

UN Global Compact - COMMUNICATION ON ENGAGEMENT
Ceres Progress Report

Period covered by this Communication on Engagement
From: September 2020
To: September 2023

Part 1. Statement of Continued Support

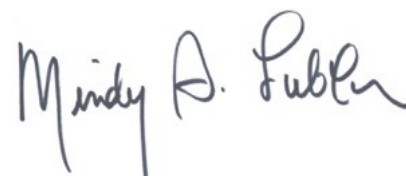
9/28/2023

To our stakeholders and fellow participants:

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

In this Communication on Engagement, we describe the actions that our nonprofit organization is taking to support the UN Global Compact and its Principles, and the advancement of the Sustainable Development Goals (SDGs). The reporting period of this progress update spans September 2020 – September 2023. As part of this work, we commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Mindy Lubber
CEO & President, Ceres

Part II. Description of Actions

Ceres continues to advance the UN Global Compact's Ten Principles across our programmatic work. Highlights from this reporting period include, but are not limited to:

- Ceres works with our investor and corporate members on climate change, freshwater management and access, nature and biodiversity stewardship, human rights, and governance. Recent examples of collaborative efforts include ongoing projects with the UN PRI (such as a two-part renewable energy and human rights/environment workshop, and ongoing investor engagement activities), water collaborations with the CEO Water Mandate and Water Resilience Coalition, programming during the UN 2023 Water Conference, Ceres participation on panels at COP27 in Sharm El Sheikh, and a number of Ceres/UNGC partner events during the Fall 2023.
- John Weiss, Ceres' (former) Senior Director of the Company Network, served on the UN Global Compact Network USA's (Network USA) Board of Directors through January 2021. In this capacity, Weiss served on the Network's Finance and Nominating & Governance 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 the 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.
- In the fall of 2020, Ceres launched the [Ceres Roadmap 2030](#) (Roadmap 2030), a 10-year action plan for sustainable business leadership. The Roadmap 2030 empowers ambitious corporate actions to advance the transition to a more equitable, just, and sustainable economy. This Ceres resource addresses most of the UNGC's Ten Principles, with a particular focus on human rights, labor, and environmental topics. There are performance milestones within the Roadmap 2030 for 2020, 2025, and 2030 that span several critical impact areas, including short- and long-term greenhouse gas emissions reductions, water and nature stewardship, the protection of human rights, and just transition. The Roadmap 2030 also expects corporate integration of sustainability into core business operations, including executive and board oversight. Lastly, it offers guidance for how global business can take a collective, systems-change approach to sustainability and human rights. Over the three years since its launch, Ceres has presented this resource at events, workshops, conferences, stakeholder engagements, and more. In total, there have been 74,126 users of the Roadmap digital tool since its launch in October 2020. Ceres also leverages the Roadmap 2030 as a guiding document to support its ongoing advocacy with Ceres' Company Network members (50+ companies that represent many

sectors). The document is also used annually to align and influence Ceres initiatives, priorities, and strategic planning.

- Building on the success of the Roadmap 2030, Ceres is currently developing a self-assessment tool to help small and medium-sized enterprises (SMEs) assess where they stand across key sustainability areas and drive improved performance. The Roadmap 360° website, which is slated for release in Spring 2024, will offer a framework to help SMEs advance their sustainability leadership efforts through modular training on a dedicated microsite. Like the Roadmap 2030, the Roadmap 360° aligns with the Ten Principles and references the Sustainable Development Goals (SDGs). These two Roadmap resources complement one another by providing a framework for both small and large companies to make progress toward achieving the SDGs.
- In 2022, Ceres collaborated with a coalition of NGOs partners, including the We Mean Business Coalition, CDP, and the Environmental Defense Fund (EDF), on an [analysis](#) of core transition plan elements across the existing climate transition plan landscape. From this analysis, the coalition developed an action-oriented framework to support companies in the creation, publication, and implementation of developing robust Climate Transition Action Plans (CTAPs). The CTAP framework addresses multiple categories within the UNGC's Ten Principles including environment, human rights, and labor. Since the release of the report in late 2022, Ceres has promoted the CTAP framework through several virtual workshops and in-person events with companies. It has also served as a guidance document for individual stakeholder engagements with companies that are working with Ceres to develop, workshop, and finalize their forthcoming climate transition plans.
- Additional notable activities Ceres has undertaken in the last few years to advance the Ten Principles of the United Nations Global Compact include:
 - Launching the [Valuing Water Finance Initiative](#) (VWFI) in August 2022 in partnership with the Government of the Netherlands. The VWFI is a global, investor-led effort to engage 72 companies with a high-water footprint to value and act on water as a financial risk and drive the necessary systemic change to better protect water systems. The initiative calls on companies to meet Corporate Expectations for Valuing Water that align with the SDG for Water (SDG6) and the actions laid out in the Ceres Roadmap 2030. The initiative has grown to include 89 investor signatories representing \$17 trillion in assets under management. As part of the VWFI, Ceres has hosted learning events for corporate and investor audiences to learn more about the financial imperative to act on water risk. Ceres also released [The Global Assessment of Private Sector Impacts on Water](#), which examined how industry practices are driving five critical threats to global freshwater systems: groundwater depletion, metal contamination, plastic pollution, water diversion and transfer, and eutrophication. A new VWFI Benchmark will be released in fall 2023 alongside

new guidance for companies to assess existing gaps and take action on water stewardship.

- Launching [Nature Action 100](#) in late 2023, a global investor engagement initiative focused on driving greater corporate ambition and action to reduce nature and biodiversity loss. Investors participating in the initiative engage companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030, a critical threshold to avoid the most catastrophic impacts of climate change. The initiative's Secretariat and Corporate Engagement Working Group alongside the Institutional Investors Group on Climate Change (IIGCC).
- Advocating for stronger climate and clean energy policies and regulations at the state and federal level through the Ceres' Policy Program and the Business for Innovative Climate and Energy Policy (BICEP) Network. Ceres played a key role in mobilizing corporate and investor support for the 2022 Inflation Reduction Act (IRA), the largest investment in energy, climate solutions, and environmental justice, as well as complementary policies such as the Infrastructure Investment and Jobs Act (IIJA). In addition to securing federal policy wins, Ceres has advocated for state policies in more than a dozen priority states, including building the investor and company support to pass the Advanced Clean Cars II rule and Advanced Clean Truck rules. These rules will ensure the development and proliferation of environmentally friendly technologies in the transportation sector.
- Co-leading the Climate Action 100+ Initiative with investor networks based in Europe, Asia, and Australia, as well as the UN PRI. Through the initiative, 700+ investors engage with 171 of the world's largest corporate GHG emitters to align their business strategies with the Paris Agreement goals.
- Leading the Ceres Ambition 2030 initiative to decarbonize six of the highest-emitting sectors and build a stable, just, and climate-resilient economy. Ambition 2030 drives greater corporate ambition, action, and accountability in six high priority sectors – banking, electric power, food and agriculture, oil and gas, steel, and transportation – that together account for 4,200 million metric tons of CO₂e across their value chains and 80% of total U.S. GHG emissions.
- Launching Food Emissions 50, an investor-led initiative to accelerate emissions reduction in the food sector as part of Ceres Ambition 2030. As part of the initiative investors engage with 50 of the highest-emitting public food companies in North America to improve GHG disclosures, set ambitious emission reduction targets, and implement ambitious climate transition plans in line with the Paris Agreement. The [Food Emissions 50 Company Benchmark](#) assesses companies in the North American food sector on their progress towards aligning with and accelerating the transition to a net zero emissions

economy. With input from signatories of the Ceres Food Emissions 50 initiative, food companies, and an expert advisory committee, Ceres released [The Investor Guide to Climate Transition Plans in the U.S. Food Sector](#). The guide provides investors and companies with information to create climate transition plans that will help food companies meet their climate targets.

- Educating and engaging regulators, financial institutions, investors and other capital market influencers to act on the climate crisis as a systemic financial risk. Within the Ceres Accelerator for Capital Markets Program, this work is being conducted through four key initiatives:
 1. Regulating Climate as a Financial Risk
 2. Financing a Net Zero Economy
 3. Driving Board Oversight of ESG and Responsible Policy Engagement
 4. Achieving Paris-Aligned Portfolios
- Advocating for labor rights and equitable workplaces through the Ceres Just and Inclusive Economics workstream. In 2022, Ceres launched the Environmental and Climate Justice Working Group through its Policy Network and Company Network. This working group brings together leading corporations to promote internal equity within its operations and to advocate for policies that advance environmental justice. Ceres also engages directly with companies on labor topics, such as aligning with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and assessing human rights due diligence for a company's direct workforce and supply chain.
- Publishing thought leadership [articles](#), [reports](#), frameworks, [tools](#), and educational platforms that engage investors and companies in key areas aligned with the UN Global Compact, including the following:
 - Ceres Accelerator for Capital Markets continues to publish a number of reports, but notably released [Turning Up The Heat: The need for urgent action by U.S. financial regulators in addressing climate risk](#) and [Measuring and Addressing Climate Risks for Banks](#) and the annual [Responsible Policy Engagement Analysis](#) of S&P 100 companies.
 - The Ceres Water Program released several reports, but notably released [The Global Assessment of Private Sector Impacts on Water](#) and the forthcoming Valuing Water Finance Initiative benchmark (slated for late Fall 2023).
 - The Ceres Food and Forest Program released several reports, but notably released [Climate Transition Plans in the U.S. Food Sector](#)
 - A full list of Ceres reports and publications can be found at our website, ceres.org/resources

Part III. Measurement of Outcomes

The Ceres [FY22 Annual Report](#) provides details on how Ceres mission, initiatives, and campaigns align with and advance the UNGC's Ten Principles. Additionally, the annual report contains relevant qualitative and quantitative indicators to measure the outcome of the activities described in Part II (above). The following list includes some notable outcomes in this reporting period:

- Since 2021, more than 309 asset managers responsible for a combined \$59 trillion in assets — or nearly half of the professionally managed assets in the world — have joined the Net Zero Asset Managers (NZAM) initiative. This group of global investors is committed to achieving net zero emissions by 2050 and setting interim climate targets. Ceres played a supporting role in welcoming 72 asset managers to the initiative and is engaging with them to set and achieve emissions targets for their managed assets. More than two-thirds of these investors have set interim targets for significant emissions reductions by 2030 (aligned with Ceres Roadmap 2030 guidance). Ceres has assisted North American investors interested in developing their own Investor Climate Action Plans (ICAPs), developed case studies of best practices in ICAP construction, and continues to hold training courses to help investors create their own action plans. In 2022, Ceres published case studies of more than 20 ICAPs from influential investors all over the world.
- Ceres secured 89 Institutional investor signatories to the Valuing Water Finance Initiative who will engage 72 companies with a high-water footprint to value and act on water as a financial risk and drive the necessary change(s) to better protect water systems.
- Ceres grew its Company Network and Policy Network membership to a combined 125+ corporate sustainability leaders. The Ceres Investor Network grew to include 213 investors.
- Ceres helped move hundreds of companies to take actions across a range of outcome areas aligned with guidance in Ceres' Roadmap 2030 and other foundational benchmarks/guides. This included 403 corporate commitments in 2022, with topics ranging from corporate governance to corporate clean energy procurement, including more than 80 commitments on corporate water risk integration.
- Ceres played a key role in mobilizing companies and investors in support of federal climate legislation. This included organizing hundreds of companies to sign onto [multiple letters of support](#) for federal climate legislation throughout the negotiation process and mobilizing more than 100 companies to meet directly with legislators as part of Ceres' [LEAD on Climate 2022](#). Ceres was recognized by the White House for its work mobilizing private sector support for the IRA.
- Ceres mobilized 209 companies and investors to take 326 advocacy activities in support of clean transportation policies in 2022. This includes 32 corporate members

of the Corporate Electric Vehicle Alliance who have publicly supported state and federal electric vehicle legislation that aims to increase the number of clean medium- and heavy-duty vehicles to address air pollution from the transportation sector.

- Specifically, Ceres mobilized more than 85 investors and companies to advocate for the Advanced Clean Truck rule in states across the United States. The rule will help bring down costs for zero-emission medium and heavy-duty vehicles by requiring manufacturers to increase model availability to meet the needs of fleet operators and drive investment in clean transportation research and development.

For more information regarding this Communication of Engagement report or Ceres' activities in line with the UNGC, please contact: **Karen Patterson Greene**, Program Director, Ceres Innovation and Evaluation via kpattersongreene@ceres.org.