

TRACKING PROGRESS REPORT

20
23



Executive Summary

The Climate Collaborative's Tracking Progress 2023 Annual Report summarizes the results of the Tracking Progress Survey, an annual assessment of how companies have made progress on their climate action commitments over the previous year (2022). The data gathered and shared is essential to the Collaborative and our broader community as we collaborate to develop and implement climate solutions. The survey also provides valuable insights into barriers to action and broader industry trends, which we use to inform our work and support companies in meeting their climate goals. At the time of this report, 769 companies have made more than 2,847 climate commitments through the Climate Collaborative. This year's report reflects responses from 154 organizations encompassing 515 climate action commitments.

We continue to assess the barriers to climate action by examining how the pandemic and other macroeconomic trends are impacting progress on climate commitments. The top factors impacting climate action across all Commitment areas this past year were macroeconomic impacts (e.g., inflation and concerns of recession), pandemic impacts, transportation-related supply chain issues, and labor shortages. Overall, companies were less affected by all areas this year except macroeconomic impacts, which remains a barrier for half of the Collaborative's reporting companies.

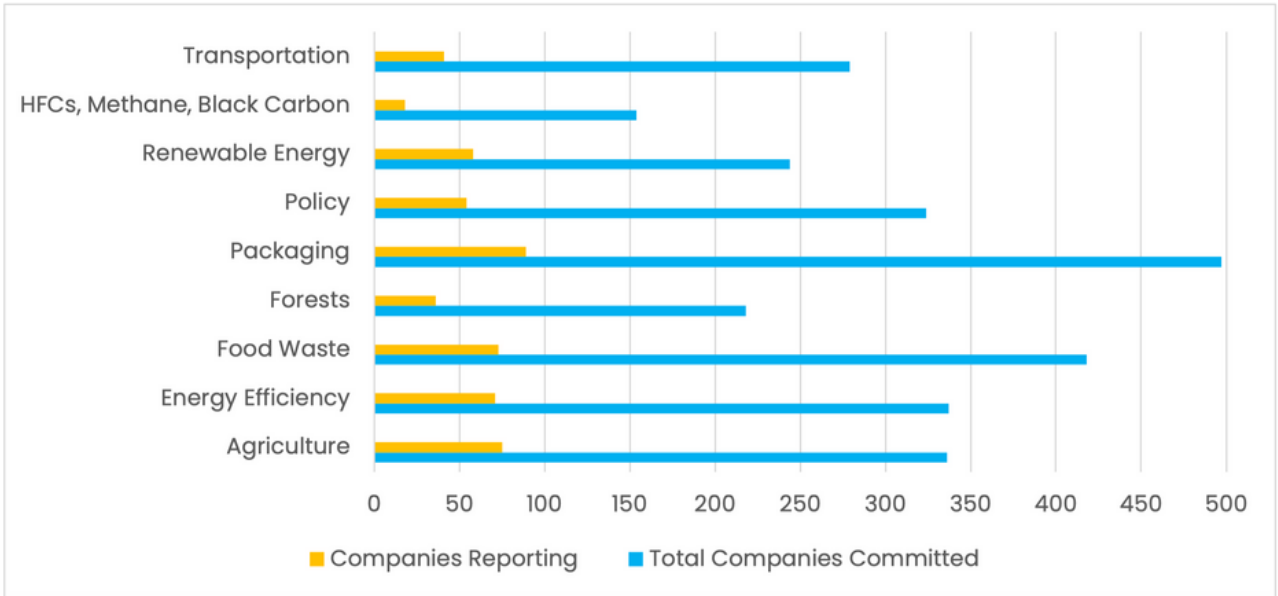


A graph depicting the various factors that influenced the reporting companies' progress on climate commitments.

Reporting companies also cited budget cuts, wage and project cost increases, and internal reorganization as barriers to climate action. Despite a number of potential barriers, 30% of companies said their climate action has not been impacted this year compared to 18% in 2022.

72% of respondents indicated climate action is part of their overarching business strategy

To better support companies integrating climate into all aspects of operations, we assess work that is happening inside organizations to operationalize climate. This year, 72% of respondents indicated that climate action is part of their overarching business strategy, a slight 3% decrease from last year. In addition, 73% of respondents have taken steps to reduce emissions throughout their entire organization, a 10% drop from last year. Further, 72% of reporting companies prioritize emissions reductions before relying on offsets, down 3% from 2022. The Climate Collaborative encourages companies to reduce emissions first, followed by the use of quality offsets.



Graph showing the number of commitments made by companies within the Climate Collaborative compared to the number of companies reporting on their commitments in the 2023 Tracking Progress Survey.

Operationalizing Climate Action

Utilizing baseline data from the 2022 Tracking Progress survey, we aimed to assess how companies are integrating climate goals into their overall operations. Among the companies that reported this year, a noticeable trend emerged: there was a decrease in activities related to external supplier engagement and the internal operationalization of climate initiatives.

External Supplier Engagement	2023	2022
Actively working with suppliers to decrease Scope 3 emissions	34%	38%
Asking suppliers to transition to renewable energy	21%	21%
Asking suppliers eliminate equipment that uses fossil fuels and transition to electric equipment where applicable	17%	20%
Asking suppliers to require or utilize low carbon farming practices	42%	40%
Asking suppliers to reduce water use or set water reduction targets	21%	32%
Engaging more than 80% of their suppliers in making climate commitments	12%	10%

Chart depicting the percentage of companies that responded “yes” to the corresponding data points in 2022 and 2023.

Externally, 34% of companies are actively working with suppliers to decrease Scope 3 emissions (38% in 2022). This work may include asking suppliers to transition to renewable energy, eliminate equipment that uses fossil fuels and transition to electric equipment where applicable, asking suppliers to reduce water use or set water reduction targets, and/or require or utilize low carbon farming practices.

34% of companies
are actively working
with suppliers to
decrease Scope 3
emissions

One of the most notable trends in the 2023 Tracking Progress Survey was a reduction in engagement across several internal operationalization activities. While this decline may partially stem from reduced overall reporting, it could also be attributed to shifting priorities and staffing changes within organizations. In response to these decreases, we plan to use this data to inform the development of our 2024 programming. Potential areas of focus include education on internal communication strategies for key stakeholders (such as Boards, suppliers, and staff), climate-smart design principles, and justice considerations in climate work.

Internal Operationalization of Climate Action	2023	2022
Informed Board or other stakeholders about their climate commitments	73%	90%
Trained more than 80% of their staff on climate commitments	45%	50%
Have made avenues available for all staff members to learn and engage in their climate work	64%	69%
Taking climate into consideration when designing new products or offerings	74%	85%
Applying a justice lens to their climate work	47%	61%

Chart depicting the percentage of companies that responded “yes” to the corresponding data points in 2022 and 2023.

This year, we collected data on companies accounting for the emission impacts of their financial activities. Approximately 33% of reporting companies are measuring the impacts of one or more of the following financial activities: banking and investments, insurance, retirement plans, and spending on service providers.

Approximately 1/3 of reporting companies are accounting for the emission impacts of their financial activities

Net-Zero Targets

This year, 24% of respondents have set a net-zero target, a 4% decrease from last year. Further, 30% of respondents said they are considering it. For those making an external commitment, companies reported making net-zero commitments with the following organizations: Science Based Target Initiative, Climate Neutral, and SME Climate Hub. Of the 31 companies that have made an internal net-zero commitment, 42% have set a net-zero by 2030 target, and 71% have set short-term and mid-term targets.

71% of companies making net-zero by 2030 targets have set short and mid-term targets

The Climate Collaborative advocates for the adoption of short-term goals as stepping stones towards achieving long-term net-zero targets. A fundamental aspect of this approach is understanding Greenhouse Gas (GHG) emissions to set realistic yet ambitious targets, applicable to companies of all sizes. According to our survey results, 56% of reporting companies measure their Scope 1 emissions, 44% track Scope 2 emissions, and 31% assess Scope 3 emissions. Notably, 63% of these companies measure their overall carbon footprint, encompassing all scopes of emissions.

Reporting Platforms

We asked companies which external reporting platforms they used for climate-related activities and emissions. According to survey respondents, for the third year in a row, B Lab is the top reporting platform among committed companies, with 36% of respondents reporting to B Lab (down from 50% in 2022), followed by 12% reporting through CDP and 7% through both Fair for Life and NCG Coefficient.

Companies also referenced using Planet FWD Carbon Neutral, Climate Neutral, Science Based Targets Initiative, Net Zero Standard, SFTA at OTA, CCOF, NOP, Regenerative Organic Certification, Climate Registry, GRI, and RePurpose Global - Plastic Neutral, RSPO, Aclymate, SASB, Fairtrade International, and more. Please see the Tools & Resources grid in the appendix for a complete list of additional resources.

Progress on Commitments

Overall, 64% of reporting companies are actively implementing climate commitments, a slight decrease from 70% last year. The remaining 37% are either in active planning stages or have not yet determined how they will implement their commitments.

Survey results indicate fluctuation in implementation progress across several commitment areas. This year, **Renewable Energy, Food Waste, Transportation** and **Energy Efficiency** commitments continued to trend upwards. For companies with a **Renewable Energy** Commitment, 78% reported progress, up from 69% last year. Encouragingly, 77% of reporting companies making a **Food Waste** Commitment are now taking action, up from 72% in 2022. Over 40% of these companies have taken robust steps and are seeing results.

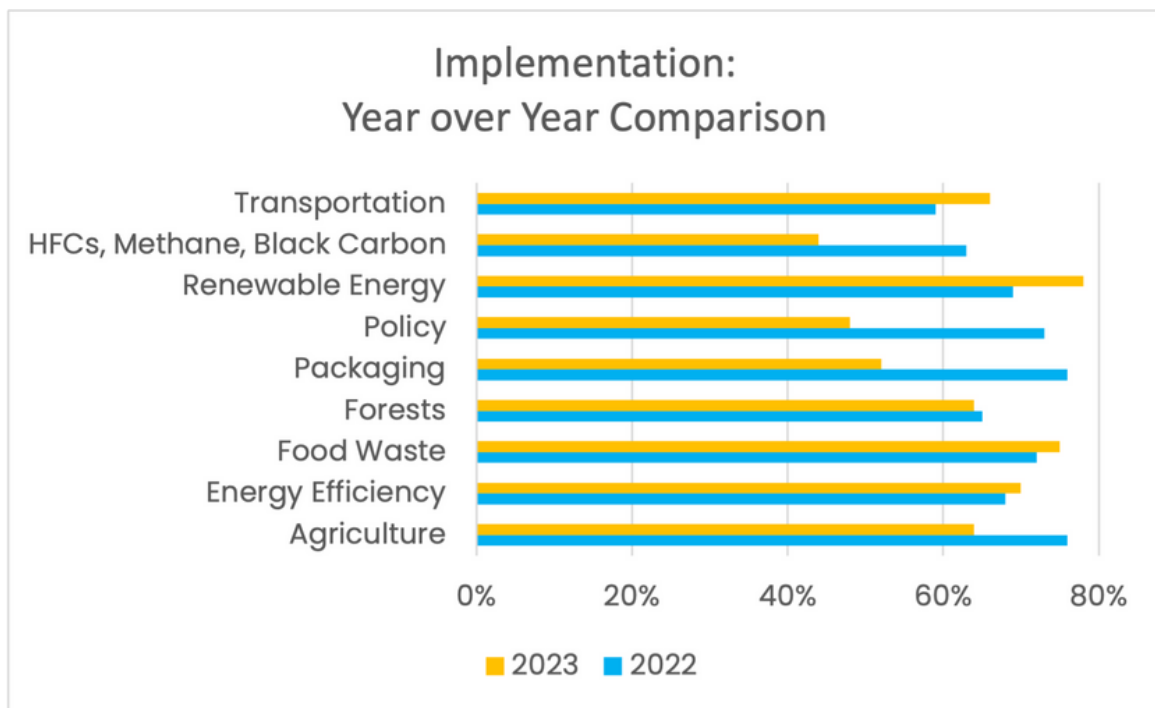


Chart showing the percentage of reporting companies actively implementing climate commitments in each area in years 2022 and 2023.

Despite ongoing supply chain issues, companies implementing a **Transportation** Commitment reported a 6% increase in implementation. **Energy Efficiency** increased to 70%, a 2% increase over last year.

Commitment areas experiencing the greatest fluctuation include, **Packaging, Policy** and **Short-Lived Climate Pollutants (SLCPs)**. All three areas saw a 19-25% dip in implementation.

Progress on **Packaging** Commitments dropped to 52%, from 76% last year. Out of 89 companies reporting on Packaging efforts, lack of financial resources (42%) and competing organizational priorities (39%) impeded efforts in 2023. Many companies specified sourcing difficulties, product availability, customer demands, and lack of affordable options that maintain product integrity and meet sustainability requirements. Some respondents called for greater industry and government coordination to better address ongoing packaging issues and lack of local and state incentives to recycle and/or compost packaging.

Companies made significantly less progress on their **Policy** Commitments this year (48%) than last year (73%), with 11% citing lack of financial support and 48% citing the need to prioritize other initiatives. Some companies also pointed to the lack of internal organizational guidance to act quickly enough to industry-relevant policy developments.

Progress on implementing **Short-Lived Climate Pollutants (SLCPs)**, such as HFCs, Methane and Black Carbon, decreased from 63% to 43% this year. Lack of financial resources (33%) and competing organizational initiatives (61%) were cited as the main barriers to greater implementation.



64% of responding companies are actively implementing climate commitments

The number of companies actively implementing a commitment to **Regenerative Agriculture** declined by 12% this year, to 64%. Despite this decline, progress is still up from 58% in 2021. Companies continue to report lack of financial resources (43%) and competing priorities (36%) as barriers to implementation. In addition, many small and medium-sized companies cited lack of leverage with suppliers to source regenerative ingredients.

Progress for companies with a **Forest** Commitment remained steady this year, with 29% ensuring their supply chains are free of deforestation and 50% engaging in reforestation efforts this past year (up 9% from last year).

In reviewing the Tracking Progress Data and in conversations with companies, it is clear that limited resources are playing a significant role in climate action. In 2024, the Climate Collaborative will be bringing forward more pre-competitive collaboration opportunities to help companies increase their access to information, peer networks, and solutions providers.

Emissions Quantification

73% of reporting companies have taken steps to reduce emissions throughout their entire organization with 45% quantifying those reductions related to their climate commitments (up 2% from last year). We expect this trend to continue as companies operationalize climate action throughout their organization, make external net-zero commitments, and gain access to better measurement tools.

Companies made the most progress in quantifying their Energy Efficiency, followed by Food Waste and Short-lived Climate Pollutants (SLCPs) such as HFCs, methane, and black carbon. Packaging and Transportation also saw increased progress in quantification. Quantification efforts in Agriculture, Renewable Energy, and Forests decreased slightly, primarily due to financial constraints.

45% of reporting companies are quantifying emissions reductions, up 2% from last year

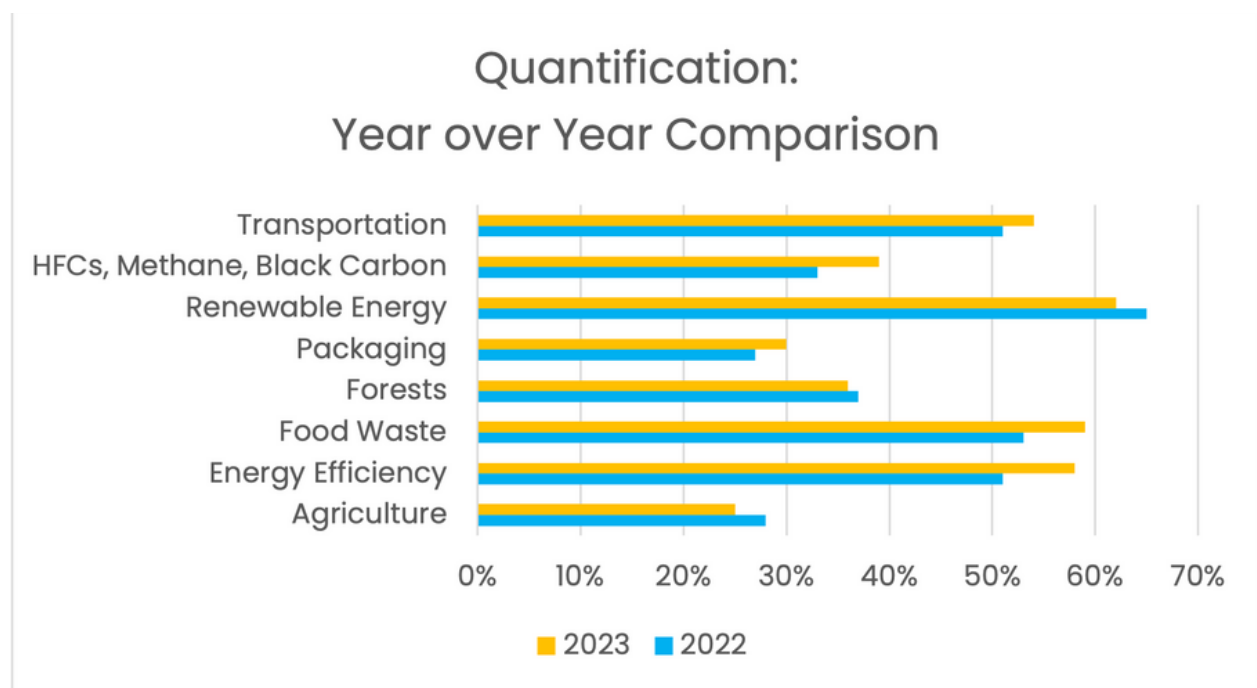


Chart showing the percentage of reporting companies quantifying emissions data in each area in years 2022 and 2023.

Conclusion

The Climate Collaborative's annual Tracking Progress Survey provides a vital snapshot of our community's advancement in climate action. By analyzing both quantitative and qualitative data, we gain insights into emerging trends, potential obstacles, and the essential resources companies need to fulfill their commitments. This information, combined with stakeholder interactions, engagement metrics, and an overview of macroeconomic trends, shapes our strategic focus.

Businesses around the world are already experiencing the significant impacts of the climate crisis, and the current volatility of the economic environment makes it even more important for them to integrate climate action into their operations to increase their adaptability and resilience. The companies that make up our Collaborative demonstrate the immense persistence and dedication needed to address the climate crisis effectively. Barriers to implementation and quantification are ever present. Despite these roadblocks, our community understands the long-term value of taking climate action. A few highlights that demonstrate this persistence:

- One-third of reporting companies now track the climate impacts of their financial activities
- 47% of reporting companies are applying a climate justice lens to their climate work
- 71% of reporting companies aiming for net-zero by 2030 have established interim targets
- 77% of reporting companies with a food waste commitment are actively seeing results from their efforts
- 50% of reporting companies participated in reforestation initiatives, marking a 9% increase
- 66% of reporting companies are actively involved in climate advocacy

Despite challenges in implementation and measurement, Climate Collaborative companies recognize the enduring value of climate action.

As more companies join our community, we are encouraged by the determination to make long-term and short-term climate goals and commitments. Integrating climate action into a business strategy can be a complex and challenging process. The Climate Collaborative was designed to be a community of businesses joining together to create pathways to action, connecting companies to resources and working together to create solutions. In the coming year, we are excited to help companies strengthen their supplier engagement on climate, continue quantifying their emissions, and foster more pre-competitive collaboration.

The Climate Collaborative team and board are immensely grateful for the persistence and commitment of our member companies, who are striving to make a meaningful impact. We are honored to partner with you on this critical work and look forward to celebrating progress in the years to come.



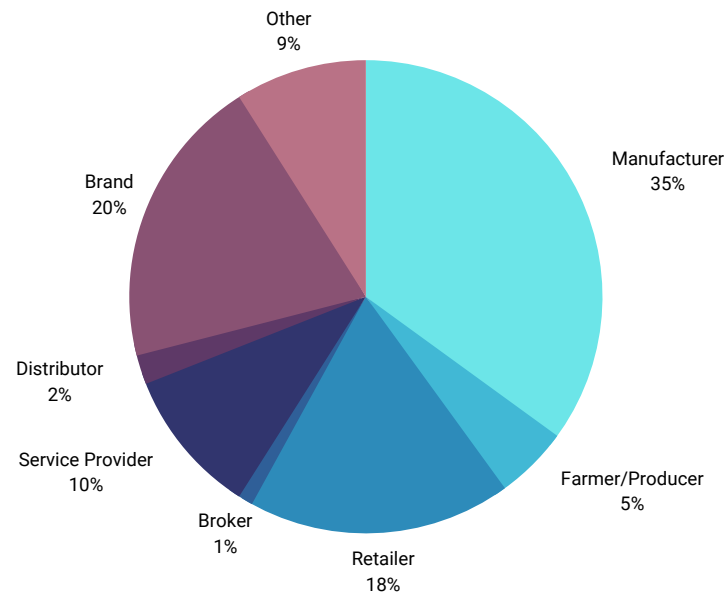
Appendix: Tools & Resources

Tools and resources companies are using to support their climate commitments

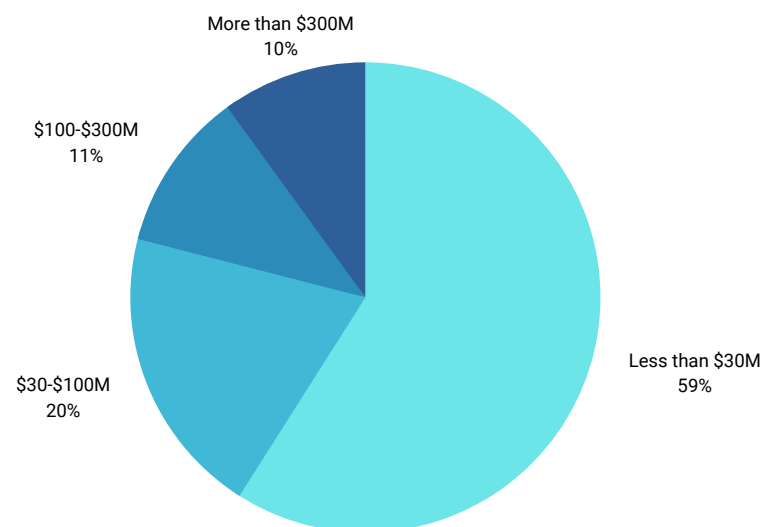
AGRICULTURE Aclymate Climate Smart COMET Cool Farm Tool Fieldprint Calculator HowGood Latis PlanetFWD Quantis ReGrow ROC Savory The Soil Inventory Project Trees for the Future	ENERGY EFFICIENCY BrightAction GHG Protocol Tools Radicle ClimateSmartUSEPA Energy StarZira Energy Mapping	FOOD WASTE Date Check Pro ReFED Replate To Good To Go Upcycling Food Association
FOREST FSC One Tree Planted Natural Capital Protocol RSPO SFI Veritree	HFCS, METHANE, AND BLACK CARBON EPA GHG Tool IPCC GHG Formulas	PACKAGING EPA Emissions Calculator NAPCOR PIQET Quantis- eQopack Trayak
POLICY ASBN Ceres Lead on the Climate Climate Collaborative WeTheChange	RENEWABLE ENERGY IMDL Local utility RECs Radicle ClimateSmart RE100	TRANSPORTATION Climate Neutral MIT Center for Transportation & Logistics PLANET Radicle ClimateSmart USEPA Smartway

Appendix: Demographics

Sub-sector within Industry



Annual Revenue



Appendix:

Analysis by Commitment

Please note, the number of “responses” in each commitment area correlates to the number of companies taking the survey that have made the commitment. Not all committed companies responded to the supporting questions.



Agriculture

(76 responses)

Has your company taken steps to integrate regenerative agriculture into its supply chain?	Total Number	Percentage
We have made the commitment but have not begun work on it.	2	3%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	11	14%
We have completed the planning process and have begun taking steps on implementation.	10	13%
We have made good progress in implementing the commitment.	23	30%
We have taken robust steps to implement the commitment and are seeing results.	25	33%
Is your company quantifying emissions reductions from its regenerative agriculture efforts?	Total Number	Percentage
Yes	19	25%
No	57	75%

Continue to next page for additional commitment areas.

Appendix: Analysis by Commitment, continued



Energy Efficiency

(71 responses)

Has your company taken steps to increase energy efficiency?	Total Number	Percentage
We have made the commitment but have not begun work on it.	5	7%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	13	18%
We have completed the planning process and have begun taking steps on implementation.	8	11%
We have made good progress in implementing the commitment.	20	28%
We have taken robust steps to implement the commitment and are seeing results.	22	31%
Is your company quantifying the emissions reductions and/or cost savings from its energy efficiency efforts?	Total Number	Percentage
Yes	41	58%
No	30	42%



Food Waste

(73 responses)

Has your company taken steps to reduce food waste in its supply chain?	Total Number	Percentage
We have made the commitment but have not begun work on it.	9	12%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	6	8%
We have completed the planning process and have begun taking steps on implementation.	7	10%
We have made good progress in implementing the commitment.	19	26%
We have taken robust steps to implement the commitment and are seeing results.	29	40%
Is your company tracking food waste reductions?	Total Number	Percentage
Yes	43	59%
No	30	41%

Appendix: Analysis by Commitment, continued



Forests (36 responses)

Has your company taken steps to remove commodity-driven deforestation from its supply chain?	Total Number	Percentage
We have made the commitment but have not begun work on it.	5	14%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	5	14%
We have completed the planning process and have begun taking steps on implementation.	6	16%
We have made good progress in implementing the commitment.	7	19%
We have taken robust steps to implement the commitment and are seeing results.	10	28%
Are you quantifying impacts from your actions?	Total Number	Percentage
Yes	13	36%
No	23	64%



Packaging (89 responses)

Has your company taken steps to reduce the climate impacts of its packaging? (For example, reduce the amount of packaging, switch to post-consumer recycled content materials, switch to FSC certified packaging, etc.)	Total Number	Percentage
We have made the commitment but have not begun work on it.	3	3%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	12	13%
We have completed the planning process and have begun taking steps on implementation.	15	17%
We have made good progress in implementing the commitment.	31	35%
We have taken robust steps to implement the commitment and are seeing results.	26	29%
Is your company quantifying emissions reductions from its packaging efforts?	Total Number	Percentage
Yes	27	30%
No	62	70%

Appendix: Analysis by Commitment, continued



Policy Engagement*

(54 responses)

Has your company taken steps to engage in climate policy?	Total Number	Percentage
We have made the commitment but have not engaged in policy efforts.	7	13%
We have participated in a few activities such as business climate sign-on letters or petitions.	23	43%
We have participated in a few activities such as business climate sign-on letters or petitions.	16	30%
We have actively participated in policy advocacy and are encouraging our peers to do the same.	23	43%
Not applicable.	2	4%

*Respondents were able to select more than one option for policy engagement questions.



Renewable Energy

(58 responses)

Has your company taken steps to source 100% renewable energy?	Total Number	Percentage
We have made the commitment but have not begun work on it.	6	10%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	5	9%
We have completed the planning process and have begun taking steps on implementation.	2	3%
We have made good progress in implementing the commitment.	13	22%
We have taken robust steps to implement the commitment and are seeing results.	30	52%
Is your company quantifying emissions reductions from these actions?	Total Number	Percentage
Yes	36	62%
No	22	38%

Appendix: Analysis by Commitment, continued



HFCs, Methane, Black Carbon (18 responses)

Has your company taken steps to reduce emissions from short-lived climate pollutants?	Total Number	Percentage
We have made the commitment but have not begun work on it.	5	28%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	5	28%
We have completed the planning process and have begun taking steps on implementation.	4	22%
We have made good progress in implementing the commitment.	0	0%
We have taken robust steps to implement the commitment and are seeing results.	4	22%
Are you quantifying impacts from your actions?	Total Number	Percentage
Yes	7	39%
No	11	61%



Transportation (41 responses)

Has your company taken steps to reduce the climate impacts of its transportation?	Total Number	Percentage
We have made the commitment but have not begun work on it.	2	5%
We have made the commitment and are in the midst of planning how we will take steps to implement it.	10	24%
We have completed the planning process and have begun taking steps on implementation.	8	20%
We have made good progress in implementing the commitment.	14	34%
We have taken robust steps to implement the commitment and are seeing results.	4	10%
Is your company quantifying emissions reductions from its transportation efforts?	Total Number	Percentage
Yes	22	54%
No	19	46%