



**WHEREAS:** The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.<sup>1</sup> Investor demand for transparent emissions disclosures reflects the reality that climate-related risk exposure is growing alongside proposed and implemented regulations.<sup>2</sup>

Fashion contributes 10% of the world’s annual carbon emissions according to 2019 data published by the United Nations Environment Programme and the Ellen MacArthur Foundation.<sup>3</sup> For many clothing companies, the most significant source of greenhouse gas (GHG) emissions, and thus climate risk, is contained within their value chain. In fact, value chain emissions frequently constitute as much as 90% of retailers’ overall climate footprint,<sup>4</sup> making the quantification and mitigation of value chain emissions an essential step in reducing climate risk and meeting shareholder expectations for climate action.<sup>5</sup>

Retail clothing enterprises like Ross are subject to increasing climate-related risks due to climate-related production and supply chain costs and the potential for shortages of raw materials like water and cotton.<sup>6</sup> Ross also faces risk as consumers become increasingly climate conscious; over 70% of consumers take the environment into account when shopping,<sup>7</sup> and consumers expect Brands to meaningfully address climate change.<sup>8</sup> Ross also faces growing regulatory risk due to its emissions-intensive value chain.

Although Ross Store’s has a “net zero-ambition” and discloses its operational Scope 1 and Scope 2 GHG <sup>emissions</sup>, the Company does not disclose all material Scope 3 value chain emissions categories.<sup>9</sup> This critical reporting gap leaves both Ross and investors without essential information regarding Ross’ climate related supply chain, regulatory, and reputational risk.

---

<sup>1</sup> [https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_FullVolume.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf), p.20

<sup>2</sup> <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>;  
<https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>

<sup>3</sup> <https://www.worldbank.org/en/news/feature/2019/09/23/costo-moda-medio-ambiente>

<sup>4</sup> <https://nrf.com/blog/retailers-set-science-based-targets-address-climate-change>

<sup>5</sup> <https://sciencebasedtargets.org/blog/scope-3-stepping-up-science-based-action>

<sup>6</sup> <https://www.retaildive.com/news/right-now-retailers-are-writing-their-own-rules-on-climate-action-does-th/598654/>

<sup>7</sup> <https://www.retaildive.com/news/right-now-retailers-are-writing-their-own-rules-on-climate-action-does-th/598654/>

<sup>8</sup> <https://deloitte.wsj.com/cmo/consumers-expect-brands-to-address-climate-change-01618945334>

<sup>9</sup> <https://corp.rossstores.com/wp-content/uploads/2023/10/2022-Ross-Corporate-Social-Responsibility-Report.pdf>  
pg. 30



Other retailers are leading the way by implementing transparent and complete GHG emissions disclosures. Peers such as Target and Walmart disclose all material value chain emissions categories and have even set science-based emissions reductions targets for their value-chain emissions.<sup>10</sup>

By disclosing all material value chain emissions, Ross Stores can improve its competitiveness against peers, prepare for climate regulation, reduce unforeseen risks from its supply chain, and position itself to maximize benefits from climate-related opportunities.

**BE IT RESOLVED:** Shareholders request that Ross Stores measure and publicly disclose all material value chain GHG emissions.

**SUPPORTING STATEMENT:** Proponents recommend, at the board's discretion, that the Company report all relevant value chain emissions through a recognized framework, such as CDP, and include material value chain emissions disclosures in Ross Stores' annual Corporate Social Responsibility Report.

---

<sup>10</sup> <https://sciencebasedtargets.org/companies-taking-action>