C. H. Robinson – GHG Emission Target Proposal (2019)

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 order to mitigate the worst impacts of climate change, the Intergovernmental Panel on Climate Change estimates that a 45% reduction in anthropogenic GHG emissions globally is needed by 2030 (from 2010 levels) to stabilize global temperatures (Global Warming of 1.5 degrees C, IPCC, Oct 2018). The Fourth U.S. National Climate Assessment concluded that climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century (upward of $500 billion a year) without substantial and sustained global efforts to reduce greenhouse gas emissions.

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 including BlackRock, Fidelity, Glass Lewis, Statoil, and Vanguard.

63 percent of Fortune 100 companies have established targets that will lead to emissions reductions (Source: Power Forward 3.0). Many Company peers and industry associations throughout their value chain have set GHG emissions targets and are 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 received a favorable vote of nearly 38%. Since then, the Company has taken little action to monitor, manage, or meaningfully mitigate these risks or capture the opportunities. 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. As the world's largest third party logistics providers, the Company has a unique opportunity to lead the transition of the commercial freight sector into the low carbon future.