Greenhouse Gas Reduction - Science-Based Targets
2018 – C.H. Robinson Worldwide, Inc.

RESOLVED: Shareholders request that C.H. Robinson Worldwide, Inc's (Company) board oversee the adoption of time-bound, quantitative, company-wide, science-based targets for reducing total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

Supporting Statement: In December 2015, representatives of 195 countries adopted the Paris Climate Agreement, which specifies a goal to limit the increase in global average temperatures. To achieve this, climate scientists estimate global GHG emissions need to be reduced by 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

In 2017, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommended that companies adopt targets to manage climate-related risks and disclose related strategies. The TCFD is supported by a cross section of influential investors and business leaders.

63 percent of Fortune 100 companies have established targets that will lead to emissions reductions (Source: Power Forward 3.0). Many Company peers and others throughout their value chain are already setting GHG emissions targets and potentially reducing operating costs by boosting fuel efficiency. For instance, Expeditors International set a 27 percent reduction target for Scope 1 and 2 emissions by 2017; the International Air Transport Association committed to a 50 percent reduction in emissions by 2050 (with carbon neutral growth from 2020); and the International Maritime Organization has a mandatory ship energy efficiency management plan, along with a 50 percent reduction target per ton/km in 2050.

Climate change has significant potential to adversely impact the Company's business. As the Company notes in their most recent 10-K, their contract carriers are subject to increasingly stringent regulations around climate change, which could increase contract costs. As the frequency and intensity of extreme weather events increases with climate change, along with infrastructure risks, shipments may be subject to more frequent delays and losses, ultimately increasing operating costs and potentially threatening revenue.

A similar proposal made by the proponent last year was withdrawn based on Company commitments that were not met. The Company has no company-wide systems in place to monitor, manage, or meaningfully mitigate these risks or capture the opportunities. By not pursuing GHG reduction goals, the Company may not achieve the benefits realized by peers — a competitive disadvantage for the Company and shareholders alike. This is confirmed by MSCI rating the Company as worst-in-class for management of risks from carbon emissions, and by Sustainalytics placing the Company below their peer group average for carbon intensity and GHG reduction programs.