

Sustainability Report 2026



A letter from our founders

We started Watershed in 2019 with the conviction that businesses would drive the climate transition—and that sustainability teams needed better tools to make it happen.

Today, more than 800 companies across every region and industry use Watershed to measure, reduce, and report their emissions. Together, they manage more than 3.5 billion tonnes of CO₂e—more than the annual emissions of France, the UK, Germany, and Italy combined.

Watershed's near-term goal is to help our customers reduce or remove 500 million tonnes of CO₂e—roughly 1% of annual global emissions—by 2030. Getting there means growing our customer base and equipping them with tools like sustainability AI to scale decarbonization across their operations and supply chains.

Every part of this report—from emissions calculated to qualitative answers drafted—was created in Watershed. We've been measuring and acting on our own impact since day one, and we're proud to make our progress public.

— **Christian Anderson, Taylor Francis, and Avi Itskovich**
Co-founders, Watershed





Impact

Our platform is our single biggest lever for impact: it's what turns sustainability ambition into measurable progress for hundreds of companies.

Two capabilities underpin that work. First, sustainability AI automates measurement—ingesting utility bills, cleaning data, and mapping to emissions factors—so teams can move from raw data to auditable footprints faster. Second, deep sustainability data and expertise infuse that process. Our emissions database brings in more than 2.3 million emissions factors spanning 148 countries and 95% of global GDP. Our in-house science team encodes best practices into our measurement methodology and agent workflows. This depth of sustainability intelligence gives companies granular, location-specific data where generic estimates used to be the norm.

Clean energy

To date, Watershed customers including Albany International, Block, and ServiceNow have catalyzed more than \$500 million in new clean energy investment, funding 270+ solar and wind projects across six countries, adding almost 400 MW of capacity to the grid, and avoiding more than 375,000 tonnes of CO₂e a year.

3.5B

tonnes CO₂e under management

\$500M+

in new clean energy investment

270+

solar and wind projects
across six countries

400MW

of capacity added to the grid

Spotlight: Canva's clean power investment comes online

In 2024, we partnered with Canva to develop a novel supply chain virtual power purchase agreement—a long-term contract to finance new solar capacity, co-funded by Canva and their supply chain partners. Two years later, the VPPA's four Illinois solar farms are generating power and providing community solar benefits to surrounding towns.

In total, the portfolio adds over 20 MW of new solar capacity to the grid, displacing an estimated 15,000 tonnes of CO₂ annually—roughly 16% of Canva's 2022 carbon footprint.

In March 2026, teams from Canva and Watershed visited one of the sites, a 5 MW, 13-acre solar farm that now powers approximately 4,500 homes through community solar.

“Canva and their print suppliers showed that supply chain decarbonization doesn't have to be theoretical. They built real solar capacity and created a model other companies can replicate.”

— Matt Konieczny, Head of Energy and Decarbonization, Watershed





Product decarbonization

For most companies, the majority of their emissions originate in the supply chain. These upstream emissions, tracked as scope 3, can account for 70% or more of a company's total footprint. Yet this is where companies have historically had the least visibility. Spend-based estimates offer a blurry picture at best, while detailed product-level assessments have been prohibitively expensive and slow to produce.

Watershed Product Footprints changes that equation. Using AI grounded in climate science, Product Footprints decomposes products into their underlying materials and processes, generating carbon footprints in minutes that used to take months. Teams can refine results with primary data, compare emissions and cost side by side, and model the impact of switching suppliers or materials before making a decision.

Spotlight: Medtronic scales product carbon footprints across a global medical device portfolio

Medtronic, one of the world's largest medical technology companies, was fielding growing customer requests for product-level carbon data. But with a global manufacturing footprint and thousands of products, traditional approaches didn't scale. The team had been using a mix of open-source tools and consultants to build product carbon footprints one at a time, a process that took months per product and couldn't keep pace with demand.

Using Product Footprints, Medtronic's engineering and sustainability teams now build PCFs in weeks instead of months, refining them with available bill-of-materials data and updating as sourcing or manufacturing changes. The shift cut development costs by reducing reliance on external consultants and gave the team a repeatable, standardized process across a complex portfolio.

The bigger change has been in how the data gets used. With emissions visible at the product level, teams across R&D, procurement, and strategy can factor carbon into decisions alongside cost and manufacturability.



“When emissions are visible at the product level, it fundamentally shifts internal decision-making by turning decarbonization from an abstract corporate ambition into a tangible, cross-functional lever.”

— John Orlandini, Senior Engineering Manager, Medtronic

Carbon removal

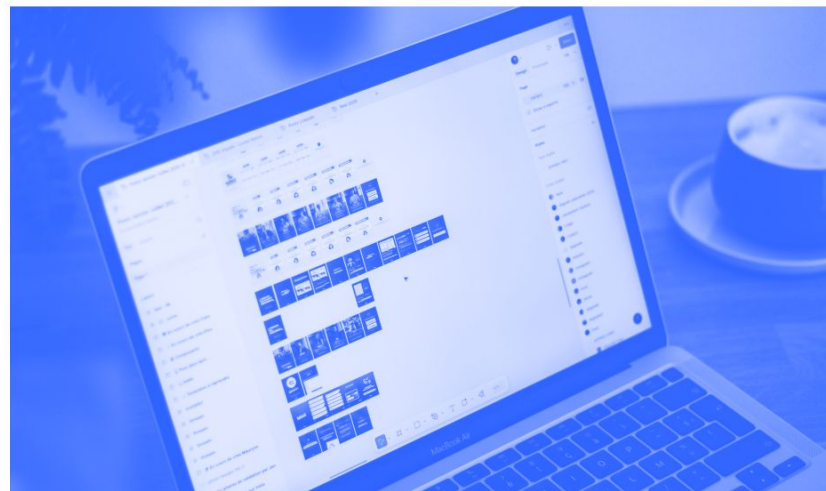
Carbon removal helps accelerate the progress companies can drive on reducing hard-to-abate emissions. The challenge is that the carbon removal market is young, complex, and uneven in quality. Most companies don't have the in-house expertise to evaluate which projects deliver real, durable impact and which don't.

Watershed gives companies access to a rigorously vetted portfolio of carbon removal and avoidance projects, from direct air capture and biochar to enhanced rock weathering and reforestation. Of more than 300 reforestation projects evaluated in [a recent cycle](#), we accepted two. To date, Watershed customers have contracted more than 500,000 tonnes of carbon removal spanning 17 pathways across 55 countries, including \$53 million in permanent carbon removal from Charm Industrial through our partnership with Frontier.

Spotlight: Figma builds a carbon removal portfolio from the ground up

Figma's sustainability program didn't start in the C-suite—it started with a group of employees who organized a Net Zero social impact group in 2021. A year later, Figma signed the Climate Pledge, committing to reach net zero by 2040. Today the group is backed by executive sponsorship from Figma's CFO, but it's still run by employees contributing on top of their primary roles.

The Net Zero group partnered with Watershed to measure Figma's footprint and build a diversified carbon removal portfolio.



Taking an investment-style approach, the team allocates funds across early-stage climate technologies—each project vetted for additionality, durability, and impact. Now, Figma has invested more than \$750,000 in carbon removal and avoidance credits through Watershed, a 50% increase from 2023.

“Treating our sustainability action like an investment portfolio is so salient for us as a relatively small tech company. Being able to invest in these companies—many of which are early-stage startups—is a nod to our roots and a great way to invest in the future of sustainability solutions.”

— **Noah Rowlett**, Android Mobile Engineer and Net Zero SIG Lead, Figma

Advancing the science

Impactful climate action starts with accurate data. Watershed's science team includes 16 in-house experts who contribute to industry technical working groups, and 42 leading scientists, policy experts, and finance advisors across advisory groups.

Cornerstone Sustainability Data Initiative

In August 2025, Watershed, ERG, and the Stanford Doerr School of Sustainability launched [Cornerstone](#), an initiative to preserve and expand access to the world's most widely used emissions data models. Cornerstone maintains USEEIO and Open CEDA, which together underpin roughly 65% of scope 3 corporate carbon measurements globally. A merged global model, combining both datasets into a single multi-regional input-output model, is planned for release in late 2026.

Milestones in the initiative's first year:

- Watershed launched [Open CEDA](#), the first openly licensed, global emissions factor database covering 60,000+ emissions factors, 400 sectors, and 148 countries. Open CEDA gives companies, researchers, and regulators a transparent foundation for scope 3 accounting.
- The Partnership for Carbon Accounting Financials (PCAF) [integrated CEDA into its database](#) after a two-phase evaluation, giving financial institutions access to CEDA's emission factors for portfolio emissions measurement.
- Cornerstone released [eGRID 2024](#) after the US EPA did not publish its annual update on schedule. eGRID is the primary source of US electricity grid emission factors—used by 85% of US companies reporting scope 2 emissions to CDP.

As government support for foundational sustainability data has become less certain, there has been an increased need for non-governmental intervention. Cornerstone ensures these datasets remain high-quality, up-to-date, and freely available to businesses, governments, and academic institutions. The partnership reflects a core belief: working on climate means taking ownership of the infrastructure the whole ecosystem depends on.

Research

In December 2025, Watershed scientists co-authored a study published in *Nature Communications* showing that emissions models relying solely on domestic data can significantly undercount emissions from international supply chains. The study underscored the need for the kind of global, multi-regional model that Cornerstone is building. [Read the study.](#)

To date, Watershed's science team has contributed to 15 research publications and datasets. These papers highlight the importance of AI in sustainability, such as credible AI-assisted carbon footprinting systems ([here](#)) and quality-aware automation for lifecycle inventory (LCI) database mapping ([here](#)). In addition, the team has conducted some of the earliest research on the criteria for building reliable AI systems for sustainability. [Read more here.](#)

Science leadership

Watershed's [Science Advisory Board](#), chaired by Dr. Steve Davis, brings together nine researchers from institutions including Stanford, Cambridge, Carnegie Mellon, and Cornell. The board advises on measurement methodologies, vets decarbonization projects for Watershed, and consults on reduction strategies.

In April 2026, Dr. John Bistline joined Watershed as Head of Science. Bistline comes from the Electric Power Research Institute, where he led research on energy systems modeling, including analyzing the energy and emissions impacts of federal climate policy and AI. He is a contributor to the IPCC and the US National Climate Assessment. Dr. Sangwon Suh continues to serve as a technical advisor to Cornerstone.

"Companies are making billion-dollar decisions based on their measurements, and stakeholders are really scrutinizing the results, so the science has to hold up."

— Dr. John Bistline, Head of Science, Watershed



Our footprint

As a sustainability company, we apply the same rigor to our own operations that we bring to our customers’.

We measured our carbon footprint for FY2026 (February 1, 2025 – January 31, 2026) using the Watershed platform. We report emissions from all offices globally and from all material sources of emissions. Scope 1 and scope 2 reflect direct operations at our San Francisco headquarters, the only facility under our operational control, while scope 3 covers all material upstream categories. We have received third-party assurance on select material portions of our footprint.



Emissions

In FY2026, Watershed's total market-based emissions were 4,539 tCO₂e. This represents a 15% decrease from FY2025 emissions, largely driven by our revised business travel policy and more efficient procurement.



GHG category	GHG emissions: market-based (tCO ₂ e)	GHG emissions: location-based (tCO ₂ e)
Scope 1	23 ¹	23
Scope 2	19 ¹	31 ¹
Scope 3	4,497	4,486
3.1 Purchased goods and services	2,243 ¹	2,268
3.2 Capital goods	24	24
3.3 Fuel and energy related activities	13	16
3.5 Waste generated in operations	42	42
3.6 Business travel	1,395 ¹	1,395
3.7 Employee commuting	469	466
3.8 Upstream leased assets	311	276

Description	Energy consumption (MWh)	Renewable energy percent
Natural gas	79	N/A
Electricity	171	43%

¹ We engaged an external third-party to perform a limited assurance engagement over these metrics

Methodology

Watershed prepares comprehensive greenhouse gas measurements for companies and financial institutions. Our methodology aligns to the GHG Protocol [Corporate Accounting and Reporting Standard](#) and the [Corporate Value Chain \(Scope 3\)](#) Accounting and Reporting Standard.

Location-based and market-based accounting are two methods used to calculate greenhouse gas emissions from purchased energy. The location-based method uses the average emissions intensity of the local power grid while the market-based method reflects the specific emissions profile of the electricity a company directly purchases.

What we're doing about it

As is typical for a software company, 99% of our footprint is scope 3. Our two largest categories, purchased goods and services (49%) and business travel (31%), are where we're focusing reduction efforts.

We bring the same rigor to reducing our own emissions that we bring to our customers'. We have committed to set near-term company-wide emission reductions in line with the Science Based Targets initiative (SBTi). To achieve programmatic changes, in 2025 we hired a full-time Sustainability Lead, Jackson Stiles, to focus on systemic investments to make Watershed's operations sustainable.

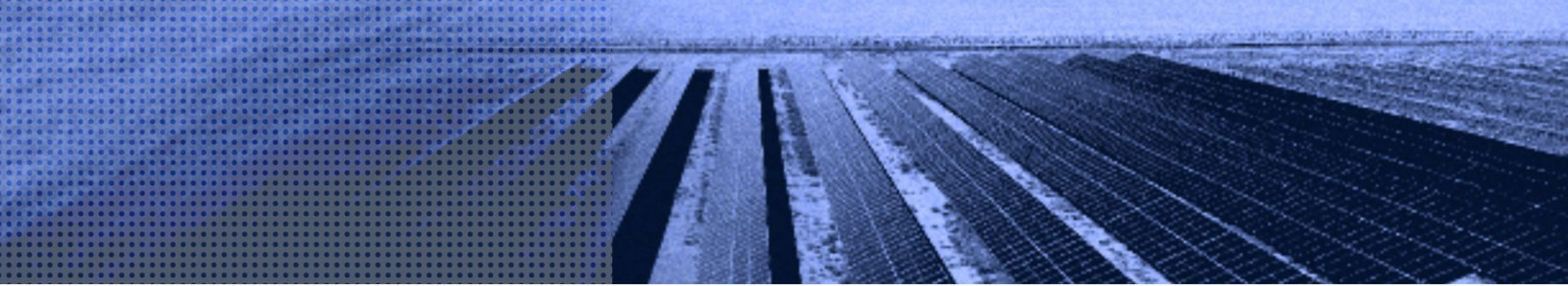
Business travel: Over the past year, we examined our business travel policy and revised it to balance the benefits with the carbon cost of travel. As a result, business travel emissions decreased 30% compared to the prior period. We continue to evaluate how to maintain the in-person collaboration our teams value while reducing travel-related emissions.

AI sustainability: Watershed uses a diversified AI strategy: depending on the use case, we leverage models from OpenAI, Google Gemini, and Claude. Today, provider-level emissions disclosure is still limited—for example, only Google currently publishes per-model/per-prompt energy and emissions figures with a documented methodology, while most other providers do not disclose enough first-party operational data for precise customer accounting.

To address this, we published an [open framework](#) for corporate AI emissions measurement that introduces a standardized system boundary and a three-tier calculation approach. Authored by our Head of Science Dr. John Bistline, Dr. Steve Davis of Stanford University, and Dr. Sangwon Suh of Tsinghua University, the framework gives companies defensible estimates today and improves as provider data matures—important because data quality alone can drive a four-fold range in estimates for the same AI usage.

In parallel, we are taking practical steps to reduce our footprint including: 1) ensure AI is the right tool for the job, 2) right-size the model to the task, and 3) measure what we can. For more on our approach and recommended practices, see: <https://watershed.com/ai-emissions-sustainability>.

Clean power and cloud infrastructure: Watershed runs on Google Cloud Platform, which matches 100% of its electricity consumption with renewable energy purchases. Our San Francisco office sources 43% of its electricity from renewable sources.



Thank you

There's more to measure, more to reduce, and more to build.
We'll see you next year. In the meantime, learn more:

- [Customers](#)
- [Sustainability AI](#)
- [Trust center](#)
- [Careers](#)
- [About us](#)

