with regards to setting boundaries, estimating data where gaps are seen and calculating emissions resulting from AutoZone's operations.</p> <p>We disclosed our climate performance data to CDP in July 2022. 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, pps.16-24.</p>																											

305 Emissions	305-2: Energy indirect (Scope 2) GHG emissions	<p>Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24 Gross Location-Based Scope 2 GHG emissions: 198,644 metric tons CO2e (global)</p> <p>Gross Market-Based Scope 2 GHG emissions: 210,639 metric tons CO2e (global)</p> <ul style="list-style-type: none"> • Gases included in the calculation: CO2, N2O, CH4 • Base year for the calculation: unknown <p><i>Emission factors and GWP used:</i></p> <ul style="list-style-type: none"> • GWP: AR5 • U.S. EPA eGRID 2022 (w/2020 data) & International Energy Agency 2021 (2019 data) <p><i>Consolidation approach for emissions:</i> Operational Control</p> <p>The GHG Protocol is our primary guide for methodology and standards</p>
	305-4: GHG emissions intensity	<p>Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24</p> <p>Global square footage: 51,277,243</p> <p>Emissions intensity for AutoZone's Global operations:</p> <ul style="list-style-type: none"> • Scope 1: 0.0048 metric tons CO2e/sq. ft. • Scope 2: 0.0038 metric tons CO2e/sq. ft. • All Scope 1 and 2: 0.0087 metric tons CO2e/sq. ft. <p><i>Metrics used to calculate the ratios:</i></p> <ul style="list-style-type: none"> • Numerator: Metric tons of CO2 equivalent emissions • Denominator: AutoZone global square footage <p>Scope 1 and 2 GHG emissions used in the intensity ratios include CO2, N2O, CH4</p>
	305-5: Reduction of GHG emissions	<p>Environmental Stewardship, Greenhouse Gas Emissions and Energy, pps. 16-24</p>

Material Issue: Waste & Recycling

103 Management Approach	103-1: Explanation of material topic	Materiality, page 14
	103-2: The management approach	Boundaries and Scope, page 14
	103-3: Evaluation of management approach	Reducing Waste, page 23
306 Waste	306-1: Waste generation and significant waste-related impacts	<p>Reducing Waste, page 23</p> <p>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 18,000 metric tons of CO2e were avoided by AutoZone's internal recycling efforts in FY21.</p>
	306-2: Management of significant waste-related impacts	<p>Reducing Waste, page 23</p> <p>AutoZone has robust recycling practices within the organization, and it encourages and educates AutoZoners, vendors and customers about how and what to recycle at stores. Materials collected at the store are disposed through third-party recycling or appropriate disposition, reused and/or remanufactured, which aligns with a circular approach to waste management.</p>
	306-3: Waste generated	AutoZone does not currently measure total weight of all waste generated.
	306-4: Waste diverted from disposal	AutoZone offers customers the ability to recycle motor oil, filters and lead batteries at stores. These are hazardous materials and must be properly handled. For example, motor oil can be re-refined and parts with cores can be used again. The lead in batteries is recovered and reused in new batteries. See page 23 for volume of materials recycled and repurposed.

Material Issue: AutoZoner Engagement, Recruitment and Retention																									
103 Management Approach	103-1: Explanation of material topic	Materiality, page 14																							
	103-2: The management approach	Boundaries and Scope, page 14																							
	103-3: Evaluation of management approach	AutoZoner Engagement, page 38																							
401 Employment	401-1: New employee hires and employee turnover	Total New Hires: 77,294 Women: 23% Men: 77%																							
		New Hires by Age Group Under 30: 61% 30-50: 27% Over 50: 12%																							
		Employee Turnover by Job Category <table border="1"> <thead> <tr> <th></th> <th>Voluntary Turnover</th> <th>Involuntary Turnover</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Distribution Centers</td> <td>51.43%</td> <td>14.60%</td> <td>66%</td> </tr> <tr> <td>Stores</td> <td>73.6%</td> <td>10.7%</td> <td>84.3%</td> </tr> <tr> <td>SSCs</td> <td>10.3%</td> <td>3.8%</td> <td>14.1%</td> </tr> <tr> <td>Field Management & Support</td> <td>8.6%</td> <td>2.6%</td> <td>11.2%</td> </tr> <tr> <td>Commercial Field Sales</td> <td>11%</td> <td>1.8%</td> <td>12.8%</td> </tr> </tbody> </table>			Voluntary Turnover	Involuntary Turnover	Total	Distribution Centers	51.43%	14.60%	66%	Stores	73.6%	10.7%	84.3%	SSCs	10.3%	3.8%	14.1%	Field Management & Support	8.6%	2.6%	11.2%	Commercial Field Sales	11%
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Commercial Field Sales	11%	1.8%	12.8%																						
	401-2: Benefits provided to full-time employees only	AutoZoner Well-being, page 39																							
	401-3: Parental leave	<p>AutoZoners Eligible for Parental Leave, by Gender</p> <table border="1"> <thead> <tr> <th>Employment Type</th> <th>Women</th> <th>Men</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Full-time Hourly</td> <td>17,060</td> <td>47,192</td> <td>64,252</td> </tr> <tr> <td>Full-time Salaried</td> <td>3,764</td> <td>11,181</td> <td>14,945</td> </tr> <tr> <td>Part-time</td> <td>6,028</td> <td>25,988</td> <td>32,016</td> </tr> <tr> <td>Total</td> <td>26,852</td> <td>84,361</td> <td>111,213</td> </tr> </tbody> </table> <p>Employees Who Took Parental Leave, by Gender Women: 353 Men: 140 Total: 493</p> <p>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.</p>		Employment Type	Women	Men	Total	Full-time Hourly	17,060	47,192	64,252	Full-time Salaried	3,764	11,181	14,945	Part-time	6,028	25,988	32,016	Total	26,852	84,361	111,213		
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404 Training and Education	404-1: Average hours of training per year	AutoZone doesn't track the number of hours of annual training per AutoZoner. We track how many training modules AutoZoners take. On average, they engage in approximately 70,000 training modules every week.
	404-2: Programs for upgrading employee skills and transition assistance programs	Training, Development and Career Pathing, page 41
	404-3: Percentage of employees receiving regular performance and career development reviews	100%
Material Issue: Employee Health and Safety		
103 Management Approach	103-1: Explanation of material topic	Materiality, page 14
	103-2: The management approach	Boundaries and Scope, page 14
	103-3: Evaluation of management approach	AutoZoner Health and Safety, page 42
403 Occupational Health and Safety	403-1: Occupational health and safety management system	AutoZone's occupational health and safety management system follows OSHA standards. The company submits OSHA required health and safety data in compliance with applicable regulatory requirements.
	403-2: Hazard identification, risk assessment and incident investigation	AutoZoner Health and Safety, page 42
	403-3: Occupational health services	AutoZoner Health and Safety, page 42
	403-4: Worker participation, consultation, and communication on occupational health and safety	AutoZoner Health and Safety, page 42
	403-5: Worker training on occupational health and safety	AutoZoner Health and Safety, page 42
	403-6: Promotion of worker health	AutoZoner Health and Safety, page 42
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	AutoZoner Health and Safety, page 42
	403-8: Workers covered by an occupational health and safety management system	AutoZoner Health and Safety, page 42
	403-9: Work-related injuries	AutoZoner Health and Safety, page 42
Material Issue: Diversity, Equity and Inclusion		
103 Management Approach	103-1: Explanation of material topic	Materiality, page 14
	103-2: The management approach	Boundaries and Scope, page 14
	103-3: Evaluation of management approach	Diversity, Equity and Inclusion, page 33
405 Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	Diversity, Equity and Inclusion, page 33 and Board Governance, page 50
Material Issue: Product Responsibility		
103 Management Approach	103-1: Explanation of material topic	Materiality, page 14
	103-2: The management approach	Boundaries and Scope, page 14
	103-3: Evaluation of management approach	Product Quality and Safety, page 29
412 Human Rights Assessment	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Vendor Code of Conduct, page 30 All vendor contracts include AutoZone's Vendor Code of Conduct, thus by signing the contract they are agreeing to comply with our strict standards on human rights as outlined in our Vendor Code.
	414 Supplier Social Assessment	414-1: New suppliers that were screened using social criteria
414-2: Negative social impacts in the supply chain and actions taken		Vendor Code of Conduct, page 30
416 Customer Health and Safety	416-1: Assessment of the health and safety impacts of product and service categories	Vendor Code of Conduct, page 30 AutoZone's customers expect the products they buy to be high quality and safe. Before placing orders with our vendors, we conduct Product Qualification Testing to ensure our products meet or exceed necessary safety and quality standards. Products are also evaluated through Pre-Shipment Examinations (PSEs).
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Vendor Compliance, page 28 and Vendor Code of Conduct, page 28
Material Issue: Community Involvement		
103 Management Approach	103-1: Explanation of material topic	Materiality, page 14
	103-2: The management approach	Boundaries and Scope, page 14
	103-3: Evaluation of management approach	People and Communities, pps. 32-49
413 Local Communities	413-1: Operations with local community engagement, impact assessments and development programs	AutoZone's store support center is in Memphis, Tennessee, the second most impoverished city in the U.S. This is the city where the largest population of AutoZoner's live and work. The company and AutoZoners are deeply committed to and engaged in the local community and have responded to urgent and growing needs.

Material Issue: Board Composition		
103 Management Approach	103-1: Explanation of material topic 103-2: The management approach 103-3: Evaluation of management approach	Materiality, page 14 Boundaries and Scope, page 14 AutoZoner Health and Safety, page 42
102 Governance	102-22: Composition of the highest governance body and its committees	Board Governance, page 50 AutoZone's Board Governance and 2021 Proxy , pages 3-11
405 Diversity and Equal Opportunity	405-1: Diversity of governance bodies	Board Governance, page 50
Material Issue: Business Ethics & Integrity		
103 Management Approach	103-1: Explanation of material topic 103-2: The management approach 103-3: Evaluation of management approach	Materiality, page 14 Boundaries and Scope, page 14 Business Ethics and Integrity, page 56
205 Anti-Corruption	205-1: Operations assessed for risks related to corruption	Business Ethics and Integrity, page 56
	205-2: Communication and training about anti-corruption policies and procedures	Business Ethics and Integrity, page 56 Anti-corruption policies and procedures are part of AutoZone's Code of Conduct, which all AutoZoners are required to acknowledge on an annual basis. Board members also acknowledge and receive communication and training about our Code of Conduct.
	205-3: Confirmed incidents of corruption	AutoZone had no confirmed incidents of corruption in FY2021.
Material Issue: Data Security		
103 Management Approach	103-1: Explanation of material topic 103-2: The management approach 103-3: Evaluation of management approach	Materiality, page 14 Boundaries and Scope, page 14 Data Security, page 58
418 Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	AutoZone did not experience any material data security breaches in FY2021.

U.S. EEO-1 REPORT FOR CALENDAR YEAR 2021

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS	
			***** MALE *****						***** FEMALE *****						
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES
EXECUTIVE/SR OFFICIALS & MGRS	4	1	30	7	0	3	0	2	8	1	0	2	0	0	58
FIRST/MID OFFICIALS & MGRS	85	22	652	78	1	138	4	14	213	62	0	48	1	5	1323
PROFESSIONALS	157	48	454	105	4	24	0	17	153	97	2	20	5	12	1098
TECHNICIANS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SALES WORKERS	16739	5068	30269	9738	256	1233	568	896	7842	3300	59	170	238	283	76659
ADMINISTRATIVE SUPPORT	9	27	55	30	0	11	0	2	68	72	1	5	2	4	286
CRAFT WORKERS	74	4	223	40	1	10	1	6	17	11	0	0	0	2	389
OPERATIVES	1054	715	1605	424	16	41	23	46	855	263	7	33	13	17	5112
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE WORKERS	1	0	13	5	0	1	0	0	0	6	0	0	0	0	26
TOTAL	18123	5885	33301	10427	278	1461	596	983	9156	3812	69	278	259	323	84951
PREVIOUS REPORT TOTAL	17709	5777	32645	9532	229	1427	501	1621	8917	3581	57	266	231	510	83003

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UN SDGs) were adopted in 2015 as a global blueprint for environmental and societal progress. Many of these 17 goals align with AutoZone’s ESG efforts. We recognize the importance of the UN SDGs and are proud to share how we’re contributing.

UN SDG	Our Contributions
<p>3. Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages</p>	<p>One of AutoZone’s core Values, <i>Cares About People</i>, comes to life through how we take care of AutoZoners and support them in every aspect of their lives. This includes our Total Wellbeing 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. We are also working with our group health plan and pharmacy benefit providers on an initiative to reduce opioid addiction among AutoZoners and within our communities. See AutoZoner Well-being, page 39.</p> <p>AutoZone conducts regular third-party factory audits of certain merchandise vendors to ensure compliance with human rights and safety standards, among other 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.</p>
<p>4. Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>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 70,000 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. Training, Development and Career Pathing, page 39.</p>
<p>5. Gender Equality Achieve gender equality and empower all women and girls</p>	<p>As is 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 each individual’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.</p>
<p>8. Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>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 AutoZoner Well-being, page 39.</p> <p>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.</p> <p>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.</p>
<p>10. Reduced Inequalities Reduce inequality within and among countries</p>	<p>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., over 86% of our charitable giving is directed toward programs that support diverse communities. See People and Communities, pps. 32-49.</p>
<p>12. Responsible Consumption and Production Ensure responsible consumption and production</p>	<p>AutoZone recycled more in FY2021 than in FY2020, including:</p> <ul style="list-style-type: none"> 1,061,567 individual wooden pallets, a 32% increase 30,523 tons of cardboard, a 44% increase; 1,439 tons of plastic, a 41% increase; 13.4M gallons of motor oil, an 8% increase <p>See Recycling in AutoZone’s Operations, page 21.</p>
<p>13. Climate Action Take urgent action to combat climate change and its impacts</p>	<p>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. We are currently working toward an interim target of a 15% reduction of our Scope 1 and Scope 2 energy-related GHG emissions associated with our stores, DCs and corporate facilities in our U.S. operations. Measuring against a FY2019 baseline, we achieved a 1% reduction in absolute emissions between FY2019 and FY2021, despite adding 434 new locations, or 3.1 million square feet, which increased the size of this target boundary by 7% during the same time period.</p> <p>We disclosed our climate performance data to CDP in July 2022. 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, pps. 16-24.</p>



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 forward-looking 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 forward-looking statements, whether as a result of new information, future events or otherwise.

