

Net Zero Targets & Climate Transition Planning

WHEREAS: The latest Intergovernmental Panel on Climate Change (IPCC) publication warns that the window for limiting global warming to 1.5 degrees to avoid the most catastrophic impacts of climate change is quickly narrowing. Immediate and sharp emissions reduction is required of all market sectors and industries.¹

Climate change, and its growing costs and disruptions, is a fundamental and systemic risk to the companies and economies in which shareholders invest. In response, the Climate Action 100+ initiative, a coalition of more than 700 investors with over \$68 trillion in assets, developed the Net Zero Company Benchmark, which outlines investor expectations for corporate climate accountability, including halving emissions across all scopes by 2030 and achieving net zero emissions by 2050.²

AutoZone, Inc. competes in the aftermarket auto parts industry, distributing and selling automotive parts, maintenance items, and accessories. AutoZone, Inc. is particularly vulnerable to climate risk in its extended supply chain and distribution network. Its 2021 10-K states that climate change may “have a negative impact on our ability to obtain merchandise available for sale in our stores.” Additionally, AutoZone acknowledges it may be adversely affected by new technological innovations and regulatory or market response to global climate change.

Despite these risks, AutoZone fails to provide critical information to investors including Scope 3 supply chain emissions data and 1.5 degree-aligned reduction targets that signal to investors that the company is preparing to mitigate climate risk and protect long-term share value. While our Company has a goal to decrease its operational (Scope 1 and 2) emissions and increase solar generation, these initiatives are insufficient.³ Even its operational emissions reduction goal is not aligned with the Paris Agreement’s goal of limiting global warming to 1.5C. Additionally, AutoZone does not meet the criteria of the CA100+ Benchmark, lacking a net zero ambition, interim reduction targets aligned with 1.5, and a comprehensive decarbonization strategy. Shareholders expect AutoZone

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

³ <https://about.autozone.com/static-files/f9285c2b-8706-43f9-a3cb-5db2a229160a>



to improve disclosures and climate accountability measures to protect its long-term value.

By measuring its Scope 1-3 emissions and disclosing Paris-aligned emission reduction targets and transition planning, AutoZone, Inc. can provide investors with assurance that management is reducing its climate contribution and addressing the growing risks associated with climate change, benefitting both the Company and shareholders.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how the Company intends to reduce its enterprise-wide operational and supply chain greenhouse gas emissions in alignment with the Paris Agreement’s 1.5 degree goal requiring net zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the Company report:

- A timeline for setting a net zero by 2050 GHG reduction target, and 1.5 degree aligned interim goals;
- An enterprise-wide climate transition plan to achieve net zero emissions;
- Annual progress towards meeting its emissions reduction goals;
- Other information the Board deems appropriate.