



**WHEREAS:** In 2015, global governments agreed in the Paris Agreement that global warming must be limited to 1.5 degrees Celsius (1.5°C) to avoid the most catastrophic impacts of climate change. As a means of driving progress, global governments at this year’s COP 28 meeting committed to transition away from fossil fuels and triple renewable energy deployment.

Companies are responding to these global imperatives. Over 6,000 have set or committed to set emission reduction targets, with 96% of these targets inclusive of full supply chain emissions.<sup>1</sup>

Freight transportation, which accounts for 8% of global greenhouse gas (GHG) emissions, is used by almost all market sectors, but is still primarily fossil-fuel based.<sup>2</sup> Freight companies have a critical role to play in helping to decarbonize global supply chains.

Old Dominion is a national leader in road freight transportation but has not set emission reduction targets, nor has it developed a climate transition plan, despite stating in its 2022 10-K that “risks associated with future climate change concerns or environmental laws and regulations, sustainability requirements and related investor expectations could have a material adverse effect on our financial condition, results of operations, liquidity and cash flows.”<sup>3</sup>

To help meet changing customer preferences for low-carbon transportation, Old Dominion must reduce its carbon footprint and decouple its growth from its climate impact. By failing to act on climate change, Old Dominion risks losing customers to competitors with higher efficiencies or to alternatives such as rail and battery-electric trucks. It also faces risk associated with being unprepared for new state and federal regulations intended to increase vehicle efficiency and reduce GHG emissions. California now requires that 40% of all tractor-trailers sold be all-electric by 2035,<sup>4</sup> and the EPA has proposed regulation with stronger emission reduction standards for heavy duty trucks starting in 2027.<sup>5</sup>

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<sup>1</sup> <https://sciencebasedtargets.org/companies-taking-action>; <https://sciencebasedtargets.org/blog/scope-3-stepping-up-science-based-action#:~:text=Scope%203%20targets%20are%20a,scope%203%20target%20is%20required>

<sup>2</sup> <https://climate.mit.edu/explainers/freight-transportation>

<sup>3</sup> <https://ir.odfl.com/sec-filings/all-sec-filings/content/0000950170-23-003783/0000950170-23-003783.pdf>, p.15

<sup>4</sup> <https://www.nytimes.com/2023/03/31/climate/california-electric-trucks-emissions.html>

<sup>5</sup> <https://www.nytimes.com/2023/03/31/climate/california-electric-trucks-emissions.html>; <https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-greenhouse-gas-emissions-standards-heavy>



To help achieve U.S. climate goals, the Inflation Reduction Act provides billions of dollars in federal support for vehicle and battery manufacturers and purchasers; the Infrastructure Investment and Jobs Act will supply charging infrastructure to help lower costs and barriers to zero-emission vehicles.

By setting 1.5°C-aligned GHG reduction targets for its value chain, and developing a plan to achieve such goals, Old Dominion can demonstrate that management is addressing material climate-related risks, ensuring its competitiveness, and capitalizing on the value-creating opportunities presented by a net zero economy.

**BE IT RESOLVED:** Shareholders request that the Board issue interim- and long-term greenhouse gas reduction targets aligned with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

**SUPPORTING STATEMENT:** Proponents suggest, at management discretion, the Company:

- Disclose a timeline for setting a Net Zero by 2050 GHG reduction target and 1.5°C-aligned interim targets;
- Disclose an enterprise-wide climate transition plan to achieve 1.5°C-aligned emissions; and
- Disclose annual progress towards meeting its emissions reduction goals.