



**WHEREAS:** In 2018, the Intergovernmental Panel on Climate Change advised that net carbon emissions must fall 45% by 2030 and reach net zero by 2050 to limit warming below 1.5 degrees C, thereby preventing the worst consequences of climate change.

A warming climate is associated with systemic risks such as supply chain dislocations, reduced resource availability, lost productivity, infrastructure damage, and an increase in severe weather systems that disrupt operations. CarMax Inc. (“CarMax”) notes in its 2020 10-K that it is sensitive to these risks.

While CarMax has adopted various ad hoc initiatives to reduce energy consumption and source renewable electricity, it does not have a publicly-stated, absolute greenhouse gas emissions reduction target or transition plan to achieve net zero emissions by midcentury.

Failure to develop a climate transition plan may have a negative effect on the Company’s cost of capital and on shareholders’ financial returns. BlackRock notes that investment flows into sustainable and climate-aligned assets will outperform relative to companies perceived as having weaker sustainability characteristics.

Robust goals, on the other hand, could insulate the Company from carbon emissions-related regulations and adverse physical impacts, produce reputational benefits, reduce operating costs, and enable investors to gauge the Company’s progress toward these ends. Ramping up the scale, pace, and rigor of its climate-related initiatives may help CarMax unlock important opportunities for growth as customers are increasingly making environmental accountability a part of their shopping preferences.

Further, within the Fortune 500, 240 of CarMax’s peers have already set clean energy or greenhouse gas emissions targets in line with the 1.5 degrees C goal of the Paris Climate Agreement – the landmark global agreement to prevent catastrophic climate impacts.

Given the impact of climate change on the economy, the environment, and human systems, and the short amount of time in which to address it, proponents believe CarMax has a clear responsibility to its investors to account for whether, and how, it plans to reduce its ongoing climate contributions across its value chain.

**BE IT RESOLVED:** Shareholders request that CarMax issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, it plans to reduce its total contribution to climate change and align its operations with the Paris Agreement’s goal of limiting global temperature increases to 1.5 degrees C.



**SUPPORTING STATEMENT:** In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting short- and long-term greenhouse gas emissions reduction targets, that are aligned with the Paris Agreement, for the Company's carbon footprint, Scopes 1 and 2;
- Evaluating the Company's Scope 3 value chain emissions;
- Developing a plan for achieving its greenhouse gas emissions targets;
- Adopting renewable energy, energy efficiency, and electric vehicle targets within its operations.