

COMMUNICATION ON ENGAGEMENT (COE)

Ceres

Period covered by this Communication on Engagement

From: October 2018

To: September 2020

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

10/27/20

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) John Weiss, Senior Director of Ceres' Company Network, serves on the Global Compact Network USA's (Network USA) Board of Directors and serves on Network USA's Nominating & Governance and Finance Committees. 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 quality and scarcity, human rights and governance. Recent examples include our biennial 2020 Investor Summit on Climate Risk, held virtually this year due to the Covid pandemic and our organization's numerous collaborations with UN PRI.

- 3) In October 2020, Ceres launched the Ceres Roadmap 2030, a 10-year action plan for sustainable business leadership. This builds on the Ceres Roadmap for Sustainability, first launched in 2010. Ceres Roadmap 2030 challenges companies to become sustainable business leaders, advancing the transition to a more equitable, just and sustainable economy. It provides clarity and direction in the development of credible, effective and appropriately ambitious sustainable business strategies and priorities--designed to **stabilize the climate, protect water and natural resources** and **build a just and inclusive economy**. The new Roadmap provides specific performance milestones for today, 2025 and 2030 across each of the critical impact actions, calls for collective action to highlight areas where companies can have a role in systems change, provides practical guidance for companies that are just getting started on their sustainability journey, and includes tools and resources to support companies as they seek to integrate sustainability into business systems and drive performance improvements across material impact areas. 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, Roadmap 2030 also specifically references the Sustainable Development Goals as an essential and complementary framework for corporate action.
- 4) Additional activities Ceres has undertaken 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 \$30 trillion in assets under management.
 - c) Co-leading the Climate Action 100+ initiative. Together with investor networks based in Asia, Europe, and Australia, as well as the United Nations' Principles for Responsible Investments (PRI) we are organizing over 500 investors(\$47T AUM) to participate in the initiative to spur the world's 161 largest corporate GHG emitters to align their business strategies with the Paris Agreement's goal of limiting global average temperature increase to well below two degrees Celsius above pre-industrial levels.
 - d) Advocating for stronger climate and clean energy policies at the state and federal level through our Policy Network of companies and direct lobbying through our Connect the Dots 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, including the following representative examples.
 - i) Ceres' Capital Markets program published a series of 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) Ceres' Company Network published *Change the Conversation*, a guide for companies toward more meaningful and effective investor engagement on ESG issues.
- iv) Please find additional documents at our website, www.ceres.org.

Part III. Measurement of Outcomes

Ceres' FY2019 Annual Report (<https://www.ceres.org/annual-report/2019>) 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 is engaging 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 more than 50 companies on the Focus List have committed to net zero emissions by or before 2050 and 120 companies have nominated a board member or board committee with explicit responsibility for oversight of climate change.
- Partnered with several other leading organizations to launch We Are Still In, a coalition of over 3,500 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. In 2019, Ceres capitalized on We Are Still In to begin laying the groundwork for a carbon pricing policy campaign post-2020 election by organizing a Lawmaker Education and Advocacy Day (LEAD) on Carbon Pricing. LEAD 2019 featured seventy-five companies engaging directly with members of Congress to demonstrate the strong business case for carbon pricing. A second LEAD event planned for May 2020 was transitioned to include a broader "Build Back Better" message with a focus on building a resilient economic recovery. LEAD 2020 constituted the largest ever business congressional call to action with 330+ companies engaged (including eleven investor firms, up from four the previous year), eighty-five meetings between eighty-eight congressional offices (Republicans &

Democrats), and a bipartisan CEO roundtable to press for a resilient, climate-sensitive recovery.

- Over the past three years, organized key company, investor and policy advocates to advance more than 20 clean energy & transportation policies, regulations & executive actions in 15 states. The most significant of these, was the SB100 bill in California that mandates 100% clean energy in the state by 2045. In addition to these clean energy policies, we also helped pass 4 new water policies in California.
- Addressed water risk in agricultural supply chains through the biennial Feeding Ourselves Thirsty corporate benchmarking. This benchmark, combined with investor pressure, has spurred over a dozen companies to address water risks in their agricultural supply chains. In addition, through a partnership with the World Wildlife Fund we have spurred nine companies to make leadership commitments and join the AgWater Challenge to improve corporate performance in water management across their supply chains.
- Moved 13 companies in Ceres Company Network to improve and implement human rights policies and to disclose progress on their human rights management systems.
- 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.