RACE TO ZERO

Defining the "Starting Line"

Minimum criteria required for participation in the Race to Zero campaign

The Race to Zero is an umbrella campaign—driven by science—that aggregates net zero commitments from a range of leading networks and initiatives across the climate action community. These networks and initiatives define the substantive criteria that businesses, cities, states and regions, investors, universities, and others setting net zero targets are required to meet, tailored for different types of actors.¹ A mapping of these substantive criteria is available here and summarized in Table 1 below. Please refer to the websites of the individual networks' and initiatives' that make up the Race to Zero campaign for full details regarding the criteria they apply to their participants.

In addition, the High-level Climate Champions require that the commitments brought forward by networks and initiatives recognized in the Race to Zero campaign meet a minimum set of procedural criteria. These process criteria represent the "Starting Line" for the race, so meeting them does not necessarily imply that an actor is on track to net zero, only that they have begun the process. All entities are part of the "Race to Zero" once they cross this "Starting Line."

The Champions will review these criteria in consultation with participants in the Race to Zero on at least an annual basis.

These criteria focus only on achieving a net zero pledge, not on other aspects of climate action or broader considerations.

Starting Line criteria

All commitments in the Race to Zero Campaign are channeled through networks and initiatives that require their participants to meet the following procedural criteria, and so have begun their "race to zero":

¹ In exceptional circumstances, the High-level Champions may include individual commitments as part of the campaign through the process defined below.



1. Pledge: Pledge at the head-of-organization level to reach (net)-zero in the 2040s or sooner, or by midcentury at the latest, in line with global efforts to limit warming to 1.5C.

2. Plan: In advance of COP26, explain what steps will be taken toward achieving net zero, especially in the short- to medium-term. Set an interim target to achieve in the next decade, which reflects a fair share of the 50% global reduction in CO2 by 2030 identified in the IPCC Special Report on Global Warming of 1.5C

3. Proceed: Take immediate action toward achieving net zero, consistent with delivering interim targets specified.

4. Publish: Commit to report progress at least annually, including via, to the extent possible, platforms that feed into the <u>UNFCCC Global Climate Action Portal</u>

Promoting greater convergence around leadership practices (substantive criteria)

Over time, all entities' net zero plans should become stronger and more concrete, as action toward net zero accelerates. Already, a number of points of strong consensus have emerged across the climate action community, as described in the middle column of the table below.

After a series of consultations, the High-level Climate Champions call on all actors setting net zero targets to move toward leadership practices and to work together to address open questions.

In particular, building on key areas of convergence in the dialogues convened by Oxford University in April-May 2020, "Net Zero" pledges to be included under the Race to Zero campaign should:

- Cover all emissions, including Scope 3 for businesses and investors where they are material to total emissions and where data availability allows them to be reliably measured, and all territorial emissions for cities and regions.
- Alongside immediate abatement measures, potentially including external opportunities, transition to limiting offsets to neutralize "residual" emissions. Offsets portfolios should transition to permanent removals by the time net



zero is achieved. Ensure that all offsets meet robust standards for additionality, permanence, accounting, etc.

Table 1: Points of convergence and divergence across current net zerotargets

| Торіс | Points of greater consensus or certainty | Points of less consensus or open questions | |
|-------------------------|---|--|--|
| Timing | Reach net zero by 2050 Set interim targets Act immediately | For those actors or sectors that can/should reach net zero before 2050, what is an appropriate time scale? Operationalizing interim targets clearly aligned to pathways to net zero (e.g. 2025, 2030, etc.) | |
| Offsetting | Any offsets require robust standards (e.g. additionality, permanence, verifiability, etc.) Specify offsetting approach, avoided emissions, reductions, or removals | Reach net zero by 2050 Set interim targets Act immediately | |
| Equity | All should move to net zero, but scope and timing may differ due to capacity, responsibility, and other factors | How to operationalize differentiation around equity considerations | |
| Future uncertainties | Net zero targets strongly affected by uncertainty around technology and governance questions | How actors should address such uncertainties in their target setting | |



| Dependence | Net zero targets almost | How actors should address |
|------------|---|---|
| on other | always depend on other | such dependencies in their |
| actors | actors' behavior | target setting |
| Governance | Formal, top-level commitment Interim targets Transparency through regular reporting and tracking Clear plan with specific operational implications | What are actor-specific best practices? |

Vetting

Commitments under the Race to Zero campaign are collected via leading networks and initiatives. These are the entities responsible for establishing substantive and criteria. In exceptional cases the Champions will consider individual actors for inclusion.

The Champions are ultimately responsible for deciding what is included and what is not included in the Race to Zero.

Vetting process

- Networks / initiatives write a letter to the Champions explaining how the commitments they put forward meet the "Starting Line" criteria.
- Networks / initiatives explain their current approaches with respect to the key questions (respond to questionnaire; see appendix below).
- An Expert Peer Review Group will revise the submissions presented by Networks / Initiatives and make a recommendation to the Champions regarding inclusion
 - Organizations participating in the Race to Zero may nominate a technical expert to serve on the Expert Peer Review Group, envisioned to comprise of 8-12 members. Nominations will be reviewed by the Champions, with a final group selected to represent a balance of views.
 - The Champions may appoint further experts from the scientific community.
- Based on the recommendations of the Expert Peer Review Group, the Champions will make the final decision for inclusion.



- Networks / initiatives who are not included will be given a clear explanation as to why, and what steps would need to be taken for future inclusion. The Champions will aim to find ways to assist networks / initiatives to cross the "Starting line."
- At regular intervals, the Champions will review participating networks / initiatives to ensure they continue to meet the "Starting Line" criteria. Networks / initiatives who have fallen "behind" the Starting Line will be asked to leave the Race to Zero campaign.

Appendix: Questionnaire on criteria for net zero targets for networks or initiatives joining the Race to Zero campaign

| Question | Answer |
|---|--------|
| Scope How do you define net zero? What do you require targets to cover? What is not covered? For companies, do you include scope 1, 2, or 3? For jurisdictions, do you cover territorial emissions or imported ones as well? What greenhouse gasses and sectors do you cover? Explain your rationale for any exclusions. | |
| Timing 7. When will net zero be achieved? 8. What interim targets do you set? 9. What steps are being taken toward these goals now? To the extent possible, describe the pathway to net zero. | |
| Offsetting 10. Do you allow entities to purchase external offsets toward net zero targets? 11. Do you participate in any emissions trading schemes? | |

