



Impact Report 2019 - 2020



hen we formed Climate Neutral in early 2019, we had no idea that within our first year we would certify 147 brands, garner national media attention, and strike a chord with consumers around the world.

Impact Report 2019-2020 Climate Neutral We also had no idea our first year would draw to a close in the midst of a terrible pandemic. Oddly, the success of our first year in spite of these global conditions offers hope that, more broadly, the business community has turned an important corner. Brands today care about climate change because consumers and employees care about climate change. Sustainably marketed products are growing far faster than their conventional alternatives.

The trend looks hard to reverse. This is very good news at a time when global emissions continue in the wrong direction. Meanwhile, many corporate pledges to clean up emissions within 20 or 30 years push far too much responsibility into the hands of future business leaders and executives. This is not the time to begin gradually turning the ship. Addressing carbon emissions immediately, aggressively, and head-on is absolutely critical.

What's heartening about our early momentum is that we've found a generation of entrepreneurs and business leaders who see the need for high ambition and immediate action. No one has all the answers, but one thing is certain: more companies should pay to offset and reduce their carbon emissions. If they did, the emissions curve would bend in the right direction under the sheer weight of their investments in a wide range of carbon removals and zero carbon alternatives.

As we enter our second year and 2020 certification cycle, we rely on you - our brands, friends, and advocates - to spread the word and give us input. We remain committed to building an efficiently run organization that lowers the barrier for companies to get on board with climate leadership. We rely on your input as we build alliances, technologies, and messages.

Thank you for putting your brand and your confidence behind us in our first year. We won't take them for granted as we work to earn the trust of consumers and the broader climate community. Let's grow this into something globally meaningful.

With your help, we have the potential to drive billions of dollars into carbonreducing projects around the world. It can't happen fast enough.



Austin Whitman CHIEF EXECUTIVE OFFICER



Peter Dering DIRECTOR AND CO-FOUNDER



Jonathan Cedar DIRECTOR AND CO-FOUNDER

Our First Year

February 2019

Climate Neutral incorporated in the State of California

June 2019

Business launch at Outdoor Retailer Summer Market (Denver)

16 brands committed

September 2019

Climate Week debut and press tour (New York City)

36 brands committed

October 2019

Kickstarter and consumer campaigns launched

December 2019

Kickstarter campaign ends 2,400 backers / \$160,000 raised / 30,000 tonnes carbon offset

• 105 brands committed

January 2020

2019 certification cycle begins Beta release of our carbon footprinting tool, the Brand Emissions Estimator

155 brands committed

April 2020

First 90 brands completed Climate Neutral Certification

June 2020

2019 certification cycle ends with 145 brands certified / 200,000 tonnes of carbon





Climate Neutral has a simple purpose:

to get companies to offset and reduce their carbon emissions.

In 2019, we launched the Climate Neutral Certified consumer label.

The label helps brands communicate clearly that they are taking responsibility for their contribution to climate change.

To use the label, companies must measure, offset, and reduce all of the carbon they create by making and delivering their products and services.

We see a powerful opportunity to mobilize companies and consumers to take on the immense challenge of climate change. Here's how it works:

Our label helps consumers find and choose certified brands.

To become certified, brands must measure, offset, and reduce greenhouse gases in accordance with our standards.

- Our software tool makes it easier and cheaper to measure emissions
- Our carbon standards facilitate high-impact carbon offsetting and removals
- Our brand profile pages present the reduction plans companies must outline and implement

The certification is renewed annually.

In our first year, we certified 147 brands and offset 200,000 tonnes of carbon emissions.

These brands drove nearly \$1 million into carbon reduction projects. Our carbon impact was equivalent to eliminating 43,000 passenger cars for an entire year. We funded carbon abatement projects around the globe, from forests in the Amazon to wind turbines in India.

Each of our brands submitted a Reduction Action Plan for their profile page on our website, climateneutral.org/certified-brands



Consumers care about climate change. Brands want to talk about climate change. We're bringing them together.

We introduced consumers to the meaning of our label.

10 million people via our network of brands and ambassadors

7,000 followers in our social universe

137,000 website visitors

2,000 newsletter subscribers

Consumers and business leaders learned about our story in podcasts, blog entries, and the 90 articles written about us.



Awards



OUTDOOR RETAILER INNOVATION AWARD FINALIST



WORLD CHANGING IDEAS FINALIST AND HONOREE



BACKPACKER MAGAZINE EDITORS' CHOICE GREEN AWARD



TRAVEL + LEISURE GLOBAL VISION AWARD

Our Impact: Carbon Eliminated

We measure our success in metric tonnes of GHGs removed and avoided. This year we worked with a network of carbon credit providers to invest in projects that deliver verified carbon reductions and other co-benefits in line with the UN Sustainable Development Goals. We funded projects around the world that remove and avoid carbon emissions, improve public health, protect threatened biodiversity, and support community development.

Our offsetting standards are guided by our Advisory Committee on Eligible Carbon Credits. They guide our standards to help ensure maximum impact from our brands' offsetting investments. Working with this group and other experts, we continue to expand our ability to evaluate and choose projects that deliver measurable carbon benefits. Our certification requires plans for direct reductions of GHGs within corporate operations. We disclose these plans on brand profile pages. In 2019, we offered brands a resource guide to carbon reductions. In addition, our committed and certified brands actively share knowledge and ideas with each other. We are now working to provide reduction recommendations as part of carbon measurement reports to support this important work.

Projects that we supported include:

Forest conservation in the Amazon. Envira Amazonia is protecting and conserving nearly 500,000 acres of tropical rainforests in Northern Brazil. By maintaining carbon sinks in the region, the project is achieving a variety of co-benefits such as preserving biodiversity, preventing erosion, and supporting a range of community development initiatives.

Water filtration This project provides water filtration units throughout Cambodia, particularly in rural areas. These filters displace emissions from the use of fuelwood to boil water, while providing safe drinking water to households and combating water-borne disease. By removing the need for fuelwood, the project also helps alleviate pressure on forest resources, preventing erosion, and supporting a range of community development initiatives.

Our Impact: GHG Measurement

Climate Neutral originated from our founders' experiences with the complex and costly state of the art in carbon measurement, neutrality, and reductions. Working with a team of outside experts, we built a software tool called the <u>Brand Emissions Estimator (BEE)</u> that is the basis for our carbon footprint measurements. We used it to certify all 147 brands and built a user base of 30 others.

In the year ahead, we have an ambitious development roadmap for the BEE. As we expand our user base, we will continue to find ways to simplify and expand access to carbon footprint data for a diverse set of brands and help them down the path to becoming certified.





Governance

Climate NeutraL is an independent 501(c)(3) non-profit organization. Our Board of Directors and three groups of advisors help us achieve our mission.

Our Board of Directors provides general oversight and governance to the organization:

*Elected by certified brands



Peter Dering CEO of Peak Design and Co-Founder of Climate Neutral



Jane Franch Director of Strategic Sourcing & Sustainability, Numi Organic Tea*



Jonathan Cedar CEO of BioLite and Co-Founder of Climate Neutral



Gihan Amarasiriwardena Co-Founder and President, Ministry of Supply*



Sierra Peterson Partner, Lionheart Ventures



Austin Whitman CEO of Climate Neutral

Advisors

Our Advisors provide strategic input and guidance on all aspects of our work.

Greg Norris

Methodology development for GHG measurement. CEO, NewEarth B / Lecturer, MIT

Scott Beaudoin

Marketing and PR strategy

Liz Willmott

Program strategy. Carbon Program Manager at Microsoft Ian Monroe

Science and strategy advisor. CEO, Etho Capital

Advisory Committee: Standards

The Advisory Committee for the Climate Neutral Standards reviews and votes on changes to our Climate Neutral Certified Standards.

Georgia Basso

Independent Consultant

Marie Gustafsson

Senior Consultant,

South Pole

Sarah Leugers

Director of Communications The Gold Standard Foundation

Eric Brody Principal and Founder,

Shift Advantage

Barbara Wong

Product Director, Yerdle Recommerce

Marisa Sanchez Urrea Senior Manager, Point

Advisory

Michael Sadowski

Consultant, Erb Institute, University of Michigan

Dan Nepstad

Charlotte Streck

Co-Founder and Director,

Climate Focus

Max Scher

Head of Clean Energy

& Carbon Programs,

Salesforce

Executive Director, Earth Innovation Institute

Brian Jones Senior Vice President,

Advisory Committee: Carbon

The Advisory Committee on Eligible Carbon Credits reviews

and votes on changes to our carbon credit requirements.

M.J. Bradley & Associates

Seth Baruch Chief Executive Officer, Carbonomics

Cathy Diam-Valla Owner and Manager,

Accessible Energy

Derik Broekhoff

Senior Scientist, Stockholm Environment Institute

Matt Evans

Chief Executive Officer, Up Energy Group

Nancy Bsales

Carbon Offset Strategist, Freelance Consultant

Funders

Climate Neutral's initial funding came from our founding partners, Peak Design and BioLite. In early 2020 we secured a grant from the Mulago Foundation under their one-year conservation and climate program, the Henry Arnhold Fellowship. Climate Neutral was also selected to participate in the Fast Forward Accelerator program for tech nonprofits, an intensive 10-week accelerator that culminates in a Demo Day for the tech and philanthropic communities. Additional funding came from individual and corporate donations through our Kickstarter campaign.



Summary Financials

March 1, 2019 - April 30, 2020

*Since Climate Neutral's annual certification cycle ends in April, we have chosen to report on our work for our first 14 months of operations. Future annual reports will cover the annual period from May 1 - April 30

Income

Donations Earned Income	779,542 8,202
	787,744
Expenses	
Measurement	156,516
Brand & Marketing	192,063
Certification	109,028
Membership	114,172
Fundraising	82,593
Operations	59,715

Certified Brands

22 degrees 5DayDeal* AdMixt Adventure Curated Agua Nea Allbirds Alliance Trading Group Alter Eco Ambler* Ananday Atlas 365 Avocado Green Mattress Backbone Be Ultimate Beam **Belong Wines Benevolent Neglect Wine BioLite*** Biome BlueStar Marketing, LLC **Boyish Jeans Bread Alone Bakery** Lubanzi Wine Cape Clasp Causel abs Centurial Inc.* Cha Cha Matcha Charlie Banana Chico Bag/To-Go Ware Chris Burkard Studio Cold Brew Club* Convert Defunkify **Deso Supply** Dewerstone **Donor Support Foundation** Dyborg

ElanaLoo* Enda Athletic Esembly Baby **Everbrand** Fireclay Tile* Firma Fjord Lifestyle* Flooret Foehn Clothing Inc. Form Forsake Franklin + Emily Fuch und Maus Future Commerce* Gear.com* Good Good Good Goodwell Graphene X* GreenStep Education* Grow Ensemble Haven Athletic Heckin Unicorn **Hibear Outdoors** Hitch lbex Ice Cream Canteen **ICEBUG*** JOOB Activewear* Juniper Kickstarter* Kindhumans Klean Kanteen* Konftel* Lava Linens Leaf Shave LM Dorwart Maggie Putnam

Studio LLC Mana Threads Mantra Matt Chesebrough Media and Kelvin MiiR* Ministry of Supply* Modern Adventure Mood Monitor Native Maps Nature Supply Co. Nécessaire New Now Nisolo Niyama 5 North Country Wealth* North x North Numi Organic Tea Nuun Ombraz **Open Water** Open Your Eyes Bedding Orbitkey **Ornot Bike Our Wild Voices** PartnerVine Peak Design* Pedal Lucid Pela Piratech PolyCore Prima Protector Cellars Pufferprint Pure Brewing Purple Orange* Revolt

Rocket Insights* Rocky Mountain Dog **Rose Street Creative** Rumpl* Scott Rinckenberger Photography Seadon* Seek More Wilderness Sensi Graves Bikinis Simpleswitch.org Sleep365 Sozy Speed & Sprocket Cycle Works Sporty & Rich Sunski* Surefoot* The Cushion Lab The Good Pencil Company The Pelican Club thinkPARALLAX Thousand* Tierra Buena Hard Seltzer **TOPO** Collective Tread & Butter* Twine Fair Trade Company* Two Days Off LLC Unruled Vahdam Teas Vincero Watches **VIRTUE Athletic*** Voyage Run Vuori Clothing Wai Wai Store Western Rise* Wolven Wondercamp Zero Carbon Coffee Zorali

* in addition to getting certified, brand provided donation to Climate Neutral

Donate + Contact

info@climateneutral.org | climateneutral.org | climateneutral.org/donate ③ Instagram ① LinkedIn ② Twitter ④ Facebook ② Vimeo



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