WHEREAS: The Sustainability Accounting Standards Board (SASB) has established industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors;

SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location;

Businesses can use SASB standards to better identify, manage, and communicate to investors sustainability information that is financially material. Use of the standards can benefit businesses by improving transparency, risk management, and performance. SASB standards can help investors by encouraging reporting that is comparable, consistent, and financially material, thereby enabling better investment and voting decisions;

Failure to adequately manage and disclose performance on material sustainability factors can pose significant regulatory, legal, reputational, and financial risk to a company and its shareholders;

Investors support disclosure in accordance with SASB standards: The SASB Investor Advisory Group, 32 global asset owners and asset managers (including six of the world’s ten largest investment advisers) “[b]elieve SASB’s approach—which is industry-specific and materiality-focused—will help provide investors with relevant and decision-useful information,” and “[b]elieve that SASB standards can inform integration of sustainability factors into investment and/or stewardship processes, such as corporate engagement and proxy voting.”¹ Members of the SASB Investor Advisory Group and SASB Alliance, “a growing movement of organizations that believe standardized, industry-specific, and materiality-based standards help companies and investors adapt to the market’s expectations,” comprise among others pension funds of six states;²

SASB identifies the Multiline and Specialty Retailers & Distributors industry’s material sustainability issues as Energy Management in Retail & Distribution; Data Security; Labor Practices; Workforce Diversity & Inclusion; and Product Sourcing, Packaging & Marketing. Presently, our company provides insufficient disclosure on these issues. For instance, our company does not disclose how it manages risks stemming from its labor

¹ https://www.sasb.org/investor-use/supporters/
² https://www.sasb.org/alliance-membership/organizational-members/
practices. The low-average wages in the retail industry, which help companies maintain low prices on products, may increase labor-related risks. Since customers regularly interact directly with employees, companies can face a decrease in market share and revenue from negative consumer sentiment due to public disagreement between companies and their workers. Companies can enhance labor productivity and employee engagement by taking a long-term approach to managing workers in areas such as compensation and workers’ rights. The absence of this information challenges investors’ ability to comprehensively evaluate our company’s management of sustainability risks and opportunities;

**BE IT RESOLVED:** Shareholders request that the Board of Directors issue a report on sustainability to shareholders by 180 days after the 2019 Annual Meeting, at reasonable expense and excluding confidential information, prepared in consideration of the SASB Multiline and Specialty Retailers & Distributors standard, describing the company’s policies, performance, and improvement targets related to material sustainability risks and opportunities.