

**WHEREAS:** Studies expect climate change to cost the global economy over \$38 trillion annually by 2049.<sup>1</sup> Mitigation is critical to address investment risks and avert systemic economic losses.

In its 10-K, Harley-Davidson (Harley) recognizes that climate change poses enterprise risks that may “disrupt the production and supply of component parts... Supply disruptions would raise market rates and jeopardize the continuity of motorcycle production.”<sup>2</sup>

Harley further acknowledges that regulatory responses to climate change may materially affect profitability.<sup>3</sup> Standards to restrict motorcycle pollutants in the EU, Harley’s second largest market, have been in place since 1999 and continually strengthened since.<sup>4</sup> The UK and EU passed legislation to end fossil fuel car sales by 2035 and 2030, respectively. Harley notes that concern about climate change could lead to similar legislation for internal combustion engines.<sup>5</sup>

Harley adopted a goal to achieve net zero carbon emissions by 2050.<sup>6</sup> The Company committed to setting greenhouse gas (GHG) reduction targets with the Science Based Targets initiative (SBTi) in 2022 and affirmed interim goals to reduce Scope 1 and 2 GHG emissions and energy intensity in its 2023 ESG Data Book.<sup>7</sup> Nevertheless, Harley has not published comprehensive sustainability disclosures outlining progress and plans to achieve its goals since 2023 and recently removed its commitment to set SBTi targets.

The GHG emissions from use of sold products comprised the majority of Harley’s 2023 GHG footprint.<sup>8</sup> Without an updated sustainability report or plan to address the emissions of its most emissions-intensive products, investors are unable to assess whether and how Harley is progressing toward its climate goals.

Competitors including Honda, Yamaha, Kawasaki, and Suzuki disclose forward-looking, quantitative reports describing actions they will take to align their operations and value chains with their targets, including:

- Improving production efficiency, electrifying equipment, and increasing renewable energy sources in operations;
- Advancing research and development capacity for electric vehicles (EV) and EV infrastructure;

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<sup>1</sup> <https://epic.uchicago.edu/news/climate-change-may-cost-38-trillion-a-year-by-2049-study-says/>

<sup>2</sup> <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000793952/486ec4c6-2c2e-4e76-9b46-7172872055e1.pdf>, 22

<sup>3</sup> <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000793952/486ec4c6-2c2e-4e76-9b46-7172872055e1.pdf>, 22

<sup>4</sup> <https://www.aecc.eu/legislation/motorcycles-and-mopeds/>

<sup>5</sup> <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000793952/486ec4c6-2c2e-4e76-9b46-7172872055e1.pdf>, 22

<sup>6</sup> [https://s201.q4cdn.com/697889289/files/doc\\_governance/2025/Mar/06/ENGLISH-Environmental-Energy-Policy-1-e19d87.pdf](https://s201.q4cdn.com/697889289/files/doc_governance/2025/Mar/06/ENGLISH-Environmental-Energy-Policy-1-e19d87.pdf)

<sup>7</sup> [https://s201.q4cdn.com/697889289/files/doc\\_governance/2024/Dec/19/2023-HOG-ESG-Data-Appendix-d63b63.pdf](https://s201.q4cdn.com/697889289/files/doc_governance/2024/Dec/19/2023-HOG-ESG-Data-Appendix-d63b63.pdf), 17

<sup>8</sup> Harley-Davidson, Inc. 2024 Corporate Questionnaire Response

- Setting targets for EV sales and vehicle fuel economy;
- Engaging in advocacy to promote clean energy and increase renewable adoption supporting EV use;
- Participating in consortiums to develop EV standards and infrastructure.

**RESOLVED:** Shareholders request that Harley issue a climate transition plan, above and beyond existing disclosure, describing if and how the company intends to achieve its climate-related goals. The plan should be published at reasonable expense, omit proprietary information, and detail any progress or plan updates on an annual basis.

**SUPPORTING STATEMENT:** In developing these disclosures, the proponent recommends considering, at management's discretion:

- Forward-looking, quantitative strategies, and key actions, for achieving the Company's climate goals;
- Guidance by advisory groups such as the Transition Plan Taskforce.