

**Shareholder Proposal No. 6 on AutoNation Inc.'s 2026 Proxy Statement:
Shareholder Proposal for GHG Emissions Reduction Targets
AutoNation Inc. Company Symbol: (AN)
Filed by: Green Century Equity Fund**

Green Century Capital Management, Inc. is the investment advisor to the Green Century Equity Fund and seeks your support for the climate-related proposal filed at AutoNation Inc. (hereby referred to as “AutoNation” or “the Company”) in its 2026 proxy statement asking AutoNation to disclose current GHG (greenhouse gas) emissions and any targets for measurably reducing them.

Resolved: Shareholders request that AutoNation issue a GHG report disclosing current GHG emissions and any targets for measurably reducing them. The report should be updated annually, prepared at reasonable cost, and omit proprietary information.

Supporting Statement: Proponent recommends, at board and management discretion, that the report includes emissions from vehicles sold or rented by the company.

RATIONALE FOR A “YES” VOTE

1. **Competitive Risk** – AutoNation lags industry peers in disclosing GHG emissions and setting reduction targets. As competitors better position themselves to capitalize on the financial benefits of decarbonization, AutoNation faces competitive risk.
2. **Enterprise Risk** – Climate change threatens to disrupt AutoNation’s operations and increase costs. Failing to disclose GHG emissions and set full value-chain GHG emissions reduction targets will exacerbate climate-related risk and exhibits a disregard for meaningfully addressing climate-related risks and opportunities.
3. **Failure to Meet Investor Expectations** – Investors are increasingly aware of corporate contribution and responses to the impacts of climate change. GHG emissions disclosures and reduction targets assist investors in evaluating portfolio risk.

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; Green Century Equity Fund is not able to vote your proxies, nor does this communication contemplate such an event. Green Century Equity Fund urges shareholders to vote for Proposal No. 6 following the instruction provided on the management’s proxy mailing.

BACKGROUND

The nine warmest years in the U.S. have all occurred since 2012, and, in 2025, anthropogenic climate change led to increased average temperatures across every U.S. county.¹

A changing climate has economic impacts. Each 1°C rise in temperature is expected to decrease global GDP up to 12%.² Climate change has already cut incomes in the U.S. by nearly 12% since 2000.³ With 3°C of temperature rise expected by the end of this century, reductions in output, capital and consumption could exceed 50%.⁴

¹ <https://www.climatecentral.org/climate-matters/2025-in-review-us-temperatures>

² <https://www.harvardmagazine.com/2024/09/harvard-economic-impact-climate-change>

³ <https://www.sciencefocus.com/news/climate-change-income>

⁴ <https://www.weforum.org/stories/2024/06/nature-climate-news-global-warming-hurricanes/>

A significant contributor to growing climate-driven economic losses is natural disasters.⁵ The frequency of U.S. billion-dollar disasters between 1980 and 2025 has increased from an average of 82 days between events to merely ten, and extreme weather costs the U.S. nearly \$150 billion a year without accounting for loss of life, healthcare-related costs, or damages to ecosystem services.⁶

Even more, climate change poses a systemic risk to economic stability and threatens investors' portfolios with uncertainty and volatility. Given that the overall performance of financial markets determines 75-94% of portfolio returns,⁷ the health of the economy is key to the long-term performance of diversified shareholders' portfolios. Therefore, the climate-related actions of companies materially affect the financial system as a whole and the portfolios of diversified investors.

Individual businesses also experience the costs of climate change. A study evaluating the consequences of climate hazards across 20 industries found that company-level risk to fixed asset value will result in \$560-\$610 billion in yearly losses by 2035 for listed companies.⁸ 4,000 large companies reported over \$6 trillion in climate risks in 2025.⁹ As climate change intensifies, the cost of inaction is becoming higher than that of mitigation.¹⁰

The transportation industry's GHG emissions increased more in absolute terms than any other sector between 1980 and 2022, and it had the largest emissions of any U.S. economic sector in 2022.¹¹ Cars and trucks collectively account for nearly one-fifth of U.S. transportation emissions, with light-duty vehicle emissions accounting for half of road vehicles' contribution.¹²

AutoNation recognizes the risk climate change poses to its business in its 10-K, noting that "the effects of climate change may serve as a risk multiplier increasing the frequency, severity, and duration of natural disasters... that may affect our business operations," including interrupting business, damaging property, and affecting vehicle production.¹³ These impacts "could materially adversely impact [its] business, results of operations, financial conditions, and cash flows."¹⁴

Nevertheless, AutoNation has yet to disclose GHG emissions or a target to reduce its climate impact. The Company's current sustainability disclosures fail to mention climate change at all. As of December 2025, 60% of listed companies have disclosed a climate commitment, and 79% of companies disclosed their Scope 1 and/or Scope 2 emissions as of year-end 2024.¹⁵ By failing to disclose its GHG emissions and subsequent goals to reduce them, AutoNation may face competitive and enterprise risks and fail to safeguard shareholder value.

I. COMPETITIVE RISK

⁵ <https://publichealth.nyu.edu/explore/what-is-climate-change/natural-disasters>

⁶ https://www.climatecentral.org/climate-matters/2025-in-review?utm_campaign=heatmap_am&utm_medium=email&hsenc=p2ANqtz-mTjbor a-zdUAeRNSNVWengOUyLCS2M8b_xLa-zqbawnbtaXnavuxxwtGdsit_rhOIE2DarhgxAcPJJHSqXPsWO6C31n94z6-6GdZjLfk9OPfRQ&hsmi=397474256&utm_content=397474256&utm_source=hs_email;https://nca2023.globalchange.gov/

⁷ Jon Lukomnik and James P. Hawley, Moving Beyond Modern Portfolio Theory: Investing that Matters, 2021

⁸ <https://www.weforum.org/stories/2025/03/how-climate-hazards-are-reshaping-business-realities-and-responses/>

⁹ <https://www.cdp.net/en/insights/disclosure-dividend-2025>

¹⁰ <https://www.nber.org/papers/w32450>; <https://policyintegrity.org/publications/detail/gauging-economic-consensus-on-climate-change>

¹¹ <https://www.epa.gov/transportation-air-pollution-and-climate-change/carbon-pollution-transportation>;

<https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

¹² <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

¹³ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 21

¹⁴ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 21

¹⁵ https://www.msci-institute.com/wp-content/uploads/2026/01/MSCI-Transition-Finance-Tracker-Q4-2025-290125_2.pdf, 10-11

AutoNation trails competitors in setting GHG emissions reduction targets, exposing the Company to competitive risk as peers better capitalize on decarbonization benefits.

Businesses that disclose GHG emissions, targets, and progress report financial benefits.

- In 2025, 82% of companies surveyed by Boston Consulting Group reported economic benefits from decarbonization. Companies with comprehensive emissions and risk measurement are 1.4x more likely to achieve financial benefits, and those with targets 1.9x more likely.¹⁶
- A survey of companies with Science-Based Targets initiative (SBTi) verified goals found 91% report positive overall impacts, including enhanced reputation, strategic cohesion, investor confidence, and competitive positioning.¹⁷
- A Bain and Company analysis found that 25% of global emissions can be abated with positive return on investment (ROI) today.¹⁸
- Academic studies find that companies with science-based targets are better protected from market shocks and experience higher returns. Additionally, companies with targets could achieve future annual savings of 17-19% in CO2 emissions and 22-33% in costs.¹⁹

AutoNation trails companies it identifies as part of its public auto retail peer group emissions.²⁰

- CarMax has annually disclosed Scope 1 and 2 GHG emissions data since 2022, with an inventory going back to 2018.²¹
- CarMax is on track to achieve its GHG emissions targets set in 2021, including reducing Scope 1 and Scope 2 GHG emissions by 50% by 2025 and achieving net-zero carbon emissions by 2050.²²
- Group 1 has annually disclosed Scope 1 and 2 GHG emissions since 2023.²³
- Lithia Motors discloses Scope 1, 2, and categories of Scope 3 emissions for 2024 and 2025.²⁴
- Penske Automotive Group discloses its Scope 1 and 2 emissions for 2024.²⁵

Energy efficiency measures spurred by GHG emissions disclosures and targets offer economic gains. AutoNation is failing to capitalize on these benefits.

Without GHG emissions disclosures and targets, AutoNation is less well-positioned to capitalize on the financial benefits of decarbonization. Peers that disclose GHG emissions and/or goals to reduce them report increasing energy efficiency and decreasing costs.

¹⁶ <https://www.bcg.com/publications/2025/tackling-climate-challenge-creating-value>

¹⁷ https://files.sciencebasedtargets.org/production/files/The-Impact-of-Setting-SBTs.pdf?dm=1762171016&_gl=1*2ppv76*_gcl_au*NDk5NjA5MzExLjE3NTg2MzY0MzQ.*_ga*NjM1Mjc0Njc4LjE3NTg2MzY0MzQ.*_ga_22VNHNTFT3*cZE3NjIxNzIyODc0b2E3-0afe-44eb-b2e3-789e2e50e2b6.pdf, 3

¹⁸ <https://www.bain.com/insights/embracing-the-do-say-gap-ceo-sustainability-guide-2025/>

¹⁹ Bendig, D., Wagner, A., & Lau, K. (2023). Does it pay to be science-based green? The impact of science-based emission-reduction targets on corporate financial performance. *Journal of Industrial Ecology*, 27(1), 125–140; Freiberg, D., Grewal, J., & Serafeim, G. (2021). Sciencebased carbon emissions targets. Working Paper 21-108. <https://doi.org/10.2139/ssrn.3804530>

²⁰ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 25

²¹ https://s27.q4cdn.com/743947716/files/doc_downloads/2022/06/CarMax-Responsibility_Report_2022_FINAL_06272022.pdf, 19; <https://socialresponsibility.carmax.com/pdf-viewer-7/web/viewer.html#page=1>, 21

²² <https://socialresponsibility.carmax.com/pdf-viewer-7/web/viewer.html#page=1>, 20

²³ https://www.responsibilityreports.com/HostedData/ResponsibilityReportArchive/g/NYSE_GPI_2022.pdf, 38;

https://filecache.investorroom.com/mr5ir_group1new/1540/2024_Group_1_Corporate_Responsibility_Report_FINAL.pdf, 9

²⁴ https://cdn.prod.website-files.com/62b89df648d4ea56f4609410/68093a7269bd9bb8d6126534_bc96a63f9db1c36ea70f7e52f88b1ea1_LAD_CSR2024.pdf, 72

²⁵ https://www.penskeautomotive.com/user_area/content_media/raw/2024PAGSustainabilityandPerformanceReport.pdf, 4

- As of year-end 2024, Group 1’s solar panel installations reached a total capacity of 5.4 MW in the U.S and 4.8 MW in the U.K. to “contribute to [its] efforts to reduce greenhouse gas (“GHG”) emissions across [its] operations” and “[optimize] operational efficiency to lower operating costs.”²⁶
- In 2024, Lithia contracted energy efficiency projects that will save approximately 2.7 million kWh of energy annually.²⁷ A single project will save Lithia over \$30,000 each year while, across all its stores, the company will save over \$300,000 total from completed energy-reduction projects in 2024.²⁸

Disclosure and target-setting provide companies with the data to implement effective decarbonization actions that will result in energy and cost savings. CarMax reports that “transparent emissions tracking [and] collecting and monitoring reliable data lays the foundation for tracking progress... and identifying areas of improvement.”²⁹ In 2024, 65.5% of CarMax’s total electricity consumption was derived from renewable sources, 87% more than CY22.³⁰ Peers CarMax, Group 1, Lithia, and Penske all report higher consumption of renewable sources by percentage than AutoNation.³¹

AutoNation reports on initiatives to increase energy efficiency, utilize solar power, and resulting benefits including reduced emissions.³² Yet, AutoNation disclosed 0% renewable energy usage as of year-end 2024.³³ This is also despite stating that “renewable energy initiatives are central to our company’s commitment to environmental sustainability.”³⁴ Without GHG disclosures and targets, the Company cannot report emissions reduction results from its energy efficiency investments that would demonstrate their effectiveness and ROI to investors.

II. ENTERPRISE RISK

Climate change poses enterprise risks to AutoNation’s business. Emissions data and reduction targets indicate the Company has a strategy to understand and reduce these risks. AutoNation cites climate change as a business risk in its 10-K, reporting that “natural disasters and adverse weather events, including the effects of climate change, can disrupt our business.”³⁵

AutoNation’s operations are in areas with high exposure to the physical risks of climate change.

AutoNation’s stores are concentrated in states, including Florida, Texas, and California, in which severe weather events may disrupt store operations and adversely impact business.³⁶ Even more, AutoNation’s 10-K states that the “effects of climate change may serve as a risk multiplier increasing the frequency,

²⁶https://filecache.investorroom.com/mr5ir_group1new/1540/2024_Group_1_Corporate_Responsibility_Report_FINAL.pdf, 9 & 5

²⁷ https://cdn.prod.website-files.com/62b89df648d4ea56f4609410/68093a7269bd9bb8d6126534_bc96a63f9db1c36ea70f7e52f88b1ea1_LAD_CSR2024.pdf, 11

²⁸ https://cdn.prod.website-files.com/62b89df648d4ea56f4609410/68093a7269bd9bb8d6126534_bc96a63f9db1c36ea70f7e52f88b1ea1_LAD_CSR2024.pdf, 12

²⁹ <https://socialresponsibility.carmax.com/pdf-viewer-7/web/viewer.html#page=1>, 21

³⁰ <https://socialresponsibility.carmax.com/pdf-viewer-7/web/viewer.html#page=1>, 21

³¹ https://cdn.prod.website-files.com/62b89df648d4ea56f4609410/68093a7269bd9bb8d6126534_bc96a63f9db1c36ea70f7e52f88b1ea1_LAD_CSR2024.pdf, 71; https://filecache.investorroom.com/mr5ir_group1new/1540/2024_Group_1_Corporate_Responsibility_Report_FINAL.pdf, 12; https://www.penskeautomotive.com/user_area/content_media/raw/2024PAGSustainabilityandPerformanceReport.pdf, 4

³² <https://www.autonation.com/our-purpose/sustainability>;

https://s21.q4cdn.com/504511082/files/doc_financials/2023/sr/AN25_ESG-Report_FINAL_9_23.pdf, 21

³³ https://s21.q4cdn.com/504511082/files/doc_financials/2023/sr/AN25_ESG-Report_FINAL_9_23.pdf, 29

³⁴ https://s21.q4cdn.com/504511082/files/doc_financials/2023/sr/AN25_ESG-Report_FINAL_9_23.pdf, 21

³⁵ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 21

³⁶ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 21

severity, and duration of natural disasters” that may result in “substantial risk of property loss due to the significant concentration of property values at store locations.”³⁷

As of year-end 2024, AutoNation owned and operated 325 new vehicle franchises from 243 stores in the U.S. Of these, 43 are in California, 63 are in Texas, and 68 are in Florida.³⁸ In 2025, approximately 65% of the Company's total revenue was generated in Florida, Texas, and California.³⁹

At the same time, Florida, Texas, and Louisiana accounted for nearly half of major U.S. disaster costs between 1980 and 2023, and California ranked fourth for natural disaster costs.⁴⁰ Florida, Texas, and California also all fall within the top ten states facing the highest costs from severe weather.⁴¹

Climate change may increase the cost and decrease the availability of AutoNation's insurance revenue and expenses.

AutoNation buys and sells insurance for which increases in rates or payouts could adversely impact its operations or financial results.

AutoNation's significant number of locations in Florida and California may experience a trend of increasing or limited insurance coverage. Insurers are facing rising costs from climate change and passing them off to customers. AutoNation's 10-K warns that it “cannot assure you that we will not be exposed to uninsured or underinsured losses that could have a material adverse effect on our business, financial condition, results of operations, or cash flows.”⁴²

Auto insurance rates have risen faster than the rate of inflation over the past 15 years.⁴³ A 2024 report found that average U.S. auto insurance policy could rise by 22% by year-end, in part due to extreme weather.⁴⁴ In California, rates may rise nearly 50% due to damage from severe storms and wildfires.⁴⁵ Due to extreme weather, Florida's rates are 55% higher than the national average and experienced more than a 24% increase between 2023 and 2024.⁴⁶

AutoNation's insurance business may also be negatively impacted by increases in insurance claims. AutoNation's finance and insurance sales contributed 30% of its total gross profit, thus the financial gains of its insurance business may be threatened by climate change.⁴⁷

GHG emissions disclosures and targets would equip AutoNation to better identify and assess its contribution to enterprise climate risk and develop a strategy to address it. Even more, industry-wide action is necessary to meaningfully mitigate climate risk, and each constituent company plays its part. In

³⁷ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 21

³⁸ https://s21.q4cdn.com/504511082/files/doc_financials/2023/sr/AN25_ESG-Report_FINAL_9_23.pdf, 4

³⁹ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 104

⁴⁰ <https://www.pew.org/en/research-and-analysis/issue-briefs/2024/09/climate-change-poses-risks-to-neglected-public-transportation-and-water-systems>

⁴¹ <https://insurify.com/homeowners-insurance/insights/severe-weather-states/>

⁴² <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000350698/b9347254-0afe-44eb-b2e3-789e2e50e2b6.pdf>, 21

⁴³ <https://yaleclimateconnections.org/2025/01/nobodys-insurance-rates-are-safe-from-climate-change/>

⁴⁴ <https://insurancenewsnet.com/oarticle/new-report-projects-22-increase-in-car-insurance-costs-after-15-spike-in-first-half-of-2024>

⁴⁵ <https://insurancenewsnet.com/oarticle/new-report-projects-22-increase-in-car-insurance-costs-after-15-spike-in-first-half-of-2024>

⁴⁶ <https://www.nbcmiami.com/responds/why-are-we-paying-more-for-car-insurance-in-florida/3211024/>

⁴⁷ <https://www.carfax.com/press/hurricane-helene>

failing to effectively mitigate climate-related risks, AutoNation slows industry-wide momentum toward mitigating the worst economic consequences of climate change.

III. FAILURE TO MEET INVESTOR EXPECTATIONS

Investors increasingly expect companies to address the material impacts of climate change by setting GHG emissions reduction targets and disclosing plans to achieve them.⁴⁸ ArcBest also recognizes that "proactive management of environmental impact... is important to the long-term success of each of [its] locations, as well as AutoNation as a whole."⁴⁹ Yet, the Company's environmental disclosures lack data and targets that would assure investors it is assessing and responding to climate-related risks and opportunities that impact its bottom-line and investor returns.

Actions to mitigate climate risk, including GHG emissions disclosures and target-setting, are critical to investors' ability to reduce volatility and risk in their portfolios and capitalize on climate-related opportunities.

- A survey of institutional asset owners and managers averaging above \$250M found that 93% of investors believe climate-related risks are likely to affect the performance of investments over the next two to five years.⁵⁰
- An EY survey found that almost 70% of more than 500 global companies report higher than expected financial returns on climate initiatives.⁵¹

Additionally, the failure to measure, report, and adequately address climate-related risks extends beyond individual company performance—it also poses portfolio-wide risks to diversified investors. Because overall market performance is the major determinant of diversified portfolio returns, systemic risks like climate change threaten returns in ways investors cannot out-diversify.

The aggregate impact of corporate emissions is already causing measurable economic harm. The U.S. economy stands to lose between about 1-4% of GDP annually by the end of the century due to climate change.⁵² When companies fail to mitigate their contributions to climate change, they are not only increasing firm-specific costs but amplifying these systemic risks. Climate mitigation thus becomes a material issue that concerns the preservation of stable markets and a precondition for sustained shareholder returns.

AutoNation disclosing and setting targets to reduce its emissions would assure investors that the Company is meaningfully addressing climate-related risks that threaten its financial stability.

IV. CONCLUSION

To meet investor expectations and address competitive and enterprise risks, AutoNation should disclose current GHG emissions and any targets for measurably reducing them.

⁴⁸ <https://theinvestoragenda.org/wp-content/uploads/2024/08/2024-Global-Investor-Statement-to-Governments-on-the-Climate-Crisis.pdf>; <https://www.climateaction100.org/news/as-the-2024-proxy-season-gets-underway-climate-action-100-investors-call-on-companies-to-improve-climate-lobbying-accounting-and-governance/>

⁴⁹ https://s21.q4cdn.com/504511082/files/doc_financials/2023/sr/AN25_ESG-Report_FINAL_9_23.pdf, 19

⁵⁰ https://www.gsb.stanford.edu/sites/default/files/publication/pdfs/cgri-survey-2024-institutional-investor-survey-sustainability_0.pdf, 4, 6

⁵¹ https://www.ey.com/en_gl/newsroom/2022/11/businesses-finding-unexpected-financial-benefits-from-climate-initiatives

⁵² <https://epic.uchicago.edu/area-of-focus/climate-change-and-the-us-economic-future/>

Shareholders are urged to vote FOR the proposal asking AutoNation to issue a GHG report disclosing current GHG emissions and any targets for measurably reducing them.

For questions regarding this proposal, please contact Giovanna Eichner, Green Century Capital Management, geichner@greencentury.com.

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; Green Century Equity Fund is not able to vote your proxies, nor does this communication contemplate such an event. Green Century Equity Fund urges shareholders to vote for Proposal No. 6 following the instruction provided on the management's proxy mailing.