



**WHEREAS:** Global action on climate change is accelerating. The Paris Agreement’s goal of keeping global temperature rise below 2 degrees Celsius is already shaping global, national, and local policy decisions.

Transportation accounts for more than 23 percent of global carbon dioxide emissions; this sector will need to deliver major emissions cuts for countries to achieve the Paris goal. (WEO 2017). In the U.S., a recent study found that greenhouse gas (GHG) reductions beyond those achievable from current vehicle emission reduction standards will be necessary by 2025 to meet global climate goals.<sup>1</sup>

Globally, governments are adopting transportation policies requiring significant fuel economy increases, and are beginning to promote low carbon vehicle technology standards. China will require 40 percent of cars sold by 2030 to be electric and intends to ban vehicles with internal combustion engines. Other countries and cities have announced, and California is considering, similar measures.

Many automakers have announced plans in line with this decarbonizing transportation market. Volvo committed that, by 2019, all new models will be electrified. BMW committed to sell 100,000 electrified vehicles in 2017 and that 20 to 25 percent of its sales will be plug-in hybrids or EVs by 2025. General Motors will need to undertake aggressive action to compete successfully in this transition to low carbon transportation.

In 2012, the U.S. issued light duty vehicle rules strengthening GHG emission reduction standards and improving corporate average fuel economy standards (collectively “CAFE standards”). These rules are being challenged by General Motors (GM) and other automakers.<sup>2</sup>

The proposed weakening of CAFE standards will lead to additional greenhouse gas emissions, regulatory uncertainty, and significant reputational risk for automakers. A public, grassroots campaign was recently launched demanding that automakers end their advocacy for rollback of CAFE standards.<sup>3</sup>

Although over 243,000 GM vehicles with electrification features have been sold as of 2016, this is a very small percentage of the company’s overall fleet sales. GM has announced a decision to accelerate and expand electrification of its global fleet, but has not specified sales targets, percentages of planned electric drive vehicles, or what percentage of its fleet will have electrification features. Coupled with lobbying to weaken CAFE standards, serious questions exist as to whether the company will retreat in reducing fleetwide GHG emissions, especially through 2025, a critical window of opportunity for the industry to meet climate goals. This uncertainty exposes the company to reputational harm, public controversy, and the potential to quickly lose global competitiveness.

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<sup>1</sup> <http://ns.umich.edu/new/releases/25157-beyond-epa-s-clean-power-decision-climate-action-window-could-close-as-early-as-2023>

<sup>2</sup> [https://www.nytimes.com/2017/02/22/business/energy-environment/automakers-pruitt-mileage-rules.html?\\_r=0](https://www.nytimes.com/2017/02/22/business/energy-environment/automakers-pruitt-mileage-rules.html?_r=0)

<sup>3</sup> <https://www.sierraclub.org/press-releases/2017/10/go-forward-not-backward-environmental-and-consumer-groups-launch-campaign>



AS YOU SOW

**2018 Shareholder Resolution**

**General Motors**

**Request: Report on GHG Emissions and CAFE Standards**

General Motors' actions have created investor concern about the alignment of its fleet emissions with an increasingly low carbon global vehicle market.

**BE IT RESOLVED:** Shareholders request that General Motors, with Board oversight, publish a report, at reasonable cost, describing whether our company's fleet GHG emissions through 2025 will increase, given the industry's proposed weakening of CAFE standards or, conversely, how GM plans to retain emissions consistent with current CAFE standards, to ensure its products are sustainable in a rapidly decarbonizing vehicle market.