

May 17, 2019

Ms. Mary T. Barra
Chief Executive Officer
General Motors Company
300 Renaissance Center
Detroit, MI 48243

Dear Ms. Barra,

Climate change poses significant material opportunities and risks to the automotive sector, including shifts in consumer demand and mobility trends, manufacturing challenges, and changes in the regulatory landscape in major markets. Institutional investors have called on governments around the world to support implementation of the Paris Agreement and outline the pathway to a low carbon economy.¹ Decarbonizing the transportation system is key to this goal and we hope that the US carmakers can help lead the way.

We are writing to you as shareholders in your company to share our concern about General Motors' efforts to weaken the U.S. Corporate Average Fuel Economy (CAFE) and greenhouse gas (GHG) vehicle standards.² As you know, through the Climate Action 100+ initiative, over 300 investors with \$32 trillion in assets under management have committed to engage with the world's largest systemically important carbon emitting companies,³ including General Motors. Leading investors are asking companies to set greenhouse gas reduction targets for both operations and products that are compatible with the goal of keeping the increase in global average temperature to well below 2 degrees, and to pursue efforts to limit the increase to 1.5 degrees.⁴

In Europe, investors managing \$2 trillion have written to 55 companies, including seven auto companies, to set out Investor Expectations on Corporate Lobbying on Climate Change.⁵ They

¹https://theinvestoragenda.org/wp-content/uploads/2018/06/GISGCC-FINAL-for-G7-with-signatories_-update-4-June.pdf

² GM's [public comments](#) call for about a 1% improvement per year in fuel economy standards, along with increased credits. GM's proposal for a National ZEV program would effectively preempt CA and states that have adopted its program, undermining state authority and likely delivering similar EV deployment as current standards without the additional benefits of improvement to internal combustion engines. GM's overall proposal would provide about a 1.4% improvement per year (current National Program calls for approximately 4.5-5% improvement per year).

See GM's public comments on the NPRM dated October 26, 2018, which call for a 1% annual improvement in fuel economy for MY 2021-2026, additional credits, and a National Zero Emission Vehicle (NZEV) program. GM's full proposal - estimated to provide approximately 1.4% improvement per year - would constitute a significant weakening of the current National Program, which provides for approximately 4.5-5% improvement per year.

³ <http://www.climateaction100.org/>

⁴<https://www.ceres.org/news-center/press-releases/nys-comptroller-dinapoli-and-church-england-call-exxonmobil-set-targets>

⁵<https://www.forbes.com/sites/mikescott/2018/10/31/why-is-your-trade-association-fighting-moves-to-tackle-climate-change-investors-ask-companies/#73fa24381d86>

assert that corporate lobbying that is misaligned with the goals of the Paris Agreement can present financial risks to investors: regulatory risks from delay in action, systemic economic risks from climate change as well as reputational and legal risks. Given that California and 19 other states have announced that they will challenge the rollback of the CAFE/GHG standards, continuing down the current path will lead to significant regulatory risk as well.

The New York City Office of the Comptroller has filed a shareholder resolution asking for better transparency and disclosure on GM's governance around climate lobbying.⁶ The undersigned investors wish to signal support for this proposal. Additionally, in line with the Climate Action 100+ and Investor Expectations on Corporate Lobbying on Climate Change,⁷ we are asking that GM act to lobby consistently with the Paris Agreement and take immediate steps to address misalignments between stated company positions on climate and emissions,⁸ the company's position on the standards, and that of any trade association of which GM is a member. Below are specific actions that you could take to address our concerns:

- Actively negotiate with California Air Resources Board to develop a compromise solution and commit to comply with those standards regardless of the outcome of the federal rulemaking process;
- Oppose, or, at the very least, avoid endorsing, in public comments or through legal proceedings, any final rule that results in a significant weakening of the program from the 2022-2025 augural CAFE levels or current GHG emissions standards as established in 2012, and make every effort to ensure that your trade association, the Alliance of Automobile Manufacturers follows suit;
- Publicly oppose efforts to undermine California's (and by extension the other 13 states that have adopted California's standards) authority to set vehicle emission standards;
- Oppose and seek redaction of the Alliance of Automobile Manufacturers' statements regarding the standards, climate science, and health impacts of emissions;⁹
- Describe how GM will meet the near-term emission reductions required to meet climate goals if the standards are rolled back.

⁶ https://engagements.ceres.org/ceres_engagementdetailpage?recID=a0l1H00000CF0GPQA1. (Co-filers AP7 and Congregation of Benedictine Sisters)

⁷ <http://www.iigcc.org/publications/publication/investor-expectations-on-corporate-lobbying-on-climate-change>

⁸ <https://www.gmsustainability.com/aspire/aspirations.html>

⁹ In its February 2018 [regulatory filing](#), the Alliance questioned climate science. The same filing also "cast doubt on the negative effects of tailpipe pollution on human health," evidently conflicting with settled science. [NYT 2018](#)

Thank you for your attention to this critical issue; we are extremely concerned about GM's current path, which will exacerbate climate risk, enhance reputational risk and lead to regulatory uncertainty. We look forward to a statement from the company regarding how it will comply with the investor expectations set out in this letter.

Signed,

Investors with total Assets Under Management of \$1,958,951,000,000.

BNP Paribas Asset Management
Aviva Investors
Local Authority Pension Fund Forum
CANDRIAM
Minnesota State Board of Investment
AP7
Andra AP-fonden (AP2)
San Francisco Employees' Retirement System (SFERS)
MP Pension
Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.
NEI Investments
Church of England Pensions Board
Tri-State Coalition for Responsible Investment
Brawn Capital Limited
JLens Investor Network
As You Sow
Northwest Coalition for Responsible Investment
Mercy Investment Services, Inc.

cc: Everett Eissenstat, Senior Vice President, Global Public Policy
Rick Hansen, Assistant General Counsel & Corporate Secretary
Robert Babik, Executive Director, Global Regulatory Affairs
Scott Cross, Corporate Governance Manager
Michael Heifler, Director, Investor Relations
Dan Turton, Vice President, North American Public Policy