When 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.

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 carbon-reducing projects around the world. It can’t happen fast enough.
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 Brand Emissions Estimator (BEE) 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

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

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

**Sierra Peterson**
Partner, Lionheart Ventures

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

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

**Austin Whitman**
CEO of Climate Neutral

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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

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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

**Sarah Leugers**
Director of Communications, The Gold Standard Foundation

**Marisa Sanchez Urrea**
Senior Manager, Point Advisory

**Michael Sadowski**
Consultant, Erb Institute, University of Michigan

**Eric Brody**
Principal and Founder, Shift Advantage

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Advisory Committee: Carbon

The Advisory Committee on Eligible Carbon Credits reviews and votes on changes to our carbon credit requirements.

**Dan Nepstad**
Executive Director, Earth Innovation Institute

**Brian Jones**
Senior Vice President, M.J. Bradley & Associates

**Derik Broekhoff**
Senior Scientist, Stockholm Environment Institute

**Charlotte Streck**
Co-Founder and Director, Climate Focus

**Seth Baruch**
Chief Executive Officer, Carbonomics

**Matt Evans**
Chief Executive Officer, Up Energy Group

**Max Scher**
Head of Clean Energy & Carbon Programs, Salesforce

**Cathy Diam-Valla**
Owner and Manager, Accessible Energy

**Nancy Bsales**
Carbon Offset Strategist, Freelance Consultant

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*Elected by certified brands
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

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<th>Income</th>
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<tr>
<td>Donations</td>
<td>779,542</td>
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<tr>
<td>Earned Income</td>
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<td>Measurement</td>
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<td>Brand &amp; Marketing</td>
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<td>Fundraising</td>
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<td>Operations</td>
<td>59,715</td>
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<tr>
<td><strong>Total</strong></td>
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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
CauseLabs
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*
Flowert
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
Hibeart Outdoors
Hitch
Ibex
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
Rump*
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