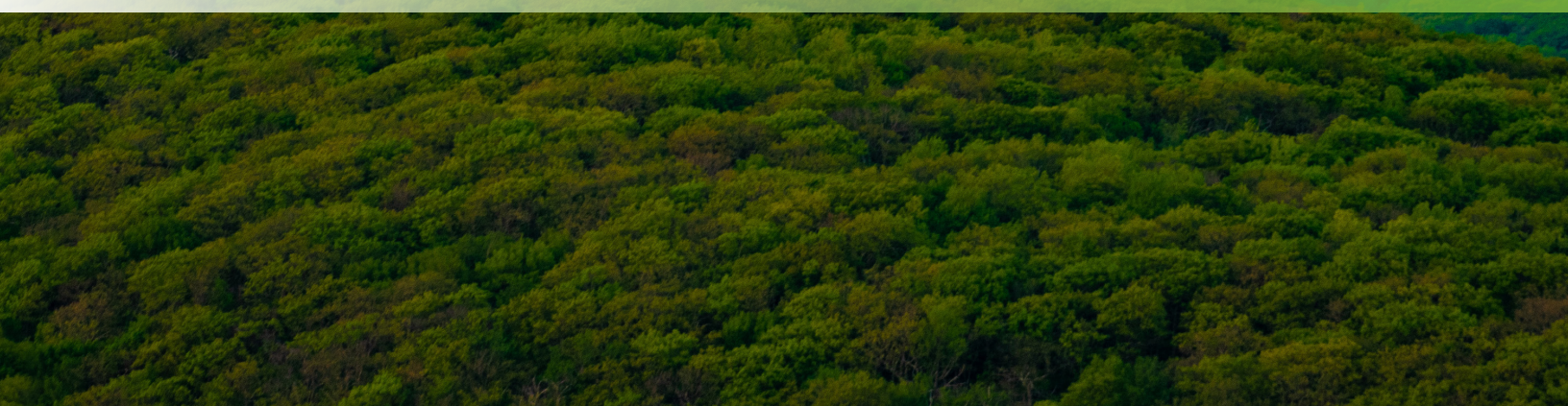




Ceres

# 2021 ANNUAL REPORT







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## A Message from the CEO and President

Progress. That's what 2021 brought to climate action as you'll read in our 2021 Annual Report.

The U.S. returned to the Paris Agreement reaffirming our commitment to reach ambitious targets that will reduce planet warming emissions this decade. Companies and investors across the economy stepped up with bold commitments to put us on the path to a net zero future. Investors achieved historic shareholder votes and we saw critical wins on climate and clean energy policies. And federal regulatory agencies, like the Securities and Exchange Commission (SEC), began to identify climate change as the systemic financial risk it is and have taken steps to address it.

But, we know, it isn't enough. The U.S. is woefully behind in responding to the escalating climate threats we face, and we aren't even close to meeting the goal of limiting warming to the 1.5 degrees Celsius needed to further avoid the catastrophic impacts of the climate crisis.

Carbon emissions rebounded sharply in 2021, after plummeting in 2020. Last year's deadly heat dome in the Pacific Northwest, record-setting fires in Colorado that burned nearly 1,000 homes in just a few hours, and devastating flash floods in the Northeast are just a preview of what more is to come. And the global water crisis is getting worse by the day, with global water demand expected to exceed supply by 56% by 2030.

The bottom line is, we must move at an accelerated pace and scale to cut emissions in half by 2030 if we want to avoid the worst impacts of the climate crisis. And that's where Ceres comes in!

I'm immensely proud of the accomplishments we made in 2021 to help spur more action by the private and public sectors. We've focused the spotlight on the issues and raised the ambition of our investor and company members to meet the demands of this moment.



- We launched our newest climate initiative—**Ceres Ambition 2030**—with the goal of moving beyond action company by company and decarbonizing entire sectors, starting with six of the highest emitting sectors of the economy.
- We put U.S. financial regulators on notice by scoring 10 federal agencies on how they are addressing climate change as a systemic financial risk, and we were instrumental in the ground breaking draft rule mandating climate risk disclosure by the SEC
- We welcomed new corporate participants to the AgWater Challenge, which encourages leading food and beverage companies to carry out sustainable agricultural practices that are locally relevant and account for crop types, climate variations, and regional economic and cultural practices.
- We made considerable progress on our commitment to diversity, equity, and inclusion in our own hiring, with 41% of new hires in 2021 identified as part of the Black, Indigenous and People of Color (BIPOC) community.

I hope you'll read about all the impressive progress we've made together in our 2021 Annual Report. We are grateful for all the supporters, members, funders, and those around the globe who understand how essential the work we are doing is to build a sustainable and just future.

Our work is your work, and we look forward to accomplishing even more together in 2022.

Sincerely,

**Mindy Lubber**

## Turning Up the Climate Heat on U.S. Regulatory Agencies

Since launching the Ceres Accelerator for Sustainable Capital Markets, we've been consumed by establishing climate change as a systemic financial risk – knowing all too well that the disastrous effects of the climate crisis are wreaking havoc on our energy, water, food and financial systems, costing homes, lives, jobs and billions of dollars in damages. And if we don't create systemic safeguards and solutions soon, things will only get worse. That is where U.S. regulators come in – groups like the Securities and Exchange Commission (SEC), Department of Labor (DOL), Federal Trade Commission (FTC) and other regulatory agencies have the power to put systemic economic safeguards in place now that can help protect the U.S. against serious financial upheaval in the future.

### [Regulating Climate Change as a Systemic Financial Risk - Ceres 2021 - Youtube](#)

The Ceres Accelerator's first report, [Addressing Climate Change as a Systemic Risk: A Call to Action for U.S. Financial Regulators](#), provided 50+ recommendations to U.S. regulatory agencies on what they can and should do to address the climate crisis, and in the months following we saw some notable progress.

- The Federal Reserve affirmed climate change as a systemic financial risk and joined the Network for Greening the Financial System—a global climate club for central banks.
- Federal Reserve Governor Lael Brainard announced at the Ceres Conference 2021 a new panel focused on financial stability risks and the possibility of climate stress tests for banks.
- The Securities and Exchange Commission (SEC) created the first ever Senior Policy Advisor for Climate and ESG, and Acting Chair Allison Lee directed staff to enhance their focus on climate-related disclosures.
- Secretary of Treasury Janet Yellen affirmed climate change as a systemic risk and will establish a climate hub to prioritize policies that increase financing for clean energy and address climate-related risks to the economy.



While these initial steps are important, the majority of U.S. financial regulators were still lagging far behind their global peers, and far behind what scientists and economists deem necessary to protect the U.S. financial markets from the systemic risks posed by the climate crisis. To spur even more action, Ceres released a second report, [Turning up the Heat](#), which scored 10 U.S. financial regulators – from the Commodity Futures Trading Commission to the Securities and Exchange Commission – on three initial steps on climate change action: affirming climate change as a systemic risk, doing public research on climate change, and ensuring that senior staff focus on climate change.

Since releasing the report and scorecard, Ceres has been engaging with more financial regulatory agencies than ever before, helping them better understand the issues and providing the much needed investor and corporate support to enable these changes. And in some instances, those engagements have led to new proposals by agencies that support our climate goals.

The Department of Labor (DOL) has proposed a new rule that would allow the consideration of environmental, social, and governance (ESG) criteria in funds covered by the Employee Retirement Income Security Act (ERISA), as well as allow proxy voting for those funds. The proposal would reverse Trump administration-issued rules that made it more difficult to consider ESG criteria in ERISA plans, especially in default options. Since the rule was proposed, it has been overwhelmingly supported by investors and individuals alike.

The Securities and Exchange Commission (SEC) has proposed a new rule that would require U.S. publicly traded companies to disclose annually how their businesses are assessing, measuring, and managing climate change financial risks. Ceres and our investor network have been working to get climate risk reporting requirements issued by the SEC for more than a decade—making the case that investors need this information to make better, more informed investment decisions. Ceres has been working with our partners to ensure that there is overwhelming support for this landmark rule from a wide swath of Americans, including hundreds of investors as well as civil society leaders and companies. We expect the proposed rule to be finalized later this year, which will be a monumental victory for investors seeking better climate risk disclosure from the companies they own.

In June, Ceres released an [updated climate scorecard](#) which shows that nine federal agencies have collectively taken 230 public actions since April 2021 that will help address climate-related financial risk.

## **Financing a Net Zero Economy: Banks and Climate Change**

The Ceres Accelerator is also engaging with banks and other financial institutions on their role in addressing climate change as a systemic financial risk. We released two reports focused on the banking sector and climate change this past year.

**Measuring and Addressing Climate Risk for Banks** investigates banks' climate-related financial risks and their exposure to a disorderly transition. Based on the finding that a majority of bank lending is in climate-exposed sectors, the report also lays out a blueprint for bank action with key recommendations for how banks can discuss their climate risk exposure and the mitigation strategies they can use to address this risk exposure and broader climate-related societal impact.

**The Consequences of Physical Climate Risk for Banks** offers detailed recommendations to guide the banking industry in fully measuring, analyzing, and acting against threats posed by the physical risks of climate change. It sets out a practical roadmap to help banks conduct risk assessments and incorporate climate risks into their day-to-day decision-making.

[Financing a Net Zero Economy: The Consequences of Physical Climate Risks for Banks -Youtube](#)



## Addressing the Global Water Crisis

Water is the lifeblood of every human and economy, yet it is chronically mismanaged in much of the world. The water crisis is playing out in different ways in the U.S. and across the world, from severe drought and pollution to insufficient access to safe drinking water – disproportionately impacting our most vulnerable and marginalized communities.

By 2030, global water demand will exceed supply by 56 percent and despite the United Nations declaring that access to water and sanitation is a human right, 2.1 billion people do not have access to safe drinking water.

For over a decade, Ceres has been working closely with companies and investors on water. These efforts have focused on increasing water risk integration into investment decision-making and providing investors with tools and resources to support their engagements with portfolio companies on risk mitigation.

In 2021, Ceres made great strides to highlight the growing physical and financial risks of the global water crisis.

## Valuing Water Finance Initiative

Leveraging Ceres' legacy of driving investor action on the most pressing environmental issues, we are launching the Ceres Valuing Water Finance Initiative to help companies recognize fresh water as the world's most precious natural resource and its essential role in industries, communities and ecosystems.

The [Ceres Valuing Water Finance Initiative](#) is a global investor-led effort to engage corporate water users and polluters to value and act on water as a financial risk and drive the necessary large-scale changes to better protect water systems.

The initiative calls on companies to meet a set of Corporate Expectations for Valuing Water that aligns with the United Nation's 2030 Sustainable Development Goal for Water (SDG6) and the actions laid out in the Ceres Roadmap 2030.

[Valuing Water: What Institutional Investors and Banks Can Do - Ceres 2021 - YouTube](#)

## AgWater Challenge

Ceres welcomed new commitments from major companies to improve their agricultural, manufacturing practices, and most importantly, **soil health as part of the Ceres/WWF AgWater Challenge**. In 2016, Ceres and World Wildlife Fund (WWF) launched the AgWater Challenge to encourage leading food and beverage companies to implement sustainable agricultural practices that are locally relevant and account for crop types, water availability, climate variations, and regional economic and cultural practices. Since its inception, the AgWater Challenge has partnered with eleven major corporations to advance commitments to better address water in agricultural sustainability programs.

In 2021, Ceres and WWF welcomed [three major agricultural companies to the AgWater Challenge](#): Danone North America - owner of iconic dairy and plant-based brands, Ingredion - leading sweetener and starch producer, and Mars, Incorporated - global food, confectionery and pet care company.

The 2021 AgWater Challenge added a new specific focus, calling on companies to address soil health and nutrient management practices in high-risk watersheds that improve water outcomes, reduce nutrient losses, and increase yields. These new corporate commitments go beyond traditional water stewardship goals and is easily scalable, thus influencing local to global action. It's a people-centered approach, starting with the farmers



who benefit from the resilient soils—making sustainable water use both practical and profitable for them—and including other local stakeholders to build up to collective watershed action.

For instance, under its latest 2021 commitment, Ingredion pledged 1 million acres under regenerative agriculture in its global supply chains by 2030 – representing about 30% of its total global sourcing. Danone, North America is offering incentive programs that will cover 100% of acres and farmers associated with their 2021 AgWater Challenge commitment by 2025, including technical assistance and support for farmers to identify and secure financial assistance to foster practice adoption. Take these local actions and apply it to the supply chains of some of the world’s largest multinational companies, and it’s easy to see the kind of impact the AgWater Challenge stands to make.

Protecting our watersheds should be our first line of defense in stabilizing and adapting to a warming planet, which is why some of the world’s most influential companies are working with suppliers and farmers to chart a path to climate- and water- smart agriculture. Not only is it the right thing to do—it is critical if they want to continue to operate sustainably in the future. Food and beverage companies in the AgWater Challenge set an important precedent for the necessary work corporations must do to address water protection and climate change.

[Lessons from the Field on Agricultural Water Stewardship - Ceres 2021 - YouTube](#)

## Feeding Ourselves Thirsty

One of the ways Ceres engages with companies to improve their environmental, social and governance (ESG) performance is by benchmarking them on key performance indicators. Our [Feeding Ourselves Thirsty](#) report has benchmarked the largest food and beverage companies globally since 2015. Our fourth and final benchmarking report released in 2021 shows some real progress with companies better understanding and beginning to better manage water risks.

Since our last benchmark in 2019, food companies have shown that they are taking global water risks more seriously. As of 2021, **71% of companies** consider water risks as part of their major business planning activities and investment decisions, **up 58% from our 2019 benchmark**. Now, **more than half of companies** tie executive compensation to water and sustainability performance (up from 33% in 2019) and **87% of companies** are providing educational support to farmers to encourage adoption of practices that reduce impacts and dependence on water (an increase from 70% in 2019).

Despite this progress, many companies simply aren’t moving quickly enough to ensure sustainable water supplies. The average company score is less than half of all available points, with an overall food sector average of 45 points and the meat sector still lags behind the pack, scoring an average of 18 points.

To drive more investor engagement with meat companies, Ceres collaborated with water risk consultant Bluerisk, sustainability intelligence provider S&P Global Sustainable<sup>1</sup>, and the asset manager DWS Group to produce a first-of-its-kind report estimating the financial costs of addressing water externalities for three major companies in the packaged meat industry. Overall, companies do not have sufficient water risk management practices in place, exacerbating their exposure to threats across their supply chains. The financial fallout of these reputational, regulatory, and physical risks has become increasingly evident. Companies, and investors, in the meat and other sectors can use and apply these methods to estimate impacts on water resources across the value chain, and the cost of taking action, to ultimately inform the potential capital and operational expenditure required to eliminate supply chain water impacts, reduce risk, and capitalize on opportunities in the face of increasing water challenges.





Ceres will continue to engage investors and companies globally to educate them on the global water crisis and become better stewards of the world's precious freshwater supplies.

## Ratcheting Up Climate Ambition Sector by Sector

In September, the Intergovernmental Panel on Climate Change (IPCC) issued a 'code-red' report regarding the state of the climate – warning again that the world isn't making enough progress and urging swifter action to reduce carbon emissions. In response, we launched our newest climate initiative, [Ceres Ambition 2030](#).

The Ceres Ambition 2030 initiative is working to decarbonize six of the highest-emitting sectors in the economy, focusing on the banking, electric power, food, oil and gas, steel, and transportation sectors. By building on decades of work at Ceres, and leveraging the power of investors and other stakeholders, we aim to transform these key sectors by moving the biggest emitters reach their corporate climate goals, create robust transition action plans, and report back on their progress towards achieving interim emissions reduction targets by 2030. Strong commitments from key companies can spur a competitive cascade among sector peers. As companies move to address indirect emissions throughout their supply and value chains, their actions will reverberate throughout their sector and the broader economy.

We launched the first sector strategy, [Ceres Food Emissions 50](#), to engage 50 of the highest-emitting publicly traded food and agriculture companies in North America, with the goal of accelerating the transition to a net zero emissions future. We'll be launching more sector strategies in the months to come.

[Food Emissions 50: Progress by Food Companies in Disclosing Emissions and Setting Targets - YouTube](#)

## Investors Take Global Action on Climate

Investors took strong action on climate change this past year in unprecedented ways. From passing historic shareholder resolutions on climate, to the strongest call-to-action on world governments to address the climate crisis, to committing to their own climate action plans, investors continue to make the financial case for transitioning to a net zero economy.

At the beginning of the year, asset managers representing more than \$9 trillion of assets under management (AUM) launched the [Net Zero Asset Managers initiative](#). This group of global investors, which is managed by Ceres and our global investor partners, have committed to support the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C. Since its launch in 2021, **the initiative has grown to 274 investors with more than \$61 trillion in assets under management, which now includes nearly half of all global assets under management** and the world's three largest asset managers: BlackRock, Vanguard and State Street Global Advisors.

Ceres has been working directly with investors to create climate action plans. Ceres, along with the other partners of [The Investor Agenda](#), developed [The Investor Climate Action Plans \(ICAPs\) Expectations Ladder and Guidance](#) to provide investors with clear expectations for issuing and implementing comprehensive climate action plans, including steps investors can take to support the goal of a net-zero emissions economy by 2050 or sooner. **Since releasing this guidance, 20 investors including the New York State Common Retirement Fund, the California State Teachers' Retirement System, Impax Asset Management and the San Francisco Employees' Retirement System have released climate action plans.**

Investors participating in [Climate Action 100+](#), the world's largest investor engagement initiative on climate

**change**, released its first-ever benchmark evaluating the corporate ambition and action of the world's largest greenhouse gas emitters. These investors also utilized their platform to engage with companies on critical climate-related shareholder resolutions, gaining historic votes at annual meetings in 2021.

**A climate-related proposal at General Electric got a record-setting 98% of the vote.** The proposal seeks information on whether and how the company will meet Climate Action 100+ Net Zero Company Benchmark metrics on reducing greenhouse gas emissions across its operations and products.

In a dramatic shake up signaling an accelerating transition away from a fossil fuel economy, **a majority of ExxonMobil shareholders voted to replace three of the oil major's board of directors** with an alternative slate of candidates experienced in clean energy and energy transitions. These votes for change show the sense of urgency felt across the investment community that climate change is a financial risk that must be addressed.

Other Climate Action 100+ backed resolutions seeking **emissions reduction targets at ConocoPhillips and Phillips 66 obtained majority shareholder approval.**

In their strongest message to world leaders yet, **457 investors managing more than US\$41 trillion in assets released [The 2021 Global Investor Statement to Governments on the Climate Crisis](#).** This global call to action asks for governments to raise their climate ambition and implement meaningful policies, or risk “missing out” on a massive wave of investment in tackling the climate crisis. In particular, the statement asks for climate-related financial disclosure to not only be improved but be required. It also reflects the devastating impacts of the COVID-19 pandemic and calls for resilient economic recovery plans that support the just transition to a net-zero emissions future that is already underway.

## **A New U.S. Federal Administration Brings Renewed Action on Climate**

With a new climate-friendly administration in the White House and the momentum of a new round of global climate talks, we felt positive that together we could make solid progress on federal climate action. While it wasn't the banner year we were hoping for, we did move the needle on corporate climate advocacy and accomplished several important climate policy victories in 2021.

- The Biden administration made good on its campaign promise to Ceres and other members of the “We Are Still In” coalition to **put the U.S. back in the Paris Agreement.**
- After **Ceres and the We Mean Business Coalition [delivered an open letter signed by more than 400 U.S. businesses](#) calling on President Biden to “adopt the ambitious and attainable target of cutting GHG emissions by at least 50% below 2005 levels by 2030**, the Administration responded by announcing a target, called a Nationally Determined Contribution (NDC), for the U.S. to achieve a 50–52% reduction by 2030, consistent with our call to action.
- Ceres **[built the much-needed investor and corporate support](#)** to help secure the Infrastructure Investment and Jobs Act, which includes significant funding for critical clean energy, clean transportation, and environmental justice measures. In recognition of our efforts, Ceres president and CEO, **[Mindy Lubber was invited to attend the bill's signing](#)** at the White House.
- To build on the climate provisions in the Infrastructure Investment and Jobs Act, **Ceres organized more than 400 companies, investors, trade groups, and employers to call for the “swift enactment” of a second economic package with historic climate investments to match the scale of the problem.**



- Ceres released a [first-of-its-kind report benchmarking the methane](#) and GHG emissions of oil and gas companies that was featured on the front page of the New York Times. Both ahead of and following the report, we worked with ICCR to help investors representing \$5.35 trillion in assets call on the Biden administration to set comprehensive regulations to curb methane emissions. This along with global pressure resulted in the Biden administration releasing the Methane Emissions Reduction Action Plan, including proposed rules from EPA to curb methane emissions.
- The Ceres Accelerator for Sustainable Capital Markets engaged with multiple federal agencies to get them to take specific actions to address the climate crisis as a systemic financial risk. Read more [here](#).

## Advancing State Climate and Energy Legislation

In addition to these nation-wide policies with global climate implications, Ceres continued to build investor and business support for climate and clean energy and transportation legislation in states across the country. **Working with climate, environmental and social justice organizations in more than a dozen states, Ceres helped pass multiple climate and energy bills in 2021.** We built investor and company support from the ground up, putting public pressure on lawmakers to do the right thing for the environment and the economy. Here are some of the important policy victories we helped make happen in 2021.

- **Virginia adopted the Advanced Clean Cars (ACC) program** which includes both the Low-Emission Vehicle (LEV) standards to limit greenhouse gas emissions from passenger vehicles, and the Zero-Emission Vehicle (ZEV) program to require a proportion of new passenger vehicle sales be zero-emission vehicles. Fourteen other jurisdictions have already adopted the ACC program, including Virginia's neighbors Maryland and the District of Columbia.
- **Massachusetts signed into law the 2050 Next Generation Roadmap**, ambitious, bipartisan climate change legislation that aims to ensure the Commonwealth achieves its net-zero emissions goal by 2050.
- **Minnesota passed the Energy Conservation & Optimization (ECO) Act** which will expand the state's successful Conservation Improvement Program (CIP) to help Minnesota businesses and households use electricity and natural gas more efficiently. CIP has been a proven source of revenue and jobs for communities across the state, generating a \$4 return for every \$1 invested in the program.
- **Illinois passed the Climate and Equitable Jobs Act**, a bold climate and energy package that puts the state on a path to a carbon-neutral energy sector by 2050.
- **Colorado now requires large buildings to track and report greenhouse gas emissions**, helping companies reduce emissions over time, thanks to a new law aimed at helping the state achieve its broader climate goals.

[Raising the Stakes on Policy Advocacy - Ceres 2021 - YouTube](#)

## Transportation and Vehicle Emissions Standards

In December, the EPA (Environmental Protection Agency) released new federal vehicle emissions standards that are more ambitious than what was originally proposed. **The new standards came on the heels of a [policy brief from Ceres that analyzed three sets of vehicle standards proposed by the National Highway Traffic and Safety Administration \(NHTSA\)](#) and found that the strongest proposed standards would provide U.S. automakers with a cost-effective insurance policy against future fuel price shocks and would increase their global**



competitiveness as electric vehicle adoption accelerates worldwide. **The stronger standards were also publicly supported by companies in Ceres Policy Network, BICEP, and the Ceres Corporate Electric Vehicle Alliance.**

The new standards will lead to nearly one billion tons of additional GHG reductions by 2050. They are also expected to double the anticipated electric vehicle market penetration by model year 2026. These strong emissions standards will help put the auto industry on track to meet the Biden administration's goal of 50% electric vehicle sales by 2030.

[The Future is Electric: Scaling the Deployment of Electric Vehicles - Ceres 2021 - YouTube](#)

## Building a Just and Inclusive Future

At Ceres, we have a crucial role to play—both in advancing a just and inclusive economy (JIE) with the investors, companies, and policymakers we influence, and by demonstrating our own commitment to diversity, equity, and inclusion (DEI) among our staff, board of directors, and other key stakeholders.

As the conversation on DEI in hiring and retention practices reverberates globally, we continue to work arduously towards making Ceres a more welcoming and inclusive place to work. This year Ceres has continued to work on ways to improve our internal diversity, equity and inclusion by:

- Expanding and diversifying our hiring networks, with **41% of new hires in 2021 identified as part of the Black, Indigenous and People of Color (BIPOC) community.**
- Implementing annual increases for our racial diversity applicant pool goals.
- Integrating DEI into both individual and programmatic annual planning processes.
- Diversifying our pool of consultants and vendors.

In January, Ceres hired Alexandria Harris as Vice President of Diversity, Equity and Inclusion. In this newly created role, Alex is focused on supporting cultural change throughout Ceres using her holistic approach to Diversity, Equity, Inclusion and Belonging.

But our work to create a more just and sustainable world is not confined to our offices and workforce.

In the [Ceres Roadmap 2030](#), we laid out a vision for sustainable business leadership which includes steps companies can take to create a more just and inclusive economy. The Ceres Roadmap 2030 challenges all companies to actively consider the human impact of business model disruption and work to support a just and inclusive transition for all impacted employees, consumers, and communities.

This important work that Ceres calls on companies to undertake includes:

- Respecting **human rights** and being aware of adverse human rights impacts through a company's own business activities or business relationships.
- Building a **diverse** workforce that fosters a culture of anti-discrimination and encourages an inclusive workplace that empowers and invests in the advancement of women, people of color and other historically disadvantaged and underrepresented groups.



- Paying the livable minimum wage and creating **equitable access** to comprehensive benefits for all, and especially to close the wealth gap for women, people of color and other historically disadvantaged and underrepresented groups.
- Guiding companies on how to avoid adverse impacts to people that occur because of internally and externally driven business model disruption and embrace sustainable business models.

Equity and Inclusion: Moving Beyond Business as Usual to Address Racial Injustices – Ceres 2021: [Equity and Inclusion: Moving Beyond Business as Usual to Address Racial Injustices -- Ceres 2021](#)

In July 2021, Ceres hired [Amit Bando](#) as our Chief Economist and Senior Advisor for Just and Inclusive Economics. Amit is focused on ensuring that Ceres' programs fully reflect and integrate our commitment to building a just and sustainable economy. With Amit's leadership, we have successfully launched this initiative and in this first year focused on conducting research, establishing goals, strengthening relationships with the environmental justice community and building capacity on the program teams.

We have also begun to integrate principles of a Just Transition (JT) throughout our work as identified in a few examples below:

Evaluating the nexus of water, energy, agriculture and other issues to better understand the impact on workers and indigenous communities and land rights, and how inequitable finance options are impacting BIPOC farmers.

Assessing alternative carbon pricing options to help advocate for the best economic policies to accelerate a just transition and mitigate the inequitable consequences that historically have been shouldered by marginalized communities.

Developed an internal taxonomy to better incorporate the key definitions and terminology used by established civil rights, environmental and climate justice organizations into our work.

Created a partnership plan intended to equip Ceres teams with a framework for incorporating principles of justice, equity and inclusion into their relationships with external partners and grassroots organizations.

In addition to laying the groundwork identified above, Ceres has expanded its efforts incorporate principles of a just and inclusive economy into our own work this year in the following ways:

- Developing a Net Zero Company Benchmark Indicator on JT for Climate Action 100+ to help build the business case for integrating just and inclusive principles into corporate climate transition plans and actions
- Expanding the focus of the Ceres Shareholder Initiative on Climate and Sustainability (SICS) for action during proxy seasons. To date, we have conducted a focused assessment of 66 companies within four key sectors (transportation, steel, banking, and food) to prioritize potential action.
- Incorporating JT and equity issues into investor and company engagements as well as climate and energy policy priorities.
- Requiring Ceres Company Network members set a path to achieving equity for women and other historically disadvantaged or underrepresented groups across their workforces.
- In addition to a focus on diversifying our staff, Board of Directors and member Networks, we are proactively requiring an increasing number of diverse speakers and participants for our annual conference, ongoing



webinars and other events.

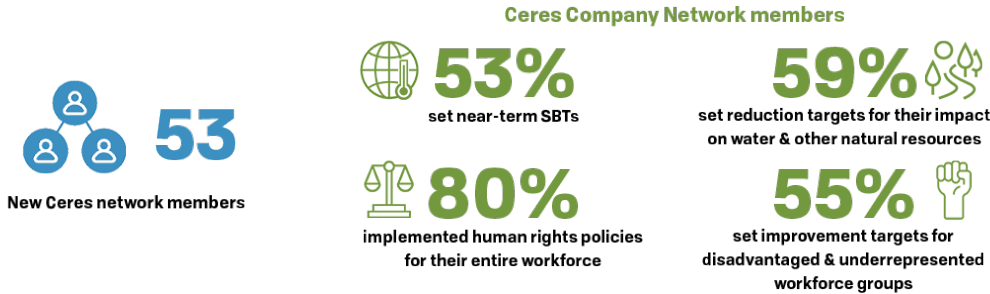
As an example of our policy work, in Massachusetts, Ceres built investor and company support for a new piece of climate legislation, The Next Generation Roadmap. The emissions reduction bill not only calls for net zero emissions by 2050, but also includes important equity and environmental justice components, including defining ‘environmental justice communities’ by race, income and English language proficiency and requiring environmental impact reports for projects close to environmental justice communities. The bill also removes barriers and provides more equitable access to renewable solar power for low-income households.

At Ceres, we have a meaningful role to play to help achieve a just and equitable transition to a zero emissions economy. As we move forward, we are committed to finding solutions that integrate JIE and prioritize diversity, equity, and inclusion.

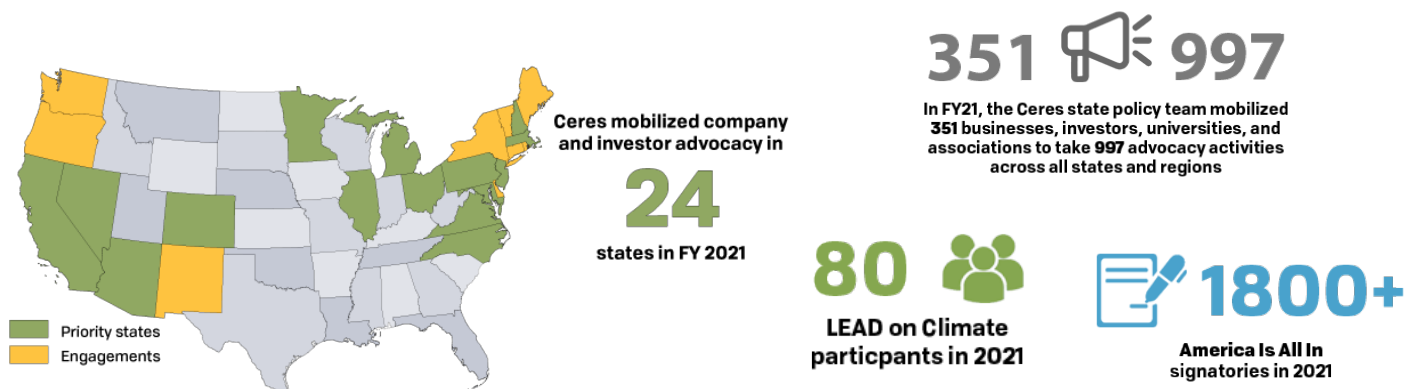
## Ceres by the Numbers

Over the past year, Ceres has grown in many ways, and we keep growing. From hiring new staff members, to expanding our powerful networks, to increasing the number of states we work in, we’ve grown in numbers and influence. This growth helps us achieve our broader mission of transforming the economy to build a sustainable future for people and the planet for years to come. Below are just some of our growth numbers and statistics from 2021.

### Ceres Networks



### Climate and Energy Policy Advocacy



## Initiatives



# 14

**Investors and Banks on the Valuing Water Finance Task Force**



# 645

**Climate Action 100+ investors with \$55 trillion AUM**

## Events and Media



# 20

**New reports released in FY 2021**



# 5,409

**Earned media hits**



# 110,573

**Total online reach (Twitter, Facebook, LinkedIn, Email)**



# 4,883

**Number of attendees to Ceres events including Ceres 2021 and Evening with Ceres**

## Operations



# 49

**New hires in 2021**



# 159

**Full time employees in 2021**

# 9.5%



# 12.3%

**In FY21, Ceres increased individual support by 9.5% and Ceres1000 leadership donor community by 12.3%**

## Ceres Sustainability Update

Due to the COVID pandemic, Ceres' footprint related to travel and commuting was reduced to nearly zero. Our offices remained closed for almost the entirety of FY21 and staff were not traveling. We continue to offset the emissions from our office operations and will once again conduct a full audit of our emissions for the coming fiscal year as our offices reopen and staff begin to travel again.



## Top Four Downloaded Reports of 2021

As part of our work to build leadership across every sector of the economy, Ceres publishes cutting-edge research and innovative reports and tools to educate and inspire leaders to act quickly on the world's biggest sustainability challenges.

Here are just a few of the resources we released in 2021 to help investors, companies and policymakers understand that sustainability truly is the bottom line.

### 1. Ceres Roadmap 2030

Since its launch, the [Ceres Roadmap 2030](#) continues to address critical global sustainability threats especially in the areas of the climate crisis, water scarcity, racial, gender and economic inequity. The Ceres Roadmap 2030 exists to help companies as they navigate our new and ever-changing business reality to thrive in a more equitable, just, and sustainable economy. The Ceres Roadmap 2030's [microsite](#) is designed to be an ongoing resource for companies and investors as it provides guidance that allows companies to see how the Ceres Roadmap 2030 applies to their own business or investment portfolios.

### 2. Food Emissions 50 Company Benchmark

The [Food Emissions 50 Company Benchmark](#) report assesses the progress companies in the food sector are making as they align and accelerate to a net zero emissions economy. In 2021, Ceres benchmarked Food Emissions 50 companies against the quality of their greenhouse gas emissions disclosure and reduction targets. For many food companies, scope 3 emissions from supply chains represent 80% or more of their total emissions.

### 3. Corporate Climate Commitments

The report, the [Role of Natural Climate Solutions in Corporate Climate Commitments: A Brief for Investors](#), is a first-of-its-kind engagement tool for investors to spur meaningful dialogue with companies on the role and use of natural climate solutions in delivering on those commitments. It provides clear guidance on how to facilitate engagements with portfolio companies and lays out expectations for climate disclosures—calling for transparency in critical steps along the way to net zero.

### 4. The Financing a Net Zero Economy: Measuring and Addressing Climate Risk for Banks

The report serves as a cornerstone of the global economy. Since banks have an essential role to play in minimizing the worst impacts of climate change, how they respond to the climate risk depends heavily on how they measure and analyze their exposure to it. This report from the [Ceres Accelerator for Sustainable Capital Markets](#) investigates banks' climate-related financial risks and their exposure to a disorderly transition.

You can view and download all of our reports and tools at [ceres.org/resources](https://ceres.org/resources).

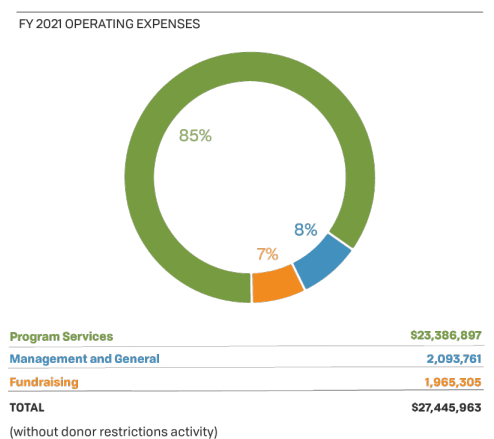
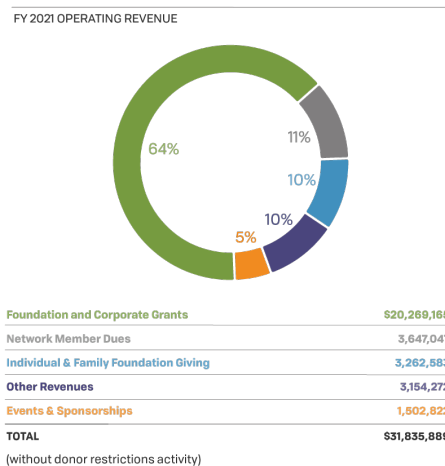
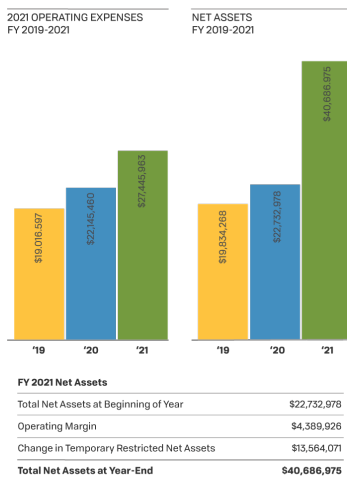




## Ceres' Financial Performance

November 1, 2020–October 31, 2021

In FY 2021, Ceres expanded its reach and impact with a 24 percent overall increase in total expenditures. Overall, 85 percent of Ceres operating expenditures directly support program delivery. Revenues continue to reflect a diverse base, with 64 percent from private foundations; 15 percent from events, sponsorships, and other revenues; 11 percent from network member dues; and 10 percent from individual giving and family foundations. October 31, 2021 total net assets were \$41 million, up from \$23 million the prior year. Total net assets were 148 percent of FY 2021 expenses, reflecting a solid base of unrestricted reserves and restricted funds for program activities in FY 2022 and beyond.



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We want to thank and acknowledge our supporters who made our success in 2021 possible. Together, we are transforming the economy to build a just, sustainable future for people and the planet.

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**Keesa Schreane**

Author, *“Gambling on Green”*

Global Partner Director, London Stock Exchange Group

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“Ceres impact on the climate transition has been formidable. Over the past decade, I’ve watched the organization develop the financial business case for sustainability and successfully bring together the world’s largest investors and corporations to proactively take climate action. Ceres has also spearheaded actionable, measurable solutions in energy, water and food. I’m passionate about the people and programs behind this work and am thrilled to support Ceres.”

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“Ceres is not only a leader in capital market transformation, but also a true mentor in strengthening the sustainability reporting and consulting field in which I work. Its reports, roadmaps, webinars and resources educate, inspire and enable those working toward a more just, sustainable and peaceful world. I became a monthly donor both in recognition of Ceres’ impressive contributions to supporting sustainable development and in deep gratitude for the value my team and I directly receive from all that it shares.”

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“Great nonprofit! Excellent newsletter! Ceres has the mission to change the economy for a greener world and this is an admirable cause that I fully support.”

**Ina A, GreatNonprofits review**

September 29, 2021

