

## **Feasibility of GHG Disclosure and Management 2017 – C.H. Robinson Worldwide, Inc.**

**RESOLVED:** Given the risks to society and the transport sector created by climate change, shareholders request that C.H. Robinson issue a report assessing the feasibility and benefits of measuring, monitoring, and managing greenhouse gas (GHG) emissions associated with our company's services, taking into account the goals of the Paris Climate Agreement.

**Supporting Statement:** In December 2015, 195 countries adopted the Paris Climate Agreement, which entered into force on November 4, 2016, and which specifies a goal to limit the increase in global average temperature to "well below 2°C" above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C. In order to meet the 2-degree goal, climate scientists estimate it is necessary to reduce global GHG emissions 40-70 percent below 2010 levels by 2050; entailing a U.S. reduction target of 80 percent.

The costs of failing to address climate change are significant, and according to a 2015 report by Citigroup, could lead to a \$72 trillion loss to global GDP. Risky Business, a recent analysis of climate change impacts, finds serious economic effects including property damage, shifting agricultural patterns, reduced labor productivity and increased energy costs. These effects could substantially impact C.H. Robinson's operations, revenues, or expenditures.

Larry Fink, CEO of the world's largest asset manager BlackRock, recently wrote to CEO's of all S&P 500 companies: "Over the long-term...ESG issues... [including] climate change...have real and quantifiable financial impacts." BlackRock staff has also stated that "climate change risk has arrived as an investment issue" and that "regulatory risks are becoming key drivers of investment returns."

In addition to reducing risks, setting corporate GHG goals can: drive innovation, save money, and enhance our company's reputation. Measuring and reporting on GHG emissions can likewise help C.H. Robinson's customers with their own emissions management strategies and programs. Over half of S&P 500 companies have already set GHG emissions reduction targets, and 80 percent issue sustainability reports, many of which include GHG emissions disclosure.

Given the challenges of directly reducing emissions from transportation, we suggest C.H. Robinson analyze the feasibility of offering customers the option of paying to purchase GHG emissions offsets, or other innovative solutions.

Peers, such as Expeditors International, are already measuring and reporting GHG emissions to CDP, and are helping to measure and reduce customers' transportation carbon footprint.

C.H. Robinson's core value proposition to customers of improving transport efficiency makes this request particularly important because disclosing and managing GHG emissions will reveal and make available to customers a new set of benefits associated with using C.H. Robinson's services.