

COMMUNICATION ON ENGAGEMENT (COE)

Ceres

Period covered by this Communication on Engagement

From: October 2016

To: September 2018

Part I. Statement of Continued Support by the Chief Executive or Equivalent

9/20/18

To our stakeholders:

I am pleased to confirm that Ceres reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication on Engagement, we describe actions our organization has taken to support the UN Global Compact and its Principles, as suggested for a non-profit, civil society organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,
Mindy Lubber
CEO & President

Part II. Description of Actions

Our organization continues to advance the Ten Principles of the United Nations Global Compact in a number of ways. Highlights from this period include:

- 1) Amy Augustine, Senior Director of Ceres' Company Network, serves on the Global Compact Network USA's (Network USA) Board of Directors and was recently elected Secretary and Chair of Network USA's Nominating & Governance Committee. Network USA operates in alignment with the Ten Principles of the Global Compact, engaging with and advancing the Sustainable Development Goals (SDGs), leveraging its association with the Global Compact and United Nations and its global resource network, building and maintaining an active member network to advance the Ten Principles and the SDGs, and facilitating and creating opportunities for multi-sectoral and multi-stakeholder collaboration.
- 2) Ceres works closely with the United Nations to advance the Ten Principles of the United Nations Global Compact, focusing in particular on climate change, water scarcity, governance, and human rights. Recent examples include our biannual 2018 Investor Summit on Climate Risk at the UN Headquarters, our organization's numerous collaborations with UN PRI, and Ceres' leadership of the Global Climate Action Summit in September 2018.
- 3) In February 2018, Ceres launched [*Turning Point: Corporate Progress on the Ceres Roadmap for Sustainability*](#), the third assessment of corporate progress against key expectations of [*The Ceres Roadmap for Sustainability*](#). *Turning Point* offers valuable insight for companies, investors, and

advocates into how more than 600 of the largest publicly traded companies in the U.S. are positioned to address critical sustainability issues such as climate change, water pollution and scarcity, and human rights abuses. The Ceres Roadmap has supported corporate sustainability progress aligned with the Ten Principles of the UN Global Compact since its inception in 2010. In addition to the alignment between the *Ceres Roadmap* expectations and the Ten Principles, *Turning Point* specifically encourages companies to embrace the Sustainable Development Goals as a common framework and language for engaging with and setting performance expectations for supply chain partners, for collaborating with local governments and community organizations, and for ensuring the private sector plays a critical role in their advancement and achievement.

- 4) Additional activities to advance the Ten Principles of the United Nations Global Compact these past two years include:
 - a. Advocating for fair, safe, and equitable workplaces, addressing water risk, and decarbonizing supply chains through stakeholder engagements with major U.S. companies.
 - b. Advocating for decarbonizing investments and accounting for water risk with our network of investors managing over \$25.2 trillion in assets under management.
 - c. Spurring investment in clean energy by an additional \$1 trillion per year through 2050, the amount necessary to limit global warming to no more than two degrees Celsius.
 - d. Advocating for stronger climate and clean energy policies at the state and federal level through our Policy (BICEP) Network of companies and direct lobbying through our Connect the Drops initiative in California.
 - e. Publishing thought leadership articles, reports, frameworks, and tools that engage investors and business in key areas aligned with the Global Compact.
 - i. Ceres' Capital Markets program published several reports focused on how companies can enhance good governance by integrating corporate sustainability principles into their own operations and relationships, including: [Lead from the Top: Building Sustainability Competence On Corporate Boards](#), [SYSTEMS RULE: How Board Governance Can Drive Sustainability Performance](#), [Getting Climate Smart: A Primer for Corporate Directors in a Changing Environment](#), and [Disclose What Matters: Bridging the Gap Between Investor Needs and Company Disclosures on Sustainability](#).
 - ii. Ceres' Food and Water program released [Engage the Chain](#), an investor guide to addressing agricultural supply chain risks driven by 8 key commodities impacting deforestation, greenhouse gas emissions and water depletion and pollution, as well as the [Investor Water Toolkit](#), an investor guide to incorporating and addressing water risk in investment portfolios developed in collaboration with over 40 institutional investors.
 - iii. Please find additional documents at our website here: www.ceres.org.

Part III. Measurement of Outcomes

Ceres' [annual report](#) goes into greater depth on how the mission and initiatives of Ceres clearly align with advancing the Ten Principles of the UN Global Compact and provides examples of relevant qualitative and/or quantitative indicators to measure the outcome of the activities described in Part II above. A few additional examples include:

- Joined major investors and partner organizations from around the globe to launch [Climate Action 100+](#). This global investor initiative aims to engage and move the world's largest corporate greenhouse gas emitters to strengthen climate-related financial disclosures, in addition to curbing greenhouse gas emissions and improving governance on climate change. To date, 296 investors with nearly USD \$31 trillion in assets under management have signed onto the initiative.
- Partnered with several other leading organizations to launch [We Are Still In](#), a coalition of over 3,000 leaders from major businesses, investors, faith and academic institutions, municipalities and states committed to reducing emissions and stemming the causes of climate change in line with the Paris Climate Accord. Since its launch in 2017, We Are Still In has grown as a movement representing 1.69 million people and 9.46 trillion in GDP across all 50 states.
- Organized key company, investor and policy advocates to defend and advance strong renewable energy policies and promote low-carbon transportation, focusing in particular on passing the SB100 bill through the California legislature to mandate 100% clean energy in the state by 2045.
- Addressed water risk across its networks of companies and investors through the [Feeding Ourselves Thirsty](#) corporate benchmark, which spurred several companies to act and join the [AgWater Challenge](#) to improve corporate performance in water management across their supply chains.
- Collaborated closely with Shift to advance corporate development of robust human rights policies and management systems in line with the United Nations Guiding Principles Reporting Framework. Ceres continues to leverage dedicated partnerships as a key driver to improve corporate performance in human rights disclosure and measurement at a systemic level.
- Published [Turning Point](#), a progress report assessing how well 600+ of the largest, publicly traded U.S. companies are integrating sustainability into business systems and decision-making, and continued to engage companies within and beyond its membership to meet *Ceres Roadmap* expectations across key areas including climate and clean energy, water, human rights, and governance.