



Climate Transition Planning

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission underscored that climate change could [impair the productive capacity](#) of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. [BlackRock's CEO writes](#) that, "there is no company whose business model won't be profoundly affected by the transition to a net zero economy" and that investors "are asking companies to disclose a plan for how their business model will be compatible with a net zero economy."

In response to material climate risk, the Climate Action 100+ initiative, a coalition of 615 investors with \$60 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators [1 through 5 of the Benchmark](#) seek reporting on companies' net zero emissions ambition; interim greenhouse gas (GHG) reductions goals covering enterprise-wide emissions; and strategic action plans to achieve decarbonization targets.

[Standard Motor Products, Inc.](#) is a leading independent manufacturer and distributor of replacement parts for the automotive aftermarket. Our company describes certain energy efficiency initiatives, including lighting upgrades and automatic controls for operating heating, ventilation, and cooling systems. While this work demonstrates progress, our Company has failed to set greenhouse gas reduction targets or disclose GHG emissions data. Standard Motor Products can provide investors with assurance that our Company is addressing growing climate related risks and opportunities, and how it compares to peers, by quantifying and reporting its Scope 1 through 3 emissions, setting Scope 1 through 3 Paris-aligned GHG emission reduction goals, and demonstrating progress toward achieving them.

BE IT RESOLVED: Shareholders request that Standard Motor Products issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short, medium, and long term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5



degrees Celsius, and progress made in achieving them. Reporting should cover the company's full range of operational and product related emissions.

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

- Reporting of Scope 1, 2, and 3 GHG emissions;
- An initial enterprise-wide climate transition plan to achieve net zero emissions;
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal;
- Other information the Board deems appropriate.