



SUSTAINABILITY PROPOSAL: BRIGHTON TRACTOR SUPPLY COMPANY

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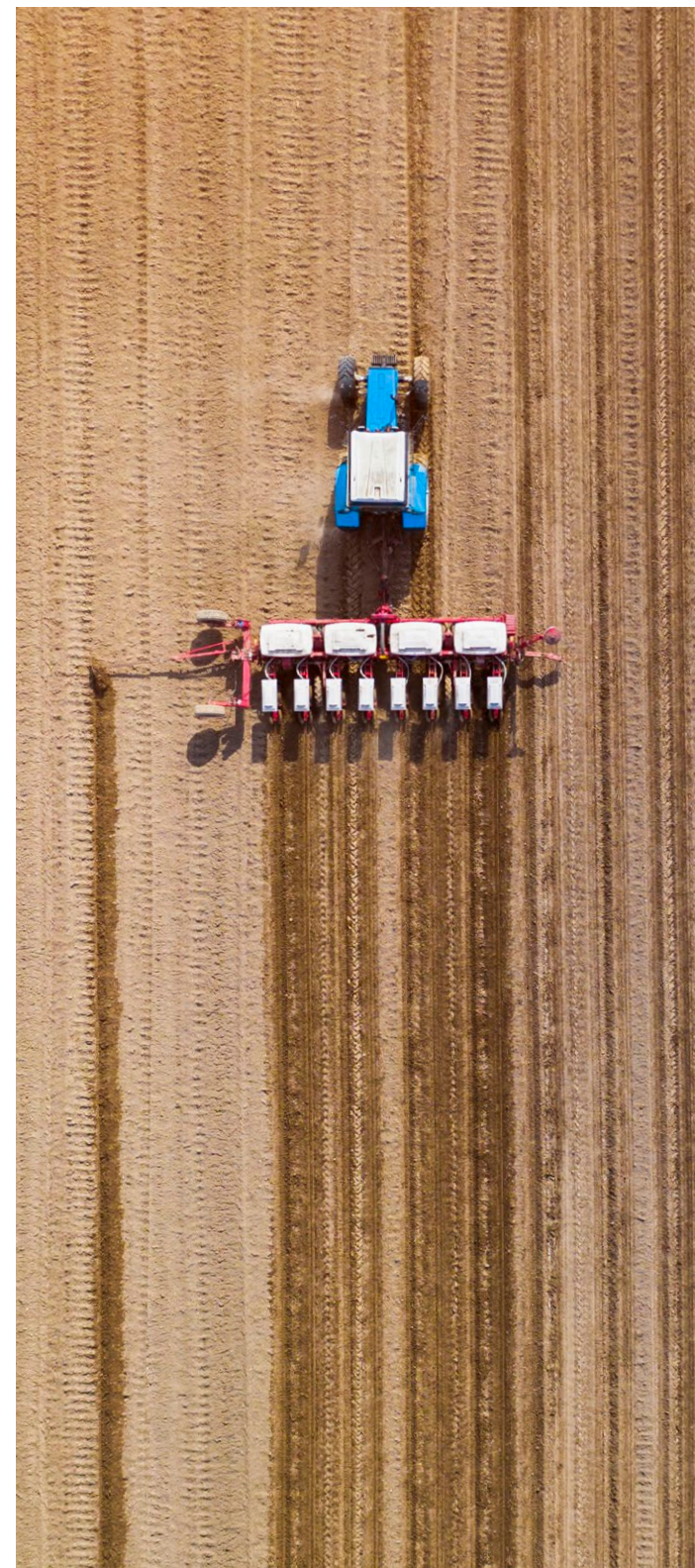
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Pillsbury's recommendations regarding the outlined BTSC scenario follow below:

1. Selecting Right Board Members

The board should make sure its membership is sufficiently diverse, not only as it relates to gender and ethnicity but also in regard to the skills its members bring to bear. The board should ensure it has at least one member who is an expert on sustainability. These appointees should be charged with developing a sustainability strategy that aligns with BTSC's goals, bringing an understanding of products and services that reduce greenhouse gas emissions, water usage considerations and potential recycling programs. These individuals should also oversee BTSC's supply chain, making sure the company is sourcing materials ethically, implementing policies that are environmentally sound and appropriately protecting human rights.

2. Create an ESG Committee

The board should establish a standalone committee responsible for ESG or select an existing committee—such as the nominating or governance committees—to specifically have ESG added to its charter. The designated committee should receive regular reports from management (at least quarterly) that measure progress against annual ESG strategic goals set by company management and vetted and approved by the board. Immediate considerations for this committee might include reducing company water usage, minimizing use of plastics in packaging and products, and potentially setting a target date to become carbon-free.

3. Designate a Sustainability Officer Responsible for ESG Implementation...

BTSC should either hire an expert with experience implementing on an ESG strategy or appoint an existing officer to this role. This officer would ideally be immersed in the tractor supply sector and must be well versed on best practices in sustainability, diversity and inclusion, human rights and other prime ESG considerations. They should have a thorough understanding of BTSC's peers and how those companies are scored by the various ESG rating agencies of shareholder advisors and institutional shareholders, update the board on BTSC's progress as it relates to ESG efforts. This officer should also be responsible for producing an annual sustainability report for BTSC that accurately presents the company's ESG program and helps attract institutional investors committed to ESG investing.

4. ...And Take Care to Report Accurately

The Sustainability Officer should lead and coordinate a company ESG task force that includes the Chief Financial Officer, General Counsel and Chief People Officer to confirm reported results are accurate and do not result in any new financial reporting, legal or HR obligations. To this point, the United States has no specific climate disclosure rules, nor has it agreed on definitions for key terms such as "sustainable" or uniform standards for measuring corporate

environmental goals. Many companies make ESG disclosures under a range of voluntary standard, however, and this officer should coordinate to make sure such disclosures are consistent with published sustainability reports and any other public statements. Investor groups consistently asked the U.S. Securities and Exchange Commission for more corporate disclosures on climate change and other ESG issues and there are clear indications the SEC will propose new ESG disclosure rules in the near-term.

5. Go beyond the 'E' in ESG

Environmental issues frequently receive top billing when companies consider ESG but other important issues like diversity and inclusion, human rights, and social justice should be considered just as carefully. BTSC should create programs to ensure its workforce is representative—at every level—and reflects its customers, investors, communities and partners. The addition of similarly expert board members and committees to address these topics is worthy of attention. Human capital management is another crucial component of ESG and the board should ensure workers are trained, safe, eligible for promotions and have health and wellness programs and a culture that promotes diversity, inclusion and equal pay and incentives.

6. Audit Supply Chain Issues and Engage Customers

Understanding BTSC's current ESG strengths and liabilities will be paramount to improving the efficacy of its ESG-related processes and policies. The company should undertake a comprehensive audit, engaging stakeholders and staff to ensure the company is prioritizing ESG-focused thinking and is evolving its practices to keep up with competitors and adequately meet consumer needs. Particular attention should be paid to supply chain considerations, which can present significant governance challenges if not sufficiently monitored. Evaluating entities have long focused about climate and water issues in corporate supply chains and in the last couple of years new topics of concern such as social justice, human rights, and standalone forestry concerns (as deforestation impacts climate, biodiversity and human health) have been added to the agenda. BTSC should intentionally seek out opportunities to seize a leadership position in its sector by becoming a champion of ESG-related changes in supply chain, and embrace those roles to the fullest extent possible in order to demonstrate commitment to becoming a more environmentally and socially conscious business.

7. Embrace Sustainable Finance

As interest in ESG skyrockets, BTSC has a real opportunity to re-shape its corporate and financial strategies to better align with market demand. Based on the learnings from the aforementioned audit, the company should consider ways to reimagine business practices, funding projects that have social or environmental benefits and improving governance so it directly impacts environmental or social improvement goals. Reports show that companies that are conscious of ESG performance and seeking to improve outperform those who businesses who are not.

8. Battery Recycling Efforts and Energy Alternatives

Led by the newly appointed Sustainability Officer, BTSC must make sure all pertinent environmental rules and regulations are satisfied. This might include recycling requirements in connection with BTSC batteries, and possible implementation of a take-back program backed by scrupulous compliance efforts. If it has not done so already, BTSC should embrace rechargeable batteries if possible. The company should periodically audit any battery recycler. Advances in hydrogen technologies also present interesting possibilities as a cleaner alternative energy source for heavy farm equipment.

9. Communicate the ESG Commitment

While the ESG-oriented changes BTSC makes will undoubtedly benefit society at large, they only materially benefit the business when fully those intentions, objectives and tactics are communicated. Establishing a clear comms strategy ensures the company's ESG profile is clearly understood by employees, consumers and investors. Leaning into more conscientious business practices and more transparent reporting of them will inevitably attract new interest in the company.

