



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 18, 2024

Sonia Gupta Barros
Sidley Austin LLP

Re: Tractor Supply Company (the "Company")
Incoming letter dated January 5, 2024

Dear Sonia Gupta Barros:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the Green Century Balanced Fund for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the Company disclose the greenhouse gas emissions from Use of Sold Products, including a breakdown of emissions by product category.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Sanford Lewis



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January 5, 2024

Via Online Submission Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: *Tractor Supply Company*
Shareholder Proposal of Green Century Balanced Fund
Securities Exchange Act of 1934—Rule 14a-8

Dear Ladies and Gentlemen:

On behalf of the Tractor Supply Company (the “Company”), and pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, we hereby request confirmation that the staff (the “Staff”) of the Securities and Exchange Commission (the “Commission” or the “SEC”) will not recommend enforcement action if the Company excludes a shareholder proposal received on November 28, 2023 (collectively with the supporting statement provided therewith, the “Proposal”) from Green Century Capital Management, Inc. (on behalf of the Green Century Balanced Fund) (the “Proponent”) from its proxy statement and form of proxy for its 2024 Annual Meeting of Shareholders (collectively, the “2024 Proxy Materials”). The Company expects to file the 2024 Proxy Materials in definitive form with the SEC on or about March 26, 2024.

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2024 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and *Staff Legal Bulletin No. 14D* (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that

correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

A copy of the Proposal and the corresponding supporting statement is attached hereto as Exhibit A. The Proposal states that “Shareholders request that Tractor Supply Company disclose the greenhouse gas emissions from Use of Sold Products, including a breakdown of emissions by product category.”

BASES FOR EXCLUSION

We hereby request that the Staff concur in our view that the Proposal may be excluded from the 2024 Proxy Materials pursuant to:

- Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business operations, including the Company’s business practices and operations, strategic decisions, and choice of service providers; and
- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

BACKGROUND

The Company

As the largest rural lifestyle retailer in the United States, the Company is focused on serving the needs of recreational farmers, ranchers, homeowners, gardeners, pet enthusiasts and all those who enjoy living the rural lifestyle. The Company also owns and operates Petsense, LLC, a small-box pet specialty supply retailer focused on meeting the needs of pet owners, primarily in small and mid-sized communities, and offering a variety of pet products and services.

The Company is committed to embedding sustainability in the way it does business. In 2021 the Company set decarbonization goals meant to reduce absolute emissions from its operational footprint. In April of 2023, the Company released its ESG Tearsheet (“ESG Tearsheet”)¹, followed by carbon emissions reporting to the Carbon Disclosure Project in July (“CDP Disclosure”)² and publication of its Task Force on Climate-related Financial Disclosure Report (“TCFD Report” and, together with the ESG Tearsheet and CDP Disclosure, the “Company Reports”) in November.³ The Company Reports provide detailed GHG emissions data and outline the Company’s

¹ See https://s23.q4cdn.com/539497486/files/doc_financials/2022/sr/7-12-23-TSCO23-ESG-Tear-Sheet-FINAL.pdf.

² See https://s23.q4cdn.com/539497486/files/doc_financials/2023/sr/CDP-Climate-Change-Questionnaire-2023.pdf.

³ See https://s23.q4cdn.com/539497486/files/doc_financials/2022/sr/TSCO23-TCFD-Report.pdf.

performance highlights and progress made through 2022 on its sustainability priorities. Most recently, in 2023, the Company submitted a letter of commitment to the Science Based Targets initiative (the “SBTI Letter”), outlining its intention to set a science-based target to replace existing emissions targets, cover scope 1, scope 2, and scope 3 emissions, and hold itself accountable for more meaningful reductions. The Company Reports include climate metrics pertaining to scope 1, scope 2, and scope 3 emissions, including scope 3 emissions data for ten of the fifteen categories comprising scope 3 emissions as follows: purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generation in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, and end of life treatment of sold products. The other five categories under scope 3 do not apply to the Company.

Use of Sold Products

The concept of classifying greenhouse gas (“GHG”) emissions into three “scopes” was first introduced by the Greenhouse Gas Protocol Initiative (the “Initiative”) in its GHG Protocol Corporate Accounting and Reporting Standard (as revised, the “Corporate Standard”). The Initiative is a multi-stakeholder partnership of businesses, non-governmental organizations, governments, and others convened by the World Resources Institute and the World Business Council for Sustainable Development for the purpose of developing the internationally accepted GHG accounting and reporting standards for business and promoting their broad adoption.⁴ With respect to scope 3 emissions specifically, the Initiative published the Corporate Value Chain (Scope 3) Accounting and Reporting Standard⁵ (the “Scope 3 Reporting Standard” and, together with the Corporate Standard, the “Reporting Standards”), which provide companies with a standardized approach to assessing, categorizing, and measuring scope 3 emissions, including Use of Sold Products (“UoSP”), as well as Technical Guidance for Calculating Scope 3 Emissions⁶ (the “Scope 3 Reporting Guidance”). UoSP is a subcategory of scope 3 emissions, which encompasses emissions from the use of products after they have been sold by a company. As stated above, the Company currently discloses UoSP scope 3 emissions (among other scope 3 data) in the Company Reports, and intends to continue disclosing USC scope 3 emissions in future reports.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because it Deals with Matters Relating to the Company’s Ordinary Business Operations.

Rule 14a-8(i)(7) permits a company to omit a proposal from its proxy materials if the proposal “deals with a matter relating to the company’s ordinary business operations.” The purpose

⁴ See <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf> at 2.

⁵ See https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf.

⁶ See https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_0.pdf.

of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” *See Release No. 34-40018* (May 21, 1998) (the “1998 Release”). As explained by the Commission, the term “ordinary business” in this context refers to “matters that are not necessarily ‘ordinary’ in the common meaning of the word, and is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company’s business and operations.” *Id.*

The 1998 Release explains that there are two central components of the ordinary business exclusion. First, as it relates to the subject matter of the proposal, “[c]ertain tasks are so fundamental to management’s ability to run a company on a ‘day-to-day basis’ that they could not, as a practical matter, be subject to direct shareholder oversight.” *Id.* The Commission has differentiated between these ordinary business matters and “significant social policy issues” that “transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” *Id.* The latter is not excludable as pertaining to ordinary business matters, and in assessing whether a particular proposal raises a “significant social policy issue,” the Staff will review the terms of the proposal as a whole, including the supporting statement. *Id.*

Second, as it relates to the implementation of the subject matter of the proposal, the ability to exclude a proposal “relates to the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* As stated in *Staff Legal Bulletin No. 14L* (Nov. 3, 2021) (“SLB 14L”), the Staff will “focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management” while considering “the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic.” The Staff also stated that it would consider “references to well-established national or international frameworks when assessing proposals related to disclosure” as indicative of topics that shareholders are well-equipped to evaluate. *Id.* The Staff stated that “[t]his approach is consistent with the Commission’s views on the ordinary business exclusion, which is designed to preserve management’s discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters.” *Id.*

The Proposal is Excludable Under Rule 14a-8(i)(7) Because it Seeks to Micromanage the Company by Probing Too Deeply Into Complex Matters and Aspects of the Company’s Business and Operations.

The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(7) of shareholder proposals that seek to micromanage a company’s ordinary business operations, including when proposals provide a specific method for implementing complex policies as a substitute for the judgment and discretion of management. In determining whether a proposal

constitutes such micromanagement, the Staff evaluates not only the phrasing used in the proposal but also the action triggered by the proposal and the manner in which such action would affect a company's activities and management discretion. *See Amazon.com, Inc.* (avail. Apr. 7, 2023) (the "Amazon Letter"), *The Coca-Cola Co.* (avail. Feb. 16, 2022) and *Deere & Co.* (avail. Jan. 3, 2022), each of which involved a broadly phrased request but required detailed and intrusive actions to implement. In particular, the proposal involved in the Amazon Letter was co-filed by the same Proponent and involves substantially the same analysis under Rule 14a-8.

As set forth in the Amazon letter, the Proponent requested that Amazon "measure and disclose scope 3 GHG emissions from its full value chain inclusive of its physical stores and e-commerce operations and all products that it sells directly and those sold by third party vendors." Amazon argued that such proposal impermissibly sought to eliminate management's discretion by dictating the methodology and activities encompassed in the company's scope 3 GHG emissions reporting. The Staff agreed with Amazon, noting that the proposal sought to "micromanage the Company by imposing a specific method for implementing a complex policy disclosure without affording discretion to management," and was thus, may be excluded in reliance on Rule 14a-8(i)(7).

In the Proposal, the Proponent requests that shareholders vote to request that the Company "disclose the greenhouse gas emissions from Use of Sold Products" and states in the supporting statement that the "essential aspect" of such disclosure is a "product category breakdown." The Proposal's supporting statement offers the Company "discretion in defining product categories" and states that it "does not request information about any particular product."

While the Proponent has sought to distinguish this Proposal from the one that it submitted to Amazon by wording the supporting statement to suggest that the resolution is a broad one affording discretion to management, in reality the requested disclosures involve information attainable only through a highly complex analytical process, and the Proponent's delegation to the Company of the precise categorization of its products and services for the purpose of such disclosures does not constitute "high-level direction on large strategic corporate matters." By requesting a product category breakdown of emissions from UoSP, the Proposal's resolution seeks a level of "granularity" that "inappropriately limits discretion" of management. Moreover, while the Proposal does not expressly reference any national or international frameworks, it goes beyond the well-established international reporting framework elucidated in the Reporting Standards.

As guidance for a company's GHG accounting and reporting, the Reporting Standards promote the principles of relevance, completeness, consistency, transparency and accuracy in order to ensure that the GHG inventory constitutes a true and fair representation of the company's GHG emissions.⁷ Driven by those core principles, the Reporting Standards make scope 3 emissions

⁷ Corporate Standard, Chap. 1, *GHG Accounting and Reporting Principles*, at 6-8.

reporting optional for companies. Further, companies opting in to scope 3 reporting have the flexibility to consider which scope 3 categories are appropriate for inclusion in such reporting. The Corporate Standard highlights the principles of relevance and accuracy in this regard when it states:

Scope 3 is optional, but it provides an opportunity to be innovative in GHG management. Companies may want to focus on accounting for and reporting those activities that are *relevant to their business and goals, and for which they have reliable information*. Since companies have discretion over which categories they choose to report, scope 3 may not lend itself well to comparisons across companies. (Emphasis added).

UoSP is one of the downstream scope 3 emissions categories, tracking the use of products sold by a company. Companies electing to report on the UoSP category must include direct-use emissions in their disclosures but need not report on emissions from the use of products that indirectly consume energy. In any case, the Reporting Standards do not indicate a requirement for or benefit to a company's UoSP emissions disclosures being further subcategorized by product type or category.

Scope 3 emissions analysis is a complex and highly fact-specific process, as outlined in the Scope 3 Reporting Guidance. The Scope 3 Reporting Guidance includes suggestions for consideration by companies choosing to report on UoSP, which illustrate the vast landscape of facts and circumstances covered by such analysis. For example, in making UoSP calculations, “[i]t is important to consider the region where products are used, especially if the product consumes electricity because electricity grid emission factors can vary significantly.”⁸ It also notes that “[t]he generation of a typical use phase may be difficult because the same product may consume more or less energy depending on the conditions in which it is used. For example, a potato may be roasted, boiled, or microwaved, each cooking method using a different amount of energy and thus producing different levels of emissions.”⁹ These and other specific examples along with lengthy sample equations provided in the Scope 3 Reporting Guidance demonstrate the advanced level of familiarity and expertise required to completely and accurately account for and report on a company's UoSP emissions, even before considering any subcategorization by product type or category. When read together, the Scope 3 Reporting Standards and Scope 3 Reporting Guidance demonstrate the complexity of both the numerical analysis and the strategic considerations to be made by a company in making scope 3 UoSP disclosures. As described above, it is a principles-based approach and a company must strike the right balance between detail, on the one hand, and reliability and relevance to the company's goals, on the other. The Proposal, however, would

⁸ Scope 3 Reporting Guidance, *Category 11: Use of Sold Products*, at 116.

⁹ *Id.* at 121.

eliminate management's role in evaluating whether and to what degree the Company should add more detail to its scope 3 disclosures than it has historically.

Furthermore, adoption of the Proposal's resolution would require the mobilization of significant resources and third-party support to achieve the accuracy and completeness needed to satisfy the core accounting and reporting principles of the Reporting Standards. McKinsey & Company ("McKinsey") reinforces this assessment in its article which is cited by the Proponent. The Proposal's recitals reference certain 'no-regrets actions' recommended by McKinsey, and include the following excerpt from the article:

Create emissions transparency at a product level. Retailers should start tracking emissions profiles at a product or subcategory level to help prioritize efforts to decarbonize and enable customers to make sustainable choices.¹⁰

Although not included in the excerpt for the Proposal, the immediately following sentences of McKinsey's recommendation provide "This approach would require action at two levels. First, retailers would have to partner with vendors and third-party emissions-tracking providers and form internal teams to create emissions databases. Second, they would need to invest in technology to make the emissions information readily available to customers."¹¹

While the Company continues to build out an internal team to manage the tracking of emissions in support of the commitment it made in the SBTI Letter, strategic and financial decisions in connection with these efforts and whether the Company should invest in tracking software and/or engage GHG emissions consultants are ordinary business matters that are properly left to the judgment and discretion of a company's Board or management. Regardless of how broadly the resolution and supporting statement are worded, the requirement to disclose scope 3 UoSP emissions by product category is so granular that it would require detailed and intrusive actions to implement. As a result, similar to the proposal set forth in the Amazon Letter, the Proposal seeks to dictate the scope and level of detail of categories to be included within the Company's scope 3 emissions inventory, and thus would require the Company to replace management's judgments about the appropriate breakdown and level of detail of scope 3 disclosures to include based on management's consideration of the principles set forth in the Reporting Standards with the level of detail prescribed by the Proponent.

Furthermore, the Proponent does not adhere to "well-established national or international frameworks" in the Proposal nor does it align with the Reporting Standards or the core principles thereof. The resolution highlights as its essential element the disclosure of the requested data by product category. However, that level of detail is not required or recommended for disclosure

¹⁰ See <https://www.mckinsey.com/industries/retail/our-insights/climate-sustainability-in-retail-who-will-pay/>

¹¹ *Id.*

under the Reporting Standards. Instead, companies are directed to prioritize relevance, completeness, consistency, transparency and accuracy in determining the appropriate level of detail for a true and fair disclosure of the company's GHG emissions. Thus, just like the Amazon Letter, the Proposal seeks to substitute for the judgment and discretion of management and would not afford management sufficient flexibility or discretion to address and implement its policy regarding the multifaceted matter of GHG emissions, and should be excludable in reliance on Rule 14a-8(i)(7).

The Proposal is Excludable Under Rule 14a-8(i)(7) Despite Touching Upon a Significant Policy Issue Because it Seeks to Micromanage the Company.

Under Rule 14a-8(i)(7), as reinforced by SLB 14L, a proposal may be excluded if it seeks to micromanage the company, without regard for whether it focuses on a significant social issue or transcends the company's ordinary course operations. The Staff has consistently allowed the exclusion of proposals focusing on significant policy issues because they seek to micromanage the company. *See the Amazon Letter; Verizon Communications, Inc. (National Center for Public Policy Research)* (avail. March 17, 2022) (concurring with the exclusion of a proposal requesting annual publication of written and oral content of diversity, inclusion, equity, or related employee-training materials on the basis that it probed too deeply into matters of a complex nature); and *SeaWorld Entertainment, Inc.* (avail. April 20, 2021) (concurring that a proposal seeking a report on specific changes to the company's business to address animal welfare concerns was excludable as an attempt to micromanage the company); *Exxon Mobil Corporation* (Mar. 6, 2020) (concurring with the exclusion of a proposal requesting that the company's board charter a new board committee on climate risk, noting that as a result, "the Proposal unduly limits the board's flexibility and discretion in determining how the board should oversee climate risk"); *JPMorgan Chase & Co. (Christensen Fund)* (Mar. 30, 2018) (concurring on the basis of micromanagement with the exclusion of a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation, noting that the proposal sought to "impose specific methods for implementing complex policies"); and *Amazon.com, Inc.* (Jan. 18, 2018) (concurring with the exclusion of a proposal requesting the company list certain efficient showerheads before others on its website and describe the benefits of these showerheads).

As described above, similar to the proposal set forth in the Amazon Letter, the Proposal seeks to micromanage the Company by requesting disclosure at such a granular level that it imposes a highly complex analytical process and inappropriately limits the discretion of the Board and management. Given that, the fact that the Proposal relates to climate change reporting is irrelevant in determining whether it is excludable under Rule 14a-8(i)(7).

The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because the Company Has Already Substantially Implemented the Proposal.

Rule 14a-8(i)(10) permits the exclusion of a proposal “[i]f the company has already substantially implemented the proposal.” The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) “is designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by the management.” *SEC Release No. 34-12598 (Jul. 7, 1976)*. Rule 14a-8(i)(10) does not require exact correspondence between the actions sought by a stockholder proponent and the issuer’s actions in order for the stockholder’s proposal to be excluded. *See SEC Release No. 34-20091 (Aug. 16, 1983)*. The Staff has previously noted that a basis for exclusion under Rule 14a-8(i)(10) is “a determination that the Company has substantially implemented the proposal depends upon whether its particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (Mar. 28, 1991). *See also, e.g., BlackRock, Inc.* (Apr. 2, 2021); *JPMorgan Chase & Co.* (Mar. 9, 2021); *Devon Energy Corp.* (Apr. 1, 2020); *Johnson & Johnson* (Jan. 31, 2020); *Pfizer Inc.* (Jan. 31, 2020); *The Allstate Corp.* (Mar. 15, 2019); *Johnson & Johnson* (Feb. 6, 2019); *United Cont’l Holdings, Inc.* (Apr. 13, 2018); *eBay Inc.* (Mar. 29, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); and *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Expeditors International of Washington, Inc.* (Jan. 30, 2014) and *Exxon Mobil Corp.* (Mar. 17, 2011).

The Staff has permitted exclusion of a proposal under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the “essential objective” of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. *See, e.g., Salesforce.com, Inc.* (Apr. 20, 2021); *Apple Inc.* (Oct. 16, 2020); *Wal-Mart Stores, Inc.* (Mar. 25, 2015); and *Exelon Corp.* (Feb. 26, 2010).

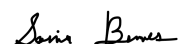
As discussed above, the Company Reports include climate metrics pertaining to scope 1, scope 2, and scope 3 emissions, including scope 3 emissions data for category 11 UoSP as well as nine other relevant scope 3 categories. While the supporting statement states that the “essential aspect of this request is disclosing a *product category breakdown* of emissions from Use of Sold Products,” the text of the resolution included in the Proposal focuses on the Company’s disclosure of “the greenhouse gas emissions from Use of Sold Products,” with a breakdown of emissions by product category included as a subset of that information. Thus, it is apparent from the text of the resolution that the essential objective of the proposal is disclosure of scope 3 emissions from UoSP. While the Company has not implemented the proposal in every detail, it has disclosed scope 3 emissions for ten different scope 3 categories, including UoSP, without additional subcategorization within those categories. Nonetheless, the Company’s disclosure of scope 3 emissions from UoSP represents substantial implementation of the Proposal because it addresses the Proposal’s essential objective.

CONCLUSION

Based upon the foregoing analysis, the Company requests the Staff concur that it will take no enforcement action if the Company excludes the Proposal from its 2024 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance, please do not hesitate to contact me at the telephone number or e-mail address appearing on the first page of this letter.

Very truly yours,



Sonia Gupta Barros

Attachment

cc: Leslie Samuelrich, President of The Green Century Funds, Green Century Capital Management, Inc.



11/28/2023

Via Federal Express and email: [REDACTED]

Attn: Noni L. Ellison
Senior Vice President – General Counsel and Corporate Secretary
Tractor Supply Company
5401 Virginia Way
Brentwood, Tennessee 37027

Re: Shareholder Proposal for 2024 Annual Shareholder Meeting

Green Century Capital Management, Inc. (“Green Century”) is the investment advisor, agent, manager and representative of the Green Century Funds. Green Century is filing the enclosed shareholder proposal (the “Proposal”) on behalf of the Green Century Balanced Fund to be included in the proxy statement of Tractor Supply Company (TSCO) (the “Company”) for its 2024 annual meeting of shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). We are the lead filer for the Proposal and may be joined by other shareholders as co-filers.

Per Rule 14a-8, the Green Century Balanced Fund is the beneficial owner of at least \$25,000 worth of the Company’s common stock. We have held the requisite number of shares for over one year, and we will continue to hold sufficient shares in the Company through the date of the Company’s 2024 annual shareholders’ meeting. Verification of ownership from a DTC participating bank is enclosed.

Green Century Capital Management, Inc. is available to meet with the Company on December 11 at 1:30 pm, December 12 at 1:00 pm or December 13 at 11:00 am, or at another mutually agreeable time. Please let us know within 10 days if the Company would like to meet at one of these times. After 10 days we may no longer be able to hold these dates and times.

We will send a representative to the stockholders’ meeting to move the shareholder proposal as required by the SEC rules.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholders’ meeting.

We welcome the opportunity to discuss the subject of the enclosed proposal with Company representatives. Please direct all correspondence to Andrew Shalit, Shareholder Advocate, at Green Century Capital Management, Inc. he may be reached at [REDACTED] or [REDACTED].

We would appreciate confirmation of receipt of this letter via email.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Leslie Samuelrich". The signature is written in a cursive style with a prominent initial "L" and a long, sweeping tail.

Leslie Samuelrich
President
The Green Century Funds
Green Century Capital Management, Inc.

Whereas: Climate change is creating systemic risks to the economy, and the window for avoiding its most catastrophic impacts is quickly narrowing. Immediate, sharp emissions reduction is required of all market sectors and industries.¹

Tractor Supply Company acknowledges risks associated with climate change in its 10-K, stating, “the long-term impacts of climate change, whether involving physical risks (such as extreme weather conditions or rising sea levels) or transition risks (such as regulatory or technology changes) are expected to be widespread and unpredictable.”

The company has taken some steps to address its greenhouse gas emissions such as committing to reduce operating emissions by 50% by 2030.² However, operating emissions are a small fraction of the Company’s full value chain (Scopes 1-3) emissions, totaling 404,000 Metric Tons CO₂ while Scope 3 emissions alone totaled 27.4 Million Metric Tons, a full 98.5% of the company’s GHG footprint. Emissions from Use of Sold Products alone (a subcategory of Scope 3) were 67 percent of all Company emissions. While the Company recently committed to set Science Based Targets for Scopes 1-3 emissions,³ it has not provided a timeline for publication or indicated its intent to provide details of emissions from Use of Sold Products.

McKinsey & Company lays out a series of “no-regrets actions” retailers can take to set the foundation for a decarbonization strategy⁴, including:

- *Create emissions transparency at a product level.* Retailers should start tracking emissions profiles at a product or subcategory level to help prioritize efforts to decarbonize and enable customers to make sustainable choices.
- *Include decarbonization in all procurement discussions.* Retailers can build emissions criteria into sourcing and procurement processes.

Regulators have begun focusing on GHG emissions of products sold by retailers, including products sold by Tractor Supply Company. For example, California will prohibit the sale of most gasoline-powered lawncare equipment beginning January 1, 2024⁵. In 2023, Colorado adopted legislation that provides a 30% discount on electric lawncare equipment⁶. Fertilizers⁷, pellet stoves⁸ and other categories of products sold by the Company may also produce significant GHG emissions when used.

In an environment that increasingly recognizes the impact of GHG emissions of products used by consumers, companies should disclose emissions by product category to help investors better understand how they are managing the risks and opportunities of their product category mix.

¹ <https://www.unep.org/news-and-stories/press-release/nations-must-go-further-current-paris-pledges-or-face-global-warming>

² <https://corporate.tractorsupply.com/Stewardship/stewardship/default.aspx>

³ <https://corporate.tractorsupply.com/newsroom/news-releases/news-releases-details/2023/Tractor-Supply-Releases-2022-Task-Force-on-Climate-Related-Financial-Disclosures-Report/default.aspx>

⁴ <https://www.mckinsey.com/industries/retail/our-insights/climate-sustainability-in-retail-who-will-pay#/>

⁵ <https://ww2.arb.ca.gov/our-work/programs/small-off-road-engines-sore/about>

⁶ <https://www.eesi.org/articles/view/colorado-boosts-emission-reduction-goals-and-climate-tax-incentives>

⁷ <https://climate.mit.edu/explainers/fertilizer-and-climate-change>

⁸ https://e360.yale.edu/features/wood_pellets_green_energy_or_new_source_of_co2_emissions

Resolved: Shareholders request that Tractor Supply Company disclose the greenhouse gas emissions from Use of Sold Products, including a breakdown of emissions by product category.

Supporting Statement:

The essential aspect of this request is disclosing a *product category breakdown* of emissions from Use of Sold Products. The company will be collecting this data for its Scope 3 target setting. The company may use its discretion in defining product categories. The proposal does not request information about any particular product.

Sanford Lewis & Associates

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413 549-7333
sanfordlewis@strategiccounsel.net

February 2, 2024

Via online submission platform

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Tractor Supply Regarding greenhouse gases from use of sold products on Behalf of Green Century Balanced Fund

Ladies and Gentlemen:

Green Century Capital Management, Inc. on behalf of the Green Century Balanced Fund (the "Proponent"), a beneficial owner of common stock of Tractor Supply (the "Company"), has submitted a shareholder proposal (the "Proposal") to the Company.

I have been asked by the Proponent to respond to the letter dated January 5, 2024 ("Company Letter") sent to the Securities and Exchange Commission by Sonia Gupta Barros, Sidley Austin LLP. In that letter, the Company contends that the Proposal may be excluded from the Company's 2024 proxy statement.

We have redacted personal information consistent with the Staff's guidance. A copy of this letter is being emailed concurrently to Sonia Gupta Barros.

Summary

Proposal requests that the company disclose a product category breakdown of greenhouse gas emissions from use of sold products. The company currently discloses total emissions from use of sold products, but does not disclose a breakdown by product category even though it necessarily developed such calculations in order to attain its total emissions calculation.

The Company Letter asserts that the proposal is excludable as related to ordinary business. The Company Letter asserts that the Proposal infringes on decision-making details that should be left to the Company, and limits management and the board's ability to set Company direction. In reality, the Proposal makes a simple and specific, limited request for disclosure of information the Company already has (or will have) and does not place any limits on the discretion of the board and management in running the Company.

The Company also argues that it has already substantially implemented the Proposal. A plain reading of the Proposal as well as the Company's No Action letter makes it clear that the Company has not substantially implemented the Proposal; the company has not disclosed the breakdown of end use emissions by product categories.

BACKGROUND

Decision-making by investors is assisted in understanding the manner in which large societal developments are likely to pose disruptive risk. This is especially the case with understanding the extent and nature of a company's climate transition risk and the steps they are taking to manage it. Retailers' climate transition risks include changing consumer demand and regulatory risk. For example, consumer preferences for more climate friendly products may reduce consumer demand for products that emit more greenhouse gases.

Regulatory risk arises when federal, state or local governments promote or prohibit the sale of certain products or categories of products that contribute substantially to greenhouse gas emissions when produced or used. We have seen this recently in California's move to ban the sale of most gasoline-powered lawncare equipment, such as lawn mowers and leaf blowers, requiring instead that retailers sell only battery-powered or plug-in equipment.

A company's response to these risks is of material interest to investors. Investors want to know whether the company has a responsive strategy to ensure that material important product categories will not be disrupted by the climate transition.

Sustainability-savvy investors recognize the progress of the company in reducing absolute emissions from its operational footprint, as well as its development of targets for Scopes 1, 2 and 3 emissions.

However, existing company disclosures are opaque as to the relative transition risks posed to its various product categories and therefore the extent to which the company is addressing these disruption risks effectively. The requested disclosure in the proposal, disclosing end user GHG emissions by product categories, will allow investors to understand Tractor Supply Company's exposure to transition risk and the steps it is taking to address that risk.

Tractor Supply Company Already Calculates Emissions by Product Category - It Just Doesn't Disclose Them

The TSCO 2023 CDP report and 2023 ESG report both include the following statement about the methodology used for Scope 3 emissions reporting. **Note that it indicates the Company calculates this information by product category.**

Enhanced methodology for calculating Scope 3 GHG emissions in 2022. Category 1 (Purchased Goods & Services) data replaced spend-based emission factors with activity-based emissions factors. Expanded product categories included in Category 11 (Use of Sold Products) and refined use-phase assumptions. Category 4 (Upstream Transportation & Distribution) was updated to include emissions previously allocated to Category 9 (Downstream Transportation & Distribution).

The TSCO 2021 CDP report includes a long discussion of its Scope 3 / Use of Sold Products disclosure. So, again, this is what it was already doing, as of 2021:

Emissions calculation methodology

Merchandise data was screened to identify products that directly use energy in their use phase. For example, front-engine and zero-turn tractors were identified as using gasoline and/or diesel in their use phase. This list of products was analyzed for data availability across expected lifetime, average energy use, and type of energy used. Where data was available, the GHG impact of a product was calculated for the entire expected lifetime. Emission factors were based on the fuel/energy type consumed by the product. A few products stood out as significant sources of GHG emissions in this category. Tractors, generators, and air compressors made up the majority of GHG emissions for use of sold products.

And later it states:

As a retailer, Tractor Supply sells many different products. Some of these products use energy in their use phase, such as tractors, air compressors and generators. All SKUs were screened for energy use in the use phase. The products identified as consuming energy in the use phase were consolidated for additional research. A research team looked both on Tractor Supply's website and publicly available sources to find data on the expected lifetime, annual averages for energy use, and types of energy consumed by the product. Where all variables were available and determined to be a defensible representation of the actual products use of energy, the expected energy use over the entire lifetime of the product could be calculated.

Sales data by SKU and quantity of each SKU sold in the reporting year were crucial points of data for this category. The total quantity of products sold were summarized by item category for analysis. Research efforts were conducted for the item categories flagged for direct use-phase energy consumption. These research efforts informed the following variables:

- Expected lifetime (in years, hours, or another lifetime unit) of the product

- Expected average energy consumption per lifetime unit
- Type of fuel/energy consumed

The sources of any information gathered was recorded and kept in a separate research file. All products that had data availability from the research effort were included. Of all product sales across the reporting year, products identified as consuming energy in the use phase accounted for 14% of total sales. Of all the products flagged for energy consumption in the use phase, 44% were included in the use of sold products GHG calculations. All other products were excluded due to data limitations. This is an area for improvement in future reporting years.

This evidence indicates that the No Action letter is based on a mistaken assumption that the Proposal asks the Company to calculate and disclose Scope 3 data. In fact, the Company has already made a public commitment to collect and calculate Scope 3 data, and it has already represented the methodologies that it intends to use. It just does not commit to disclosing that data by product categories.

All the detailed and difficult work described in the No Action letter is work that the Company has already committed to undertake, in a manner of their own choosing. The Proposal does one thing, and one thing only: it asks the Company to disclose data that it will already be collecting (or calculating) and disclose a relatively simple summarization of that data.

The rationale for this request is made clear in the proposal. ***Based on existing Company disclosures, a single subcategory of Scope 3 emissions (Use of Sold Products) constitutes a full 67% of Company's full value chain (Scopes 1, 2, 3) emissions.*** While current Company disclosures provide details within smaller constituents of its emissions footprint, this category, constituting over 2/3 of Company emissions, remains a black box of climate disruption risk management.

The Proposal seeks to give investors insight into the risks and opportunities created by a retailer's product mix. This insight can be provided by opening up the black box of Use of Sold Product emissions, and disclosing which product categories comprise that 67%.

There can be little question that this information is of material interest to investors. As described in the resolution, regulators are actively imposing restrictions on product categories sold by the Company.

The information needed to satisfy the Proposal is already being collected and calculated by the Company to fulfill its commitment to disclose Scope 3 emissions. The Proposal merely asks the Company to summarize and disclose that existing (or soon to exist) data by product category.

ANALYSIS

I. The Proposal is not excludable under Rule 14a-8(i)(7).

In 1998, the Commission issued a rulemaking release (“1998 Release”) updating and interpreting the ordinary business rule, by both reiterating and clarifying past precedents. That release was the last time that the Commission discussed and explained at length the meaning of the ordinary business exclusion. The Commission summarized two central considerations in making ordinary business determinations - whether the proposal addresses a significant social policy issue, and whether it micromanages.

First, the Commission noted that certain tasks were generally considered so fundamental to management's ability to run a company on a day-to-day basis that they could not be subject to direct shareholder oversight (e.g., the hiring, promotion, and termination of employees, as well as decisions on retention of suppliers, and production quality and quantity). However, proposals related to such matters but focused on sufficiently significant social policy issues (i.e., significant discrimination matters) generally would not be excludable.

Second, proposals could be excluded to the extent they seek to “micromanage” a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would be unable to make an informed judgment. This concern did not, however, result in the exclusion of all proposals seeking detailed timeframes or methods. Proposals that passed the first prong but for which the wording involved some degree of micromanagement could be subject to a case-by-case analysis of whether the proposal probes too deeply for shareholder deliberation.

In this instance, the proposal addresses a significant policy issue, climate change, and it does not micromanage the issue to any extent that would merit exclusion. Instead, it addresses and seeks disclosure on an issue of material interest to investors.

Cited precedents are inapposite

The Company Letter cites Amazon, Coca-Cola and Deere & Co. precedents as supporting exclusion based on the ordinary business exclusion. These precedents are inapposite.

The proposal in [Amazon.com, Inc.](#) (Apr. 7, 2023) asked Amazon to measure and disclose Scope 3 emissions and as such prescribed methods for collecting and calculating the Scope 3 emission data. The current proposal neither requires measurement nor prescribes methods of reporting. In this instance the Company has already committed to collect Scope 3 data using methodologies of its own choosing; the proposal does not prescribe how to categorize or prioritize product usage categories. It merely seeks greater transparency of existing data for investors. Unlike the Amazon

proposal, the current proposal does not impose "a specific method for implementing a complex policy disclosure without affording discretion to management."

The other precedent referenced by the Company, *The Coca-Cola Co.* (February 16, 2022) and *Deere & Co.* (January 3, 2022) involved proposals that were significantly more prescriptive than the Proposal at hand. In *Coca-Cola*, the proposal requested that the company get shareholder approval for "any proposed political statement." The proposal in *Deere & Co.* requested that the company publicize its employee training materials. Unlike those proposals, this Proposal at hand maintains board and management discretion.

The request is consistent with the Greenhouse Gas Protocol

As stated in Staff Legal Bulletin 14 L, Staff will consider "references to well-established national or international frameworks when assessing proposals related to disclosure" as indicative of topics that shareholders are well-equipped to evaluate." Indeed, this is why the current Proposal is framed within the Scopes 1, 2, and 3 structure described by the GHG Protocol, CDP, etc. Our request is made firmly and clearly within that framework.

It is important to note that the GHG Protocol, CDP, etc. provide disclosure *frameworks* and specify a floor of data to be provided. They do not impose a ceiling on the disclosure and note that company disclosures should be structured consistent with consumer and Investor demand. Companies are encouraged to present data in a manner that will be most useful to stakeholders in understanding the impacts, risks, opportunities the company faces in the disclosed area.

The corporate reporting standard of the GHG protocol notes at page 30 that companies have discretion as to which scope three categories are most relevant:

2. Determine which Scope 3 categories are relevant. Only some types of upstream or downstream emissions categories might be relevant to the company. They may be relevant for several reasons:
 - They are large (or believed to be large) relative to the company's scope 1 and scope 2 emissions
 - They contribute to the company's GHG risk exposure
 - **They are deemed critical by key stakeholders (e.g., feedback from customers, suppliers, investors, or civil society)**
 - There are potential emissions reductions that could be undertaken or influenced by the company.¹

¹ The same concept is repeated on page 35 of the same document:
Page 35

Companies may need to track emissions over time in response to a variety of business goals, including:

The current proposal is thus a litmus test of whether this issue of potentially material climate disruption risk for particular product categories matters to investors. The proponent believes that it does.

The Company Letter goes to great lengths to describe a substantial burden on the company and its vendors associated with implementation of the proposal. Nothing in the proposal precludes the company from using a simplified or streamlined approach to identifying and calculating the emissions associated with product categories. The existing data gathering plan seems perfectly ample for fulfilling the proposal. It just needs to be accompanied by reasonable disclosure, even if that includes language describing the limits of estimation method etc.

II. The proposal is not substantially implemented.

Under Rule 14a-8(i)(10), a company may exclude a shareholder proposal if it can meaningfully demonstrate that “the company has already substantially implemented the proposal.” Rule 14a-8(i)(10) exclusion is “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by management.” See Exchange Act Release No. 12598 (regarding predecessor to Rule 14a-8(i)(10)). A company can be said to have “substantially implemented” a proposal when its “policies, practices and procedures compare favorably with the guidelines of the proposal.” See *Texaco, Inc.* (March 8, 1991).

In this instance, the company has not made a persuasive argument that the proposal is implemented. While the company reports use of sold products as a category of scope 3 emissions, it does not drill down on emissions by product category as requested. Thus, the company actions neither implement the guidelines of the proposal, nor its essential purpose.

CONCLUSION

Based on the foregoing, we believe the Company has provided no basis for the conclusion that the Proposal is excludable from the 2024 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the Company that it is denying the no action letter request. If you have any questions, please contact Sanford Lewis at 413 549-7333 or sanfordlewis @strategiccounsel.net.

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- Public reporting
 - Establishing GHG targets
 - Managing risks and opportunities
 - **Addressing the needs of investors and other stakeholders.**

Sincerely,

A handwritten signature in black ink, appearing to read "Sanford Lewis". The signature is fluid and cursive, with the first name "Sanford" being more prominent than the last name "Lewis".

Sanford Lewis

Brittany Blanchard Goad

Cc:

Andrew Shalit

Sonia Gupta Barros

The Proposal

Whereas: Climate change is creating systemic risks to the economy, and the window for avoiding its most catastrophic impacts is quickly narrowing. Immediate, sharp emissions reduction is required of all market sectors and industries.¹

Tractor Supply Company acknowledges risks associated with climate change in its 10-K, stating, “the long-term impacts of climate change, whether involving physical risks (such as extreme weather conditions or rising sea levels) or transition risks (such as regulatory or technology changes) are expected to be widespread and unpredictable.”

The company has taken some steps to address its greenhouse gas emissions such as committing to reduce operating emissions by 50% by 2030.² However, operating emissions are a small fraction of the Company’s full value chain (Scopes 1-3) emissions, totaling 404,000 Metric Tons CO₂ while Scope 3 emissions alone totaled 27.4 Million Metric Tons, a full 98.5% of the company’s GHG footprint. Emissions from Use of Sold Products alone (a subcategory of Scope 3) were 67 percent of all Company emissions. While the Company recently committed to set Science Based Targets for Scopes 1-3 emissions,³ it has not provided a timeline for publication or indicated its intent to provide details of emissions from Use of Sold Products.

McKinsey & Company lays out a series of “no-regrets actions” retailers can take to set the foundation for a decarbonization strategy⁴, including:

- *Create emissions transparency at a product level.* **Retailers should start tracking emissions profiles at a product or subcategory level to help prioritize efforts to decarbonize and enable customers to make sustainable choices.**
- *Include decarbonization in all procurement discussions.* Retailers can build emissions criteria into sourcing and procurement processes.

Regulators have begun focusing on GHG emissions of products sold by retailers, including products sold by Tractor Supply Company. For example, California will prohibit the sale of most gasoline-powered lawncare equipment beginning January 1, 2024⁵. In 2023, Colorado adopted legislation that provides a 30% discount on electric lawncare equipment⁶. Fertilizers⁷, pellet stoves⁸ and other categories of products sold by the Company may also produce significant

GHG emissions when used.

In an environment that increasingly recognizes the impact of GHG emissions of products used by consumers, companies should disclose emissions by product category to help investors better understand how they are managing the risks and opportunities of their product category mix.

¹ <https://www.unep.org/news-and-stories/press-release/nations-must-go-further-current-paris-pledges-or-face-global-warming>

² <https://corporate.tractorsupply.com/Stewardship/stewardship/default.aspx>

³ <https://corporate.tractorsupply.com/newsroom/news-releases/news-releases-details/2023/Tractor-Supply-Releases-2022-Task-Force-on-Climate-Related-Financial-Disclosures-Report/default.aspx>

⁴ <https://www.mckinsey.com/industries/retail/our-insights/climate-sustainability-in-retail-who-will-pay#/>

⁵ <https://ww2.arb.ca.gov/our-work/programs/small-off-road-engines-sore/about>

⁶ <https://www.eesi.org/articles/view/colorado-boosts-emission-reduction-goals-and-climate-tax-incentives>

⁷ <https://climate.mit.edu/explainers/fertilizer-and-climate-change>

⁸ https://e360.yale.edu/features/wood_pellets_green_energy_or_new_source_of_co2_emissions

Resolved: Shareholders request that Tractor Supply Company disclose the greenhouse gas emissions from Use of Sold Products, including a breakdown of emissions by product category.

Supporting Statement:

The essential aspect of this request is disclosing a *product category breakdown* of emissions from Use of Sold Products. The company will be collecting this data for its Scope 3 target setting. The company may use its discretion in defining product categories. The proposal does not request information about any particular product.