

JOURNEY TO SUSTAINABILITY

2020 ESG REPORT



A LETTER FROM STUART SCHUETTE



Dear ATD team and valued partners,

Sustainability is a term often associated exclusively with the environment, but it requires attention to social and economic impacts as well. Yes, environmental responsibility is a key piece, but there are many other elements that must be acknowledged, measured, and enhanced if we are to continue along the path of corporate excellence.

Last year underscored our connectivity as a global society. The pandemic's toxic shock showed us just how frail our global framework is—from our shared ecosystem, human health, economic stability, and social constructs. It was a wake-up call.

Fortunately, at ATD, we've been focused on the concept of regeneration and continuous improvement for some time. Those "triple bottom line" priorities of people, planet, and profit are already on our dashboard. In fact, they're embedded in our iCare value statement.

To succeed as a leading corporation for generations to come, we must deliver value not only to our investors, but also to the environment and the society we nurture inside and outside our company. We must invest in careers, culture, and community to be the best we can be. And we must commit to accountability and transparency—so we govern ourselves to protect and propel ATD toward a thriving future.

I'm delighted to share ATD's first ESG Report, which measures our goals and advancement related to ESG. We're not just checking the box. These are long-term commitments and ambitious goals, and our journey has already begun.

Sincerely,



Stuart Schuette
President & CEO

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This report contains certain forward-looking statements, which are subject to various risks and uncertainties. These statements are typically accompanied by the words "believe," "plan," "expect," "may," "will," or similar words. Such forward-looking statements include, among other things, sustainability commitments, programs and goals, as well as business strategies, expectations and future growth. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results due to changes in circumstances, assumptions not being realized, or other risks and uncertainties.

ATD'S POLICY & COMMITMENT TO ESG

Introduction and Governing Principles

American Tire Distributors' corporate vision is to help our customers thrive and drive into the future, with a stated corporate purpose to be the most connected and insightful automotive solutions provider. Thus, it is fundamental to view the company through a lens that defines success from the perspective of the entire replacement tire ecosystem—from consumers and retailers to tire manufacturers. This comprehensive view naturally aligns ATD with the tenets of business sustainability and ESG.

We believe a critical element of realizing our vision, purpose and values is sustainability, which we define broadly as our company's ability to create long-term value and exhibit business resilience in a rapidly changing marketplace. Our commitment to sustainability focuses on the non-financial factors that impact our continuing viability, profitability, and value-creation for key stakeholders across the replacement tire ecosystem.

These constituencies include manufacturer partners and suppliers, retail customers, ATD associates, stockholders and investors, consumers, and the communities in which we operate and serve.

Achieving sustainability requires leadership and accountability to ourselves and our principal stakeholders. We believe sustainability is integral to our ability to realize long-run performance, organizational resilience, profitability, and value creation. To be fully effective, our sustainability priorities are broad and encompass three key areas: environmental, social, and corporate governance (ESG). Our current plan to achieve our sustainability initiatives is described in the following ESG goals, policies, and practices.

POLICY & COMMITMENT TO ESG (CON'T)

ENVIRONMENTAL

- ATD's geographic and environmental footprint operates across the U.S. and Canada through 130+ distribution facilities and more than 1,500 delivery vehicles that collectively drive over 80 million miles annually. We source and distribute more than 40 million tires annually to 80,000 customers—and we recognize that we have a significant impact on the environment and the communities where we do business.
- We incorporate capital and resource allocation into our decision making. And our performance management process considers a full range of environmental impacts, including climate change, greenhouse gas (GHG) emissions, waste management, recycling, and energy use.
- ATD's long-term goal is to reduce overall operational GHG emissions by 25% by 2030, baselined against our 2019 performance.
- We are committed to promoting and supporting the Global Reporting Initiative (GRI) and GHG measurement and disclosure by following the Greenhouse Gas Protocol.
- We are committed to leveraging our environmental impact initiatives with the sustainability efforts of our key trading partners.
- ATD's goal is to reduce our carbon footprint by replacing carbon-based sources of energy in our operations with renewable sources. This includes:
 - a) expanded use of electric or alternative-fuel vehicles,
 - b) reductions in energy consumption through technology, equipment, and facility modernizations,
 - c) the use of renewable energy sources, and
 - d) solid waste reductions through recycling and material reuse.



POLICY & COMMITMENT TO ESG (CON'T)

SOCIAL

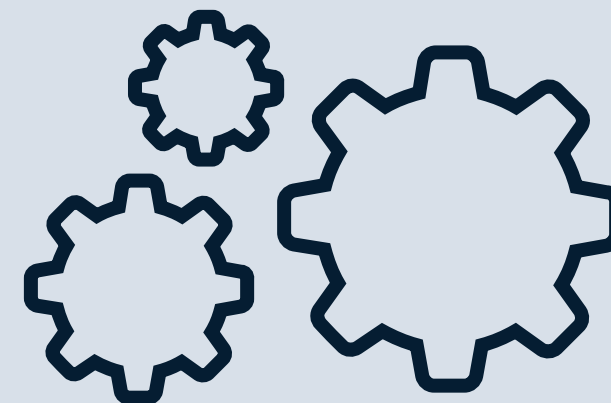
- ATD's culture is rooted in our core values and belief system expressed through our iCare Values (Innovation, Collaboration, Accountability, Respect, and Excellence) deployed throughout our organization with continuous reinforcement and training.
- ATD's sustainability commitment includes occupational and workplace health and safety, diversity and inclusion in hiring and sourcing, equal opportunity, data privacy, and training and development for all associates.
- ATD's Corporate Social Responsibility (CSR) program includes a commitment to the health and wellbeing of our associates and all who visit our sites or otherwise interact with our operations.
- We are committed to maintaining a comprehensive system of operating procedures, training, and measurement. We annually establish safety (OSHA-recordable and vehicle incident rates) improvement goals, incident remediation, training, and prevention practices and systems to drive continuous improvement.
- We regularly survey our associates to measure employee engagement with annual targets for improvement.
- ATD sponsors programs that promote the health of its associates and offers competitive, sustainable, and comprehensive benefit programs that strive to promote a culture of employee wellness.
- Our commitment extends to active engagement and support of the communities we serve at local, regional, and national levels through volunteerism, event sponsorships, drives, fundraisers, donations, and wellness and safety programs.
- ATD values and promotes social responsibility within the company and the communities we operate in and affect.
- Our support extends to underserved communities and diversity initiatives, including sourcing and supporting minority businesses through our Minority Business Enterprise Sourcing initiative. We also actively support racial and social equity through our sponsorship of public interest lawyers through Equal Justice Works and by underwriting Fellows and projects that enable social and racial justice in communities where ATD does business.
- ATD also demonstrates its commitment to supporting our associates through its 501(c)(3) weCare Associate Relief Fund, which is funded through corporate and associate contributions. This fund supports our associates through difficult times caused by natural disasters, family illness, and similar challenges.



POLICY & COMMITMENT TO ESG (CON'T)

GOVERNANCE

- ATD's sustainability and ESG framework includes standards and practices for control and oversight of the company through its senior management, sponsors, independent members of the Board of Directors, and leadership diversity.
- Governance structure and practices includes qualified independent members of our Board who bring expertise and experience relevant to steer and shape ATD's strategic direction through their industry, technology, and financial acumen.
- The company aligns Board and management compensation and incentives to promote and reward sustainable, long-term performance and value creation.
- The ATD Board of Directors reviews and approves annually the company's five-year strategic plan, annual operating plan, talent and human capital reviews, and quarterly performance reviews; and it oversees the articulation and deployment of ATD's vision, values, and purpose.
- ATD's governance and Board structure includes robust and fully functioning audit and compensation committees.
- ATD's Code of Conduct outlines the expectations and guidance for all associates, as well as high standards of ethical business conduct including workplace safety, harassment and discrimination, conflicts of interest, and gifts and entertainment.
- Every associate is familiarized with the ATD Code of Conduct during onboarding and refreshed going forward.
- Associates are encouraged to report any suspected violations by contacting management, the legal or human resources departments, or through our 24-hour third-party-managed, anonymous alert line service.
- We also seek to do business with suppliers, customers, and resellers who adhere to similar ethical standards whenever possible.
- The ATD Code of Conduct is monitored and updated by the legal and the human resources departments, as well as reviewed periodically by the Board of Directors. The Code of Conduct is accessible, visible, reinforced annually, and is available on our company intranet site.
- ATD encourages a culture of ethical behavior and a commitment to compliance.
- We maintain a system of internal controls over financial reporting and engage an independent public accounting firm to perform an annual audit of our financial statements.
- ATD is committed to transparent reporting to investors and stakeholders.
- ATD's internal audit group has a dual-reporting relationship to our chief financial officer, chief executive officer, and our audit committee of the ATD Board of Directors, which is chaired by an independent director to promote impartiality.
- The company operates a robust internal audit function that performs and administers a variety of operational, financial and compliance audits, Sarbanes-Oxley (SOX) based financial control reviews, and enterprise risk management programs.
- ATD respects privacy and is committed to its protection through compliance with our privacy policy, which is available to the public on our website. This policy describes the types of information we may collect from or through our website (www.ATD-US.com) or any of our sub or micro-sites.
- Privacy policies and practices cover:
 - Any content, functionality, or services offered on or through such sites.
 - Our practices for collecting, reviewing, maintaining, protecting, and disclosing that information.
 - The rights of others and our contact information for any questions or comments.
 - In addition, we empower those who provide data to us to make requests about the data they have shared and control how that data is used.
- Finally, the company ensures effective controls and data privacy through its data and cybersecurity capabilities and systems, as well as through its Payment Card Industry (PCI) and Service Organization Control (SOC) compliance regime and protocols.



ATD'S ESG RISK RATING FROM SUSTAINALYTICS

ATD's ESG planning began in 2017 with the creation of a Sustainability Committee. Recognizing the growing expectations that customers, suppliers, businesses, and the public have regarding ESG issues, ATD engaged Sustainalytics in the fourth quarter of 2020 to assess and rate our ESG risk. This was our first rating, based on our initial-stage ESG work.



CURRENT ESG RISK RATING

ESG Risk Ratings are categorized across five risk levels: negligible, low, medium, high, and severe. The world's leading corporations, lenders and banks rely on Sustainalytics' ESG Risk Ratings to identify and understand financially material ESG issues that can affect long-term performance.

Sustainalytics, a Morningstar company, is a leading global provider of ESG and corporate governance products and services, supporting investors around the world in the development and implementation of responsible investment strategies.

Its ESG rating process is rooted in the belief that environmental, social, and governance information is a critical part of corporate and investment strategy, and that embedding ESG into corporate and investment decisions is integral to long-term success from both a financial and sustainability perspective. The company's ESG Risk Ratings span more than 13,000 companies and cover most major global indices.

We received an overall low risk rating of 11.0, ranking ATD as #213 on a list of over 13,000 companies, and #7 of 39 retailing distribution companies as reported by Sustainalytics on July 16, 2021. Our composite low risk rating was comprised of a low exposure (inherent) score offset by an average to weak management score. We have control over our management score and are implementing a number of initiatives to improve our ESG program and risk level.

We have also conducted a benchmarking assessment of our ESG program, and we are leveraging this assessment to further hone our overall ESG strategy, program, performance management, and communications.

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LOW RISK
RATING

11.0



#213

ON A LIST
OF OVER
13,000

#7 OF
39 RETAILING
DISTRIBUTION
COMPANIES

* Ratings are current as of July 16, 2021

WHO WE ARE

American Tire Distributors (ATD) and its Canadian subsidiary, National Tire Distributors (NTD) form the largest replacement tire distributor in North America. As unmatched leaders in the industry and tire replacement ecosystem, we serve as a critical and expeditious link between world-class manufacturers and customers of all types.

Our scale, coupled with our investments in leading technology and logistics distribution systems, allows us to provide the broadest assortment of tires, wheels, and shop supplies with same or next-day delivery for our customers.

We are driving channel diversification across the broadest range of original equipment manufacturer (OEM) partners in the industry. We expect future growth to continue to increase our market share in both the U.S. and Canadian tire distribution markets.

OUR PURPOSE

To help our **customers thrive** and **drive** into the future

OUR VISION

To be the most **connected** and **insightful** automotive solutions provider

OUR VALUES



DASHBOARD



NETWORK

137 Distribution Centers
31 Hub and Spoke
4 Mixing Warehouses
7 Adjustment Centers



INVENTORY

\$1B Product on Hand
21M Sq. Ft. Warehouse
700K Stocking Locations
90K Active Products



ASSOCIATES

5K Associates across North America
700 Sales Associates
1 Culture



TRANSPORTATION

80M Miles / Year
17K Intl. Containers / Year
1.5K+ Private Fleet



CUSTOMERS

80K Total Customers
130K Delivery Points
8M+ Deliveries / Year
~40M Units Delivered / Year

AWARDS + ACCOLADES



TIRE MANUFACTURER CHALLENGES

- Lack infrastructure to efficiently serve most retail tire locations
- Typically only set up to deliver in large quantities vs. to smaller customers
- Fragmented manufacturer base and market shares
- Lack supply chain visibility



THE ULTIMATE CONNECTOR

- ✓ Offers 80,000 SKUs
- ✓ 80,000 total customers
- ✓ Provides leading passenger and light truck tire brands
- ✓ National distribution network
- ✓ 130+ DCs
- ✓ 1,500+ private fleet
- ✓ Same-day deliveries
- ✓ Leading technology capabilities
- ✓ >80% of all orders captured electronically
- ✓ Other value-added services
- ✓ Data science solutions and insights



REPLACEMENT TIRE DEALER CHALLENGES

- Large and highly fragmented industry with multiple channels
- Limited in-house warehouse space to inventory required SKUs
- Increasing complexity with the number of specific tire sizes in the market having grown by 65% since 2000
- Require reliability for same or next day service
- Require other value-added services:
 - Marketing
 - Staging of stores
 - Performance analysis / coaching
 - Dealer install referrals from TireBuyer.com
- Data insights

DISTRIBUTION NETWORK

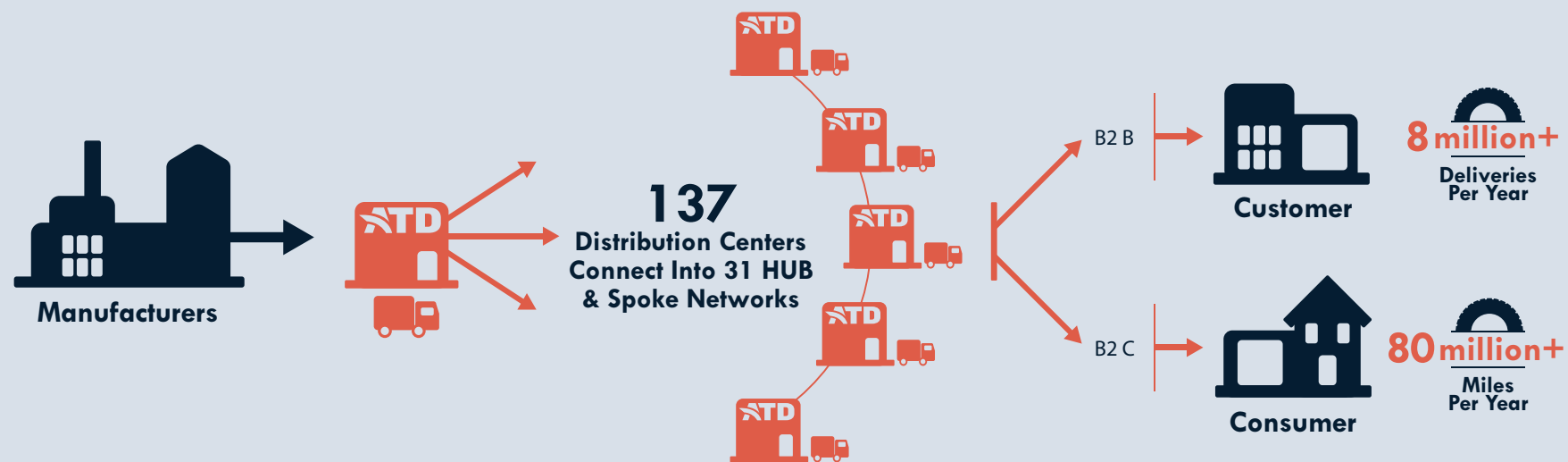
We have consolidated and optimized our distribution network, including the introduction of cross docking to facilitate rapid stock replenishment. And, our strategic investments in data-driven analytics and technologies are bringing increased efficiencies to the entire supply chain.



ATD is the ESG unlock for the entire tire ecosystem

—our logistics innovations will help our manufacturer partners solve the industry problem.”

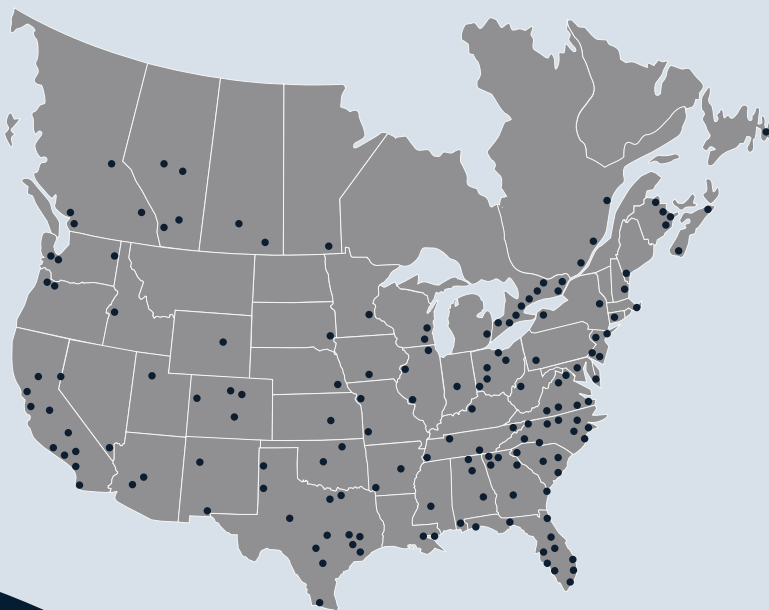
Keith Calcagno
Chief Merchant and Strategy Officer



Scale Advantage from Extensive and Efficient Distribution Network

ATD's best-in-class infrastructure and network capacity enables our Third-Party Logistics (3PL) solution FLX FWD to drive unparalleled availability of vendor inventory to strengthen our industry-leading logistics platform and capabilities.

DISTRIBUTION CENTERS



HUB & SPOKE

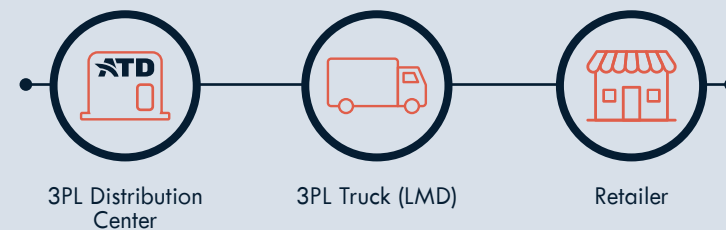


FLX FWD AUTOMOTIVE LOGISTICS SOLUTIONS
Powered by ATD

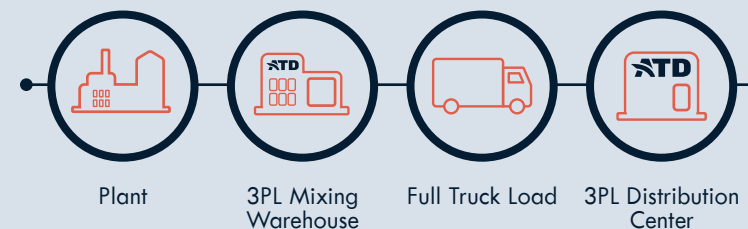
Our 3PL solution FLX FWD delivers key benefits for manufacturers and retailers...

- ✓ Access to proprietary product
- ✓ A better customer experience
- ✓ Enhanced profitability
- ✓ Expected to be a meaningful revenue generator for ATD by 2025

UNLOCK VOLUME AT MAJOR RETAILERS



IMPROVE IN-STOCK RATES IN LOCAL MARKETS



OUR BUSINESS

ATD's robust distribution network and sophisticated technologies provide retailers and manufacturer partners with significant advantages at a time when our industry is weathering significant change and volatility. We are building a company that will thrive into the future, leading the replacement tire ecosystem to evolve as the industry transforms.

ATD & Tire Industry Evolution Since 2016



Act I & Act 2
ATD Transformation



Loss & 100% Recovery of
Key Brands



Successful Financial
Restructuring



COVID-19
Pandemic



Trade Wars
& Tariffs



Manufacturer
Consolidation



Retailer
Consolidation

Emerging Industry Trends



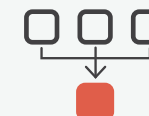
Digitization



Increasing Importance
of Fleet Customers &
the Sharing Economy



Big Data &
Advanced Analytics



Industry Consolidation
& Vertical Integration



ESG Imperatives



New Entrants



Electrification



Autonomous
Driving



Connected
Vehicles

POWERING THROUGH CHANGE

Despite these challenges and our own transformational journey, ATD has continued to invest in advanced capabilities to improve our profitability, exceed our strategic goals, and provide customers with unprecedented service. We are enabled by innovations like:

- Our FLX FWD 3PL model
- Our delivery mobile app, Traction
- Dynamic routing for efficient last-mile deliveries
- Data-driven inventory control to optimize selection and flow
- Torqata, our industry data and insights unit
- Spark best-in-class microlearning technology

These innovations, in addition to our people-first strategies, connect and optimize our workforce, enabling ATD to continue to grow and establish itself as a market leader.



2020 Investments In Advanced Capabilities



Data Insights



Blockchain



Logistics Solutions



E-Commerce



Mobility



Culture Development



2020 Achievements



Improved Associate Engagement & Satisfaction



Increased Community Engagement



Solid Growth with Flat GHG



EVA Improvement



Above Market Growth



Revenue Surpassing Pre-restructuring Levels



Margin Expansion



New Manufacturer Brands



Cost Productivity



Capital Velocity



Earnings Growth



Cash Generation



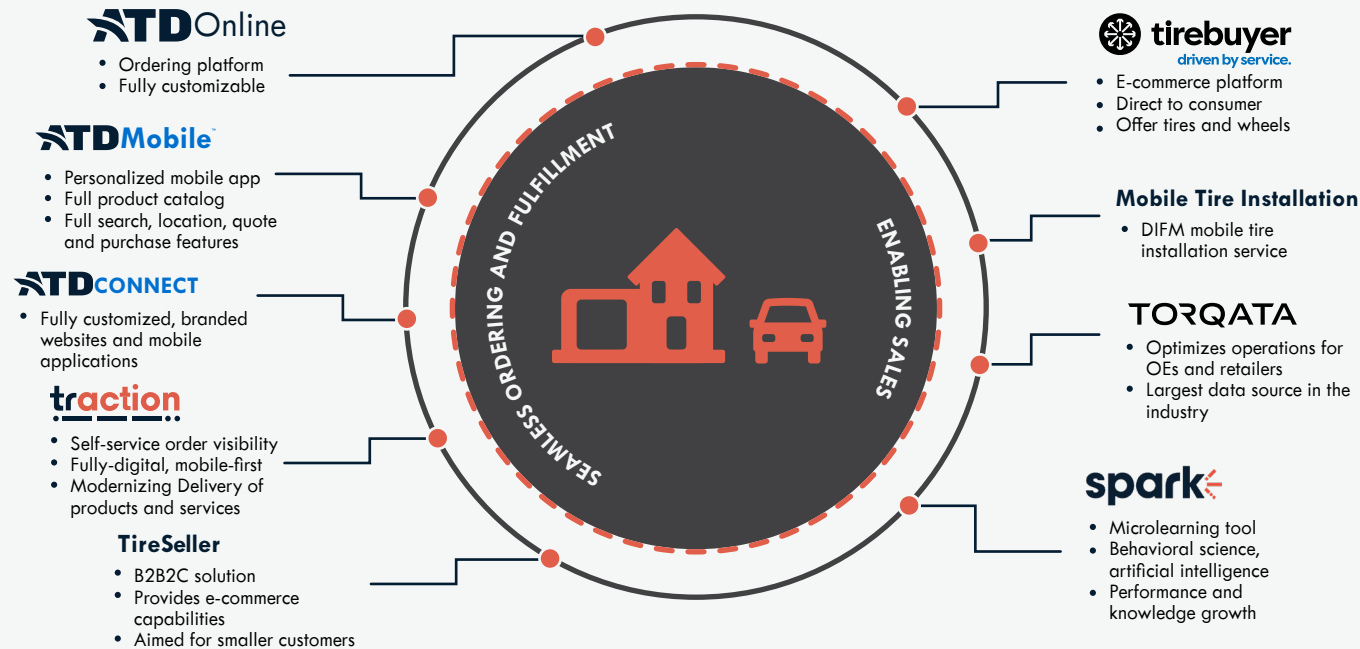
Stronger Balance Sheet

DIFFERENTIATED THROUGH DIGITAL INNOVATION

ATD's strategy aims to set the pace of change in the tire industry by driving digital efficiencies across the replacement tire ecosystem.

DIGITAL STRATEGIC IMPERATIVES:

Our digital capabilities enable our retail customers to seamlessly reach consumers and manage their businesses.



“
ATD continues to broaden our advantage

as we harness data-driven solutions.”

Murali Bandaru
 Chief Information and Digital Officer



Torqata aggregates data to build broader market insights

and unlock cost savings and revenue opportunities for our partners.”

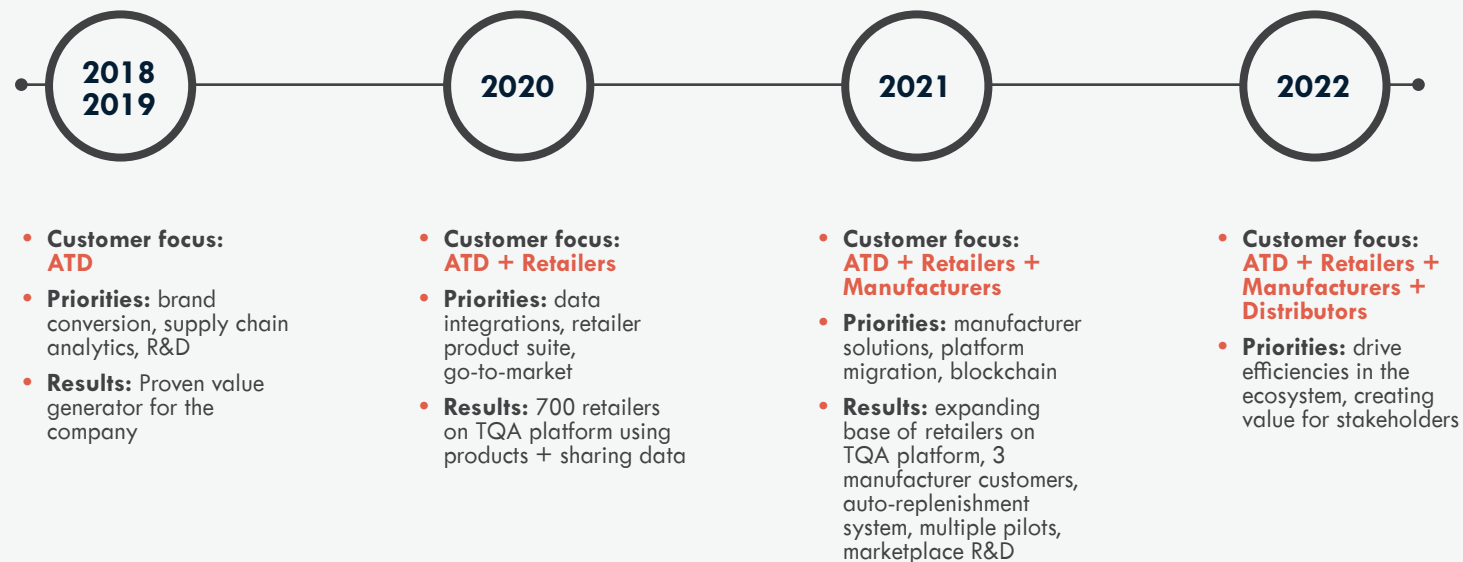
Tim Eisenmann
Chief Executive Officer at Torqata

TORQATA

Torqata, ATD's advanced analytics solutions startup, is positioned as the future backbone of the industry's "digital ecosystem."

PURPOSE AND VISION

Driving **better decisions** by being the **essential connector** for the automotive aftermarket



OUR STRATEGY

Sustainability is integrated throughout ATD's strategy evolution. We are creating a company and culture built to last amidst dynamic industry changes. By doing so, we will also help retailers, manufacturers, and other distributors collaborate to drive better results across our fragmented industry.

In short, we aspire to be the trusted connector of the automotive aftermarket ecosystem. Connecting our manufacturing partners and customers is our business, and our expansive network is our foundational asset.

WIN

Trusted Connector of the Automotive Aftermarket Ecosystem

DIFFERENTIATE

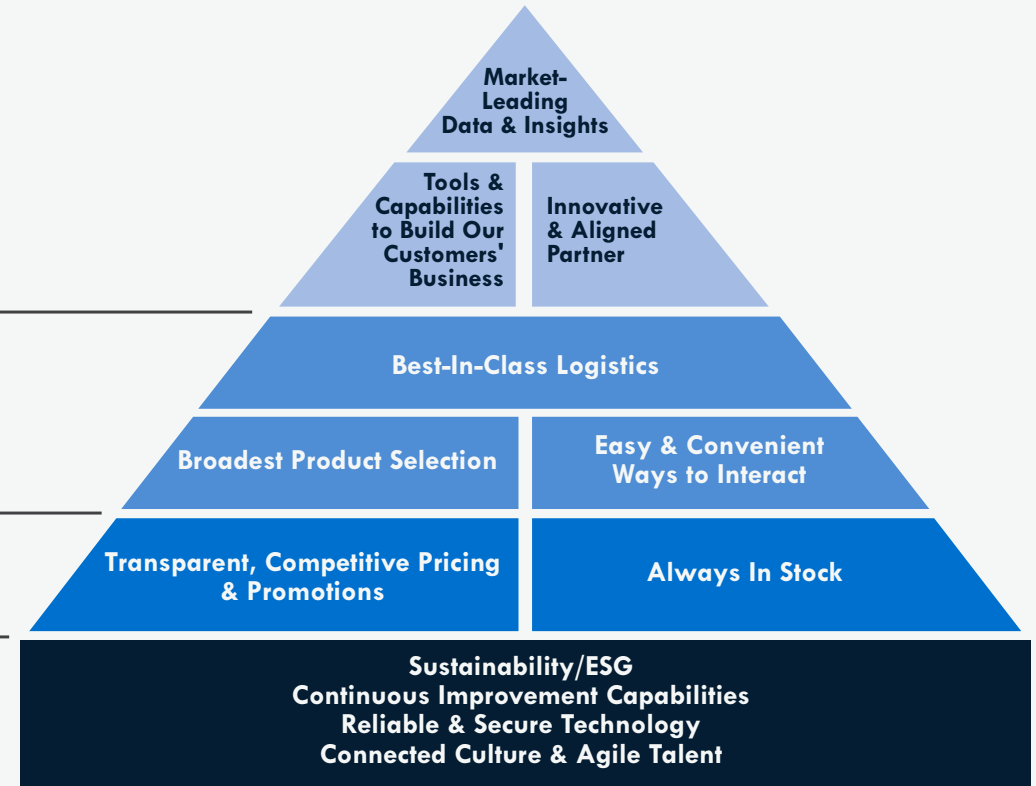
Seamless Fulfillment to Efficiently Solve Customer Needs

COMPETE

Right Price, Always Available

FOUNDATION

Future-Focused Fundamentals





The journey of a thousand miles begins with one step.”

- Lao Tzu



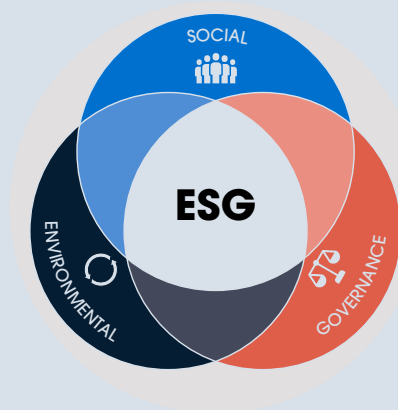
ESG AT ATD

We consider Environmental, Social, Governance (ESG) to be key factors driving business resilience today. Corporate longevity and success can only be maintained through equal focus on all three. The concept is simple: we believe the best strategy to achieving financial stability for ATD is to create value not only for our owners and investors, but also for our associates, customers, suppliers, and the community at large.

ENVIRONMENTAL measures help us examine how we can have a positive impact on our world through direct reductions in greenhouse gas (GHG) emissions, energy use, and waste.

SOCIAL criteria direct our focus on diversity, equity and inclusion, human rights, work conditions, health and safety, and associate and community engagement.

GOVERNANCE programs are how we run the company, measuring our commitment to environmental and social goals along with our regulatory compliance, ethical standards, and the measures we take to protect our assets.



ESG is a crucial and interconnected part of our business strategy, fueled by our iCare values to be innovative, collaborative, accountable, respectful, and excellent.

WHY IS IT IMPORTANT?

It is our belief that a well-run, responsible company that cares about its people, partners and communities is more likely to remain resilient, relevant, and resource-rich than others that ignore these priorities.

WHY NOW?

The replacement tire market continues to undergo seismic volatility and disruption. Simultaneously, we are facing unprecedented headwinds with the ongoing COVID-19 pandemic, import trade wars and accelerating societal changes. It takes agility to weather these storms. Corporations without it will be left behind.

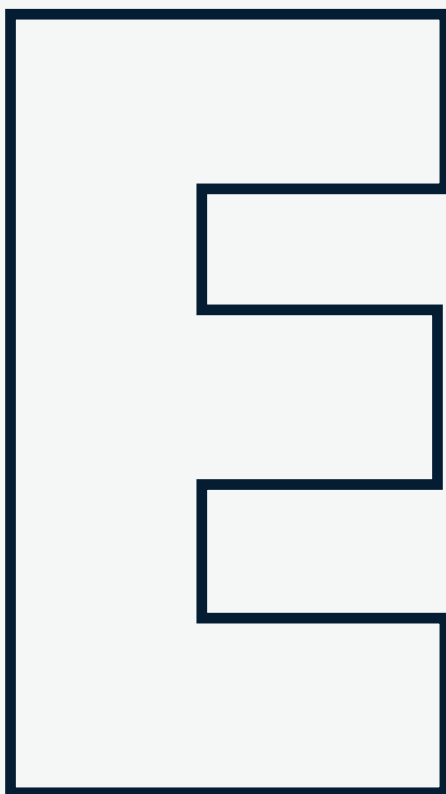
Thankfully, ATD was already on a transformative journey that began prior to our business restructure in 2018. We steered through significant events during the past three years and have emerged stronger than before.

By 2025, millennials will represent three-quarters of the global workforce. Studies show they are twice as likely as the general population to invest in companies with social or environmental goals. And in North America alone, this generation, alongside Generation X, is set to share a wealth transfer approaching \$30 trillion from their Baby Boomer predecessors in coming years.



There are no passengers on spaceship earth. We are all crew.”

- Marshall McLuhan, philosopher



ENVIRONMENTAL

The first part of any journey begins by identifying the starting point. The second step is to study the best route toward the desired destination. The environmental leg of our ESG journey to sustainability is complex, and we're just beginning to chart our path.

According to the United States Environmental Protection Agency (EPA), transportation generates the greatest amount of GHG emissions of all the business sectors. And, as one of the largest independent tire distributors in the world, we have a significant opportunity and responsibility to take action.

ATD's intent is to positively affect its carbon impact and serve as a partner across the replacement tire ecosystem to enable the industry to tackle environmental challenges.

During 2020, we began focusing on areas that provided the most immediate opportunities for GHG emissions measurement and action. Our fleet operations (FO), distribution centers (DCs) and Field Support Center (FSC) each established benchmarks summarizing key environmental impacts and corresponding goals for improvement. We know the global pandemic made for an unusual year but, nonetheless, we started measuring against the three distinct scope areas, using 2019 numbers as our baseline.

Looking ahead, we will continue to evaluate flexible work arrangements, video conferencing and changes to our logistics and service levels that could contribute to future environmental gains. We'll aggressively pursue cleaner forms of energy like solar, hydrogen and biofuels. We'll measure and record our GHG impacts monthly and annually. We'll begin engaging independent ESG ratings agencies to periodically assess our progress. And, in 2021, we'll expand our environmental initiatives and metrics to third-party partners, optimizing our logistical network with the long-range goal of working together to improve our collective investment in a healthier world.



DESTINATION

Provide superior customer service while minimizing our carbon footprint and environmental impact, targeting a 25% reduction in GHG emissions by 2030.



2020 MILEPOSTS

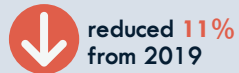
- Conducted in-depth analysis of ATD's carbon footprint¹, identifying three impact scopes that we'll track year over year (YOY) using 2019 as our baseline

SCOPE 1

DIRECT EMISSIONS

(diesel, propane, natural gas)

86,044 MT CO₂e



SCOPE 2

INDIRECT EMISSIONS

(electric²)

17,255 MT CO₂e



SCOPE 3

INDIRECT EMISSIONS

(3rd party: ocean freight, rail, and truck transport²)

135,365 MT CO₂e



TOTAL EMISSIONS



238,644 in 2020

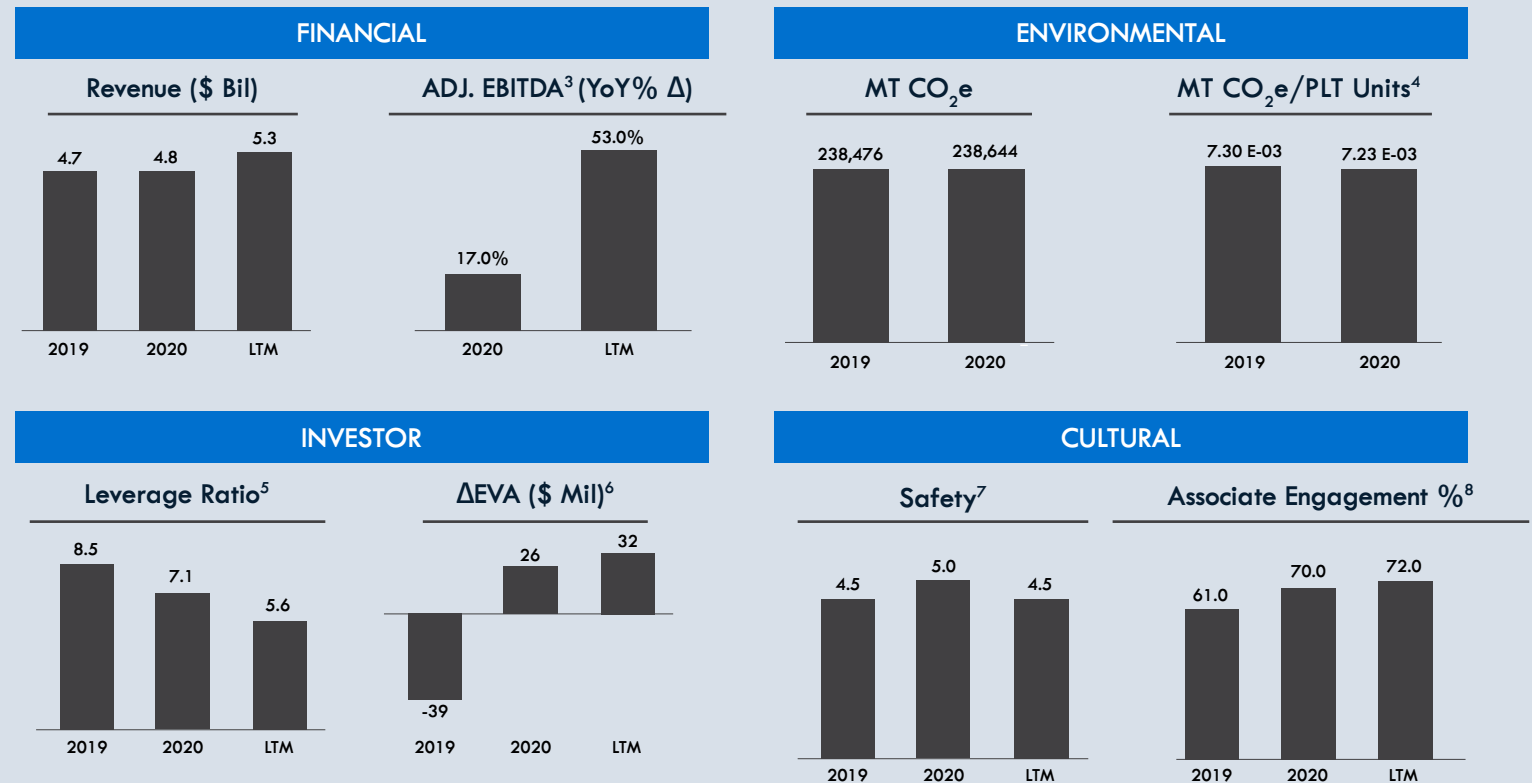
versus

238,476 in 2019

- Eliminated over 100,000 less-than truckload deliveries to a significant customer and converted 55,000 deliveries to more efficient modes on outbound deliveries
- Introduced cross-docking, which eliminated approximately 20,000 less-than truckload shipments in the supply-chain ecosystem with eight manufacturing partners

2020 carbon impact, as measured through our GHG emissions, is flat YoY. This is despite above-industry growth and the disruptive effects of COVID-19, driven by distribution efficiencies, reduced miles, more tires per stop/route efficiency, and productivity gains.

2020 SUSTAINABILITY SCORECARD [LTM = LAST TWELVE MONTHS, THROUGH JUNE 2021 (EXCEPT WHERE OTHERWISE INDICATED)]



(1) Metric Tonnes of Carbon Dioxide Equivalent. (2) Electricity down in 2020 due to virtual workforce; indirect up due to increase in proprietary product imports. (3) We use Adjusted EBITDA, a non-GAAP disclosure, by adding back certain cash and non-cash items, management fees and other adjustments. We show Adjusted EBITDA as a key profitability measure because it is widely used by the investment community. It should not be considered to be an alternative to net income or any other figure calculated in accordance with GAAP, or as an indicator of operating performance. Our calculation of Adjusted EBITDA may differ from methods used by other companies. (4) Passenger and Light Truck Tires. (5) Debt \$ divided by Adj. EBITDA. (6) Δ EVA (Economic Value-Added) equals YoY change (estimated through August for 2021) in economic profit (net operating profit after tax minus a charge for capital), which we believe is highly correlated to shareholder value creation. (7) OSHA Recordable Incident Rate (LTM is through July 2021). (8) ATD's external survey-based gauge of associates' overall experiences representing a balanced picture of aspects that drive a great workplace.



2021 ROUTE

- ① Retrofit approximately 36 DCs with LED lights, eventually converting at least 86 over the next few years
- ① Launch electric vehicle pilots for Fleet Operations (FO) and Mixing Centers (MC)
- ① Utilize Descartes dynamic routing to reduce FO mileage and increase fuel efficiency
- ① Further optimize container utilization and load capacity logistics at MCs to continuously drive efficiency and reduce trucks on the road
- ① Implement telematics at NTD to measure and decrease fuel consumption
- ① Form more efficient logistical partnerships with select manufacturers and customers to reduce GHG emissions throughout the greater supply chain beyond our own company operations
- ① Identify renewable energy partnerships for ATD
- ① Aggressively pursue scrap tire reclamation throughout our industry ecosystem
- ① Pilot centralized climate control thermostats at four DCs
- ① Expand recycling programs throughout our facilities
- ① Install EV charging stations at our FSC and Shafter DC
- ① Install solar panels at the FSC and Shafter DC



NTD PURSUING RENEWABLE ENERGY WITH BULLFROG POWER

NTD has been choosing renewable energy with Bullfrog Power since 2018. Through this partnership, Bullfrog ensures that green electricity and green natural gas are put onto the grid and pipeline systems to displace the conventional power used by NTD at its facilities. Bullfrog's green natural gas comes from organic waste at a landfill or wastewater treatment plant, and the renewable electricity is derived from a blend of wind, solar, and low-impact hydro power sources across Canada.

In the last two years, the Bullfrog initiative has helped us avoid 600 metric tons of CO₂e emissions. Following NTD's lead, ATD plans to identify renewable power partners for its network in the next few years.



LOGISTICS MAKING POSITIVE MOVES

SUPPLY CHAIN OPERATIONS IMPLEMENTED KEY IMPROVEMENTS TO IMPROVE ATD'S ENVIRONMENTAL IMPACTS:

CONTAINER AND CUBE OPTIMIZATION

Our supply chain team researched how to reduce emissions by maximizing loads, which means fewer trucks on the road. The “fluid load” project involved switching the mindset of our ERP software to help ATD build every load “high and tight” and in real time. The goal is to maximize our efficiency, and we achieved 95% in 2020 with our pilot project.

ROUTING IMPROVEMENTS

ATD is one of the country's top 40 U.S. importers, receiving significant product from Asia and Europe. One long-range goal is to find ways to reduce the distance from the origin of manufacturing to our customers, and we're tackling it in stages.

A few years ago, we improved our routing structure to bring more DCs closer to import locations. Moving our Findlay, OH operations to Pocono, PA and adding a new warehouse in Alliance, TX, brought our products arriving by ocean freight closer to our customers, reducing mileage by approximately 2.1% or 170,661 miles. These new locations are also more accessible to railways and provide a more efficient mode of transport.

In 2020, we calculated the value of these changes, measuring a 65% reduction in GHG emissions attributed to our Alliance MC and a 15% GHG emissions reduction attributed to the Pocono move.



“

We've progressed beyond focusing solely on cost in our environmental efficiencies.

We want to be pioneers in the final mile space and lead the industry. We are capable and have the resources to figure it out.”

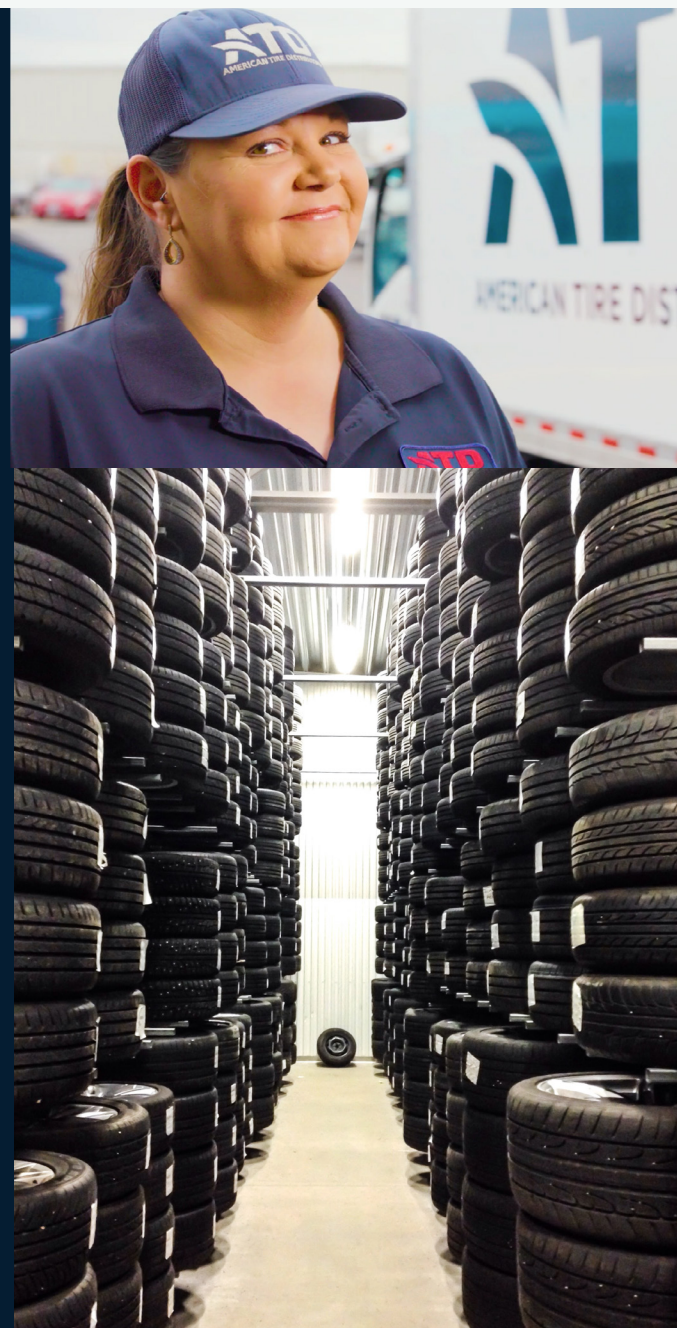
Dennis Hatchett
Senior Vice President, Supply Chain Operations

THE CIRCULAR ECONOMY OF TIRES

ATD's current value-add in tire lifecycles is in supply chain transportation and distribution. While working to reduce ATD's operational GHG emissions, we are supporting our customers in achieving GHG reductions through hard-wired efficiencies within ATD's distribution channels.

The afterlife destination of tires poses a significant ongoing issue that we are tackling. Ideally, we want end-of-use tires to be diverted from landfill for reuse, recycling, or conversion to energy, as opposed to land disposal. A recent 2019 U.S. Tire Manufacturers Association (USTMA) report revealed scrap tire diversion to energy, reuse, or recycle has actually decreased from 96% in 2013 to just under 76%.

Our transportation and logistics expertise provides unique capabilities to develop sustainable scrap tire solutions — solutions designed specifically to increase landfill diversion. We are currently piloting tire recovery partnerships to operationalize a more efficient and effective tire recycling process, utilizing our existing fleet and network capabilities to shift our replacement tire ecosystem toward a circular economy.



“

When I think about the environment,

I think about future generations of my family and the world we're leaving for them. We must be thoughtful stewards of the planet we've been given.”

Mark Chandler

President, FLX FWD and
Senior Vice President, Supply Chain



There is no power for change greater than a community discovering what it cares about.”

- Margaret J. Wheatley



SOCIAL

The social aspect of ATD's journey to sustainability is well underway, driven by the philosophy that achieving our purpose—to help our customers thrive and drive into the future—we must first understand, empower, and nurture the human capital within our company.

We're keeping watch on three gauges to measure our progress toward our goal of a connected community. The first two—careers and culture—are internal. The third, which we've had traction on for many years, is activating our brand and goals externally through our relationships with suppliers, customers and philanthropic partners.





DESTINATION

To be the most connected and insightful automotive solutions provider and:



ASSOCIATE ENGAGEMENT

- ↑ **Increase associate engagement¹** to 80% by 2024



DIVERSITY

- ↑ **Increase associate diversity²** to more than 40% by 2021
- ↑ **Increase supplier diversity³** to 15% by 2025



SAFETY

- **Achieve 30% preventable collision reduction** YoY and **100% safety and regulatory compliance among drivers** by 2024
- **Achieve 10% reduction of OSHA-recordable injuries** YoY



COMMUNITY IMPACT

- Advance community impact every year to **reach 35,000 associate volunteer hours and 60% overall associate engagement in community-related activities**
- **Increase ATD's philanthropic corporate giving to \$1 million** annually by 2024
- **Achieve 50% of professional roles donating to weCare Associate Relief Fund** by 2024



2020 MILEPOSTS



PEOPLE-FIRST METRICS

- 71% associate engagement score, **up 16.4% from 2018**
- **11% of associates contributed** to weCare Associate Relief Fund in first year
- 14,259 Diversity, Equity & Inclusion **training sessions completed**
- **\$500 bonuses awarded** to frontline associates twice during 2020



ASSOCIATE DIVERSITY

- 39% overall workforce diversity²**,
↑ up from 36% in 2016
- 53% diversity² among new hires**,
↑ up from 35% in 2016
- 23% of leadership⁴ is diverse**,
↑ up from 7% in 2016
- 21% of leadership is female**,
↑ up from 5% in 2016



HEALTH, WELLNESS & SAFETY METRICS

HEALTH

- **Achieved 84% of associate participation in medical plan benefits**, down from 89.4% in 2019

FLEET SAFETY

- **Achieved 24% reduction in collisions** and 97% DOT Driver Qualification Compliance
- **Established COVID-19 cross-functional response team**; implemented related safety and communication protocols

WORKPLACE INJURIES

- **OSHA-recordable injuries increased by 10% YoY⁵**



COMMUNITY METRICS

SUPPLIER DIVERSITY

- **Launched supplier diversity/MBE initiative** to increase spend with MBEs to 15% of total spend

CSR INVESTMENT

- **Established strategic priorities**, Connected Culture Committee and sub-teams; redefined fundraising and annual charitable golf event; launched weCare Associate Relief Fund

¹ ATD's external survey-based gauge of associates' overall experiences representing a balanced picture of aspects that drive a great workplace.

² Percentage of associates not self-identified as white, unknown or unidentified.

³ Percent of suppliers who are designated as any of the following: a Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Veteran-Owned Business Enterprise (VBE), Lesbian, Gay, Bi-Sexual, Transgender, Queer - Owned Business Enterprise (LGBTQBE), or Disability-Owned Business Enterprise (DOBE).

⁴ Leadership is defined as director and above.

⁵ COVID-19 likely played a role in the increased injury rate in 2020. ATD distributed the same number of units as 2019 with fewer people (approximately 7% fewer workhours) as teams frequently had to hold associates out for symptoms or close contact.



2021 ROUTE



PEOPLE-FIRST

- ① Begin immersive assessment of enterprise gender and frontline associate pay equity to stay competitive
- ① Evolve and expand pay for performance incentives
- ① Enhance benefit strategy to empower our associates' whole-person wellbeing by creating a culture of wellness
- ① Expand associate training on DE&I, anti-harassment and anti-bullying
- ① Complete 100% associate Code of Conduct refresh training
- ① Increase Gold and Diamond SEAL certifications by increasing engagement and recognition for associates through SEAL platform and **appreciatd**, our associate social recognition platform, points (\$150/associate)



HEALTH AND SAFETY

- ① Introduce Driver360 management dashboard to improve driver safety and performance
- ① Achieve 98% driver compliance with DOT requirements
- ① Establish minimum number of frontline associate observations per month to increase training effectiveness
- ① Investigate wearable technology as a potential ergonomics improvement tool
- ① Create an API to automatically deliver safety training based on driver behaviors observed in DriveCam



COMMUNITY

- ① Provide mentorship and award \$10,000 and \$2,000 grants for MBE certification to support diverse businesses
- ① Reinstate weCare Volunteer Day as supplemental associate PTO
- ① Launch Summer for Heroes customer giving campaign for GSF with goal of raising \$500K
- ① Deepen charitable partner relationships and associate volunteer opportunities with 10 nonprofits, nearly doubling our commitment from 2020
- ① Enhance ATD Thrive and Drive scholarship to be inclusive of broader higher education, including trade schools and community college; increased scholarship total giving from \$25,000 to \$40,000, doubling the number of associates' students benefiting from 2019



SOCIAL (CON'T)

CAREER DEVELOPMENT

Within the career focus, we are mapping toward a more diverse and equitable workforce. We've made strides over the last few years to identify and advance female and minority leaders within ATD, but we know we still have miles to go to be where we want to be. We are viewing 2020 as a starting point, with female leadership and diverse leadership measuring at 21% and 23%, respectively. Moving the needle on these numbers depends on a variety of factors within our sights, including business growth, time, and talent recruitment and development with a focus on retention. One way we are addressing the latter is through best-in-class learning and development technology for all associates; this technology tracks retention of information, sessions completed, and questions answered correctly.

CONNECTED CULTURE

Our connected culture initiatives aim to enhance wellness, safety, inclusion, and engagement within ATD. The COVID-19 pandemic provided unexpected challenges that we transformed into opportunities to boost our progress. It fueled our agility to shift to new ways of operating. Key 2020 initiatives included:

- **Maintaining productivity and boosting associate engagement**
- **Stepping up safety protocols and training throughout our ecosystem** to protect associates and customers from COVID-19
- **Enhancing safety training and monitoring**, including the installation of DriveCam diagnostics on our entire delivery fleet
- **Achieving 26 Gold and 31 Diamond SEAL (Seeking Excellence, Accountability & Leadership) program safety certifications** among our DCs in 2020
- **Initiating Connected Culture conversations** to drive dialogue around diversity and inclusion, complemented by reinforcement training in our digital training platform, spark
- **Identifying and sponsoring 15 associates for McKinsey & Company's Management Accelerator** and **three associates for McKinsey & Company's Black Executive Leadership** programs
- **Launching the weCare Associate Relief Fund**, seeded with \$85,000 and boosted to \$144,141 through associate gifts
- **Introducing the LifeatATD.com** associate engagement portal



SUPPLY CHAIN SEAL CERTIFIED PROGRAM

WHAT IS THE SEAL CERTIFIED PROGRAM?

- Promotes enhanced operational excellence
- Identifies, recognizes, and rewards high performers who embrace and execute specific DC safety, productivity (CPUH), and delivery performance goals
- Awards points for three certification opportunities

SEAL CERTIFIED PROGRAM LEVELS AND REQUIREMENTS (TEAM)

SEAL CERTIFIED

80k appreciatd points (\$200 value) per associate upon achievement

- Safety goals met for 3 consecutive months
- Budget goals met for 3 rolling months
- On-time delivery for 3 consecutive months

NOTE: All goals must be met in the same 3-month period

ONCE-A-YEAR POINT INCENTIVE OPPORTUNITY

GOLD CERTIFIED

20k appreciatd points (\$50 value) per associate upon achievement

- Must meet the SEAL Certified standards
- Top 10 buildings each month

ONCE-A-MONTH POINT INCENTIVE OPPORTUNITY

DIAMOND CERTIFIED

150k appreciatd points (\$375 value) per associate upon achievement

- Must attain SEAL Certified standards AND complete the year achieving the annual safety, on-time delivery, and goals
- Top 20 buildings for the year

ONCE-A-YEAR POINT INCENTIVE OPPORTUNITY



SAFETY GETS TRACTION

Safety initiatives paid off across ATD in 2020 with two main areas of focus: Driver Safety and COVID-19 response.

ATD successfully implemented the video-based Lytx DriveCam system throughout the ATD fleet to help coach drivers to improve behaviors. As a result, we've already seen dramatic improvement in driver behavior:

- Reduced unbelted driver/passenger events by 98%
- Improved driver distractions by reducing driver mobile device use by 90%
- Reduced unsafe following distances by 80%

The DriveCam, along with multi-faceted training and internal recognition programs, have led to other accomplishments, too. In 2020, ATD reduced preventable collisions by 24%.

Our cross-functional safety team (Safety, HR, Operations, Sales, Legal and Communications) responded quickly to the pandemic, implementing many measures to keep our associates and customers safe. We are proud of our achievements:

- Pivoted our FSC team to a virtual team within 48 hours and maintained consistent level of service throughout the pandemic
- Implemented hygiene measures, social distancing, no-touch deliveries, curbside pickup, and enhanced sanitation measures for FO, MCs, and DCs
- Responded to 247 cases of confirmed or presumed COVID-19 with all associates eventually returning to work
- Included COVID-19 as a hardship eligibility option as part of the weCare Associate Relief Fund launch
- Implemented COVID-19 donation leave program; 2,869 hours were donated by associates and have allocated 245 to date



NTD SHOWS AGILITY AS EARLY RESPONDER TO COVID-19 CRISIS

When COVID-19 hit Canada, NTD President George McClean thought immediately about how the company could help its neighbors and customers. He personally contacted United Way CEOs across Canada to offer trucks and drivers to assist with emergency deliveries. During these discussions he also inquired about which agencies needed boots on the ground and then mobilized NTD to organize volunteer programs to help those organizations.

Early on, personal protection equipment (PPE) became a concern. NTD acted quickly to order abundant supplies and was able to donate significant excess PPE to front-line businesses that ran short on masks, gowns and gloves.

NTD customers benefited from his quick thinking, too. Knowing that many of them had much smaller HR operations, he rallied NTD's HR team to conduct six different webinars covering topics like staffing, health and safety, flexibility for parents with students at home, mental health tips and more.



“
NTD's Pit Crew stays vigilant about community needs across Canada.
 Their response to the pandemic was nothing short of amazing.”

George McClean
 President of NTD



Our connected culture initiative fuels curiosity and fosters a culture of continuous learning, which we believe also translates into increased resilience for ATD.

Rebecca Sinclair
Chief People and Communications Officer

COMMUNITY

We recognize the societal impact ATD can make not only through our associates, but also through our suppliers, customers, and community engagement. During 2020, we launched significant programs to extend our brand values externally with the long-range goal of strengthening the communities where we do business. Some of our key accomplishments were:

LAYING THE FOUNDATION FOR INCREASED SUPPLIER DIVERSITY

Our sourcing team laid the groundwork for a robust supplier diversity program that we look forward to growing over the next three years. We strongly believe that a more diverse community is a better community, and we are energized about the ambitious three-year goals we're aspiring to meet:

- Achieve a minimum pipeline of 25% diverse suppliers invited to bid
- Expand the number of contracted diverse suppliers by 300%
- Increase diverse spend under management to 15% of addressable spend
- Establish diversity goals for strategic suppliers

Our 2020 activities focused on assessing metrics and identifying key initiatives designed to diversify our supplier base. As a start, we joined the Minority Business Enterprise (MBE) Council of the Carolinas, participating in a "speed-dating" event to initiate relationships with its members and hosted a "lunch and learn" with members of the Carolinas-Virginia Minority Development Supplier Center (CVMDSC). We also organized a Scholarship for Vendors program which secures corporate funding and helps complete costly certification for MBE candidates in 2021.

SOLIDIFYING OUR COMMUNITY PRIORITIES

ATD has a long history of community support and philanthropy. During 2020, we brought strategic focus to these efforts by launching an organized Corporate Social Responsibility (CSR) platform.

OUR PRIMARY BRAND CAUSE



Despite the social distancing constraints of 2020, we continued to activate ATD to advance these priorities. Key achievements included:

- **Raising \$50,000 for the GSF through ATDWheels**, despite the COVID-19 suspension of our usual golf tournament fundraiser
- **Generating \$10,000 for the Movember Foundation** to advance research for men's health issues, doubling our 2020 goal
- **Donating more than 750 toys for Toys for Tots** through our FSC campaign
- **Sponsoring three Equal Justice Works fellows in Chicago, Charlotte and Raleigh** to address issues in housing and mental health equity and fairness, leveraging Torqata data science to help drive systemic change
- **Donating thousands of canned goods** to Feeding America through FSC and DC contributions
- **Volunteering IT talent to assist area non-profits** through involvement with Apparo and npower

Our NTD team continued its support of United Way of Canada partners, led by its associate volunteer PIT Crew. Highlights included:

- **Contributing 8,200 pieces of PPE** to 11 medical and community organizations at the height of the pandemic
- **Providing trucks and drivers to support pandemic deliveries** for six different non-profits
- **Delivering 4,850 meals to 237 families** through donated time from 22 drivers
- **Transporting 25 boxes of schoolbooks** to at-risk children
- **Raising \$6,000 for United Way of Canada** through its Walk Around the World event, and
- **Donating 13 sets of tires to four non-profits**, selecting from field nominations

Working together across NTD and ATD, our overall goal is to elevate potential for people inside and outside our organizations, generate economic prosperity for the communities where we live and work, and ultimately foster the change we envision for a better world.



CSR FRAMEWORK HOW weCARE FOR OUR COMMUNITIES



Driving hope, happiness, and well-being across our country, so this generation and the next has opportunity and accessibility to **thrive and drive** into the future.

OBJECTIVES



Supporting our ATD community in times of personal hardship to promote a healthy and inclusive workplace culture



Supporting our Nation's Troops, Veterans and First Responders

COMMUNITY HEROES

Supporting our underserved and at-risk communities

weCARE FUND LAUNCHES DURING PIVOTAL YEAR

The launch of ATD's associate assistance fund was timely, considering the strain that COVID-19 put on our country. The HR team introduced the program in May as a key pillar of ATD's new CSR platform.

Seeded with a corporate contribution of \$85,000, the fund attracted an **additional \$59,141 from associate donations** in just seven months. There were **408 individual donors** and **308 of those opted for automatic payroll deductions into the future** so the fund will continue to grow and provide aid to our coworkers experiencing major life challenges.

WeCare granted assistance to 24 ATD associates in 2020, with the average grant totaling around \$1,300. It provided help to associates dealing with weather disasters, deaths, illnesses, and serious injuries.



Nikki McGowan of Nashville tapped into WeCare when her mother died unexpectedly last year.

“There weren't any insurance policies, savings, or even a simple bank account that we could use to offset my mother's funeral expenses,” she said. “We were already pretty tight, since my husband had been furloughed during COVID.”

Thanks to the generosity of her coworkers, Nikki was able to travel to Florida and lay her mom to rest.



Real change-
enduring change-
happens one step
at a time.”

- Ruth Bader Ginsberg



GOVERNANCE

Good governance is a fundamental principle at ATD and ensures a culture of transparency, legal compliance, and ethical conduct. At its core, the Governance function serves to promote and maintain an environment of trust and accountability across the organization while upholding the highest standards of operational and business integrity.

ATD began strengthening its corporate governance capabilities as far back as 2017, building on foundational elements previously in place. These included selection of a Board of Directors with a diverse set of skills and leadership experiences—including three independent Board members—and the acceleration of the oversight and impact of the Audit and Compensation Committees.

We have a strong company culture that promotes clear expectations of ethical behavior, trust and confidence between the company, our shareholders, and our communities. We have strict compliance standards for our associates, which are grounded in our Code of Ethics and Business Conduct and reinforced through compulsory associate training.

In 2020, ATD implemented an integration, collaboration, and execution (ICE) committee, as well as accelerated our enterprise risk management (ERM) program to assess our vulnerabilities in each area of the company and develop solutions and mitigation strategies to address those risks.

During 2020, our Governance team researched and drafted a clear roadmap for the future. We plan to keep progress moving in 2021 with the formation of an ESG Steering Committee that will meet monthly to ensure progress and explore new avenues for our many ESG goals.

We've tuned up our engine, identified our drivers, and have established critical checkpoints that will strengthen our performance—not only regarding our environmental and social behaviors, but also the policies and practices that we expect will help us adapt and thrive well beyond the visible horizon.



DESTINATION

To foster **independent** and **transparent** governance to guide the company to make legally sound and **ethically responsible** decisions for our stakeholders and the environment.



2020 MILEPOSTS

- **Achieved Payment Card Industry (PCI) Digital Security Standard Compliance**
- **Achieved full compliance with California Consumer Privacy Act (CCPA)**
- **Completed initial Enterprise Risk Management Inventory and Responses**
- **Formed Policy Governance Board** to guide the development of company-sanctioned policies
- **Achieve Service Organization Control 2 (SOC 2®) type 1 certification** to ensure data security and privacy



2021 ROUTE

- ① Refresh Code of Ethics and Business Conduct and roll out enhanced training and certification
- ① Implement controls consistent with Sarbanes-Oxley for financial reporting
- ① Establish Physical Security Advisory Council, and ESG Steering and Compliance Committees
- ① Launch Code of Ethics and Business Conduct for those with whom we do business
- ① Continue to advance security maturity goals through improved capabilities set forth in our 2021 Security & Compliance Strategic Plan
- ① Increase company resilience, risk management, and emergency preparedness by establishing a comprehensive Business Continuity Program (BCP), completing a business impact analysis, identifying critical business functions for recovery and establishing a Crisis Management Team
- ① Achieve SOC 2® type 2 certification to ensure data security and privacy



Governance is ultimately about demonstrating integrity that leads to trust.

Our ESG commitment promotes a culture of transparency, legal compliance, and ethical conduct.”

Carol Genis,
Chief Legal Officer and General Counsel

COMPANY LEADERSHIP ACCOUNTABLE TO DRIVE THE SUSTAINABILITY AGENDA AND PERFORMANCE

ATD HAS TRANSFORMED ITS ORGANIZATION, DRIVEN BY BEST-IN-CLASS TALENT LEADING EACH OF ATD'S FUNCTIONAL AREAS.

SIGNIFICANT FOCUS ON BUILDING A BEST-IN-CLASS MANAGEMENT TEAM

January 2016	Hired Stuart Schuette as President and Chief Executive Officer, former Chief Operating Officer of US Foods
July 2016	Launched Transformation Act I
August 2016	Hired Bill Williams as Chief Financial Officer, former IBM, Martin Brower and Kraft executive
September 2016	Hired Owen Schiano as Chief Operating Officer, former US Foods and Michelin executive
December 2016	Hired George McClean as President of NTD, former Grainger and General Motors executive
March 2017	Hired Rebecca Sinclair as Chief People & Communications Officer, former Starbucks and Victoria's Secret executive
June 2017	Field reorganization, separating sales from logistics, established SEAL operating platform
January 2018	Launched Act II of Transformation, featuring Advanced Analytics, now Torqata; hired Tim Eisenmann as Chief Analytics Officer and CEO of Torqata from McKinsey
May 2019	Promoted Keith Calcagno to lead transformation and strategy and later to Chief Merchant and Strategy Officer, former DaimlerChrysler and Kmart executive
June 2019	Promoted Murali Bandaru to Chief Information & Digital Officer, former Belk IT executive
December 2020	Hired Carol Genis as Chief Legal Officer & General Counsel, former 20th Century Fox Television EVP, Legal Affairs
January 2021	Recruited Michael Welch as Chief Executive Officer of Tirebuyer.com B2C platform, Blackcircles.com eComm founder

ATD LEADERSHIP



CORPORATE GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

Stuart Schuette

President and Chief Executive Officer, ATD

Puneet Bhasin*

Chief Information and Digital Officer, Unum

Kirsten Hagen

Managing Director, Goldman Sachs

Adrian Jones

Vice Chairman, Goldman Sachs

Michael Kneeland*

Non-Executive Chairman, United Rentals

James Micali*

Senior Advisor and Limited Partner,
Azalea Capital LLC

John Sherman

Portfolio Manager, DDJ

ESG LEADERSHIP

ATD's ESG Leadership reports to our Board of Directors, who provide direction and evaluate their performance

Stuart Schuette

President and Chief Executive Officer

Owen Schiano

Chief Operating Officer

Keith Calcagno

Chief Merchant and Strategy Officer

Murali Bandaru

Chief Information and Digital Officer

Bill Williams

Chief Financial Officer

AUDIT COMMITTEE OF THE BOARD

James Micali - Chair

Senior Advisor and Limited Partner, Azalea Capital LLC

John Sherman

Portfolio Manager, DDJ

Kirsten Hagen

Managing Director, Goldman Sachs

Michael Kneeland

Non-Executive Chairman, United Rentals

COMPENSATION COMMITTEE OF THE BOARD

John Sherman

Portfolio Manager, DDJ

Kirsten Hagen

Managing Director, Goldman Sachs

Adrian Jones

Vice Chairman, Goldman Sachs

ESG PROGRAM MANAGEMENT

Glen Gustafson

Vice President, Internal Audit and Enterprise Risk Management

Deborah Kalish

Director, Enterprise Sustainability and ESG Initiatives

ESG PROGRAM LEADERS

ESG AT NTD

George McClean

President of NTD

ENVIRONMENTAL

Dennis Hatchett

Senior Vice President, Operations

Mark Chandler

President, FLX FWD and Senior Vice President, Supply Chain

SOCIAL

Rebecca Sinclair

Chief People and Communications Officer

GOVERNANCE

Carol Genis

Chief Legal Officer and General Counsel



“
I'm excited to see the people of ATD coming together to build a stronger company. This work is gratifying and rewarding on many different levels.”

Owen Schiano
Chief Operating Officer



What lies behind us
and what lies before
us are tiny matters
compared to what
lies within us.

- Ralph Waldo Emerson



THE ROAD AHEAD

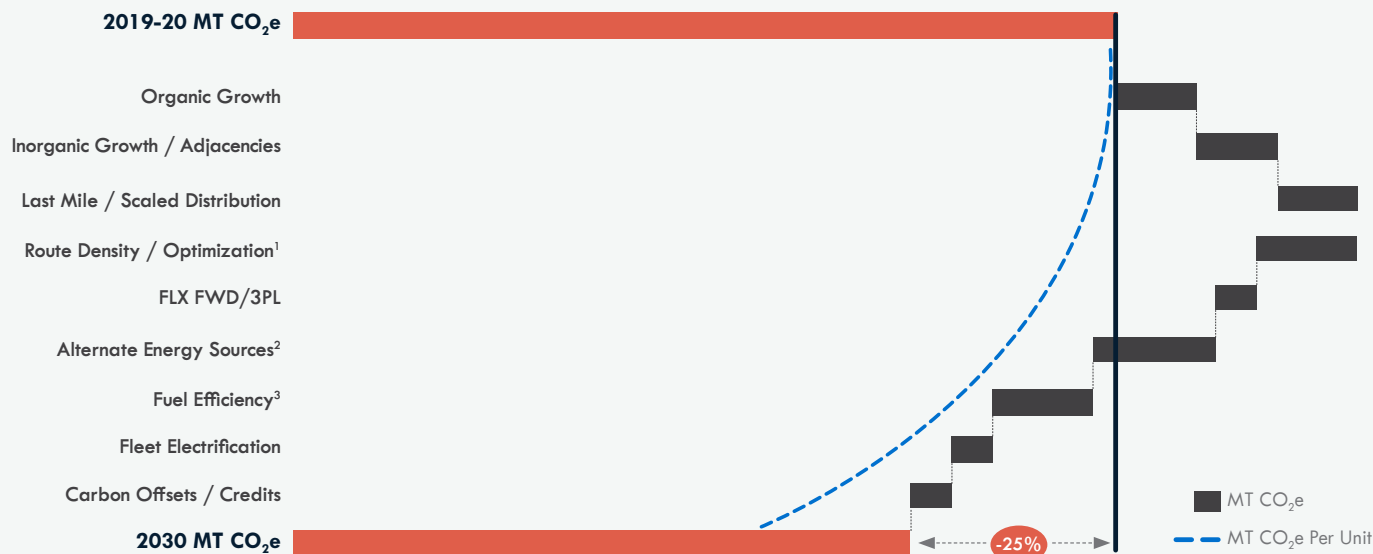
SOLUTIONS, PERFORMANCE AND COMMITMENT REMAIN

We've reengineered with exceptional talent and differentiating capabilities, which position us as a market leader. We believe the same strategic steps driving our enhanced productivity will help us achieve environmental gains. And, because we're a critical link between suppliers and customers, ATD can help our manufacturing partners also solve legacy problems—including environmental impacts—that threaten their productivity, profitability, and performance.

At its heart, ATD's strategy embraces sustainability to ensure we thrive amidst change, revolutionize our ecosystem, and remain a high-performance company constantly steering toward success.

Like any journey, ours will take time. We're just beginning in some areas and we're already rolling in others. We'll undoubtedly face roadblocks and detours, but we'll adjust and navigate as we go. One thing's for certain — this is a trip worth taking. We believe our future depends on it.

ATD'S PATHWAY TO 25% GHG EMISSION REDUCTION BY 2030



Over the next decade, we expect our business to grow while we simultaneously decrease our carbon footprint. We believe we are well-positioned to achieve these ambitious and seemingly conflicted goals because of our investments in advanced technology—such as our proprietary Torqata advanced analytics and data insights, which deliver unprecedented efficiencies to our distribution operations as well as the replacement tire ecosystem. Our plan is to create a win-win-win for our investors, our industry and the environment.

¹ Tech enabled distribution productivity (e.g., Dynamic Routing, Advanced Analytics, AI, Machine Learning, Optimization)

² Biofuels, Solar, LED

³ Driver 360, telematics, energy control systems, driver Associate training & incentives



HOW WE ROLL



[ATD-US.COM](https://www.ATD-US.COM)

ESG@ATD-US.COM | PO BOX 3145, HUNTERSVILLE, NC 28070

