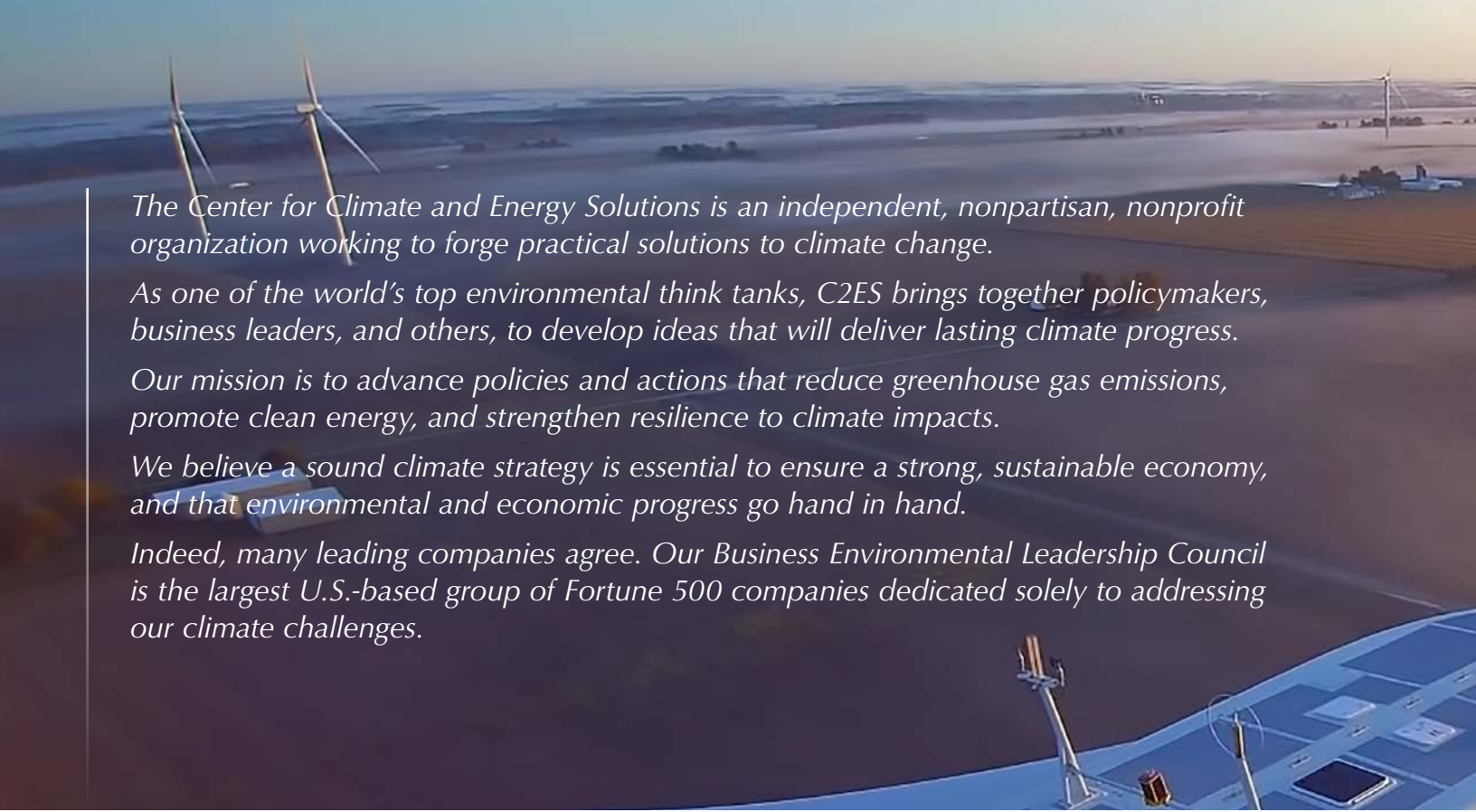




18
20
YEARS



The Center for Climate and Energy Solutions is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change.

As one of the world's top environmental think tanks, C2ES brings together policymakers, business leaders, and others, to develop ideas that will deliver lasting climate progress.

Our mission is to advance policies and actions that reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.

We believe a sound climate strategy is essential to ensure a strong, sustainable economy, and that environmental and economic progress go hand in hand.

Indeed, many leading companies agree. Our Business Environmental Leadership Council is the largest U.S.-based group of Fortune 500 companies dedicated solely to addressing our climate challenges.



Theodore Roosevelt IV
C2ES Board Chairman

It is hard to believe that two decades have passed since I was invited to join the board of a pioneering new organization dedicated solely to addressing climate change. I am extraordinarily proud of all we have accomplished in that time, and more persuaded than ever of the importance of our unique, collaborative approach.

At C2ES, we believe the best way to forge lasting climate solutions is to help policymakers, business leaders, and other stakeholders build on common ground. We are driven by facts, not ideology, and we seek solutions that work for both our climate and our economy.

From city halls to Washington D.C. and the latest U.N. climate summit, C2ES is working with policymakers to craft effective, pragmatic policies, and we are making sure that leading companies are there to help.

One of the reasons I so readily signed on 20 years ago was the commitment from day one to mobilizing business voices. You need only scan the list of companies in our Business Environmental Leadership Council to see how effective we've been in making the business case for climate action.

In these polarized times, we, more than ever, need groups like C2ES that can reach out to all sides and build bridges to common ground. Please join us in realizing the next 20 years of climate solutions.



Bob Perciasepe

Bob Perciasepe
C2ES President

With each new scientific assessment—and each new record-setting climate disaster—the need for stronger climate action becomes all the more urgent. Delivering that action is what C2ES is all about.

We work with and advise business leaders to catalyze action on clean energy and climate change through their own efforts and partnerships.

We bring mayors together with business leaders to advance renewable energy, green transportation, and energy efficiency.

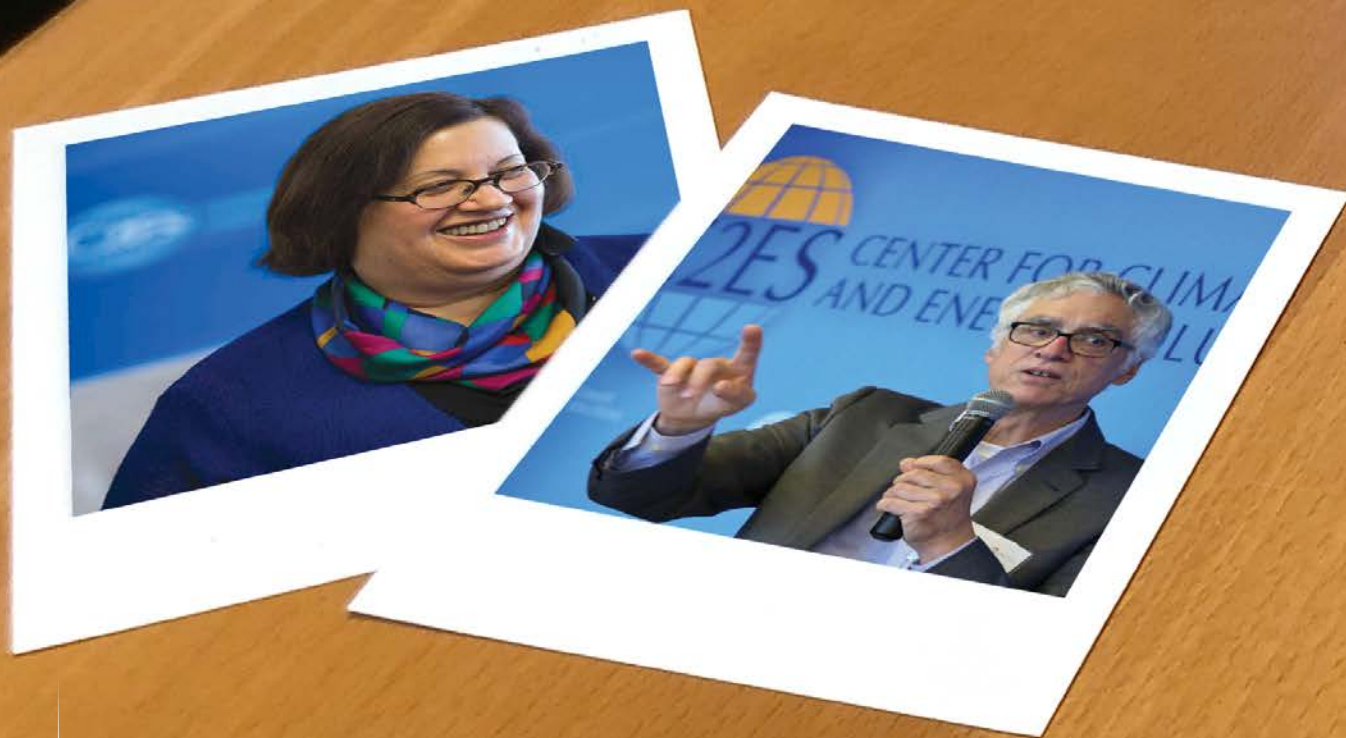
We offer guidance to communities and companies seeking ways to adapt to extreme weather and other climate impacts—extreme heat, flooding, wildfires, power outages, and drought.

We work with state and federal policymakers, on both sides of the aisle, to enact policies supporting renewable power, electric vehicles, carbon capture, and zero-carbon nuclear energy and to promote comprehensive market-based climate solutions.

We work with governments around the world to build the consensus needed to ensure that the historic Paris Agreement delivers on its promise.

And this year we launched a new initiative, *Climate Innovation 2050*, bringing together leading companies across all the key sectors to chart pathways to decarbonizing the U.S. economy.

One thing is clear: We must use all the tools at hand if we are to avoid the worst potential impacts of climate change. We thank our many supporters, and look forward to exciting new partnerships, as we continue working to achieve this vital goal.



20 Years of Solutions

C2ES proudly marked its 20th anniversary in 2018—and 20 years of climate solutions.

In July, the C2ES family gathered with friends to celebrate the occasion and the many achievements of C2ES and its predecessor organization, the Pew Center on Global Climate Change.

Here's a look back at two decades of success in strengthening climate leadership and action:

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| 1998 | • Pew Center on Global Climate Change and its Business Environmental Leadership Council are launched to provide a new voice for effective, pragmatic, climate solutions. |
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| 2003 | • We team up with Senators John McCain and Joseph Lieberman to produce the first bipartisan bill introduced in Congress for a comprehensive market-based climate solution. |
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| 2005 | • Our Climate Dialogue at Pocantico—convening government, business, and civil society leaders from around the world—introduces key concepts reflected in later U.N. agreements. |
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| 2006 | • Our support helps lead to passage of California's pioneering cap-and-trade program. |
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| 2007 | • We join more than 30 major companies and nonprofits in the U.S. Climate Action Partnership to help advance bipartisan action in Congress. |
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| 2010 | • We release 'Adapting to Climate Change,' the first in our series of initiatives to help communities and companies strengthen their climate resilience. |
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- 2011**
- The Pew Center officially becomes the Center for Climate and Energy Solutions, pursuing the same mission with a new name and new supporters.
 - We partner with The Climate Registry and EPA to organize the first annual Climate Leadership Conference and Awards.
 - We co-launch a coalition of industry, labor, and environmental groups—now the Carbon Capture Coalition—to successfully advocate for federal support for carbon capture.

- 2012**
- C2ES is ranked the top environmental think tank globally in the University of Pennsylvania's Go-To Think Tank Index.

- 2015**
- We launch the Solutions Forum to bring together businesses, cities, and states around clean energy, climate resilience, and greenhouse gas reduction.
 - Our Toward 2015 dialogue among lead negotiators from key countries produces an essential blueprint for the historic Paris Agreement.

- 2016**
- We partner with The U.S. Conference of Mayors in the Alliance for a Sustainable Future, helping cities and businesses collaborate on climate action.

- 2017**
- Twenty-five major companies sign our full-page ads in the *The New York Times*, *Wall Street Journal*, and *New York Post* urging President Trump to stay in the Paris Agreement.

- 2018**
- We launch the Climate Innovation 2050 initiative bringing together leading companies and top experts to chart pathways for decarbonizing the U.S. economy.

The Power of Partnerships



In confronting a challenge as complex as climate change, which touches virtually every aspect of our lives, lasting solutions are possible only through the power of partnership. Forging such partnerships is a hallmark of the C2ES approach.

On the following pages, you'll find examples of the way C2ES is bringing policymakers, business leaders and others together to help cities tackle climate change, to ensure the success of the Paris Agreement, to strengthen climate resilience, and to deliver market-based solutions. In all of these efforts, we employ our unique expertise to help align interests in ways that benefit both our climate and our economy.

Here are other examples of our partnerships in action:

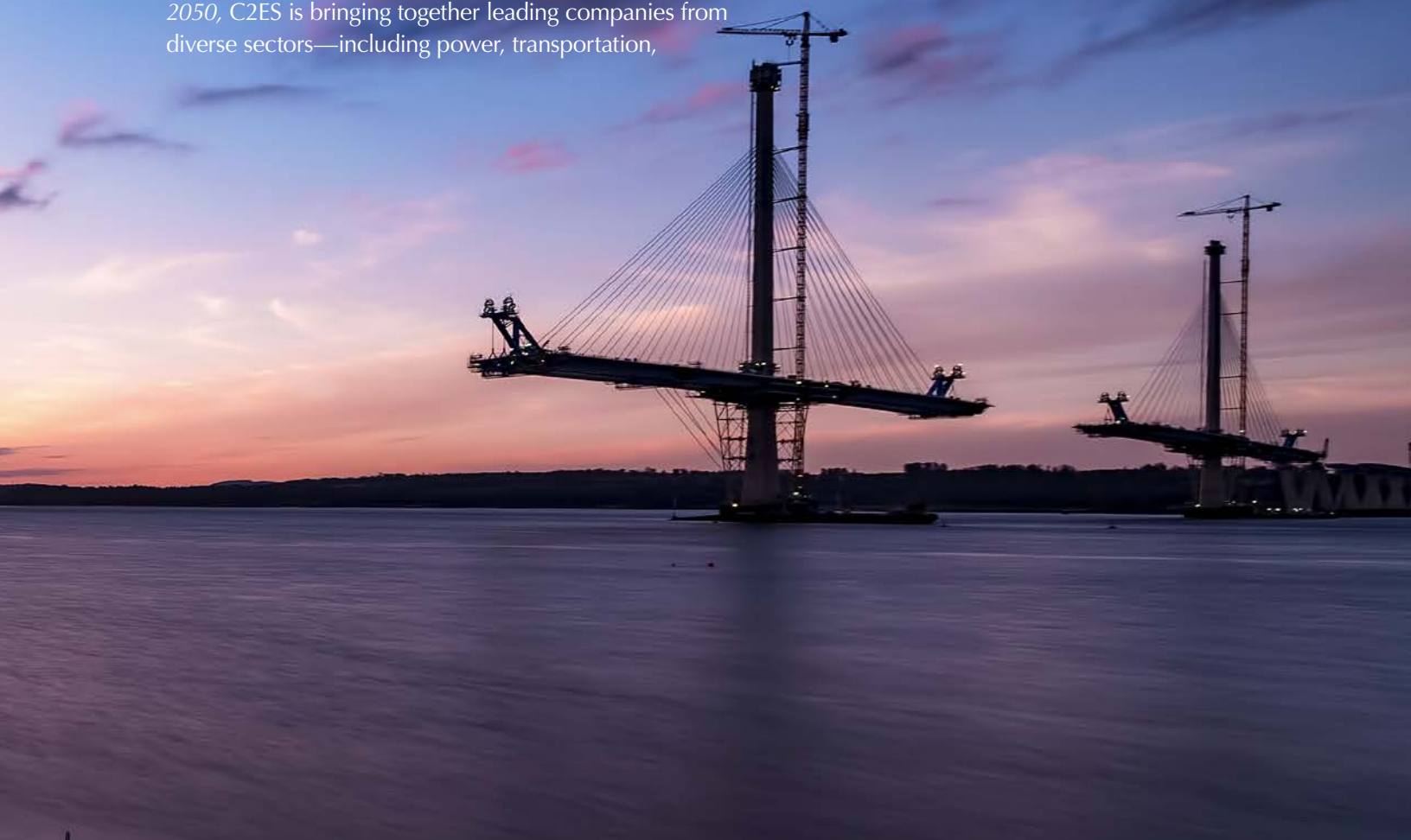
C2ES co-convenes the Carbon Capture Coalition, a partnership of energy, industrial, and technology companies and labor and environmental organizations working to foster domestic energy production, create jobs, and reduce carbon emissions. Following a successful campaign to win bipartisan congressional approval of tax credits for carbon capture technologies, the Coalition is now working to promote innovative commercial uses of captured carbon dioxide.

Through a new initiative we call *Climate Innovation 2050*, C2ES is bringing together leading companies from diverse sectors—including power, transportation,

technology, oil and gas, chemicals, manufacturing, and finance—to examine challenges and choices in decarbonizing the U.S. economy. Working with these companies, we are developing a detailed roadmap outlining the policies and private sector actions needed in coming decades to achieve mid-century climate goals.

Along with The Climate Registry and Bloomberg Philanthropies, C2ES presented the annual Climate Leadership Conference and Awards in Denver to showcase how business, organizational, and individual climate action continues even in the absence of federal leadership on climate change. The 2018 Awards recognized the sustainability achievements of Citi, IBM, and DTE Energy Chairman and CEO Gerry Anderson, among others.

Through these and other partnerships, C2ES is working at every level—from the local to the global—to help find common ground for practical climate solutions.





Helping Cities Lead the Way

“Active conversations between city and business leaders can drive ambitious new solutions for climate and air quality challenges that benefit all community members. The Alliance for a Sustainable Future champions these collaborative approaches.”

—Mayor Jackie Biskupski; Salt Lake City, Utah; Chair of the Alliance for a Sustainable Future

The impacts of climate change are often felt first at the local level, and that’s where many of the solutions can be found too.

That is why C2ES and The U.S. Conference of Mayors have forged a joint initiative—the Alliance for a Sustainable Future—to strengthen partnerships between cities and businesses to tackle climate change. Since 2016, the Alliance has brought together mayors and business leaders at events in Boston, Indianapolis, Miami, New York, San Francisco, and Washington to find ways to work together to accelerate the low-carbon transition.

In 2017, the Alliance released its first survey assessing action by 102 cities to promote energy efficiency, clean transportation, and renewable energy at the city level. A second round in 2018, including nearly

160 cities across the country, found that 95 percent have experienced climate impacts in the last five years. Most are purchasing green fleet vehicles and renewable electricity and are implementing policies to promote energy efficiency and clean power across their communities. Importantly, 83 percent welcome new partnerships with businesses to advance these efforts.

As cities large and small work closely with the private sector, the Alliance continues to facilitate and highlight their success for others to build on.

For 20 years, C2ES's Business Environmental Leadership Council has paved the way for corporate action on climate change.

Thirteen pioneering companies joined the Council when it was launched in 1998. Today, the Council comprises 33 companies, including many of America's largest, in virtually every key sector of the economy. It is the largest U.S.-based group of corporations committed to addressing the challenges of climate change and supporting mandatory climate policy.

Business leadership has grown substantially over the years as companies increasingly have come to recognize both the risks and the opportunities presented by climate change. Through their partnership with C2ES, BELC members deepen their understanding of climate challenges and choices, sharpen our thinking on practical solutions, and engage with policymakers at all levels to encourage effective climate policies.

In 2017, other major companies joined with many of our BELC members to call on President Trump to keep the United States in the Paris Agreement for the good of both our climate and our economy.

This past year, C2ES hosted multi-sector roundtables to help companies better understand how to meet rising expectations for climate-related financial disclosures. We also brought companies to Capitol Hill to educate lawmakers on the benefits of market-based climate policies. C2ES has been working with companies, hosting a discussion at the Global Climate Action Summit in San Francisco and an earlier workshop, to learn more about how to pursue the goal of carbon neutrality.

Lasting climate solutions are possible only with the investment, ingenuity, and support of the private sector. That's why C2ES is so committed to building and demonstrating business leadership on climate change.

Strengthening Business Action

"C2ES plays an essential role in bringing everyone together to address this challenge. C2ES is truly a special organization. A team of deep policy experts, committed to harnessing the power of markets to confront the challenge of climate change, engaging proactively to provide trusted advice to policy-makers across the political spectrum on a non-partisan basis."

—Jim Nolan, Senior Director, HSE Advocacy & Policy; BP America, Inc.

Delivering the Paris Promise

“C2ES had the trust and skill to bring key countries together to hammer out a basic blueprint for the Paris Agreement.”

—Christiana Figueres, Former Executive Secretary of the U.N. Framework Convention on Climate Change



One of the reasons C2ES is so well known around the world is its critical work bringing countries together to advance the international climate effort.

Climate change is a global challenge that requires global solutions. C2ES has long been at the forefront, both as a thought leader and as a trusted convener. Our 2005 Climate Dialogue at Pocantico gathered senior government, business, and civil society representatives from around the world, whose consensus report introduced key concepts reflected in later U.N. climate agreements.

Ahead of the 2015 Paris summit, C2ES convened the Toward 2015 dialogue, bringing together lead negotiators from more than 20 countries. The final report, presented to ministers at the Major Economies Forum in Luxembourg, was widely credited as an essential blueprint for the Paris Agreement reached five months later.

Since Paris, C2ES has continued working behind the scenes to ensure the Agreement's success. We organized informal talks among negotiators and companies on implementing the Agreement's market-based provisions, allowing the use of international emissions trading.

As governments prepared for COP 24 in Katowice, Poland, the most critical moment in the international effort since Paris, C2ES again played an indispensable role, leading in-depth workshops for key negotiators in Tokyo, Bangkok, Brussels, Bonn, New York, and Krakow. The resulting report, *Essential Elements of the Paris 'Rulebook,'* was viewed more than 1,000 times in nearly 120 countries.

As countries now move forward to implement the landmark Paris Agreement, C2ES will continue fostering the global solutions we need.

As the effects of climate change become a here-and-now reality, C2ES is helping communities, businesses, and policymakers forge strategies to better withstand the worsening impacts ahead.

Our 2013 report, *Weathering the Storm*, was the first to examine how multinational companies are assessing and addressing climate impacts on their operations and supply chains. Follow-up reports have offered additional insight on corporate responses and disclosures to investors.

C2ES has also worked with cities to help them strengthen their climate resilience to various climate impacts, holding a dozen workshops since 2016. Over the last year, we organized workshops with city leaders in Phoenix, San Antonio, and Providence focused on extreme heat, flood risk, climate adaptation planning, and impacts on vulnerable communities. Workshops in Colorado and Baltimore brought together private-sector, nonprofit, and government representatives from around the country to share lessons learned.

To help other local policymakers, C2ES produced fact sheets about the costs and benefits of resilience strategies for flooding, power outages, drought, extreme heat, and wildfires. C2ES continues to provide clear and up-to-date explanations of climate science to aid the public and decisionmakers.

As the toll from extreme weather and other climate impacts continues to rise, C2ES is contributing to thoughtful and collaborative planning by cities, states, and businesses to help them ensure that our communities, critical infrastructure, and local economies are well protected.



Building Climate Resilience

“C2ES was an indispensable partner in bringing businesses into our community-wide effort to make Phoenix the first HeatReady city. We’re showing how economic development and climate resilience can go hand-in-hand.”

—Mayor Theda Williams; Phoenix, Arizona

Business Environmental Leadership Council

The C2ES Business Environmental Leadership Council—including top companies in the power, manufacturing, transportation, technology, oil and gas, finance, and other sectors—is the largest U.S.-based group of companies devoted solely to addressing climate change. Over the past year, we welcomed new members Equinor (formerly known as Statoil) and the American Honda Motor Company. C2ES works with these business leaders to understand and pursue the policies and technologies that will help us reach our climate goals.

Council members endorse the following principles:

1

We accept the scientific consensus that climate change is occurring and that the impacts are already being felt. Delaying action will increase both the risks and the costs.

2

Businesses can and should incorporate responses to climate change into their core corporate strategies by taking concrete steps in the U.S. and abroad to establish and meet greenhouse gas emission reduction targets, and/or invest in low and zero greenhouse gas products, practices, and technologies.

3

The United States should significantly reduce its greenhouse gas emissions through economy-wide, mandatory approaches, which may vary by economic sector and include a flexible, market-based program. Complementary policies may also be necessary for sectors such as buildings, electricity generation, forestry, agriculture, and transportation that will help drive innovation and ease the transition to a low-carbon economy.

4

Climate change is a global challenge that ultimately requires a global solution. An international climate framework must establish fair, effective, and binding commitments for all developed and major developing economies.

MEMBERS (2017–2018)

AECOM

Alcoa

Amazon

American Honda Motor Company, Inc.

Apple

Arconic

Arizona Public Service Company

Bank of America

Berkshire Hathaway Energy

BHP

BP

CBRE Group

Dominion

Dow Chemical Company

DTE Energy

Duke Energy

Entergy Corporation

Equinor

Exelon Corporation

GE

General Motors

HP Inc.

IBM

Intel Corporation

JPMorgan Chase & Co.

LafargeHolcim

Microsoft

National Grid

NRG Energy

PG&E Corporation

PSEG

Shell

Toyota

C2ES Funders (FY 2017–2018)

The Center for Climate and Energy Solutions (C2ES) welcomes and appreciates the generous support of charitable foundations, governments, individuals, and businesses. As a fully independent organization, C2ES is solely responsible for its positions, programs, and publications.

\$100,000 to \$500,000

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Jeffrey Williams

Note: This list does not include Business Environmental Leadership Council membership dues, honoraria, or Climate Leadership Conference sponsorships.

Fiscal Year 2017–2018

April 1, 2017–March 31, 2018

Statement of Activities

REVENUES

Grants and Contracts	2,711,065
BELC Membership Dues	982,370
Conference Sponsorships	429,777
Conference Registration Income	186,335
Contributions	256,234
Interest Income	972
Other Income	29,520
TOTAL REVENUES	4,596,273

EXPENSES

Domestic Policy	1,897,551
International Policy	1,377,263
Business Innovation	495,560
Management and General	363,420
Fundraising	193,060
TOTAL EXPENSES	4,326,854

NET ASSETS

Change in Net Assets	269,419
Net Assets, Beginning of Year	1,212,409
Net Assets, End of Year	1,481,828

Statement of Financial Position

ASSETS

Cash	1,971,800
Grants Receivable	13,852
Accounts Receivable	232,133
Prepaid Expenses	71,585
Property and Equipment, Net	6,463
Deferred Compensation Investments	191,324
Deposits	28,522
TOTAL ASSETS	2,515,679

LIABILITIES

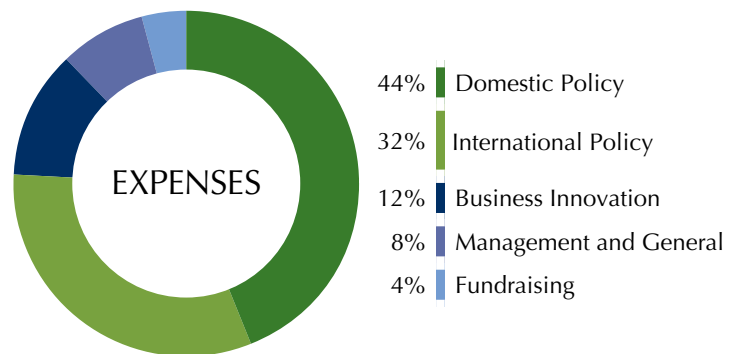
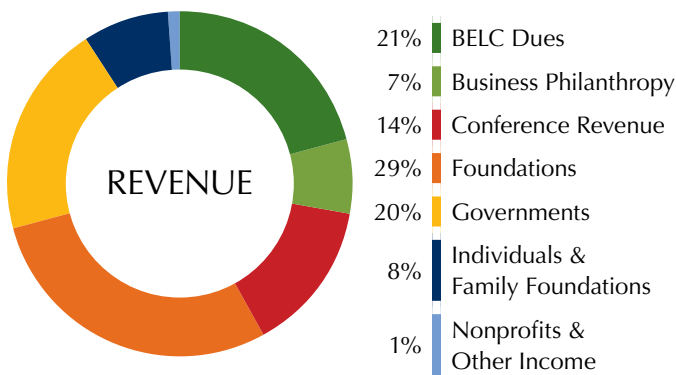
Accounts Payable	71,768
Payroll Liabilities	45,575
Accrued Expenses	164,434
Deferred Membership Dues	560,750
Deferred Compensation Obligation	191,324
TOTAL LIABILITIES	1,033,851

NET ASSETS

Unrestricted	534,514
Temporarily Restricted	947,314
Total Net Assets	1,481,828
TOTAL LIABILITIES AND NET ASSETS	2,515,679

Note: Net assets at the beginning of the year included funds that were reserved for FY 2017–2018.

Our fully audited financial statements are available at www.c2es.org or upon request by writing to the C2ES Development Department, 3100 Clarendon Blvd., Suite 800, Arlington, VA 22201.



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