CARMAX®

2024 Responsibility Report

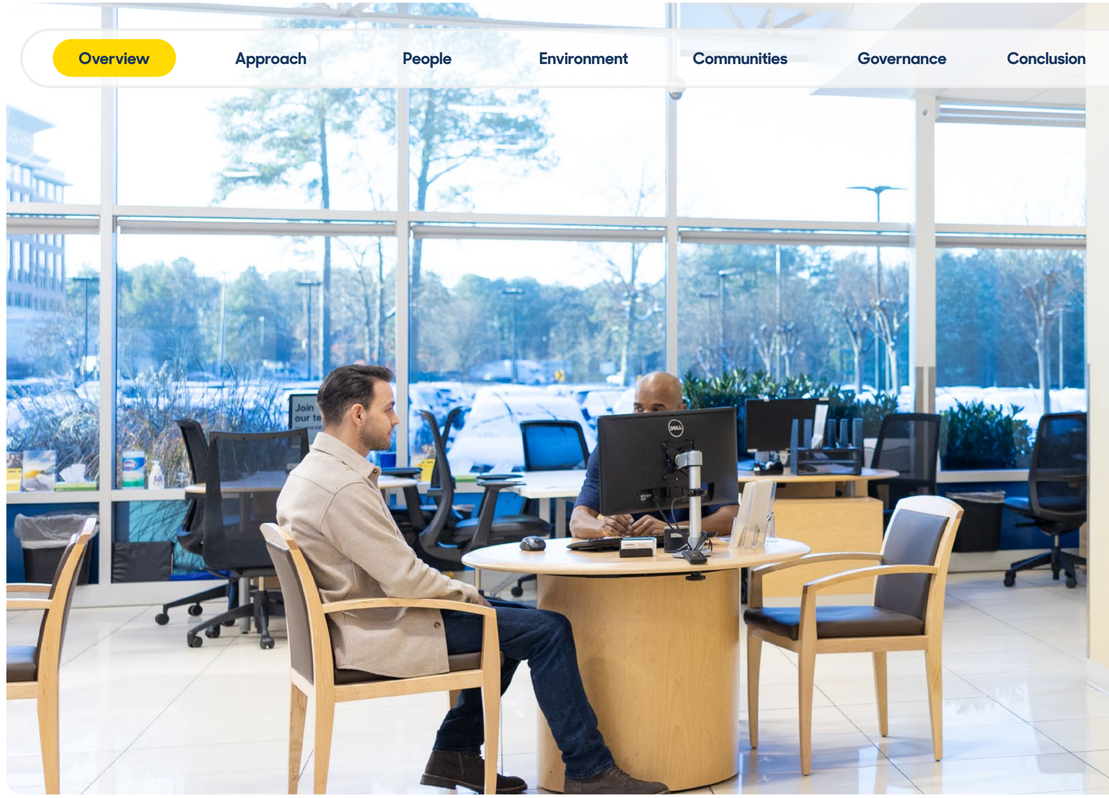
STEERING TOWARDS TOMORROW





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Overview

About This Report

For the fourth consecutive year, CarMax Inc. ("CarMax" or the "Company") is publishing our annual Responsibility Report ("Report") to communicate progress and updates regarding our initiatives and programs for our people, communities, and the environment.

In this Report, we detail our ongoing efforts to support our associates, invest in our communities, uphold transparent and ethical business practices, and advance our commitments to mitigate environmental impacts and climate risks. This Report outlines our approach for delivering sustainable value to all our stakeholders and how we do so by relying on our strong corporate values to drive long-term success.

Our Responsibility Report continues to be developed in alignment with our priority environmental, social, and governance ("ESG") topics informed by key industry reporting standards including:

- The IFRS Foundation's Sustainability Accounting Standards Board ("SASB")
- The Global Reporting Initiative ("GRI") Universal Standards
- The United Nations ("UN") Sustainable Development Goals ("SDGs") Standards
- The IFRS Foundation's Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations

The development of this Report was a collaborative effort between our ESG Leadership Team ("ESGLT"), the Company's internal experts and external advisors, and CarMax's Board of Directors (the "Board"). The reporting period covers our fiscal year ("FY") 2024 ("FY24"), the period beginning March 1, 2023, and ending February 29, 2024. Unless otherwise noted, all data and information in the report reflect performance and initiatives during FY24.

To learn more about CarMax, please visit CarMax.com.

A Message from Our CEO

This past year CarMax celebrated its 30-year anniversary, and I am proud of how far the Company has come and the positive impact we make in the communities where we live and work. Our foundational values have continued to guide us as we explore new opportunities and manage new challenges, and they continue to serve as the backbone of our corporate responsibility efforts, ensuring we contribute positively to a better environment and society while at the same time building a stronger, more resilient organization.

These values are:

- We **Do the Right Thing**, and we value integrity above all else.
- We **Put People First** by supporting our customers, investing in our team's development, providing growth opportunities, and contributing to our communities.
- We **Win Together** by executing for excellence in all we do and valuing diverse perspectives.
- We **Go for Greatness** by constantly seeking improvement and innovation.

As we start FY25, I look forward to building on our strengths and continuing to innovate and evolve as a Company to deliver not only what our customers, associates, and communities expect of CarMax, but to ultimately deliver great value.



EMPOWERING OUR ASSOCIATES

I am proud to highlight that this year marks the 20th consecutive year we have been recognized as one of The FORTUNE 100 Best Companies to Work For®. The culture at CarMax is something that I focus a lot of attention on as CEO, and I think it's a real differentiator for us. I know that CarMax's success would not be possible without the contributions of our talented associates. Our ability to attract, retain, and develop our team is key to our continued growth. Our associates serve as our brand ambassadors when interacting with customers and communities nationwide, representing CarMax and our values, and they offer insightful feedback that ensures our business remains the industry leader and a great place to work. At CarMax, **Putting People First** guides our strategy and daily operations. In our ongoing effort to gather feedback from our associates, we continue to conduct biannual Associate Voice Surveys. This year we also updated our Associate Care and Connection program, which helps refine the ways we support our associates and strengthens the connection between managers, their team members, and the full organization.

With empowering and supporting our associates in mind, fostering diversity, inclusion, and belonging has remained a central focus throughout the past year.

FORTUNE 100 BEST COMPANIES TO WORK FOR® 2024

We have been recognized as one of **The FORTUNE 100 Best Companies to Work For®** for 20 straight years.

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PROTECTING OUR ENVIRONMENT

At CarMax, we're committed to reducing greenhouse gas ("GHG") emissions, addressing climate change, and continuing to deliver outstanding value to our customers around electrification and through the energy transition. We believe our responsibility program positions us to capitalize on these opportunities, remain responsive to stakeholders' interests, and continue to meet our customers' changing needs.

In recent years, the growth in demand for electric and hybrid vehicles has driven us to enhance our customer value proposition. We're actively expanding our hybrid and EV expertise and store infrastructure. We have also formed an internal EV Strategy Advisors Group comprised of cross-functional members from various teams such as Engineering, Marketing, Corporate Strategy, and others to coordinate research, operational readiness, and marketing efforts around EVs.

We remain committed to advancing our sustainability efforts, despite our Scope 1 emissions increasing year-over-year. Conversely, our Scope 2 emissions decreased in FY24 because of our ongoing investments in renewable electricity. Looking ahead, we remain focused on identifying opportunities to reduce our direct emissions.

BUILDING STRONGER COMMUNITIES

We continue to offer opportunities for associates to volunteer and contribute to their local communities. In FY24, The CarMax Foundation and KABOOM! celebrated the construction of our 100th playground, an accomplishment reflecting 13 years of collaboration. Additionally, this year we enhanced our partnership with Points of Light, a leading volunteer-mobilizing nonprofit, to offer our associates more innovative and impactful ways to support local communities. This year marks another landmark for CarMax and The CarMax Foundation, as together we have now donated more than $100 million to promote the growth and wellbeing of our local communities since 2003.

From collaborating with nonprofits that offer individuals economic opportunities, to constructing playgrounds, and aiding our local military families, we remain steadfast in our objective to continue enhancing community strength and resilience.

> Supporting our communities is an investment in both our associates and our customers. Bolstering the prosperity of our communities and making a positive social impact are fundamental to our identity and business approach and top of mind for our associates.

ENSURING GOOD GOVERNANCE

At CarMax, our success relies on the sound corporate governance practices underpinning our strategic decisions and management approach. Our unwavering commitment to integrity and ethical standards runs through our Company, ensuring accountability at every level. This foundational approach allows us to identify and mitigate potential risks and create long-term value for our stakeholders. We are dedicated to fostering a sense of pride among associates by always acting with integrity and believe this unique aspect of CarMax will continue to differentiate the Company in an industry where our ethical behavior and transparency continue to drive success.

LOOKING FORWARD

I am excited for the future of CarMax, and proud to share with you the significant strides we made in our ESG, responsibility, and sustainability efforts in FY24. I appreciate your interest in CarMax and want to extend a special thank you to our associates for their constant dedication to the Company, our customers, and most importantly, one another.

Sincerely,



Bill Nash
Chief Executive Officer



About CarMax

COMPANY HISTORY

When CarMax opened its first store in 1993, our mission was to revolutionize the way that people buy and sell cars. Today, CarMax is a FORTUNE® 500 Company and the nation's largest retailer of used cars, with over 12 million retail cars sold since we first opened.

From the beginning, our goal was to provide a fair, transparent, and straightforward experience. Our no-haggle prices transformed the car-buying experience into one that is clear-cut and simple. Our delivery of best-in-class customer service is made possible by our nearly 30,000 associates across our more than 245 locations in 41 states who work continuously to ensure that we deliver a customer-centric experience in every interaction.



Corey Haire
VP, Regional Sales

FY24 HIGHLIGHTS

30 years
of upholding our values through responsible operations

765,572
used vehicles sold at retail locations

546,331
vehicles sold at wholesale auctions

$100 million+
invested in our communities through CarMax and The CarMax Foundation since 2003

101
playgrounds built in partnership with KABOOM!

1.1 million
customer accounts representing $17.4 billion in vehicle loans

Recognition and Awards

2024 marks the 20th consecutive year we have been recognized as one of The FORTUNE 100 Best Companies to Work For®. Please visit our Company Recognition page for a list of awards and local recognitions.

TO LEARN MORE ABOUT CARMAX, PLEASE VISIT OUR ABOUT CARMAX WEBPAGE.

OUR PURPOSE AND VALUES

We drive integrity by being honest and transparent in every transaction. This approach is demonstrated by the way we treat one another, assist our customers, and deliver our products and services. Similarly, our core values, **Do the Right Thing, Put People First, Win Together**, and **Go for Greatness,** embody who we are as a business and guide our interactions with our customers, associates, communities, and shareholders.

THE CARMAX CONSUMER DIFFERENCE

CarMax offers customers a convenient and personalized experience and the ability to buy on their terms. Our key offerings and differentiators include:

- Our industry-leading 10-Day Money Back Guarantee where customers can return the vehicle for any reason for a full refund within 10 days of purchase.
- Nationwide inventory on carmax.com, available for transfer to and from any of CarMax's 245 stores. Shipping fees may apply.
- 360-degree online photos providing customers with full internal and external views of our vehicles.
- Express pickup available nationwide.
  - Do the paperwork for your car online with help from us. Schedule an express pickup at your nearest CarMax store.
- Limited warranty offerings covering a vehicle's major systems for 90 days or 4,000 miles, whichever comes first.
- Free appraisal offers – both online and in-person – that remain in effect for seven days.

We'll Buy Your Car Even If You Don't Buy Ours.™

WHAT WE DO

- **Omni-Channel Platform**
  Our omni-channel platform enables customers to purchase cars through their preferred avenue – whether that's online, in-store, or a combination of both. This capability facilitates a seamless and personalized experience that meets our customers' needs and preferences.
- **Financing to Customers**
  Through CarMax Auto Finance, we offer used vehicle financing and loan servicing to customers buying vehicles from CarMax. Our digitized finance application and approval process facilitates our omni-channel experience for customers. Our multi-lender pre-qualification product, Finance Based Shopping, provides customers with credit decisions across our inventory with no impact to credit scores via a simple application online or in our app. Personalized financing results are delivered in minutes, allowing customers to quickly and easily secure financing at any point in their shopping journey.
- **Customer-Centric Approach and Continuous Innovation**
  An integral part of our customer value proposition is driven by our industry-leading innovations including the first used vehicle no-haggle buying and selling experience as well as ongoing product enhancements.
- **Vehicle Reconditioning Process**
  Our extensive vehicle reconditioning process and risk mitigation strategies help ensure every vehicle meets our standards before becoming a CarMax Certified quality vehicle. The National Highway Traffic Safety Administration's recall information is easily accessible on our website, and any unrepaired safety recall information is reviewed with our used vehicle customers before purchase. Each of our stores provides vehicle repair services, including repairs covered by our extended service plan offerings. This past year we also opened our first standalone, state-of-the art vehicle reconditioning facility to serve the Atlanta region, with the ability to ship nationwide.

OUR VALUES

Do the Right Thing

Win Together

Put People First

Go for Greatness



Our Approach to ESG

Our commitment to embedding and continuously improving our ESG practices across our business operations stems from our belief that being an impact-centric and responsible corporate citizen will enhance the value we create for customers and all stakeholders. We strive to create a positive impact on our workforce and the communities in which we operate. Our efforts build on our culture of integrity and prioritize our people, mitigate climate-related risks, and find opportunities that enhance our consumer offer. Accordingly, our commitment to Corporate Social Responsibility ("CSR") and the way that manifests is embedded throughout our business operations.

Our dedicated ESG and CSR teams drive actions across the Company that create a positive impact on society while building sustainable value for CarMax and our stakeholders. The responsibilities of the CSR team include developing, executing, and managing our CSR initiatives, as well as overseeing related reporting.

At the Company level, our ESGLT, comprised of leaders from various disciplines across the Company, drives the focus and direction of CarMax's ESG strategy. They regularly report to our President and Chief Executive Officer and frequently present updates to our Board of Directors. Additionally, our Vice President of Corporate Social Responsibility is supported by a dedicated CSR team that works closely with our cross-functional ESGLT. CarMax has both identified key performance metrics and set internal goals to ensure accountability to our commitments. Together, with support from the entire organization, our ESG and CSR teams developed a multi-year roadmap of actionable steps and initiatives to strengthen our ESG program and achieve our targets.

Recognizing that there are several groups at CarMax working on sustainability-related initiatives concurrently, in 2023, we established a Sustainability Council, which helps ensure that we are collaborating, connecting, and creatively identifying the highest impact opportunities to mature our efforts across the Company.

The council encompasses representatives from various functions and focus areas including Environmental, Health, and Safety ("EH&S"), CSR, sourcing, operations, EVs, logistics, corporate development, treasury, tax, marketing, and product, and operates with the goal of collaboratively building strong sustainability practices that also provide financial benefit to the Company.

We have taken a similar approach to monitoring, evaluating, and responding to social issues with the formation of a Social Issues Response Team. This cross-functional team includes representatives from our stores, Internal Communications, HR, Marketing, Legal, and Community Relations. The team has developed an aligned approach to quickly assess and act when a social issue arises, and the work is both proactive and reactive. The team provides perspective and recommendations to senior leaders.

Our ESGLT provides regular updates to the Nominating and Governance Committee ("NGC") of our Board of Directors, which oversees our ESG strategy. The NGC evaluates issues related to CSR, environmental, and sustainability matters, including climate-related risks and opportunities, and makes recommendations to the Board as it deems necessary or advisable. Additionally, our Compensation and Personnel Committee ("CPC") oversees and monitors CarMax's human capital management strategies. This includes Diversity & Inclusion ("D&I") trainings, which are embedded into our Annual Bonus Plan. Our Chief Diversity & Inclusion Officer provides reporting to and meets with the CPC annually.

To read more about our Board Committees, refer to the Corporate Governance section of this Report.

These working groups are tasked with overseeing the implementation of initiatives within their respective areas of expertise and providing regular updates on ESG-related initiatives and projects to the Sustainability Council.

KEY TOPIC IDENTIFICATION AND CORE FOCUS AREAS

To focus our ESG strategy, we conducted an assessment that enabled the identification of 24 ESG issues that are highly impactful to our long-term success and the sustained growth of our business. We conducted this rigorous assessment in FY22 working with a third-party advisor, and we continue to evaluate the relevancy of these topics to CarMax today.

To support ESG-related initiatives at CarMax, we have formed three working groups, each dedicated to one of the three pillars of ESG.

WORKING GROUPS	RESPONSIBILITIES	LEADERSHIP	MEMBERS
Environmental	Leading activities related to managing CarMax's environmental footprint	Director, EH&S and Energy	EH&S team and leaders from Strategic Sourcing & Procurement
Social	Directing CarMax's efforts to put people first and care for our communities	Vice President, CSR	CSR team, Director of Community Relations, Chief Diversity and Inclusion Officer, and senior leaders from human resources and communications teams
Governance	Guiding activities related to CarMax's corporate governance and ethics programs, policies, and procedures	Vice President, Deputy General Counsel and Corporate Secretary	Deputy General Counsel and Corporate Secretary, and senior leaders from our legal and investor relations teams

Our key topics were identified based on guidance from sustainability reporting frameworks, ESG rating agencies, sustainability data providers, and industry practices.

We then further assessed and prioritized key topics through internal discussions with more than 25 CarMax leaders across our business, spanning various levels of management and a range of business functions including: CSR, human resources, legal, investor relations, health and safety, energy, community relations, diversity and inclusion, public relations, and cybersecurity, among others. Going forward, we will maintain our ongoing engagement with external stakeholders, including shareholders, suppliers, regulators, customers, and others, to understand their evolving priorities.

Through this internal assessment, we have also established the following three guiding statements that we aim to uphold:



CarMax champions access and opportunities that create a level playing field



CarMax is an automotive retail industry leader in sustainability



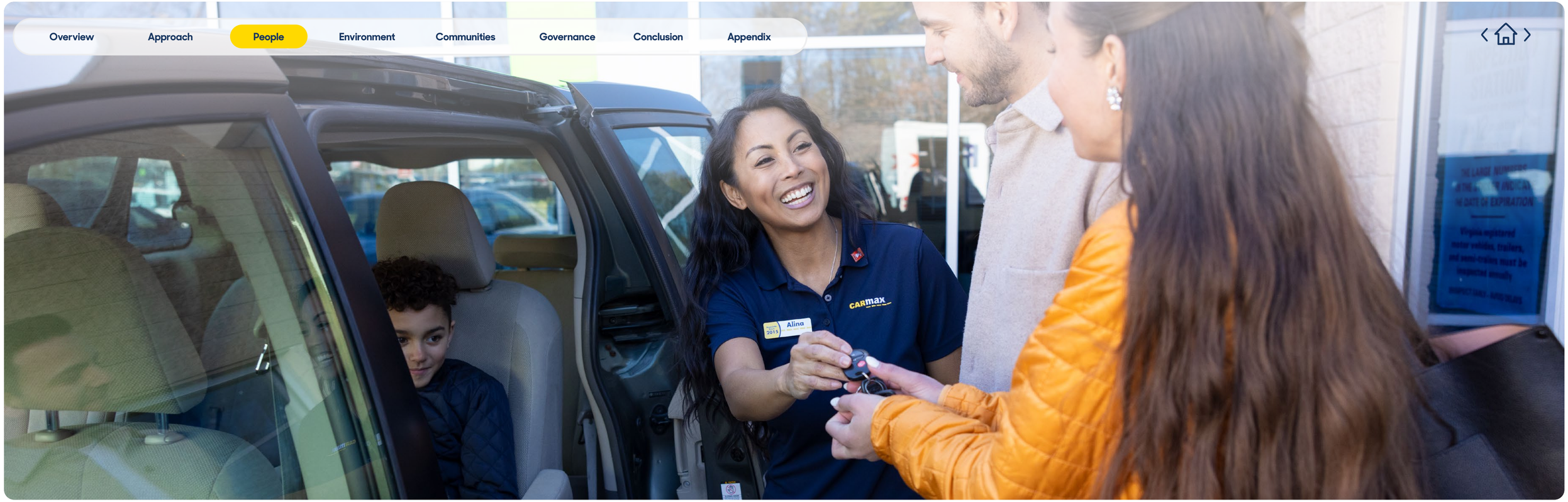
CarMax is known as a purpose-driven Employer and Company

These principles, coupled with our ESG priorities, continue to serve as the north stars of our CSR initiatives and practices. Accordingly, we have established internal objectives, developed roadmaps to guide and mature our CSR strategy, and regularly track and benchmark our progress.

The following updates, aligned with our key topics, offer a glimpse into our ongoing commitment and transparent approach to addressing the ESG issues that are most critical to our business and stakeholders.

TOPIC	FY24 HIGHLIGHTS
Environmental	
Waste Management and Recycling Energy Consumption Fleet Fuel Economy / Utilization Emergency Preparedness and Response Climate Change-Related Physical Risks Electric / Hybrid Vehicles GHG Reduction Strategies / Net-Zero Targets	• In 2023, CarMax was named one of the top 30 retailers of the Environmental Protection Agency's ("EPA") Green Power Partnership • Renewable electricity[1] accounts for 41.25% of our total electricity consumed in calendar year ("CY") 2023 ("CY23"), representing a 16% increase from last year • Introduced our first all-electric semi-truck into CarMax's logistics fleet • Paved the way for increased EV sales with a cross-functional team, and established test sites for new and existing EV capabilities • Executed plan to support credible Renewable Energy Certificates ("RECs") and carbon offsets
Social	
Associate Engagement and Satisfaction Results Diversity and Inclusion Professional Development and Education Retention Efficacy Labor Availability and Hiring Efficacy Volunteerism Philanthropy Environmental, Health, and Safety - Compliance and Audits Workplace Health Management Associate Safety Training	• 20th consecutive year on the Fortune 100 Best Companies to Work For list • Surpassed 90% completion rate for D&I training among the entire associate population • Surpassed our goal of 70% participation across all community programs, with over 78% participation in FY24 • 100% of our locations participated in volunteering events • Since 2003, CarMax and The CarMax Foundation have collectively donated more than $100 million to support the growth and well-being of our local communities • The CarMax Foundation and KABOOM! built our 100th playground this year
Governance	
Formal ESG Oversight Structure Fair Marketing and Transparent Pricing Equal Access to Financing and Anti-Discrimination Political Contributions Cybersecurity Risks and Response Protocols Consumer Privacy and Data Protection Product Quality Controls	• Advanced the depth of internal assessments to identify and monitor CarMax's climate-related risks and opportunities and achieved greater integration into enterprise risk management processes • Established a Sustainability Council in 2023 • Continued to ensure portion of annual bonus program is tied to responsibility goals • Included Responsible Sourcing into our Board-approved CSR/ESG roadmaps • Enhanced cybersecurity efforts and strengthened governance around the use of artificial intelligence ("AI")

[1] Including direct renewable energy credits purchases



Putting People First

At CarMax, **Putting People First** is one of our values and is at the heart of our strategy and operations every single day. We are committed to providing a safe, supportive, and welcoming workplace.

Our people-centric approach guides our continued efforts to provide an exceptional workplace. We believe this helps foster a sense of pride, ownership, and accountability among our associates.

Highlights from Fiscal Year 2024 Include:

- **Continuing to prioritize Diversity & Inclusion training and awareness**
- **Expanding professional development offerings**
- **Continuing pay equity efforts and enhancement of benefits based on associate feedback**

Employee Engagement and Satisfaction

At CarMax, achieving industry-leading associate engagement and satisfaction is a top priority. As our business and workforce evolve, so do our efforts to create an iconic workplace culture. Developing and supporting a highly engaged workforce leads to continued exceptional customer experiences, and growth for both associates and CarMax. We make intentional efforts for all associates to have their voices heard. Our twice-a-year internal Associate Voice Survey provides leadership with associate feedback on the workplace experience, including associates' relationship with their manager and connection with Company culture. We regularly refresh the survey in an effort to capture the evolving perspectives

of our associates and trends within specific groups. Survey results are shared with associates for transparency, and opportunities for improvement are identified and progressed by collaboration between associates and their management teams.

With great success so far, we have implemented incremental initiatives to further improve the experience of associates over the years, including:

- Regularly adding new health offerings to broaden access and provide lower-cost alternatives, including several virtual care options
- Launching a well-being intranet site on the CarMax World with webinars, resources, and more, and complimentary access to the Headspace app for up to five family members
- Creating an Associate Experience Team
- Launching Common Interest Circles program to connect associates who share similar interests and Associate Inclusion Groups to broaden involvement in our Diversity & Inclusion efforts
- Improving our focus on local manager action taking following Associate Voice Survey feedback, and implementing a new Snap Survey pilot for associates to provide role-specific feedback on daily tools, technology, and processes
- Performing exit surveys to ensure any valuable insights for continuous improvement are captured

In FY24, we re-vamped our Associate Care and Connection program with the goal of strengthening the relationship between every manager and their associates. We developed six foundational trainings and reset expectations on fundamental people practices for managers to continue strengthening associate connections. Efforts to date have been very well received and we believe will bring notable benefits including reduced labor risk and improved engagement, business execution, and retention of top talent.

Diversity and Inclusion

We remain committed to fostering a work environment that celebrates diversity of backgrounds and experiences and operates in an all-inclusive manner for associates, and which authentically reflects our Company value of Putting People First. We celebrate and champion a broad diversity of individuals, perspectives, and ideas, which we believe meaningfully strengthens our ability to innovate and continue expanding the value we provide customers.

Foundational principles are formalized in both our D&I framework and our Commitment to Diversity Policy. Our vision is to provide everyone, everywhere with the same opportunities to reach their full potential. This commitment extends to every facet of our business interactions, from associates within CarMax to job applicants, customers, vendors, shareholders, and business partners, to ensure everyone is treated fairly and impartially.

> **Our focus on D&I has helped us create an environment of inclusivity that allows associates to feel comfortable asking for help. They know we will take the time to slow down, listen, and help them. I take great pride in being able to be there for them and show the associates how CarMax truly Puts People First."**
>
> **- NICHOLAS BOWE,**
> CarMax Norcross, Location General Manager

% Female[2]	FY19	FY20	FY21	FY22	FY23	FY24
Management	23.0%	23.6%	24.1%	23.4%	24.2%	25.2%
Non-Management	24.6%	25.8%	27.2%	29.6%	28.3%	28.6%
% Ethnically and Racially Diverse[2]	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
Management	26.1%	26.8%	27.9%	29.0%	30.7%	31.8%
Non-Management	50.3%	52.6%	53.2%	56.5%	56.6%	57.7%

[2] Workforce representation data is collected for the sole purpose of identifying potential barriers to equal employment opportunities. Data is not collected to achieve diversity targets or goals. CarMax is committed to providing equal employment opportunity for all persons regardless of race, color, religion, gender, age, national origin, citizenship, gender identity, sexual orientation, disability, military/veteran status, pregnancy, genetic information or any other characteristic protected by law. For purposes of workforce diversity, CarMax considers ethnic and racial minorities as diverse and defines management as director and above at the corporate level and the top four managers at the store level as a group

D&I LEADERSHIP AND OVERSIGHT

Our D&I strategy is overseen by the highest levels of the organization, including both the Board of Directors and executive leadership. CarMax leadership is responsible for embedding D&I into CarMax's business strategy and daily activities. The results of our internal Associate Voice survey, which assesses associates' perspectives on CarMax's diversity commitment, ability to express opinions, and sense of belonging, demonstrate the effectiveness of our D&I program with scores above industry benchmarks.

CarMax senior executive team members continue to facilitate biannual meetings with the Chief Diversity and Inclusion Officer to discuss the landscape, overall well-being of various teams, and share best practices. We also provide our Leader Perspective Video Series, which provides associates with an inside look at CarMax's leaders' thoughts and perspectives on diversity and inclusion topics. This series coincides with Company-wide required D&I lessons and team reflection guides used to facilitate discussions about learnings and how to apply course concepts. FY24 participation in biannual D&I trainings was greater than 90% for associates and was 100% for our Board of Directors.



BOARD OF DIRECTORS

Receives periodic updates on our D&I efforts

BOARD

COMPENSATION AND PERSONNEL COMMITTEE

Oversees our strategy, policies, and practices related to human capital management, including diversity and inclusion

NOMINATING AND GOVERNANCE COMMITTEE

Oversees our strategy, policies, and practices related to CSR and ESG

EXECUTIVES

CHIEF EXECUTIVE OFFICER

Tasked with championing a culture of D&I as the internal and external face of our organization; member of the Executive Steering Committee

EXECUTIVE STEERING COMMITTEE

Charged with advising on new CSR and D&I policies and practices while implementing Company-wide initiatives and programs. The Committee is comprised of a cross-functional, diverse leadership team, including the CEO, CHRO, and VP CSR

D&I TEAM

EXECUTIVE VICE PRESIDENT HUMAN RESOURCES

Champions D&I as a priority across all our human resource functions and practices

VICE PRESIDENT CORPORATE SOCIAL RESPONSIBILITY

Integrates D&I into our CSR and ESG strategies, priorities, and practices

CHIEF DIVERSITY & INCLUSION OFFICER

Leads our D&I strategy and program execution. The CDIO reports to the VP CSR and partners in integrating D&I practices into our overall CSR and ESG strategies

CARMAX DIVERSITY & INCLUSION TEAM

Tasked with organizing and implementing D&I programs throughout the organization

OUR ASSOCIATES

DIVERSITY & INCLUSION COUNCIL

Oversees efforts across our foundational areas of focus, including Associate, Customer, and Community. The Council, led by the CDIO, is made up of an array of diverse associates that represent nearly all areas of our business

ASSOCIATE INCLUSION GROUPS

Provide input and feedback on D&I initiatives. The AIGs are made up of 250 associates companywide with different backgrounds who meet to make connections, share stories, and find common ground

D&I LEARNING AND ASSOCIATE RESOURCES

As a key component of our D&I strategy, we provide all associates with comprehensive D&I education and training. These tools and resources help all at CarMax succeed and ensure we continue to operate in an increasingly equitable workplace.

In FY24, we continued to provide associates with a range of resources, engagement opportunities, and educational sessions, including:

- **D&I Education**
  A required biannual training on D&I for all associates, and inclusive leadership training for all managers.
- **Leader Perspective Videos**
  These videos feature diverse leaders across the business to gain a better understanding of different backgrounds and experiences.
- **Manager Conversation Guides**
  Practical conversation guides are provided to facilitate manager discussions and create an inclusive space for conversations regarding D&I and related experiences.
- **D&I Intranet**
  A dedicated D&I intranet site on CarMax World is available, featuring in-depth resources for associates about specific D&I topics. Associates can also find answers to FAQs which are updated twice a year, and managers can equip themselves to answer associate questions.
- **Share Your Story Campaigns**
  CarMax's intranet site highlights associate experiences related to commemorative months and holidays such as Pride Month and Black History Month, among others.
- **Women's Resource Group**
  We continue to pilot our Women's Resource Group (WRG) at our corporate office, fostering opportunities for associates of any gender to learn and grow, connect, and support one another.

FY24 Training themes:

We conducted two thematic D&I trainings in FY24, with over 90% of the associate population and 100% of Board members completing the trainings.

- **Winning Together Through Inclusion and Belonging**
  This lesson brought awareness to the differences between belonging and fitting in, and helped associates understand how inclusive spaces foster a sense of belonging for all members.
- **Intentional Connections**
  This lesson helped associates understand the importance of connection, belonging, and trust in the workplace, and focused on how cultures of connection can lead to better workplaces for all.

SHARE YOUR STORY: "JOHANNA'S STORY: HISPANIC HERITAGE MONTH"

"In 2018, I moved from Ecuador, South America, in search of new opportunities for myself and my son. A few months later, my journey at CarMax began. I was offered a bilingual Customer Experience Consultant position at the new Atlanta Customer Experience Center. Landing in a Company that supports opportunity, inclusiveness, continuous development, and learning helped me achieve career progression and success. I'm also fortunate to be the CarMax Cares Champion at my location, which gives me a unique opportunity to give back to the community, engage others in this great purpose, and gain a sense of fulfillment.
I am proud of my journey and excited to see what CarMax has in store for me next."

- JOHANNA IGARTUA, Sales Manager, Atlanta Customer Experience Center

Our associates continue to be the driving force behind our success, and thus we remain intent on providing a diverse, fair, and high-performing workplace. One way we accelerated our progress on this objective in FY24 was through enhancements to our HR management platform allowing associates to self-identify as part of the LGBTQ+ community, as well as choose to identify their pronouns on their nametags.

Our external partnerships also reflect our commitment to inclusion. In FY24, we continued our multi-year partnership with the National Women's Soccer League ("NWSL") and the Women's National Basketball Association ("WNBA"), demonstrating our overall commitment to help achieve equity across all facets of society where we have the power to do so. As a WNBA Changemaker, CarMax is focused on driving the league's overall brand awareness and building the brand of its players. CarMax is also a local team partner of the New York Liberty, Phoenix Mercury and Washington Mystics. This year, we expanded our partnership with the Mystics to be the team's jersey patch partner. As part of the NWSL partnership, CarMax is the presenting sponsor of the NWSL Shield, awarded to the club with the best record at the conclusion of the regular season, and we committed to further increasing the Shield's bonus pool from $10,000 to $15,000 per player. We also became a partner of the NWSL club Gotham FC, based in the NYC metro area, with CarMax serving as the team's front-of-kit sponsor.

Through these investments and partnerships in women's professional sports, we are proud to be part of helping increase their visibility as professional athletes and diverse role models to drive impact for future generations of women.

SUPPLIER INCLUSION

We consider a wide set of different suppliers when conducting business, with a particular focus on prioritizing small, local businesses. These businesses are vital to their respective communities and help CarMax build resiliency in every area we operate. Accordingly, we have revamped our external supplier inclusion webpage where potential suppliers can register with CarMax, which helps us better identify suppliers for specific procurement opportunities.

Equally important, maintaining a diversified supplier base remains essential to CarMax's strategy of mitigating sourcing risks and remaining resilient. Such efforts are paramount as they enable CarMax to continue providing unmatched value and service to our customers. To this end, our suppliers are diverse in size, background, and geographic location to help ensure we can meet the needs of our customers and mitigate supply disruptions due to weather and other factors.

TALENT ACQUISITION AND DEVELOPMENT

At CarMax, our talent acquisition and development strategies aim to promote a workforce that reflects our core values. In turn, we are constantly evaluating how we can invest in our associates and provide opportunities for professional growth and personal development.

TALENT ACQUISITION

Critical to CarMax's long-term success is the ability to attract and retain talent. As such, we dedicate time and resources to assessing and strengthening our recruitment strategy. This ensures we maintain a strong pipeline of qualified candidates, despite competitive labor market dynamics. Key elements of our talent acquisition process include:

- **Recruitment**
  Our recruitment efforts leverage broad channels including social media outlets, professional networking sites, campus recruitment, trade school and military recruitment partnerships, job advertisements and paid campaigns, recruiter networks, and employment agencies. We continue to expand our channels to ensure we reach a pipeline with broad experiences, backgrounds and perspectives.
- **Assessments and Interviews**
  Candidates for most open positions must complete an online assessment that helps us assess their potential for success at CarMax. Interview processes typically consist of at least one in-person or virtual interview focused on role-specific skills and competencies, and in many cases multiple interviews to ensure the right functional and cultural fit.
- **New Store Openings**
  When opening a new store location, we form collaborative relationships with members of the local community. Such relationships are mutually beneficial, allowing CarMax to establish meaningful connections with local residents and organizations who may be seeking or benefit from employment opportunities. For example, we leverage local employment centers to recruit talent for new stores to ensure individuals from the local community are part of the CarMax team.

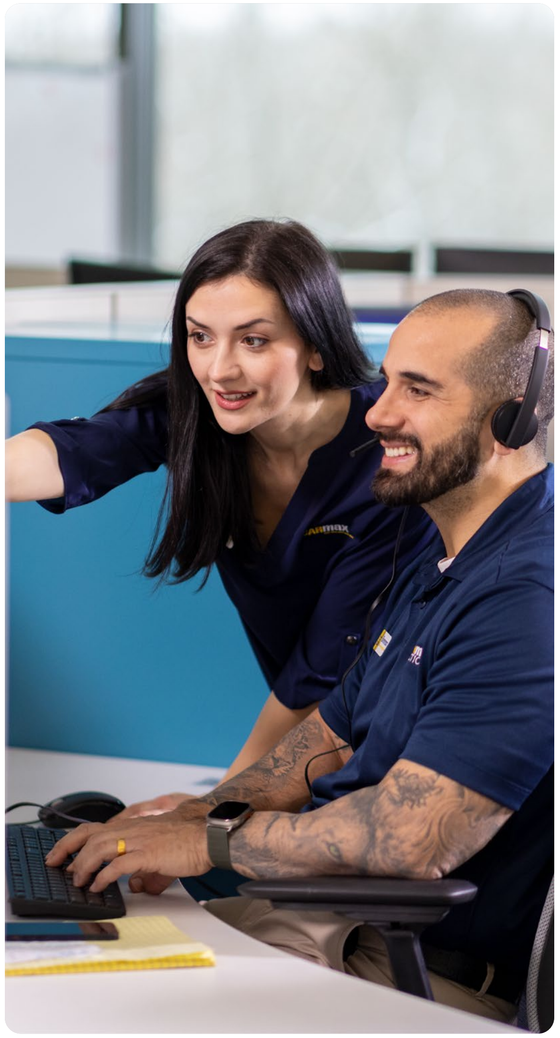
PROFESSIONAL DEVELOPMENT

We provide comprehensive and customized talent development programs to maximize the growth of each associate. We actively enhance and accelerate the careers and skillsets of associates through personalized development plans, constructive performance reviews, mentorship opportunities, and job-specific trainings through our web-based learning management system. All our associates have access to on-demand learning content libraries, which offer an extensive selection of learning across a variety of topics that support our associates' current and future career goals.

We have continued our focus on empowering our associates to diversify their career paths via specialized training and development programs. To this end, in FY24 we rolled out a skill certification program for our front-line managers who are central to the associate experience. This program has six modules, and we have launched the first five, with a completion rate of 97% among our 2,300 eligible managers. We also facilitate the development of future leaders through our Management Development Program (MDP), Senior Management Development Program (SMDP), and Leadership Development Program (LDP) — programs that are designed for associates and managers seeking greater responsibility in more senior roles.

Similarly, we are proud to have offered five technology skills programs in FY24, providing associates the opportunity to reskill and sharpen technical abilities. We also conducted a skills analysis to assess gaps for auto technicians, which resulted in the creation of a plan to ensure we have the right training and development for our future workforce. Across other functional areas, we offered nearly 400 updated or new skills courses for hourly employees in FY24.

To effectively manage our workforce organization-wide, we conduct workforce planning exercises to analyze and forecast both our associates' and CarMax's needs as we continue to evolve and grow together. As a result, we updated our employer value proposition for current and potential associates in FY24 as we continue to focus on retaining top talent and enabling internal mobility to support the future of our business.



BENEFITS AND COMPENSATION

We strive to provide fair and broad-based benefits programs and compensation packages that maximize the well-being of our associates.

- **Associate Benefits:**
  In FY24, we sought to further tailor our compensation packages to meet the diverse needs of all associates at every stage of their life and career. Continued engagement with our associates through surveys ensures our benefits evolve with workforce needs. Based on our insights from the 2023 survey, we enhanced our emotional support and bereavement programs in FY24. This includes a pilot program with an external vendor that provides comprehensive, on-demand practical and emotional support for associates following the loss of a loved one through a dedicated care manager, online resources, and family collaboration technology. We also added several offerings to our medical and pharmacy benefit plans, including Eden Health (a virtual primary care option), Hinge Health (a virtual musculoskeletal support option), and Rx Savings Solutions (a prescription drug savings option) at no cost to associates.

  Our survey findings also show that our associates are generally satisfied with our benefits. To foster a culture of care and respect, we are committed to collecting feedback from our associates to identify opportunities for further improvements in our benefits, ensuring they align with our associates' evolving needs.

- **Associate Compensation:**
  Our associate compensation takes on various forms and structures given the variety of roles in our organization. We are committed to maintaining a compensation strategy that is equitable, competitive, reflective of our core values, and compliant with all applicable laws.
  In FY24, we maintained our commitment to ensuring equitable pay for all employees, irrespective of gender, age, race, or ethnicity. To this end, we continue to conduct annual pay equity reviews, evaluating factors such as position, tenure, and location. This consistent review process allows us to make appropriate adjustments if we identify discrepancies, ensuring our compensation practices remain fair and unbiased. As of February 29, 2024, all our associates were paid above the applicable minimum wage.

BENEFITS AT CARMAX INCLUDE:

- **Healthcare**
  We offer our associates high-quality and competitive healthcare, dental, and vision coverage at a range of prices to meet their individual needs. Our healthcare packages also include benefits that extend to domestic partners, gender dysphoria treatment, and applied behavioral analysis therapy. Through our continued partnership with Live Health Online, associates enrolled in a CarMax medical plan can receive virtual care for both physical and behavioral health issues. Our associates also have free access to Teladoc Medical Experts, a service that enables associates to receive advice regarding a diagnosis or treatment options from the nation's leading medical experts.

- **Retirement Plans and Stock Purchase Plans**
  CarMax associates are eligible to participate in our 401(k) program, which provides a 100% match of up to 6% of pay, beginning on their first day of work. Our associate stock awards and employee stock purchase programs also allow our associates to become CarMax shareholders.

- **Paid Time Off and Holiday Pay**
  In FY24, all salaried associates continued to enjoy our "Time Away" benefit, which does not impose a limit on vacation, sick, or personal time off, provided appropriate workload arrangements are made. Commissioned and hourly associates remain eligible to accrue vacation time. Our paid parental leave benefit, short-term disability pay policies, and personal leave policy further enable our associates to manage their personal and family needs with greater ease. We also observe six paid holidays and offer holiday pay for certain roles, as well as one floating holiday and one personal day.

FOUR BENEFITS THAT DIFFERENTIATE CARMAX'S AWARD-WINNING WORKPLACE INCLUDE:

- **Wellness Programs**
  All CarMax associates and their spouses or domestic partners have access to extensive mental health and wellness services. In addition to our standard medical and pharmacy benefits, these also include health screenings, inclusive care options, and digital tools like the Headspace app. We also provide our associates and their partners with rewards and medical plan credits for participating in healthy activities through our wellness tracking tool.
  We provide additional support for associates needing to take a leave of absence and for those that have experienced the loss of a loved one. These situations require empathy and guidance to ensure our associates are aware of all available benefits and addresses questions based on situation-specific needs through personalized outreach.

- **Flexible Work Policy**
  We offer flexible options, including flex time and compressed or reduced schedules. For example, we offer many of our corporate associates flexibility to work a hybrid schedule to balance work and personal life. We also updated our Flexible Work Policy to provide better clarity on these requirements.

- **Relocation Program**
  For our associates relocating, CarMax continues to assign a relocation counselor to ensure a smooth transition as these associates navigate a new normal, find housing, and become acquainted with the community they are joining.

- **Associate Discount Program**
  We are grateful for the support we receive from our associates and their families. Our associates and their eligible family members qualify for CarMax discounts on up to three used cars per year.





SAFETY

The safety of our associates, customers, and others with whom CarMax interacts remains a top priority. We rely on our ongoing occupational safety and personal safety programs to provide guidelines, training, and tools to ensure all associates operate mindfully and safely.

- **Occupational Safety**

  Our occupational safety and health efforts are rooted in our values of Putting People First and Doing the Right Thing and are underpinned by our Code of Business Conduct and our Environmental, Health, and Safety ("EH&S") Principles which establish clear occupational health and safety expectations for all associates.

  In FY24, we continue to uphold our high safety standards, expecting all associates to take responsibility for keeping themselves and those around them safe. This responsibility includes adhering to safety protocols, utilizing appropriate personal protective equipment ("PPE"), maintaining clean and organized work areas, and proactively reporting safety concerns and hazards to a manager.

  Our EH&S expectations for store managers include swift resolution of associate safety concerns, maintaining tools and equipment, ensuring access to PPE, completion of required preventative and regulatory tasks, using the EH&S Tracking System to report injuries and incidents, and holding associates accountable to EH&S requirements.

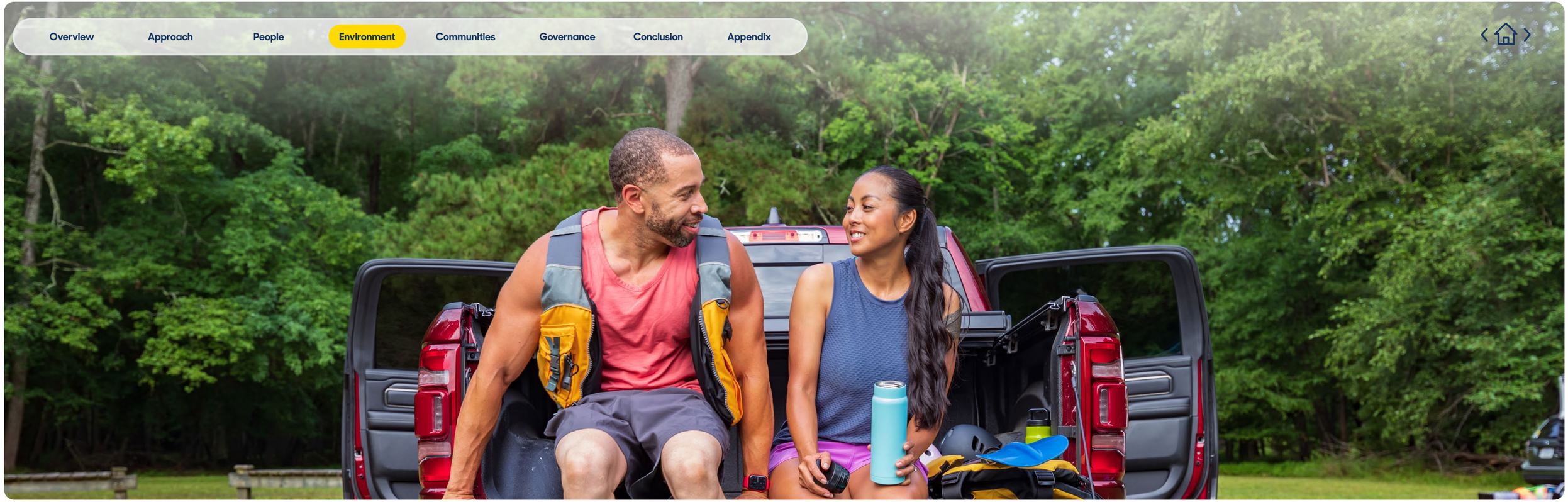
  Transparency and accountability are the foundation of a safe workplace. Our commitment to these principles is fostered by CarMax's open-door policy, which encourages associates to freely raise any concerns through their manager, human resources representatives, the internal EH&S team, or reporting anonymously using the associate helpline.

- **Personal Safety**

  In addition to our commitment to ensuring a safe working environment, we are also dedicated to promoting personal safety. We uphold a zero-tolerance policy for workplace violence, discrimination, harassment, or retaliation. Our policy continues to define disrespectful and inappropriate conduct, sets forth practices to prevent discrimination, and offers multiple mechanisms for associates to report issues. Similarly, our Workplace Violence Prohibition and Protection Policy outlines the investigation strategies and potential warning signs to empower our associates to identify potential risks. These personal safety policies apply to all CarMax associates as well as non-associates such as vendors, contractors, and customers on the Company property.

  We recognize that certain conditions across different functions at CarMax may pose greater dangers than others. Therefore, we focus our Personal Safety Guidelines on tasks with greater risks, including vehicle test drives, store openings and closings, after-hours and overnight work, and home delivery services. Additionally, our Asset Protection Policy establishes principles, standards, and provides case studies to provide guidance on how best to respond to extreme weather events and ensure the protection of our associates and CarMax assets.

  Furthermore, to enhance security for our associates and customers, our commitment to safety also includes thorough evaluations and background screenings for all new hires.



Protecting Our Environment

Our Approach

At CarMax, our environmental practices are an integral aspect of our business operations. From formalizing our GHG emissions reduction targets in 2021 to earning recognition from the Environmental Protection Agency (EPA) Green Power Partnership in 2023, we continue to make significant strides in advancing our commitment to reduce our environmental impact.

Climate Strategy

CarMax continues to monitor and adapt to evolving physical and transition risks related to climate change, and we are proud of our continued response to natural disasters and weather-related risks to safeguard our employees, communities, and assets. In CY23, we deepened our evaluation of relevant climate-related risks and opportunities and expanded upon our inaugural CY22 disclosures in response to the IFRS Foundation's Taskforce on Climate-Related Financial Disclosures ("TCFD") recommendations. Also, we continue to make meaningful progress in two key related areas. First, we have begun to quantify the impact of relevant climate-related risks and opportunities over various timeframes and under various climate scenarios. Second, we have initiated the regular evaluation of climate risks through our enterprise risk management processes. We look forward to providing periodic updates on our progress and related findings in the coming years as we also continue to prepare for potential regulatory compliance and reporting in this area.

For more detail on climate-related governance and CarMax's specific climate-related risks and opportunities, please refer to the TCFD Appendix and the Climate Strategy section of our last report focused on FY23. For more information on our enterprise risk management processes, please refer to the Governance section of this Report.

Our Path to Net Zero

GHG Emissions Reduction Targets:

Reducing CarMax's Scope 1 and Scope 2 GHG emissions by 50% by 2025 against our 2018 baseline.

Achieving net-zero carbon emissions by 2050 in accordance with the Paris Agreement.

Our commitment to ongoing environmental stewardship and sustainable development remains paramount. Despite a year-over-year increase in our Scope 1 emissions, our strategic initiatives and operational adjustments underscore the behavior we believe is required to create lasting and impactful change. For example, we have continued to increase the proportion of vehicles transported by our own fleet, reducing reliance on third party logistics partners and shifting a portion of our Scope 3 emissions into our Scope 1 emissions. This strategic decision provides CarMax with greater control over our logistics network and creates opportunities to reduce emissions. Additionally, our investments in renewable electricity have led to a reduction in Scope 2, further emphasizing our ongoing commitment. While our exact emissions profile may ebb and flow, we are confident our underlying decisions demonstrates our commitment to emissions reductions and that the actions we are taking today will enable our pathway to net zero.

For FY24, we again included ESG-related metrics in our Annual Bonus Plan which we believe helps drive accountability and execution. Importantly, ESG-related metrics account for 10% of eligible employees' overall annual bonus performance. In this vein, per an ESG objective included in the FY24 bonus plan, we continue to make strides towards achieving a 50% reduction in our Scope 1 and 2 emissions by 2025 against the 2018 baseline.

The strategies we've identified and implemented to achieve our targets and reduce our emissions are multifaceted. Select strategies include:

- **Transparent emissions tracking**
  Ensuring that we have accurate and reliable data to assess our progress and identify areas for improvement.
- **Improving energy efficiency**
  By exploring new technologies and implementing measures to reduce energy consumption and optimize our processes.
- **Increasing the use of renewable energy**
  Including but not limited to unbundled Renewable Energy Certificates ("RECs") to reduce our reliance on carbon-intensive energy.
- **Purchasing credible carbon offsets**
  To offset hard-to-abate emissions by investing in high-quality, meaningful projects.

CarMax recently introduced our first all-electric semi-truck into our logistics fleet in California, which represents a meaningful first step in the use of zero-emission vehicles. As we continue exploring the expanded use of zero-emission vehicles, we are also focused on identifying and realizing efficiency efforts to reduce both cost and our environmental footprint, including consolidating loads, increasing our mix of full loads, reducing truck idling time, and reducing truck volume, among other related initiatives.



In CY23, we also completed our first carbon offset purchases, which offset 17,000 MTCO2e, bringing us closer to achieving our 2025 target. Project selection conformed with criteria for high-quality carbon offset purchases based on guidance from and the core principles of the World Resources Institute (WRI), in effect as of May 2023. The criteria included:

- **Additional**
  A project must be developed in response to the incentives provided by a carbon offset market.
- **Permanent**
  Emission reductions or removals are permanent if they are not reversible; that is, the emissions can't be rereleased into the atmosphere.
- **Real and safeguarded against leakage**
  GHG emissions released to the atmosphere should be lower due to the implementation of the offset project, relative to a business-as-usual baseline scenario.
- **Enforceable**
  One credit can only credibly offset one ton of CO2e emissions; as a result, it must be tracked, and it must be possible to enforce its ownership and use.
- **Verified**
  Credible offset programs require that emission reductions be monitored and regularly verified by an independent, qualified third party.

With these considerations in mind, in CY23, we retired a total of 17,000 carbon offsets credits (representing approximately 17,000 MTCO2e) over two projects.

At CarMax, we understand that progress towards environmental sustainability is not a linear journey. Each year brings its own challenges and opportunities, influencing our strategic decisions and operational adjustments.

In CY23, our Scope 1 emissions increased, partially due to a strategic shift to reduce reliance on third-party services; these emissions previously were categorized under our Scope 3 emissions. While detrimental to our Scope 1 and 2 footprint in the short-term, this change reflects our commitment to achieve net zero as it enables greater control over our emissions and the ability to reduce them in the long run. Additionally, our Scope 2 emissions have seen a significant year-over-year decrease, underscoring our efforts in increasing energy efficiency and sourcing more power from renewable sources.

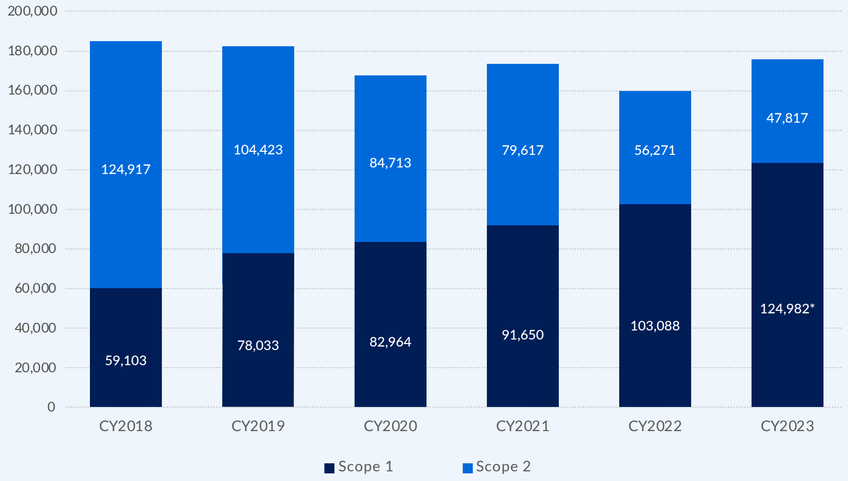
We also made strategic investments in carbon offset projects in 2023. These investments not only compensated for our increase in Scope 1 and 2 emissions, but also have an impact beyond CarMax and contribute to global sustainability efforts. Projects were carefully selected to ensure they reflect our values and commitment to the environment. Looking ahead, we remain committed to continuous improvement in our sustainability practices. As we progress toward our net-zero target by 2050, we will keep advancing our technology, enhancing our operational efficiencies, and strengthening our partnerships to build a more sustainable future.



Project	Vintage	Retirement Year	Location	Purchased Credits	Retired Credits	Type	Supplier	Third-party verifier	Originated
GS1385 Man and Man Enterprise Improved Cooking Stoves Programme in Ghana	2022	CY2023	Ghana	8,000	8,000	Energy Efficiency - Domestic	Man and Man Enterprise	Gold Standard Certified	Gold Standard Impact Registry
ACR596 Anew - Boone Forestry Project	2020	CY2023	Kentucky, USA	9,000	9,000	Forest Carbon[3]	Anew Carbon Development, LLC	Ruby Canyon Environmental, Inc.	ACR at Winrock International

[3] Verified removal credits

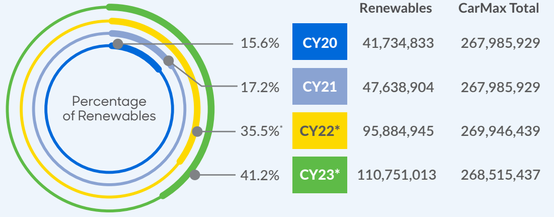
CARMAX GHG EMISSIONS ($MTCO_2E$)



*The totals have been adjusted to account for CarMaX's purchase of carbon offsets, the first of which occurred in CY23 and amounted to 17,000 $MTCO_2e$. This purchase is part of CarMaX's strategy to mitigate its environmental impact and progress towards net zero emissions.

Net GHG Emissions (MTCO2e)	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023
Scope 1	59,103	78,033	82,964	91,650	103,088	141,982
Carbon Offsets	-	-	-	-	-	(17,000)
Scope 1 – Adjusted for Carbon Offsets	-	-	-	-	-	124,982
Scope 2	124,917	104,423	84,713	79,617	56,271	47,817

CARMAX ELECTRICITY CONSUMPTION KWH



	Renewables	CarMax Total
CY20	41,734,833	267,985,929
CY21	47,638,904	267,985,929
CY22*	95,884,945	269,946,439
CY23*	110,751,013	268,515,437

**CY22 and CY23 renewable total includes direct REC purchases

CARMAX ENERGY CONSUMPTION (GJ) IN CY23

Total Energy Consumed (Gigajoules)	3,200,293
Percentage Grid Electricity	30.2
Percentage Renewable Energy***	13.4

***Includes direct REC purchase, Virginia PPA, renewable retail supply, and renewable diesel purchases

In CY23, we were recognized as an industry leader in renewable electricity sourcing. This acknowledgment came with our acceptance into the EPA's Green Power Partnership (GPP) program in the fall of 2023. By October 2023, CarMax proudly made our inaugural appearance on the GPP Top 30 Retailers list.

Energy

We remain dedicated to prioritizing energy conservation and efficiency measures across our operations. All CarMax locations are equipped with energy-efficient LED exterior lighting, and we continue to retrofit our interior lights to LED.

We also continued to focus on renewable electricity procurement in CY23. Accordingly, 41.25% of our total electricity consumed was from renewable sources, an increase of 15.5% as compared to CY22, due predominantly to the increase in credible RECs purchases.

The sources of renewable energy used at CarMax include:

- A Power Purchase Agreement ("PPA") in CarMax's home state of Virginia that serves most of our Virginia operations with renewable energy sourced from a Virginia biogas project.
- Retail electric supply contract in Texas that includes RECs from a wind resource in Texas.
- Two Kansas City CarMax locations are powered with 100% renewable energy through a renewable tariff offered by the local community.

In fall 2023, CarMax also completed our second bulk purchase of unbundled RECs, retiring 70,000 RECs from a variety of wind facilities in Kansas during the Green-e® 2023 reporting year, encompassing the following projects:

- Buffalo Dunes Wind Project – Enel
- Cedar Bluff Wind, LLC – 6290
- Slate Creek Wind Project, LLC - Slate Creek
- Waverly Wind Farm LLC

Additionally, CarMax has executed a community solar agreement in Illinois that provides us with RECs while supporting the development of renewable electricity generation in the region. Moving forward, we plan to continue exploring the advantages of potential Virtual Power Purchase Agreements ("VPPA"), as well as on-site renewable generation opportunities in support of our decarbonization targets.



Electric Vehicles

To meet the long term growth opportunities for EV and hybrid vehicles, we have invested in capabilities to meet the growing demand from retail customers. As EVs currently constitute approximately 1% of our overall retail sales, the future is ripe with opportunity for CarMax. Accordingly, we are evaluating and investing in opportunities to proactively expand hybrid and EV sales. Accordingly, in FY24 CarMax:

- Invested in and expanded our partnership with Treehouse, an electrification startup, to help our customers install home EV charging capabilities.
- Paved the way for increased EV sales with a cross-functional team, and established test sites for new and existing EV capabilities.
- Continued to increase awareness and education within the EV space, particularly with our customers and associates.
- Launched our newly formed EV Strategy Advisors group consisting of cross-functional team members from the Marketing, Product, and Corporate Strategy teams.
- Continued to leverage our subsidiary Edmunds and our website to provide educational materials for EV and hybrid vehicle owners.

In 2023, we launched our newly formed EV Strategy Advisors group, composed of cross-functional members from Marketing, Product Development, Corporate Strategy, and beyond. The group is tasked with coordinating research, creating learning experience, ensuring operational readiness, and spearheading marketing efforts around electric vehicles. We are continuously improving our ability to recondition a broader range of hybrid and EV models, extract value from used batteries, and profitably acquire, price, and sell used EVs. Becoming a leading retailer of used EVs represents a promising market opportunity for us, but also helps to minimize our overall environmental footprint and that of our customers. We are proud of the progress we have made over the past year in providing a broader range of EV choices for our customers and look forward to continued growth on this front.

Building Design and Systems

As we navigate our continued growth with the environmental impact of our building operations in mind, we integrate best practices from the Leadership in Energy and Environmental Design (“LEED”) principles in both new store construction and store upgrade plans. For instance, all our exterior lighting is energy-efficient LED, and we continue to retrofit interior lighting to LED. We also consider function and size when designing new stores, reducing energy usage throughout the building’s useful life.

We continue to focus on energy efficiency and air quality efforts in our retail, wholesale, and production facilities as well as our offices through various means, including:

- Allowing for more natural light to enter our store showrooms and production shops by using skylights and sizable storefront glass.
- Reducing artificial light power and monitoring natural light levels through automatic dimmers.
- Reducing the amount of heat absorbed by the roof and the energy needed for cooling by using white thermoplastic polyolefin reflective roofing materials.
- Improving air quality, including using special fixtures and materials to limit use and impact of low-VOC (volatile organic compounds) interior paint, flooring materials, adhesives, and sealants.

As a means of optimizing our heating, ventilation, and air conditioning ("HVAC") systems, we continue to invest in building controls. Our energy management program allows us to track energy usage and adjust building conditions based on seasonal change, occupancy, and weather conditions. We are also able to quickly recognize and fix operational problems.

- HVAC systems employ multi-stage heating and cooling, multi-speed fans, energy recovery wheels, variable frequency drives, and demand control ventilation.
- Facilities are regularly assessed to determine when to replace HVAC units that are inefficient, old, or in disrepair.

Additionally, we continue to participate in the EPA's ENERGY STAR® partner program and utilize its recommended energy management and analysis principles. We continue to leverage the following energy-saving best practices:

- Automatically turning off computer equipment, other electronic equipment, and nonessential lights during non-business hours.
- Automatically turning off air compressors, vacuums, and other related equipment when not in use.

Fleet Operations

We are committed to managing our fleet logistics efficiently and sustainably as part of our ESG strategy. The operation of our business necessitates the frequent transport of vehicles across locations, requiring both the use of our CarMax fleet and strategic collaboration with third-party providers.



Below are select efforts implemented to continue enhancing the effectiveness of our fleet operations:

- Testing an all-electric semi-truck in real-world conditions between several California stores, including our Stockton, California store, and our regional hub, which is equipped with a Level 3 charging station enabling rapid recharging.
- Expanding our hub system to improve consolidation.
- Amplifying our focus on maximizing transport loads while balancing speed of transfers.
- Enhancing our internal capabilities to increase the share of transfers executed by the CarMax fleet while maintaining a strategic mix of third-party providers.

Furthermore, we collaborate regularly with our partners and providers to ensure we are quickly leveraging the most up-to-date and efficient technology to bring value to our customers. For example, the Freightliner eCascadia all-electric semi-truck is the first to be leased by Penske Truck Leasing as a vehicle hauler. The insights derived from our pilot study will enable us to refine our approach to implementing low-carbon transportation solutions more broadly across our locations.

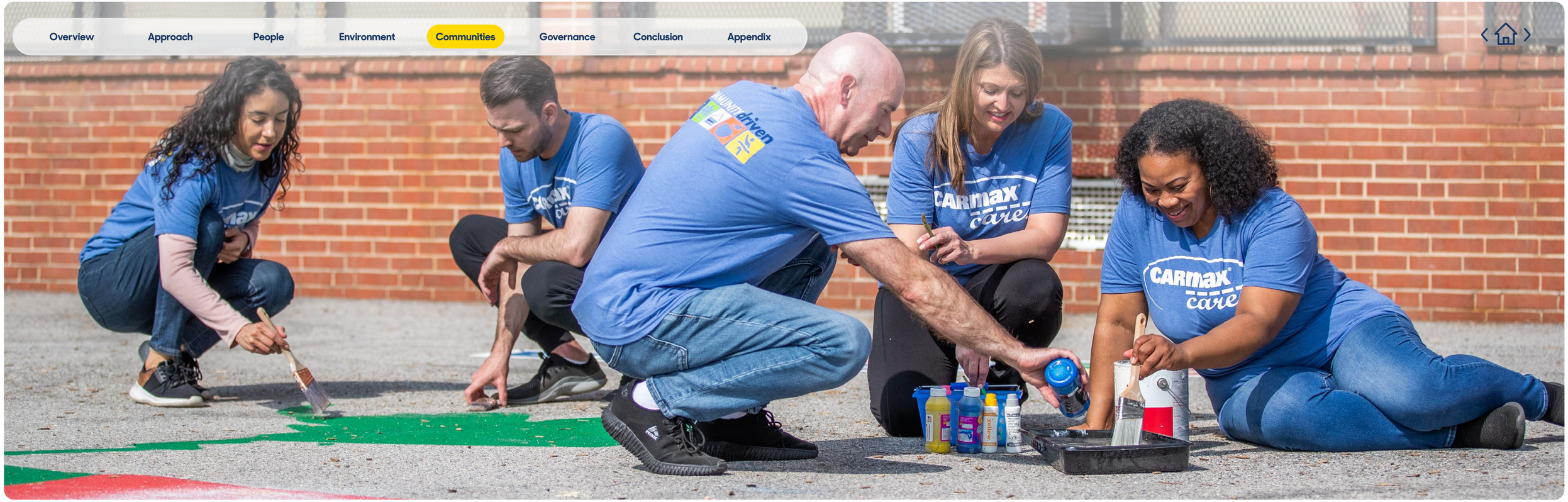
Waste

We continue to uphold our commitment to enhancing the quality of the vehicles we sell and extending their service life through our rigorous vehicle reconditioning process. Recognizing the various types of waste generated by both the reconditioning and general maintenance of vehicles, we are always seeking innovative solutions to reduce and recycle across our operations.

In practice and as a part of our culture of continuous improvement, we continue to recycle used oil, scrap metal, automotive battery cores, paper products, tires, windshield glass, and non-automotive batteries while also decreasing reliance on printing and reducing the use of paper across all operations.

Water

Our commitment to water conservation also remains a top priority across both our retail and corporate locations. Accordingly, we leverage systems equipped with rain sensors and drip irrigation technologies to optimize water use. We also incorporate xeriscaping strategies in the design of all new stores, including minimizing grass lawns and favoring drought-resistant vegetation; and we equip our new locations with low-flow faucets and fixtures to reduce water consumption. Similarly, our car washes are designed to reuse approximately 85% of the water utilized.



Caring for Our Communities

CarMax is a people-first Company founded on integrity. Helping our communities thrive and making a positive social impact is core to who we are and how we conduct business.

We empower our associates to actively participate in community service and philanthropic endeavors, aligning our efforts with the specific and most urgent needs of the communities we serve. Through initiatives such as volunteering and philanthropic investments, we're dedicated to making a meaningful difference where we operate.

Since 2003, CarMax and The CarMax Foundation have collectively donated more than $100 million to support the growth and well-being of our local communities.

The CarMax Foundation and KABOOM! built our 100th playground this year.

We have achieved engagement from 78% of associates in one or more community programs.

Our associates remain committed to utilizing CarMax programs to enhance their personal contributions and extend our community impact.

Empowering Our Associates to Give

We give back to the communities in which we operate in a variety of ways, including donations, volunteerism, and charitable initiatives. Such efforts are focused on causes important to our associates and that support volunteerism opportunities where they live and work. The CarMax Foundation, established in 2003, offers support to our employees to help our communities thrive.

- **Matching Gifts**
  The Foundation supports organizations important to associates by matching money donated (Matching Dollars) and hours volunteered (Matching Hours) by associates and their eligible family members. Matching Gifts requests can be any combination of dollars and hours up to $5,000 with a maximum of $1,000 in hour submissions.
- **Care Cards**
  In our ongoing commitment to social responsibility, our Care Card program has empowered our associates to allocate funds from the Foundation to an eligible nonprofit organization of their choice, in connection with Giving Tuesday, the global day of giving following Thanksgiving. In FY24, more than 20,000 associates participated, supporting 6,800 nonprofits.
- **Volunteer Team-Builders ("VTB"):**
  Our associates are empowered to contribute to the community by engaging with causes and nonprofit organizations that are important to them. Upon completion of a volunteer event involving five or more associates with an organization, the Foundation may donate $500 or more. During June, our month of service, grants are doubled and associates across the country are encouraged to support local nonprofits.

Volunteering

In FY24, 100% of our locations participated in volunteering events. We continue to see significant participation in our volunteer team-builder program and believe associates' ability to select the local nonprofits with which to volunteer is a key reason that it has resonated so well throughout our organization.

The work completed through our Volunteer Team-Builders is best exemplified by our partnerships with Points of Light, a global nonprofit that inspires, equips, and mobilizes millions of people to take action through service, and KABOOM!, a renowned national nonprofit dedicated to partnering with communities for the construction of kid-designed playspaces. These partnerships provide opportunities for 150 associates to volunteer together for a day of service in cities across the country. Feedback reinforces that our associates enjoy volunteering with their location teams and coming together for large-scale volunteer projects that often make transformational impacts.

Through our partnership with KABOOM! in FY24, our associates were able to build nine playgrounds. Among the many notable highlights of those efforts, two stood out. First, our associates from our San Antonio locations built a playground in Uvalde, Texas, the second of twelve that KABOOM! is planning to build to address playspace inequity in this community. Secondly, we celebrated the construction of our 100th nationwide playground in Riverside, California. Building playgrounds in communities that need them the most ensures every kid can experience the physical, social, and mental health benefits of play regardless of their background or where they live.

"From the first playground of our partnership in Richmond, Virginia to the 100th in Riverside, California, I am proud to be one of the thousands of associates who have moved mulch and installed equipment so that children in communities across the country have a place to play, learn, and grow," said Craig Cronheim, Chief Human Resources Officer. Visit our website to see a video celebrating our 100th playground.

In FY24, we elevated our collaboration with Points of Light to provide our associates with innovative, impactful, and inspiring opportunities to make a transformational impact on their communities. With Points of Light and their network, we can ensure that our associates play a pivotal role in selecting and participating in projects that resonate with them. This approach positions our employees as change-makers within their communities, empowering them to progress initiatives they are passionate about.



SPOTLIGHT:

The CarMax Foundation and KABOOM! built our 100th playground

On October 5th, more than 150 CarMax volunteers constructed the 100th kid-designed playground funded by The CarMax Foundation. As KABOOM! veterans know, there's more that goes into the projects besides just the playgrounds themselves. Volunteers also helped by moving a mountain of mulch, mixing pallets of concrete, building benches, picnic tables, a storage box, and a double shade structure, and adding fresh paint all around the site. Over 13 years, thousands of CarMax associates have brought to life new playgrounds impacting the lives of 150,000 children annually.

In July, we also collaborated with The Bridge, a nonprofit that supports adolescents and their families working to overcome substance abuse, mental health issues, truancy, and other challenges. Over 150 CarMax associates from the Philadelphia area came together to update the facilities with coats of paint, refurbish a game room and vocational training spaces, and provide much needed landscaping and beautification to the outdoor areas.

Strong Military Families

At CarMax, we are dedicated to supporting military members, their families, and veterans in developing essential skills and nurturing relationships that build robust connections within communities. We continue to collaborate closely with our partners, Hiring Our Heroes, Operation Homefront, and The Mission Continues.

Building upon our successful collaboration with Operation Homefront, a national non-profit dedicated to supporting military families, CarMax continued its joint efforts to honor and support veterans for their service. Leading up to Veterans Day, associates had the opportunity to express their gratitude through our collaborative "MaxGratitude" initiative, where notes of appreciation for veterans and military families were written.



> "The day that we spent at Mykawa Farm was inspiring. The Mission Continues had an ambitious list of projects for us and the weather went from hot and humid to raining and back again. The team never stopped working and having fun. Every time I join a group of CarMax associates on a volunteer project, I am reminded of the difference individuals can make when they come together."
>
> **- LESLIE PARPART, Director Community Relations.**

THE MISSION CONTINUES' SERVICE PLATOONS PROVIDE VETERANS AND COMMUNITY MEMBERS THE OPPORTUNITY TO VOLUNTEER SIDE-BY-SIDE TO MAKE AN IMPACT IN A REAL AND TANGIBLE WAY.

Associates from our Houston locations and The Mission Continues hosted a volunteer project with the Houston Independent School District's Food and Agriculture Literacy Center at Mykawa Farm. More than 125 CarMax volunteers transformed the space by hanging sail shades, installing fencing, enhancing produce mazes and landscaping, and constructing a gazebo, Hügelkultur beds, bulletin boards, and compost bins. Hundreds of students visit the farm each year and these improvements will help them learn where food comes from by giving them the opportunity to plant and grow a garden, harvest and prepare produce, and experience a working farm.

Resilient Communities

Supporting resilient communities lies at the core of our giving philosophy. Leveraging the strength and reach of our diverse network of community-based partners, we actively engage in initiatives aimed at equipping our communities with the necessary tools and resources to withstand challenges. Additionally, when hurricanes, wildfires, and other natural disasters impact the towns and cities where our associates live, we provide resources to support them and partner actively with nonprofits who are focused on community resiliency such as the American Red Cross and Good 360.

Our collaboration with both the American Red Cross[4] and Good360 is an integral driver of success in our mission to enhance our support for communities during times of necessity. By strengthening these partnerships, we aim to bolster our contributions and reach to deliver critical aid. Each year, our associates engage in numerous community service initiatives, including organizing and participating in blood drives, installing smoke alarms in underserved neighborhoods, and assembling disaster preparedness kits.

[4] The American Red Cross name, emblems and copyrighted materials are used with its permission, which in no way constitutes an endorsement, express or implied, of any product, service, company, opinion or political position. The American Red Cross logo is a registered trademark owned by the American National Red Cross

Building upon our philanthropic efforts, CarMax continues to support our associates and their communities in times of need. The CarMax Associate Disaster Relief Fund supports associates during times of financial hardship, offering grants to employees impacted by significant natural disasters or unexpected personal difficulties. Our ongoing collaboration with the Emergency Assistance Foundation plays an important role in times of need, facilitating prompt grant assistance to employees. In addition, as part of our Matching Gifts Program, associate donations to our national partners, including the CarMax Associate Disaster Relief Fund, are matched 2:1 by The Foundation.

Equitable Economic Opportunities

We are focused on helping level the playing field because we believe everyone, everywhere should have the same opportunity to reach their full potential. Recognizing the critical role of resource accessibility in fostering a more equitable future, we are actively building pathways toward sustainable prosperity through access to career, financial education, and entrepreneurial opportunities. Through strategic investments and programming, we partner with nonprofits who are working to provide tangible resources and impactful connections for their clients. This initiative is a fundamental part of our commitment to a culture of diversity and inclusion, ensuring that every individual, regardless of their background, can thrive and achieve their highest aspirations.



TechForce Foundation

We continue our collaboration with TechForce Foundation, which is dedicated to motivating a new, diverse generation of transportation technicians. This partnership champions students from their educational journey to professional careers as technicians. We have escalated our financial support and created the CarMax Scholarship Fund with TechForce to provide financial resources to 30 students as part of our commitment to education and career development in the transportation industry. We were proud to have one of our auto technicians recognized as part of TechForce's Techs Rock Awards. **Dustin Thomas**, a master technician at our San Antonio, Texas location was the grand prize winner in the 6th annual Tech Rock Awards.

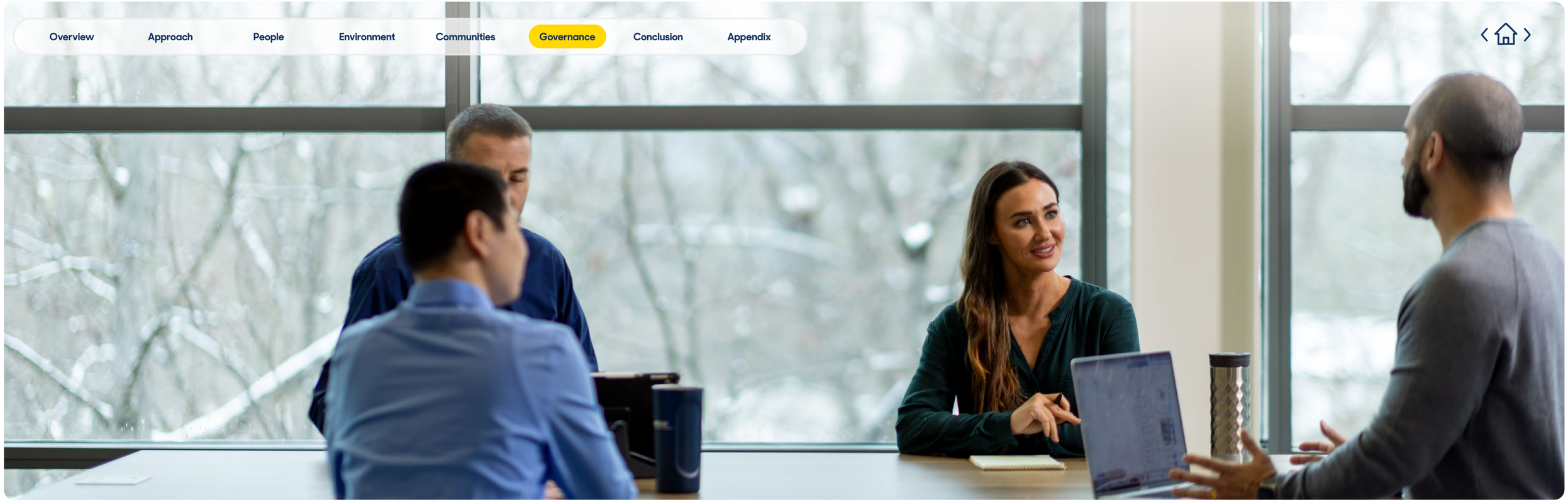


LIFT

In FY24, CarMax extended its partnership with LIFT, a national nonprofit empowering individuals to break the cycle of poverty. CarMax and LIFT have worked together to improve the economic mobility of LIFT's families and the extension of our work together will support the expansion of their innovative coaching model to new areas of the country. LIFT helps build families' well-being, financial strength, and social connections to lift two generations at once, and they have a proven plan to change lives and systems at scale. To bring associates along on the journey, CarMax publishes monthly articles and videos about LIFT on the CarMax World. In these stories, associates can learn more about LIFT's mission and impact on families and hear directly from members and coaches about their experiences. They also learn about opportunities to support LIFT's mission-driven work. In February, associates were invited to support LIFT's mission by participating in a Company-wide walk.

Lighthouse Labs

We extended our support to Lighthouse Labs, which invests in the lives of founders with a mission to empower diverse entrepreneurs with innovative ideas. CarMax associates go beyond financial contributions by providing mentoring and educational assistance to Lighthouse Labs participants. The in-person sessions allow associates and founders to dig into questions and problems around startups' most pressing challenges. This combination of early-stage financial support and expert guidance sets the foundation for businesses to succeed and grow.



Ensuring Responsible Ethics & Governance

Corporate Governance

Governance at CarMax is centered around the principle of integrity, which guides our actions to uphold the ethical standards of our business and culture.

At both the Board and executive levels, structured oversight of corporate governance, risk management, and our ESG strategy not only safeguard our operations but also help ensure that we operate with integrity and in alignment with the evolving interests of our shareholders and broader stakeholders. As we navigate our path forward, our well-developed corporate governance framework will continue to drive CarMax's long-term success.

BOARD OF DIRECTORS

Our Board of Directors and its four committees direct our governance framework and practices, which are memorialized within our Corporate Bylaws, Corporate Governance Guidelines, and Code of Business Conduct. These longstanding governance practices have evolved to address shareholder feedback, while effectively guiding the Company's decision-making.

As of 2024, we have 11 Board members, including nine that are independent. Our Directors serve one-year terms and must be elected by a majority vote at our annual shareholders' meeting.

- 9 of 11 Directors are independent
- Directors serve one-year terms
- Separating the roles of our CEO and Board Chair has been a longstanding practice at CarMax.

Our Board also reviews our leadership structure periodically to ensure it continues to be effective and suitable for our evolving Company, while our lead independent Director accounts for the supervision of our Board's activities.

Our 11 Directors are comprised of a group of engaged and active leaders dedicated to advancing CarMax's impact and growth. During FY24, our Board met four times and our Board committees met a combined 22 times, with an average attendance rate of 97% for all directors. Each

of our Directors brings unique skillsets and experiences that strategically align with the Company's operational strategy, values, and mission. With the support of our Board in navigating intricate business challenges as well as effectively seizing opportunities, our management team is empowered to execute our strategy and guide us toward continued success.

Our Board includes leaders with experience across a diverse set of industries including:

- Retail
- Automotive
- Technology
- Finance
- Omni-channel
- Distribution
- Food Services

The Board and our Nominating and Governance Committee believe that the Board should include directors with diversity of experience and background and that directors should have, at a minimum, high integrity, sound judgment and significant experience or skills that will benefit the Company. Collectively, our directors possess a diverse array of skills and experiences, offering a breadth of perspectives to guide the Company with integrity and sound judgment.

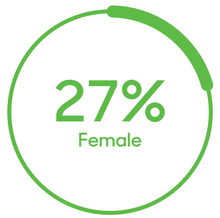
Director Tenure



Age Distribution



Demographics





COMMITTEES OF THE BOARD

During FY24, the Board maintained four standing committees, each composed solely of independent Directors. These committees have been structured to effectively address and oversee CarMax's most critical areas of focus, including our dedication to CSR. While the infrastructure of our four committees remains unchanged, committee members have rotated to introduce new perspectives and enhance governance.

- **Audit Committee**
  Responsible for oversight related to the integrity of financial statements, legal and regulatory compliance, qualifications, performance, and independence of our external auditors, and the performance of CarMax's internal audit function.
- **Compensation and Personnel Committee**
  Oversees and monitors the Company's strategies, policies and practices related to human capital management, including talent management, associate engagement, and diversity and inclusion.
- **Nominating and Governance Committee**
  Considers corporate social responsibility, environmental, and sustainability matters, and makes recommendations to the Board regarding, or takes action with respect to, these matters. The Committee also develops and recommends to the Board corporate governance guidelines applicable to the Company, reviews these guidelines at least annually, and recommends to the Board any changes in the guidelines the Committee believes to be appropriate.
- **Technology and Innovation Committee**
  Monitors and oversees material risks and exposure related to cybersecurity, data privacy, and artificial intelligence matters and CarMax's management approach, including how to reasonably control and monitor these risks and effectively assign management oversight and responsibility.

Shareholder Outreach and Engagement

By maintaining regular engagement with our shareholders, we seek comprehensive understanding of their perspectives on various topics. Our executive and investor relations teams regularly communicate with the investment community through channels such as quarterly earnings calls and individual meetings. This approach has proven to be effective, allowing us to gain insights into priority concerns and areas of focus, and has enabled us to remain highly responsive to shareholder needs.

In FY24, we continued our proactive supplemental shareholder outreach program, led by a cross-functional team comprised of individuals from senior management and investor relations and legal functions. Our Board members were also involved in this outreach program when deemed appropriate. More specifically, we conducted meetings with shareholders representing a significant portion of our shareholder base, engaging in discussions on various topics, including but not limited to corporate strategy, corporate governance and Board refreshment, ESG and sustainability, and executive compensation. Moving forward, we are committed to continuing our proactive engagement efforts as direct feedback provides critical external perspective and reference points, aiding our ability to assess our performance and shape our corporate strategy.

Accordingly, shareholder feedback has informed several key improvements to our policies and practices, including our:

- Commitments to using high-quality carbon offsets and increasing transparency around our offset strategy in pursuit of our emissions reduction and net-zero goals
- Alignment of our Responsibility Report to the TCFD's recommendations (now part of IFRS) and continued progress for future climate-related disclosures (see Appendix)

- Continued refinement of our performance-based executive compensation practices
- Disclosure of CarMax's political activity and membership in trade organizations
- Continued disclosure of EEO-1 data (see Appendix)

Ethics

FAIR AND RESPONSIBLE BUSINESS PRACTICES

Acting with integrity continues to be a key driver of how we operate and guides our interactions with customers, the excellence of our product delivery, and the values and culture of our team. Our commitment to integrity is demonstrated through our emphasis on honesty and transparency.

We expect our team members to adhere to the highest of ethical standards, ensuring accountability both individually and as a team. By listening to our customers' feedback and adopting practices that align with their expectations, we aim to deliver a highly transparent car-buying and selling experience that is seamless, simple, and intuitive, such as:

- A 10-day money back guarantee
- A 90-day warranty on all cars
- Transparent pricing with no haggling or upselling
- Seamless appraisal offers that are independent from retail purchase decisions and remain in effect for seven days
- An extensive prequalification tool involving multiple lenders that provides immediate insight into monthly payments and pricing, without affecting credit scores
- Access to credit, consistent with fair lending policies
- Transparency on vehicle history online and at sale via AutoCheck
- National Highway Traffic Safety Administration recall look-up for every vehicle

Our efforts create a unique and tailored car-buying and selling experience that allows customers to shop with confidence and trust.

CODE OF BUSINESS CONDUCT

At CarMax, we have an unwavering commitment to maintaining our culture of integrity. It is one of our most valuable corporate assets and is demonstrated through our ethics and compliance program. Adherence to our Code of Business Conduct, fundamental to our program, is mandatory for all CarMax associates and Board members. Upon joining, and annually thereafter, associates undergo training on the Code of Business Conduct to ensure their ongoing awareness and adherence. We consistently achieve a completion rate of at least 95%.

Management and the Audit Committee conduct an annual review of the Code of Business Conduct, with modifications subject to the full Board's approval. This process is designed to ensure that our policies are re-evaluated with a fresh perspective each year and remain relevant to our business and workforce, and are aligned with best practices and updated regulations. For more detailed information on our Code of Business Conduct and additional policies, please visit the section of our website.

Enterprise Risk Management

CarMax's Enterprise Risk Management ("ERM") approach is intended to uncover, categorize, and evaluate critical risks to the business, as well as allocate responsibilities for overseeing those risks. To do so, we conduct annual Company-wide risk assessments alongside our compliance and risk management teams.

Through the work of CarMax's internal Risk Committee, comprised of senior leaders and led by our Executive Vice President and Chief Financial Officer ("CFO"), ERM processes are embedded into all relevant facets of the organization. The Risk Committee meets quarterly to assess and prioritize risks and provide a read out to the Board on its findings biannually. Our Board's ERM function includes a quarterly tracking mechanism to ensure all identified risks are routinely and appropriately reviewed and addressed. Our CFO also ensures effective oversight by addressing this topic with the Board's Audit Committee annually. The executive sponsor of our Corporate Responsibility program is also a member of the Risk Committee, ensuring continuity and seamless integration of ESG and climate-related risks into our ERM.

CarMax uses a technology platform to consolidate identified risks, enabling a broad range of stakeholders to provide input. The system also organizes how the ownership of these risks is allocated. This mechanism not only facilitates risk dissemination to the appropriate owners, but it also compiles and synthesizes this information for future reference. For example, risks tagged as ESG-related can be queried, and we plan to leverage this platform for expanded tracking of risks such as those stemming from physical climate disruptions and severe weather events.

LEGAL AND REGULATORY COMPLIANCE

At CarMax, we uphold our commitment to lawful conduct and acknowledge that any breach of the law may compromise our culture and reputation. We expect our Board, management, associates, and business partners to operate in accordance with all applicable laws and regulations.

Our Compliance and Ethics program is led by our Chief Compliance Officer who reports directly to the Audit Committee of our Board. Our CarMax Compliance Services, Ethics & Integrity and Legal teams work in tandem to manage enterprise-wide regulatory compliance risks efficiently and effectively.

CarMax has nearly 50 core business leaders across our organization who ensure the highest level of compliance to risk management processes across every part of our business.

To ensure the highest level of adherence and safeguard CarMax from harm, regulatory compliance is monitored through a variety of efforts including our

- **Annual Company-Wide Risk Assessment**
  Our Compliance and Legal team work in tandem with core business leaders to critically examine the Company's strengths, successes, challenges, and opportunities with respect to the organization's legal compliance. The results of this assessment drive our compliance efforts forward.
- **Store Compliance Review Program**
  CarMax evaluates execution across our new and existing stores to monitor and address any store-specific issues to ensure ongoing compliance across our footprint.
- **Non-Store Compliance Review Program**
  Similar to our Store Compliance Review program, we work closely with our business leaders to "deep dive" into specific areas of regulatory risk and detect and address any identified issues, ensuring ongoing compliance.

- **Process Compliance Reviews**
  Subject-matter experts conduct in-person and desktop audits of Environmental, Health, & Safety program execution, customer purchase and sales transactions, and other functions to identify and help resolve store-specific opportunities to support ongoing compliance.
- **CarMax Auto Finance Compliance Management System ("CMS")**
  Prevents, detects, and addresses violations of regulations of Company policy, as well as mitigates consumer harm related to financial products and services.
- **Automation and Analytics Program**
  Leverages data to improve compliance risk coverage and efficiency, enabling centralization, systematized detection, and, at times, notification of transactions that may pose compliance risk. These capabilities support a variety of compliance initiatives, including our store, non-store, and CMS compliance review programs.

Cybersecurity & Data Privacy

As an auto retailer and provider of consumer financial products and services, CarMax collects a significant amount of sensitive information. Therefore, responsible data security and consumer privacy practices remain paramount to protecting consumer information and providing a safe and exceptional customer experience. We take a comprehensive, risk-based approach to safeguarding this information, demonstrating our commitment to protecting the CarMax systems and those who place their trust in us.

OUR APPROACH

CarMax's cybersecurity program is led and overseen by our Chief Information Technology Officer and our Chief Information Security Officer. The Board's Technology and Innovation Committee assists in the Board's oversight of CarMax's cybersecurity risk. Our cybersecurity and data privacy program supports our commitment to maintaining data confidentiality and integrity across the organization, including compliance with federal and state data privacy laws.

Specifically, CarMax's data privacy and cybersecurity program includes:

- **Technology controls**
  Our data security efforts rely on secure and well-maintained technology controls, including encryption technology, to protect personal information. We use data responsibly to understand and serve our customers, which is essential to the success of our omni-channel strategy. As such, only necessary information is provided to our associates who are also trained annually to prevent unauthorized use or disclosure.
- **Governance controls**
  Our data and privacy teams work closely with our corporate governance team to monitor financial disclosures and filing processes.
- **Proactive identification of data security vulnerabilities**
  We leverage technologies and processes guided by industry standards and best practices to identify and remediate risks. Our comprehensive cyber defense measures include sophisticated event monitoring and analysis, along with third-party security service partnerships. These combined efforts provide real-time monitoring and assessment of our cybersecurity risks.
- **Regular reporting to the Board**
  Our management team provides quarterly updates to the Technology and Innovation Committee regarding our security strength and the latest threats related to technology and cybersecurity.
- **Communication with customers and regulators**
  Should a data or privacy breach be detected, appropriate notifications will be provided to customers, associates, and business partners, as well as the relevant state and federal agencies per notification requirements. As appropriate, we also provide credit protection services to affected customers and associates.
- **Artificial intelligence landscape**
  CarMax has established governance protocols and a designated working group to prioritize the responsible and ethical use of AI, oversee the use of confidential information within AI applications, to assess the suitability of available AI tools, and to ensure data is protected within CarMax's AI use cases. CarMax Cybersecurity considers the impact of AI from three primary perspectives: 1) AI use by the adversary, 2) securing the use of AI that runs our business, and 3) how AI will advance our cybersecurity defenses.

FOCUSING OUR EFFORTS

We recognize cyber-related risks are an evolving threat to our business which increasingly poses a threat to our growing digital operations. Accordingly, it remains a top priority to not only continue to monitor industry trends and threat research but also to engage in close monitoring of data security trends to stay informed of industry developments and emerging threats. This ensures that data security vulnerabilities are proactively prevented, and any data exposure is mitigated for our customers, associates, and business. Increases in adversarial attack scenarios have led to continued investments in enhanced detection and prevention procedures that improve our visibility to proactively identify any exposure and reduce time to detect malicious activities. Our strategic actions include conducting continuous testing to refine our security approach both internally and with outside vendors, involving exercises based on current threat intelligence and likely attack scenarios, alongside ongoing assessments of the attack surface.



While we must continue to strengthen our practices, we are proud that our efforts thus far have proved successful. CarMax has not experienced any material cybersecurity incidents or incurred any material expenses resulting from a cybersecurity breach.

ASSOCIATE EDUCATION AND AWARENESS

We expect our associates to properly handle, classify, and protect customer information. In addition to technology and automation deployed for this specific purpose, we equip associates with the tools to do so in a variety of ways such as providing:

- Annual cybersecurity awareness training for all associates
- Specialized training and skill development for dedicated cybersecurity professionals
- Safeguarding Customer Information Policy training for all associates upon hire
- Culture of integrity training with specialized training on data security and consumer privacy topics
- Various forms of communication, including interactive refresher courses, to maintain associate awareness and awareness communications for active threats to CarMax's security posture
- Specialized supplementary training for key areas of the business

Trainings are modified annually to be ensure they continue to reflect evolving associate and CarMax needs. As relevant training progress is automatically tracked in our HR system, we can report that we achieved a combined 95% compliance rate for non-store and store trainings in FY24.

Political Contributions and Lobbying

POLITICAL CONTRIBUTIONS AND TRADE ASSOCIATIONS

In FY24, we abstained from making any political contributions, and we expect that we will continue this practice moving forward while also maintaining a flexible approach to the extent stakeholder interests evolve.

We continue our membership in several trade associations, some of which use a portion of our dues towards lobbying efforts. Although we may not agree with every view or policy position of each organization, we conduct a thorough review of these memberships annually to ensure they align with our core values and advance the Company's long-term goals.

In FY24, we provided $25,000 or more in funding to the following trade associations:

Retail Industry Leaders Association:
65% used for lobbying

American Financial Services Association:
40% used for lobbying

United States Chamber of Commerce:
35% used for lobbying





Conclusion

We are proud of our continued progress in FY24 and the ambitious goals we have set out to achieve in the future.

Each year, we are pleased to update our stakeholders on the progress of our responsibility initiatives and commitments in this Report. As always, we continue to uphold our core values to create sustainable value for our associates, customers, communities, and shareholders as we further our sustainability journey.

We welcome any feedback, comments, or questions from our stakeholders regarding the contents of this Report, and on any of our broader CSR efforts.

Please send your feedback to: responsibility@carmax.com.

We value this input and recognize that it is fundamental to our continued success.

Appendix

Performance Table

Electricty	Unit	CY23	CY22
Renewable Electricity Consumption	kWh	110,751,014	95,884,945
Total Electricity Consumption	kWh	268,515,437	269,946,439
Renewable Electricity Consumption Percentage	Percentage	15.2	17.7
Renewable Electricity Consumption Including Direct REC Purchases	Percentage	41.3	35.5
Energy	**Unit**	**CY23**	**CY22**
Total Energy Consumed	GJ	3,200,293	2,646,280
(1) Purchased Electricity (Grid) Consumption	GJ	966,656	968,192
(2) Renewable Energy Consumption	GJ	429,300	383,100
Percentage Grid Electricity	Percentage	30.2	36.6[6]
Percentage Renewable Energy[5]	Percentage	13.4	14.5[6]
Emissions	**Unit**	**CY23**	**CY22**
Gross Scope 1 Emissions	MTCO2e	141,982	103,088
Carbon Offsets	MTCO2e	(17,000)	0
Scope 2 Emissions (market-based)[7]	MTCO2e	47,817	56,271
Scope 2 Emissions (location-based)[8]	MTCO2e	93,010	96,489
Net Scope 1+2 Emissions	MTCO2e	172,799	159,359
Recycling	**Unit**	**FY24**	**FY23**
Tires Recycled	Tires	525,024	492,866
Oil Recycled	Gallons	1,259,501	1,276,047
Everyday Products Recycled	Lbs	20,112,797	11,660,025
Glass	Lbs	1,157,795	N/A
Board of Directors	**Unit**	**FY24**	**FY23**
Female Directors	Percentage	27.3	27.3
Male Directors	Percentage	72.7	72.7
Ethnically and Racially Diverse Directors	Percentage	18.2	18.2

[5] Percentage Renewable Energy includes renewable electricity and renewable diesel.
[6] The Percentage Grid Electricity and Percentage Renewable Energy figures for CY22 have been revised from previously reported values of 30.0 and 14.0, respectively. This adjustment is due to a correction of a calculation error discovered in our previous reporting. We are committed to accuracy and transparency in our responsibility reporting and continuously evaluate ways to improve the accuracy and reliability of our data
[7] California Health and Safety Code Section 44475 disclosure: CarMax's interim progress toward a 50% reduction of Scope 1 and 2 emissions by 2025 against a 2018 baseline is determined by annual inventories completed in accordance with the World Resources Institute (WRI) Greenhouse Gas Protocol in place as of December 31 of the calendar year of the inventory. The inventories are not third-party verified.
[7] Our Scope 2 market-based emissions are calculated based on the electricity the organizations has purchased, including considerations for contracts or instruments such as Renewable Energy Certificates in accordance with the GHG Protocol Scope 2 Guidance
[8] Our Scope 2 location-based emissions are calculated using the average emissions intensity of the grids on which energy consumption occurs in accordance with the GHG Protocol Scope 2 Guidance.

PERFORMANCE TABLE, CONTINUED

Workforce Diversity	Unit	FY24	FY23
Management[9] - Female	Percentage	25.2	24.2
Non-management - Female	Percentage	28.6	28.3
Management - Racial/Ethnic Diversity	Percentage	31.8	30.7
Non-management - Racial/Ethnic Diversity	Percentage	57.7	56.6
D&I training compliance - Associates	Percentage	94	95
D&I training compliance - Leadership (CarMax Board of Directors)	Percentage	100	100
Volunteerism and Philanthropy	**Unit**	**FY24**	**FY23**
Store Location Participation in Volunteering	Percentage	100	100
Total Investment through CarMax and The CarMax Foundation	$	9.7M	10M
Political Contributions	**Unit**	**FY24**	**FY23**
Total political contributions	$	0	1,150

[9] Leadership is defined as director and above at the corporate level and the top four managers at the store level.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTENT INDEX

In FY23, CarMax published our inaugural disclosures in response to the IFRS' Taskforce on Climate-Related Financial Disclosures' (TCFD) recommendations. Our full TCFD disclosures can be found in our 2023 Responsibility Report.

We have also taken further steps to integrate climate risks into our enterprise risk management processes. As we continue to align with the TCFD's recommendations as well as prepare for climate-related disclosure requirements from the U.S. Securities and Exchange Commission (SEC) and the State of California, we continue to evolve our systems for identifying, evaluating, and reporting on our climate-related risks and opportunities.

TCFD Pillar	Recommended Disclosures	Disclosures	Key Changes from 2023 Responses
Governance	a. Describe the organization's governance around climate-related risks and opportunities.	Our Approach to ESG, CarMax 2023 Responsibility Report > Climate Strategy	-
	b. Describe management's role in assessing and managing climate-related risks and opportunities	Our Approach to ESG, CarMax 2023 Responsibility Report > Climate Strategy	-
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CarMax 2023 Responsibility Report > Climate Strategy	-
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CarMax 2023 Responsibility Report > Climate Strategy	-
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Strategy	Evaluating internally.
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Enterprise Risk Management, CarMax 2023 Responsibility Report > Climate Strategy	In 2023, CarMax further integrated climate-related risks into our enterprise risk management processes.
	b. Describe the organization's processes for managing climate-related risks.	CarMax 2023 Responsibility Report > Climate Strategy	-
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Enterprise Risk Management, CarMax 2023 Responsibility Report > Climate Strategy	-
Metrics & Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our Path to Net Zero, Performance Table, CarMax 2023 Responsibility Report > Climate Strategy	-
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Our Path to Net Zero, Performance Table, CarMax 2023 Responsibility Report > Climate Strategy	CarMax continues to evaluate the relevance, materiality, and decision-useful nature of its scope 3 emissions.
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Our Path to Net Zero, CarMax 2023 Responsibility Report > Climate Strategy	-

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

At CarMax, we remain committed to the United Nations 2030 Agenda for Sustainable Development, along with its 17 Sustainable Development Goals (SDGs) and the associated targets.

Goal	Description	Target(s)	Material[10]	Enabling	Report Section
1	End poverty in all its forms everywhere	1.4; 1.5		x	Compensation and Benefits Equitable Economic Opportunity Resilient Communities
3	Ensure healthy lives and promote well-being for all at all ages	3.8		x	Compensation and Benefits Safety Building Design and Systems
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4		x	Equitable Economic Opportunity Talent Acquisition and Development
5	Achieve gender equality and empower all women and girls	5.1; 5.5	x		Commitment to Diversity Policy Diversity and Inclusion Compensation and Benefits
6	Ensure availability and sustainable management of water and sanitation for all	6.4		x	Water
7	Ensure access to affordable, reliable, sustainable and modern energy for all	7.2		x	Energy Environmental Data Building Design and Systems Electric Vehicles
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.3; 8.5; 8.8			Equitable Economic Opportunity Compensation and Benefits Safety
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.4	X		Commitment to Diversity Policy Diversity and Inclusion Leadership and Oversight Caring for our Communities
10	Reduce inequality within and among countries	10.2; 10.3	X		Building Design and Systems
12	Ensure sustainable consumption and production patterns	12.2; 12.5	X		Protecting the Environment
13	Take urgent action to combat climate change and its impacts	13.1	X		Protecting the Environment Resilient Communities
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5; 16.6			Corporate Governance Ethics The CarMax Consumer Difference

[10] This column should not be deemed to indicate materiality for purposes of the United States federal securities laws.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD CONTENT INDEX

The below table, in alignment with the Multiline and Specialty Retailers & Distributors Sustainability Accounting Standards, provides an overview of our sustainability performance across relevant topics identified by the IFRS' Sustainability Accounting Standards Board ("SASB").

Goal	Description	Target(s)
CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Cybersecurity & Data Privacy
CG-MR-230a.2	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	Cybersecurity & Data Privacy
CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region	Compensation and Benefits
CG-MR-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management and (c) all other employees	Diversity and Inclusion
CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	About CarMax
CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	8,448,076 sq. ft.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

CarMax has reported the information cited in this GRI content index for the period from March 1, 2023 to February 29, 2024 with reference to the GRI Standards.

Code	Description	Link
2-9	Governance structure and composition	Corporate Governance 2024 Proxy Statement (pages 16-17)
2-10	Nomination and selection of the highest governance body	Board of Directors 2024 Proxy Statement (pages 18-19)
2-11	Chair of the highest governance body	Board of Directors 2024 Proxy Statement (page 16)
2-12	Role of the highest governance body in overseeing the management of impacts	Key Topic Identification Shareholder Outreach and Engagement About CarMax Our Approach to ESG Enterprise Risk Management 2024 Proxy Statement (pages 13-15, 20-21)
2-13	Delegation of responsibility for managing impacts	Our Approach to ESG 2024 Proxy Statement (pages 13-15, 20-21)
2-14	Role of the highest governance body in sustainability reporting	About this Report 2024 Proxy Statement (pages 13-15)
2-15	Conflicts of interest	2024 Proxy Statement (pages 21-22)
2-16	Communication of critical concerns	Our Approach to ESG 2024 Proxy Statement (pages 13-15)
2-17	Collective knowledge of the highest governance body	Governance and Risk Management Our Approach to ESG 2024 Proxy Statement (pages 4-11)
2-18	Evaluation of the performance of the highest governance body	2024 Proxy Statement (page 19)
2-19	Remuneration policies	2024 Proxy Statement (pages 27-40, 66-67)
2-20	Process to determine remuneration	Shareholder Outreach and Engagement 2024 Proxy Statement (pages 27-32)
2-21	Annual total compensation ratio	2024 Proxy Statement (page 60)

2023 EMPLOYER INFORMATION REPORT EEO-1

Aligned with our annual reporting timeline to the Equal Employment Opportunity Commission ("EEOC"), we are pleased to present our EEO-1 data for 2023.

Job Categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals
			Male						Female						
	Male	Female	White	Black or African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races	White	Black or African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races	
Executive/ Senior Officials and Managers	2	1	60	4	9	0	0	0	27	2	3	0	0	1	**109**
First/Mid-Level Officials and Managers	81	20	553	85	46	2	5	26	160	41	13	3	0	16	**1,051**
Professionals	133	72	1,356	207	276	6	5	62	690	130	102	7	4	45	**3,095**
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Sales Workers	754	306	1,699	878	237	21	20	185	609	588	48	7	11	127	**5,490**
Administrative Support Workers	739	736	1,404	690	156	20	14	164	1,161	1,374	111	24	19	172	**6,784**
Craft Workers	3,094	435	4,399	1,842	531	67	62	422	659	383	35	10	12	99	**12,050**
Operatives	281	20	443	412	33	7	9	56	23	87	1	5	0	4	**1,381**
Laborers and Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total	**5,084**	**1,590**	**9,914**	**4,118**	**1,288**	**123**	**115**	**915**	**3,329**	**2,605**	**313**	**56**	**46**	**464**	**29,960**
Previous Year Total	5,324	1,586	10,091	4,161	1,186	135	105	948	3,362	2,497	286	59	44	451	**30,235**

NOTE ON FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements based on our management's current assumptions and expectations, including statements regarding our goals, commitments, programs, and other business plans, initiatives, and objectives. These statements are typically accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "outlook," "plan," "predict," "should," "will," and other similar expressions, whether in the negative or affirmative. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Such statements are based upon management's current knowledge and assumptions about future events and involve risks and uncertainties that could cause actual results to differ materially from anticipated results. Such risks, uncertainties, and factors include the assumptions, risks, uncertainties, and factors identified in this report and the risk factors discussed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended February 28, 2023, filed with the U.S. Securities and Exchange Commission (SEC). You should consider the forward- looking statements in this report in conjunction with our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. We undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events, or otherwise.