

# RACE TO ZERO

Summary Report

## Race to Zero criteria consultation 3.0

February - May 2022

*This document presents an overview of the key ideas and debates shared in the consultation process, both in the live sessions and through the written feedback. The document attempts to present an objective interpretation of these discussions and an explanation of the decisions made by the EPRG regarding its recommendations to the High-level Champions.*

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## Summary

### **Race to Zero**

Race to Zero is the UN-backed global campaign rallying non-state actors – including companies, cities, regions, financial, educational, and healthcare institutions – to take rigorous and immediate action to halve global emissions within this decade and deliver a healthier, fairer, zero carbon world in time to achieve the goals of the Paris Agreement. All members are racing towards the same overarching goal: reducing emissions across all scopes swiftly and fairly in line with science, with transparent action plans, robust near-term and long-term targets, immediate action and annual reporting against their progress. Led by the High-Level Climate Champions for Climate Action, Nigel Topping (COP26) and Dr Mahmoud Mohieldin (COP27), following their mandate from the member states of the UN Framework Convention on Climate Change (UNFCCC), Race to Zero mobilises actors across the global economy in radical collaboration to decarbonise, giving national governments the confidence to go further, faster.

To ensure integrity and accelerate meaningful progress towards halving global emissions by 2030, Race to Zero established in 2020 a minimum floor for robust net zero commitments, called the Starting Line Criteria. The starting line criteria, also known as the 4 P's, require members to Pledge, Plan, Proceed and Publish, and also include conditions on scope, sinks and credits, and equity and empowerment. The campaign further published an interpretation guide and a lexicon to facilitate clarity and common understanding. The criteria apply to all members, who join Race to Zero through Partner initiatives. It is Partner Initiatives who manage the operationalization and fulfilment of these criteria by their members.

As the knowledge and practice of net-zero continues to develop, and as science and practice become more refined, the criteria need updating accordingly. Race to Zero has therefore committed to periodically strengthen, clarify and update these criteria documents – a process co-led by the independent Expert Peer Review Group. Previous reviews have taken place in [2021](#) and [2020](#).

## 2022 Criteria Consultation Process

This year, the criteria consultation [process](#) was undertaken over a period of 4 months and engaged 150+ experts from different sectors and all continents. The process intended to align criteria to latest science and practice development, as well as support immediate and meaningful action, by delving deeper into the operationalisation and implementation. The results led to stronger criteria that respond to the latest developments in practice and science towards net zero while providing continuity to the process.

The process was split into two phases, to enable both breadth and depth in the discussions. The first phase consisted of detailed working group discussions over the course of eight weeks, from February to April. A total of eight different topics were identified as priority issues for discussion by the Expert Peer Review Group, Race to Zero Partners and other stakeholders - topics in large part highlighted through the Public Consultation on the Future of Race to Zero.

The topics were divided into three categories:

**Category 1:** Discussions on these topics were already underway in various forums. Race to Zero was committed to not duplicating existing or ongoing work, and therefore wanted to engage in these existing conversations to harvest ideas for strengthening the criteria, interpretation guide and lexicon. The discussions of these working groups were geared towards integrating the content of these discussions into Race to Zero criteria, rather than launching separate, new discussions on these topics.

**Category 2:** Working Groups initiated discussions on these topics, with the intention of (i) strengthening the existing minimum starting line criteria; (ii) introducing a new criterion; and / or (iii) deciding whether to establish “leadership practices” around this topic.

**Category 3:** Race to Zero wanted to create space for deeper discussions to take place, with a view toward introducing relevant criteria amendments on these specific topics in the future. Working Groups will continue to be solicited to flesh out these conversations moving forward.

The eight working groups were:

- Net zero finance and disclosure of climate-related risks [Category 1]
- Offsetting, Carbon removals and responsible communication of claims [Category 1]
- Scope 3, boundaries & historical emissions [Category 2]
- Nature, land use & deforestation [Category 2]
- Transition plans & immediate action [Category 2]
- Policy, advocacy & engagement [Category 2]
- Fair share, equity & justice [Category 3]
- Fossil Fuel transition [Category 3]

Over [150 independent experts](#) ranging from scientists, academics, practitioners as well as campaign members and Partners, all acting in their individual capacity, came together over this first Working Group phase to discuss the key topics.

Once the working group discussions had come to a close, the [working groups publicly published detailed and rich suggestions](#) which were, through the second phase of the consultation, subject to comments, reflections and either endorsement or challenge by any individual or entity who wished to submit written feedback. Over 60 written responses were received from a range of Partners, members, NGOs and individuals, published on the [Race to Zero website](#).

Broadly, the consultation was particularly useful as an opportunity to confirm points of convergence; identify key elements around which there remains a lack of consensus; to clarify and strengthen pathways for leadership in the climate action space; and to suggest focus topics for Race to Zero to consider moving forwards.

The Climate Champions and the EPRG will now shift into a longer cycle for reviewing these criteria, and rather than engage in a fourth criteria consultation next year (2023), they will focus on driving convergence with standards and supporting Partners and members in implementing these criteria, as well as continuing to review new partner applications and review existing partners on an annual basis.

## Limitations of the consultation

As the operationalization of net zero deepens in complexity, conducting a global consultation that is able to capture all perspectives and information becomes increasingly challenging. Unlike in previous years, this third consultation was designed to combine both “depth” and “breadth.” While this format was able to bring in a wide variety of both detailed and high-level perspectives from a wide range of perspectives, it is only one step in a broader and ongoing process of continually refining the operationalization of net zero. The climate action community is taking further steps to advance on key open questions regarding net zero operationalization, and some of these steps are presented in the final section of this document.

The Expert Peer Review Group and Champions team, as organisers of the consultation process, were particularly focused on ensuring widespread geographic and sectoral representation in the consultation process. Despite these efforts, there remained a relative unbalance in geographic representation in some of the working groups, as well as a lack of geographic diversity (in particular from Africa and Asia) in the written submissions provided. No feedback was submitted in a language other than English. Engaging different stakeholders across communities and regions more proactively remains a priority for the Climate Champions’ team and the Expert Peer Review Group

moving forward, and serious consideration will be given to how to structurally re-shape consultations in order to be as engaging and as accessible as possible.

## A reminder about the Race to Zero and its criteria

The R2Z criteria are delineated in two categories:

- **'Starting line'** criteria lay out common procedural requirements for all individual members to meet, below which members cannot fall if they wish to join and remain in the campaign.
- **'Leadership practices'** map out example pathways for leading entities to light the way to a net zero economy.

These criteria are supported by two complementary documents:

- **'Interpretation guide'**, first published last year, provides guidance for EPRG members for how to assess applications from Partners and shares insights for members to learn from to implement these criteria;
- **'Lexicon'** lists key terms in the net zero space, designed to drive convergence around the use of language to encourage specificity in using important terms.

Members join Race to Zero to be managed by Partner networks and initiatives to comply with the criteria and leadership practices laid out below. Partners are the funnels through which individual members can join the Race; and are those that provide the support and guidance to members for how to commit to credible climate targets and take meaningful action against these goals. To become a Race to Zero Partner, an initiative undergoes a thorough application process with the EPRG to prove that it has the governance systems, frameworks and mechanisms in place to ensure members comply with these criteria.

All members are expected to meet the starting line and adopt at least *some* of the leadership practices. As these criteria continue to evolve over time in an iterative and interactive manner, many (if not all) of the leadership practices are likely to become starting line criteria (i.e. minimum requirements). Partners and their members are therefore encouraged to consider the dynamic relationship between the starting line criteria and the leadership practices, and to embrace as many leadership practices as possible.

While these criteria apply to all members, they are operationalized by the individual Partner networks and initiatives to match the needs of different groups of actors, often depending on their region, sector and type of work. The EPRG [annually reviews Partners](#) to ensure the criteria are applied in a consistent fashion, that at least some leadership practices are being adopted, and that the Partners continue to integrate updates to the criteria in their management of members. If Partners are deemed to no longer be capable of managing their members to these criteria and supporting them in embracing leadership practices, they are removed from the Campaign.

Besides ensuring integrity of the campaign, the R2Z criteria help to develop guidance for members on how they can accelerate the delivery of their commitments, and together shine light on the 1.5C pathways. The criteria and leadership practices aim to signpost existing guidance and expertise in this space, and in particular relate closely to the [2030 Breakthroughs](#) which map out sectoral pathways for actors to follow in the short- to medium term, across all sectors of the global economy.

# Race to Zero, two years on

Race to Zero, since its inception, has grown considerably - indeed it has 10x'd in two years - up to a current total of over 10,000 members, including over 7,000 companies, more than 530 financial institutions, over 1,100 cities and 52 states and regions. Together, these members now represent - according to calculations from the ECIU - over 12% of the global population, 15% of GDP and more than 10% of global CO2 emissions.

This momentum and convergence around robust net zero commitments is a critical first step to racing towards halving emissions globally by 2030. However, such targets must be followed by impactful action in order for these growing numbers to be meaningful. A central purpose of the criteria consultation this year was to delve deeper into the operationalisation and implementation of the strengthened criteria, helping to more clearly guide Partners and members in taking the necessary action commensurate with the opportunities which must be seized now for limiting global warming to 1.5C.

## Revisions to the Criteria

Race to Zero's criteria are reviewed periodically to ensure that the campaign keeps pace with updates in climate science and evolving best practice. The process is organised by the Expert Peer Review Group and the Champions team, who welcome ongoing feedback to guide the implementation of these criteria and encourage contributions to future processes of strengthening best practice.

### Clarifying the starting line criteria and leadership practices

Previous versions of the Race to Zero criteria have included both procedural requirements termed "starting line criteria" (pledge, plan, proceed, and publish) and substantive requirements termed "leadership practices" (scope, sinks and credits, and equity and empowerment). Within each of these categories, the criteria text has highlighted both minimum requirements that all entities in Race to Zero must meet, as well as best practices that actors can strive toward. This structure has resulted in some confusion about which elements were required or not, and created an artificial division between procedural and substantive requirements.

As a major outcome of this revision process, we are therefore introducing a new structure that makes more explicit both the minimum threshold for membership in Race to Zero, as well as the best practices to adopt, across both procedural and substantive elements.

- Under Pledge, Plan, Proceed, and Publish, as well as the new fifth 'P' of Persuade, (see below) the criteria now explicitly state both the **starting line** minimum requirement and **leadership practices** to strive for.
- Substantive requirements on scope, sinks and credits, equity and empowerment, and other topics (see below), which were previously outlined separately as leadership practices, are now integrated into the text of the starting line criteria and leadership practices of each "P".
- Cross-cutting principles have also been introduced in the Interpretation Guide to guide how a Partner and member approach these criteria.

The revised structure puts more emphasis on the “race” in Race to Zero. Building on the introduction of leadership practices last year, the consultations strongly supported the value of laying out stretch goals beyond the starting line. Strengthened leadership practices are based on practices already observed across communities and have been identified to provide high-level guidance on how Race to Zero members can sprint towards the cutting edge of best practice. Of course, leadership practices will vary depending on the actor type and on a member’s sector and region. Members are therefore encouraged to consult the Interpretation Guide for more detailed and relevant guidance.

## Strengthening and refining criteria while promoting continuity

The consultations surfaced many ideas for how to refine and strengthen the Race to Zero criteria. At the same time, an underlying theme that emerged from the working group conversations and written feedback was a call for limiting changes to the starting line criteria compared to the Criteria 2.0.

This recommendation stemmed predominantly from the need to provide confidence regarding the criteria’s stability, and to avoid the perception of ‘shifting the goalposts’ for existing members. Inevitably, some contributions to the consultations proposed bigger changes to the criteria, while others proposed smaller adjustments. As stated throughout the consultations, the goal was not consensus, but rather to identify points of convergence and divergence.

Overall there was strong agreement on the need to continue aligning with science and the need to recognise that global efforts remain insufficient. Much attention also focused on clarifying and expanding recommendations for leadership principles, as opposed to minimum criteria.

Inputs supported the clarification of several elements in the starting line criteria, including in particular:

- More explicit requirements for **setting Scope 3 emissions targets**, including ensuring financial institutions address all financed/portfolio/facilitated emissions in target-setting / planning;
- Naming the implicit requirement to **phase down and out unabated fossil fuels** as part of a global just transition;
- Requiring all members to **publicly disclose a Transition Plan** (*or equivalent for relevant actor types*).
- A major addition to the starting line criteria was the **introduction of a fifth ‘P’ of ‘Persuade’** to align member policy lobbying and advocacy activities with their net zero operations;

With regard to the leadership practices, the main themes emerging from the working group discussions and written feedback were:

- Embedding **nature** at the heart of leadership practices, including **protecting biodiversity and halting deforestation**.

- Placing stronger emphasis on encouraging entities to go beyond their own science-aligned decarbonization pathways to **contribute beyond their own value chain / territory** to a global net zero state.
- **Empowering communities and relevant stakeholders** to help accelerate their own mitigation actions in the spirit of radical collaboration and equity.

The consultation also included rich suggestions for implementing these criteria and further highlighted the need for the Interpretation Guide to provide insight on how Partners and members can deliver on their commitments, as well as for the Lexicon to clarify key concepts.

## Pledge

<b>Original text</b>
<i>Pledge at the head-of-org level to reach (net) zero GHGs as soon as possible, and by midcentury at the latest, in line with global efforts to limit warming to 1.5C. Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO2 by 2030 identified in the IPCC Special Report on Global Warming of 1.5C.</i>

<b>Revised Starting Line Criteria</b>	<b>Leadership Practices</b>
<p><i>Pledge at the head-of-organisation level to reach (net) zero* GHGs as soon as possible, and by <del>midcentury 2050</del> at the latest, in line with <del>global efforts</del> the scientific consensus on the global effort needed to limit warming to 1.5C with no or limited overshoot, recognising that this requires phasing down and out all unabated fossil fuels as part of a global, just transition.</i></p> <p><i>Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO2 by 2030.</i></p> <p><i>Targets must cover all material greenhouse gas emissions:</i></p> <ol style="list-style-type: none"> <li><i>1. Including scopes 1, 2 and 3 for businesses and other organisations;</i></li> <li><i>2. Including all territorial emissions for cities and regions;</i></li> <li><i>3. For financial entities, including all portfolio/financed/facilitated/insured emissions;</i></li> <li><i>4. Including land-based emissions.</i></li> </ol>	<p><b>Target absolute zero or net negative emissions</b> <i>Reduce emissions to absolute zero with no remaining residual emissions, or go further and ensure your activities remove more GHGs than they produce. See Lexicon for further details.</i></p> <p><b>Adopt inclusive boundaries</b> <i>Widen the scope of your target to include cumulative emissions, especially where these are significant (for all actors) and / or consumption emissions (for cities, states, and regions). See Lexicon for further details.</i></p> <p><b>Set twin targets for reductions and removals</b> <i>In addition to your emissions reductions targets, compensate for any unabated emissions year on year through investment in high quality carbon credits, disclose neutralisation milestones that demonstrate the integrity of commitments to neutralise unabated emissions and state how you plan to will ultimately neutralise any residual emissions by 2050 through high-quality, permanent removals.</i></p> <p><b>Set specific targets for short-term reduction of methane and other GHGs</b></p>



	<p><i>Pledge to contribute to reducing global methane emissions by at least 34% by 2030, in line with the IPCC's 6th Assessment Report, and make near-term pledges to reduce other high global warming potential GHG emissions.</i></p> <p><b>Protect nature</b>  <i>Pledge to halt deforestation, protect biodiversity, making your activities consistent with climate resilient development. Pledge to make finance consistent with climate resilient development including ending deforestation and conversion of other natural ecosystems, and respecting biodiversity.</i></p> <p><b>Contribute to 2030 Breakthroughs</b>  <i>Set sectoral targets in line with the 2030 Breakthroughs or other ambitious sectoral guidance. For financial institutions, use sector-specific targets that drive emissions reductions and do not simply shift investment from high-emitting to low-emitting sectors.</i></p>
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**Consensus**

- Support for inclusion of criteria around other GHG emissions, in particular methane
- Emphasis on the need for clarity on language & timeline for the phase out of fossil fuels in the context of a just transition
- Support for being more explicit with end dates (2030 and 2050 rather than ‘in the next decade’ and ‘mid-century’)
- Aligning targets to pathways that deliver global temperature goals with no or limited overshoot, and avoid other harmful outcomes such as negative impacts on other Sustainable Development Goals.

**Lack of consensus**

- Most disagreements related to whether updates should be made to the starting line criteria, or rather should be introduced as leadership practices.
- There was significant discussion around the minimum level of ambition required for a starting line pledge, which included debates on acknowledging differentiated responsibility and capability. Several contributors believed it was important to require all members to pledge deep decarbonisation targets - at an average of 90% emissions reduction by 2050 - in order to be in line with the science. They argued this was in line with the IPCC's Shared Socioeconomic Pathways 1 & 2 which are the only ones which envisage a scenario of staying within 1.5C. These members further argued that it was important that Race to Zero - as a leading initiative - hold the highest standard on net zero definition. However, others argued that for many sectors, such a uniform level of deep decarbonisation would be unrealistic. Furthermore, they suggested that Race to Zero should encourage members to focus on more precise, short-term commitments and actions until opportunities and pathways for longer term targets become clearer, whilst of course maintaining the overarching pledge to be net zero as soon as possible, by 2050 at the latest.
- Some group members stressed the importance of including twin targets for reductions and removals as starting line criteria, whilst others argued to maintain the simplicity in the starting line pledge but supported introducing this guidance as a leadership practice. Overall, there was a

clear recognition of the value of being clear about the role of both reductions and removals regardless of whether these are directly under an entity's control or not.

**Open questions for further discussion on this topic**

- The question of quality relating to carbon removals was raised during the working group conversations, but not discussed at length due to scope and capacity. This is an active area of work by a number of groups, which the EPRG is following closely.
- How to incentivise corporates and investors to invest in high quality carbon credits alongside deep decarbonization.
- Ensuring the consistent and reliable communication of claims so as to promote achievements with integrity.
- The need for robust accounting guidelines for cumulative emissions was raised by the Scope 3 working group as an important field to further explore in order to shine a light on fair share contributions.

**Plan**

<b>Original text</b>
<i>Within 12 months of joining, explain what actions will be taken toward achieving both interim and longer-term pledges, especially in the short- to medium-term.</i>

<b>Revised minimum criteria</b>	<b>Leadership practices</b>
<p><i>Within 12 months of joining, publicly disclose a Transition Plan, City Plan, or equivalent which outlines how all other Race to Zero criteria will be met, including what actions will be taken within the next 12 months, within 2-3 years, and by 2030.</i></p>	<p><b>Support a just transition</b>  <i>Explain how you will support communities affected by both climate impacts and the climate transition, and strengthen their participation in achieving the global goal of halving emissions by 2030, seeking to address injustices and build towards a more equitable future.</i></p> <p><b>Integrate nature</b>  <i>Drawing on the Convention on Biological Diversity, integrate, as far as possible and as appropriate, the conservation and sustainable use of biological diversity into relevant sectoral or cross-sectoral plans, programmes and policies.</i></p> <p><b>Empower stakeholders</b>  <i>Explain what actions you will take to empower other stakeholders in your community to achieve their own targets, embracing the spirit of radical collaboration. Include in your transition plan indications of how you will support the sustainable development goals. Identify in your plan how you will help build resilience and drive funding to developing countries to achieve a just, inclusive transition.</i></p>

**Consensus**

- Participants converged around the principle that a plan equated to setting an interim target *and* explicitly publishing a Transition Plan (also known as Climate Action Plan or similar).
- Working Group members generally agreed that it was important for Race to Zero to signpost general principles rather than recreate exact, specific guidance for the content of satisfactory plans. Partner initiatives will be expected to support their members to define strong Transition Plans. The Interpretation Guide contains further guidance on how the content of plans may vary across different groups.

***Lack of consensus***

- There was much discussion around the level of ambition required within transition plans, and in particular around appropriate leadership principles. Some contributions discussed the need to reach an average annual emissions reduction rate of 7% or higher (consistent with the global average rate required to halve emissions by 2030), following a “comply-or-explain” model.
- Working groups diverged in their opinions of how often members should be required to update their plans. Whilst some believe that regular updates were important for ensuring the revision of (higher) ambition, others felt that too much planning could take the focus away from taking action.

***Open questions for further discussion on this topic***

- Increasingly, the publication of transition plans for companies is being mandated by regulation and often required by investors. Race to Zero will keep engaging with such regulatory bodies and investor-led efforts to ensure alignment and continue to drive highest ambition in the content and quality of transition plans.

**Proceed**

<b><i>Original text</i></b>	
<i>Take immediate action toward achieving (net) zero, consistent with delivering interim targets specified.</i>	
<b><i>Revised minimum criteria</i></b>	<b><i>Leadership practices</i></b>

<p>Take immediate action <i>through all available pathways</i> toward achieving (net) zero, consistent with delivering your interim targets. <i>Where relevant, contribute to sectoral breakthroughs.</i></p>	<p><b>Contribute beyond your own territory / value chain</b>  <i>In addition to following a science-aligned net zero pathway to reduce your own emissions and neutralise any residual emissions that remain, contribute toward global (net) zero through beyond value chain / territorial mitigation efforts, such as the purchase and retirement of high-quality carbon credits (emission reductions, avoidance or removals) that do not substitute for your not substitute for emissions reductions necessary to meet the Pledge.</i></p> <p><b>Prioritise emissions-intensive sectors</b>  <i>Take immediate action to tangibly protect standing forests, avoid emissions and reduce emissions in the most emissions-intensive activities, while not neglecting longer-term efforts. Align efforts to the Breakthrough Agenda sectoral targets.</i></p> <p><b>Scale up climate solutions</b>  <i>Proactively grow activities that contribute to the achievement of global net zero, such as new technologies, business models, policy approaches, and community practices.</i></p> <p><b>Empower your ecosystem</b>  <i>Empower those in your ecosystem to implement Race to Zero plans, including through financing, capacity building, knowledge-sharing and access to resources. In particular for financial institutions, scale-up investment in emerging markets and developing countries.</i></p>
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**Consensus**

- Emphasis on need for immediate action, with examples given.
- Agreement to shift language clearly away from the term ‘offsets’ which often lead to confusion, and instead use more precise vocabulary for each specific action (i.e. emissions reductions, carbon credits, removals etc.)
- Working Groups converged around the need to link broad net zero plans and pathways to specific and granular sectoral actions, including those identified in the 2030 Breakthrough models and other high-ambition sectoral pathways.

**Lack of consensus**

- Groups discussed at length whether members should be required to specifically prioritise emissions reductions *before* any efforts should be directed towards beyond value chain mitigation. Many members recommended a more flexible approach in which entities prioritise abatement *but may in parallel neutralise* and remove additional emissions in line with no/low overshoot scenarios.

**Open questions for further discussion on this topic**

- How to operationalise fair share, equity and justice is still complex and contested, and Race to Zero acknowledges the critical importance of continuing to delve deeper into this topic for more tangible suggestions and solutions. The EPRG is closely following developments in this area.

## Publish

<b>Original text</b>
<i>Commit to report publicly both progress against interim and long-term targets, as well as the actions being taken, at least annually. To the extent possible, report via platforms that feed into the UNFCCC Global Climate Action Portal.</i>

<b>Revised minimum criteria</b>	<b>Leadership practices</b>
<i>Report publicly progress against both interim and longer-term targets, as well as the actions being taken, at least annually. Report in a standardised, open format, and via platforms that feed into the UNFCCC Global Climate Action Portal.</i>	<i>Report on progress in and beyond your value chain or territory Outline progress both regarding within-value-chain / territorial emissions reductions and investment made / action taken outside of your value chain / territory. Report on financial allocation to achieve the short-term and longer-term targets laid out.</i>

### Consensus

- Across all working groups, there was a general recognition of the need to strengthen and enhance tracking and transparency of reporting.
- Given the evolving nature of the CDP questionnaire, it was generally deemed that encouraging Race to Zero members to report to CDP would be beneficial for consistency in and quality of data, though there are of course other platforms to which members can report. Overall, there was widespread recognition of the value of both standardized and open reporting systems.
- Comments from the working groups and the written submissions highlighted the need to provide further support for SMEs in implementing smooth reporting processes.
- Many working group members also highlighted the need for Partners to take responsibility for reporting the aggregate progress of their membership base back to Race to Zero on an annual basis, flagging those members who may be struggling to meet the criteria able to report against their membership base regularly to Race to Zero, flagging which members may be falling behind on any of the Race to Zero criteria.

### Lack of consensus

- One issue which was contended was the reporting cycle (annual) required by Race to Zero. Some working group members flagged that a few entities (for instance, banks) may find such a cycle challenging. The EPRG will address these issues on a case by case basis.

### Open questions for further discussion on this topic

- Race to Zero is working with many partners to strengthen data tracking and transparency. There is an ongoing need to identify - and drive convergence around - key data points to track in a consistent way, as the most suited metrics for determining progress and compliance with the criteria.
- How to best support SMEs and other actor types who struggle with reporting will also need to be addressed.

## Persuade

<b>Original text</b>
n/a

<b>Revised minimum criteria</b>	<b>Leadership practices</b>
<p><i>Within 12 months of joining, align external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global (net) zero by 2050.</i></p>	<p><b>Activate the ambition loop</b>  <i>Proactively advocate for your peers, stakeholders, and governments to align their goals and actions to 1.5C. Demonstrate how the implementation of your own ambitious targets creates opportunities for others to follow.</i></p> <p><b>Mainstream (net) zero alignment</b>  <i>Advocate for appropriate regulation and facilitating measures to ensure that alignment to 1.5C becomes the default for all actors.</i></p>

### **Consensus**

- The group working on this topic unanimously supported the introduction of a 5th 'P' for members to be consistent in their net zero targets, their governance structures and their lobbying and advocacy activities.
- This recommendation was echoed across most other working groups who echoed the need for policy alignment with net zero operations.
- Members also agreed that, given this was a new criterion, it was important to maintain simplicity in the starting line criteria (with an emphasis on doing no harm in the first instance). The leadership practices in turn outline more proactive engagement activities.

### **Lack of consensus**

- The discussions and disagreements focused predominantly on how to adjust this criterion for different actor types, making it strong enough for corporations whilst not ignoring the important impact it could also have for subnational governments, for instance.
- Group members also recognised the complexity of requiring members to actively align their policy activities, whether that be complicated by, e.g., board sign-off, political contexts in the case of subnational governments, or needing to avoid the risk of unintended consequences.

### **Open questions for further discussion on this topic**

- Race to Zero will look to partner with organisations expert in this field, to understand how to best provide the necessary support to members for implementing this criterion'.
- The question on proactive policy engagement requires further thought to explore how to best operationalize it.

# Additional suggestions to strengthen and accelerate Race to Zero

## Geographic diversity

Race to Zero now covers entities located or headquartered in over 112 countries, though the distribution of members across these countries remains unequal. Recommendations from the consultation for improving Race to Zero geographic diversity included:

- Translation
  - Ensure translation of material (in particular criteria & application documents), feedback forms and communications across relevant languages (aiming for at least all six UN languages).
- Stronger representation of the campaign across the UNFCCC Regional Climate Weeks and similar forums
  - Build better awareness of the campaign in regions and across continents through local events and by identifying representatives who can help communicate the goals of the campaign and explain how to join.
- Enhanced clarity on fair share considerations
  - The working group discussions highlighted the need to continue addressing how to best operationalise the concepts of fair share, equity and justice.

## Sectoral diversity

- More engagement with hard to abate sectors
  - Race to Zero recognises the need for an 'all of society' transition, and looks to bring into the campaign members from all sectors of the economy over time.
  - That said, the criteria's starting line criteria are more complex to meet for certain sectoral actors than others (in particular hard to abate companies).
- Marine systems & ocean biodiversity
  - The nature, land use and deforestation working group specifically decided to limit its scope to land-based nature given the capacity of the group and timelines for the work. However, they noted the need to address marine systems and ocean biodiversity - a call which was further echoed in the written feedback responses.

## Implementation

Robust criteria require implementation to be meaningful. The Race to Zero Partners will focus moving forward on developing case studies of their leading members and early adopters of these criteria.

Race to Zero will also look to develop leadership cohorts and partnerships to expand the

delivery of these criteria.

The campaign also welcomes the launch of a suite of reports by the Glasgow Finance Alliance for Net Zero (GFANZ) – including its preliminary pan-sector Net-Zero Transition Plan (NZTP) guidance for public comment - which will explore how to further guide financial entities in aligning with these strengthened Race to Zero criteria. These more in-depth sectoral guides are critical for showing the pathway to leadership for members.

## Parallel projects for strengthening the Race to Zero credibility architecture

### Integrity

#### *Race to Zero Annual Reviews*

In addition to the annual updating of the Race to Zero criteria, the EPRG has committed to review its Partners every twelve months to ensure they continue to adopt any strengthened criteria, and to provide guidance to Partners on how they may be able to support their members in embracing leadership practices.

This review process is as follows:

- EPRG requests the Partner provides an updated application;
- EPRG members carry out desk research and spot check some of the Partner's individual members to confirm they are following the Partner's standards, and that their published reports reflect forward progress.
- EPRG consults with the Partner on any outstanding questions, highlighting opportunities to adopt further leadership practices
- EPRG makes a recommendation to the Champions to continue including the Partner in the Race to Zero.
- More detail can be found in the [Annual Review process concept note](#).

#### *Data transparency*

In order to more continuously monitor the integrity of Partner and member commitments, Race to Zero is also working on improving data transparency across the campaign. Members are required to publish on an annual basis to demonstrate they meet the criteria, and are asked to do so via platforms which feed into the Global Climate Action Platform (GCAP). However, both the quantity and quality of this data remains insufficient. Race to Zero is therefore working closely with CDP and with other data organisations to improve visibility of member activities in order to provide Partners with a clearer picture of their member progress against the Race to Zero criteria.

With the introduction of a fifth 'P' on Policy, Race to Zero, we also expect members to disclose their trade association affiliations and their



### *Accountability mechanism*

Race to Zero members are managed by their Partner initiatives. These Partners are responsible for ensuring their members comply with the criteria, and if they fail to do so, Partners remove their members from the Race. That said, the Champions also reserve the right to remove members from the campaign who they deem to be misaligned with the ambition of Race to Zero.

Whilst this responsibility primarily lies with the Partners, Race to Zero acknowledges the importance of consistency across Partner initiatives, and

These criteria are robust and science-aligned, but to be truly meaningful they must be implemented at pace. Hence, Race to Zero has commissioned the development of an independent accountability mechanism to help identify member progress and remove members who persistently fail to comply with the starting line criteria.

This mechanism will also help identify systematic challenges faced by members, perhaps depending on their actor type, sector, region etc. Analysing trends from this accountability mechanism will enable the Climate Champions to better target support where needed and help accelerate the implementation of these robust criteria.

# Race to Zero in the broader net zero ecosystem

## UN Secretary General High Level Expert Group

Race to Zero is committed to sharing learnings from this criteria consultation with the UN Secretary General's High Level Expert Group on net zero, to help inform the areas of convergence, main points of divergence, and to highlight key areas which require further focus.

## International standard-setting

The campaign's efforts have helped breed coordination and drive upward convergence towards best practice across the voluntary actor ecosystem. In order to accelerate the transition to a 1.5C world, voluntary efforts must now be paralleled by stronger standards and economy-wide regulations, driving net zero alignment across the economy.

These criteria are already starting to influence international standard-setting and hope to set a high bar of ambition for updated standards globally. Race to Zero's role in [Our 2050 World](#) helps directly connect these criteria to the shaping of such standards, ultimately creating stronger mechanisms to support non-state actors in delivering their commitments.

## Net Zero regulation

Additional efforts are needed in the coming months to implement the needed internal process and to more systematically assess the landscape of net zero standards and regulation. Race to Zero aims to bring together key players on this journey on the road from voluntary, through standards, to regulation.

## With thanks to all those who contributed

The Climate Champions and the Expert Peer Review Group would like to deeply thank all those involved in the consultation. Their contributions, commitment and recommendations have helped raise the bar for needed climate action and have lit the way for how non-state actors can support Parties in delivering the promise of the Paris Agreement.

The campaign welcomes further collaboration moving forward and the Champions and EPRG look forward to continue learning from your expertise.



