

Public Consultation on The Future of Race to Zero

October 2021

This document summarises the responses from the public consultation on the future of Race to Zero, carried out between 23 June and 3 September 2021.

This process, driven by the UN High Level Climate Action Champions and supported by the UNFCCC, the Race to Zero Partners and the Expert Peer Review Group, helps to inform how to continue enhancing the impact, broadening the reach and improving the efficiency of the campaign, its Partners and its members. The process also helps to inform how to leverage different non-State actors' capacities and expertise with a view to facilitate and accelerate the implementation of robust climate action based on credible net-zero targets.

Based on this summary report, the UN High Level Climate Action Champions, with the engagement of the Race to Zero Partners and through consultation with the UNFCCC and the Expert Peer Review Group, will engage existing and new entities in discussions around the next steps of Race to Zero before formally announcing plans at COP26 outlining the next phase of the campaign.

Entities who responded to the consultation included:

Race to Zero Partners: *Business Ambition for 1.5C Campaign - Science Based Targets initiative, Business Declares, Exponential Roadmap Initiative, Health Care Without Harm, ICLEI, Pledge To Net Zero, SME Climate Hub, Race to Zero Universities & Colleges for Climate Action, UN-Convended Net Zero Asset Owner Alliance, We Mean Business Coalition.*

Race to Zero Members: *University of Žilina, Health Hospitals Project, Delphis Eco, Imagine, Iberdrola, Uber, Iceland, Visa*

Race to Zero Accelerators: *Aldersgate Group, Climate Action for Associations*
Governmental entities: *Western Cape Government Department Health, U.S. Environmental Protection Agency*

Institutes: *Institute for Sustainable Communities, Institute for sustainable communities, auctusESG LL, Institute of Sustainable Development and International Relations, Institute of Environmental Management and Assessment*

Other entities: *Allchiefs, Berkeley-Oxford Climate Equity and Justice Research Group, British Standards Institution, Carbon Disclosure Project, Climate Change Committee, The Chancery Lane Project, Center for Climate and Energy Solutions, ClimateWorks Australia, E3G, Foundation, Green Corporation Global, Greenpeace Africa, Hanover Action, InfluenceMap, International Organisation Standardisation, International Union for Conservation of Nature, Net Zero Centre, Normative, Srishtibharat Foundation, SUNx Malta, UN Environment Program, World Green Building Council, ZeroBees.*

I. SUMMARY

The public consultation took place over a period of ten weeks between 23 June and 3 September 2021. In total, 53 responses were submitted from across stakeholder types, regions and sectors, including submissions from 9 Race to Zero Partner initiatives; 7 individual members of Race to Zero; 6 Accelerators to Race to Zero and 9 stakeholders from developing regions.

The consultation addressed four key themes, including what should be the core components of verifiable plans, how to best measure impact, what other criteria (if any) should be required of members in the Race, and how to hold members accountable and verify their progress.

Across the responses, there was a general consensus that Race to Zero is driving upward convergence and providing a necessary minimum floor for what robust net zero standards must look like. Respondents supported the strengthening of the campaign across these four elements and stressed the importance of not creating new campaigns or initiatives, but rather building on and supporting those which already exist. Concrete suggestions were made for which organisations and associations could contribute to the future architecture of the Race.

II. PROCESS

The High-Level Climate Champions, the UNFCCC and the Expert Peer Review Group, with the support of the Race to Zero Partners, hosted an open session on Wednesday, 23 June at 17:00 BST, from which date a public call for written submissions on four key topics, guided by specific questions, was launched. Written submissions were welcomed from Wednesday, 23 June, 18:00 BST until Friday, 3 September, 12:00 BST. In parallel to the written submissions, the Climate Champions' team engaged in bilateral conversations with partners, organisations and individuals who wished to discuss their responses in more detail. The Champions strove to ensure that this consultation process was made accessible globally and welcomed voices from across the global economy and areas of society. They created space for and proactively reached out to a wide variety of respondents.

A closing session to outline the findings from the written submissions was held on Wednesday 19 September, 17:00 BST.

All submissions are now published as individual responses on the Race to Zero website. Responses were reviewed by the UN High Level Climate Action Champions team, the Race to Zero Partners and the UNFCCC in order to create this report. The structure of this report is such that, for each theme of the consultation, the general themes are outlined; the unique perspectives are highlighted and attributed to the relevant actor types, and concrete suggestions that were offered are laid out.

III. RESPONSES

This section of the report summarises the responses from each part of the public consultation. Please note that the responses outlined here are to reflect the feedback from the public consultation (which will inform and influence the future of the Race), rather than directly inform what steps Race to Zero will implement moving forwards.

1. Verifiable plans

This section of the consultation focused on what partners believed should be the minimum elements of a credible plan, such as specified actions; timings of those actions; monitoring, verification, and reporting

systems; governance and accountability mechanisms; buy-in of directors / decision makers; communications; stakeholder and workforce engagement, and social dialogue etc. Respondents were also asked to consider if these minimum elements of a credible plan should vary depending on the region, sector or actor type, and if there were associations or organisations that would be best placed to support the creation of verifiable plans.

As a reminder, currently, all members who join Race to Zero are required to "explain, within 12 months of joining, what actions will be taken toward achieving both interim and longer-term pledges, especially in the short- to medium-term."

Interpretation points

1. The Expert Peer Review Group (EPRG) acknowledges that plans are often iterative, especially when entities first embark on their net zero transformation. For example, smaller entities or those facing resource and capacity constraints may require significant time to prepare a first GHG inventory. In such cases EPRG does not necessarily expect a "full" plan to be immediately available, but it does require that entities provide information on their progress and the steps they will take within 12 months.

2. Entities' plans should address the initiative's approach to the Race to Zero leadership practices.

a) General themes

Less than 1% of companies have a climate action plan, and existing climate action plans vary in their credibility and quality. It is therefore imperative for Race to Zero and the Partner initiatives to support signatories in strengthening and developing robust climate action plans. Respondents all affirmed the critical importance of seeing clear plans from Race to Zero members, in order to be confident in members' ability to meet their targets. Respondents underscored certain elements, outlined below, which they felt were particularly crucial to include in verifiable plans.

1) Be based on backcasting to align with the science

Five respondents echoed the need for backcasting plans from 2030 to ensure plans will be sufficient to deal with the scale of the challenge of globally halving emissions in the next eight years, which translates to a global reduction of 6-7% emissions reduction per annum based on 1990 baseline. The majority of respondents emphasised, in support of aligning with the science, that plans should be based on absolute emissions rather than intensity.

2) Be holistic to encompass all aspects of an entity's operations

Credible plans must be Paris-Agreement-aligned, cover all scopes and integrate with all operations to ensure they are embedded into the design of projects; this will guarantee meaningful action and strengthen accountability. Plans should also include policy advocacy to lead beyond company operations and incorporate risk-management frameworks.

3) Be specific and consistent

Across the majority of respondents there was clear agreement that plans should outline in detail what actions would be taken by members, as well as their associated timeline and predicted impact. Plans should specifically refer to short-term targets (1-5 years).

4) Be transparent

A number of respondents proactively highlighted the need for credible plans to be publicly available for transparency, including annual performance reporting to shareholders. Moreover, included in these plans should be a robust understanding of the organisation's GHG emission baseline, the breakdown of emission sources, and their business as usual emissions projections.

Four respondents specifically recommended that a credible plan should link the identified emissions reductions to the corresponding parts of the business and the underlying contractual relationships.

In addition, specific recommendations made to enhance the transparency of these plans were for them to be third party verified and bound by a strict MRV process, subject to periodic review (across respondents, suggestions were made for this review to be annual, once every two years, or on a five-year basis in line with the national government ratchet mechanism).

5) Explicitly allocate responsibility

There must be leadership or head of organisation buy-in, with individual responsibility and accountability for the implementation of a given plan. Clear internal and external communication will also assist workforce engagement in developing a business plan.

6) Include connections to raising national government ambition

Calling for formation of a Climate Change Committee at national level to support non-state actor plans. Some respondents specifically suggested that NSAs should call for their governments to make 5 year climate action plans mandatory, as Spain has done.

7) Clearly indicate capital allocation

Ten respondents also underscored the importance of outlining how capital would be allocated to achieve these plans. Tax deductions & incentive measures should be made available by national governments to entities who publish clear ambitious plans.

8) Address fossil fuel phase out

The majority of respondents highlighted the need for plans to explicitly include an indication of the timeline for phasing out fossil fuels, including details on addressing the financing of fossil fuel supply.

9) Flexibility in requirements

The general consensus was that the minimum plans required should be consistent across regions, sectors and actor-types. That said, six respondents underlined the need for flexibility, as different parts of the world and different sectors have different needs.

Generally, those who agreed with the above suggested that flexibility should relate specifically to the timelines outlined in the plan, rather than the content. The timing of execution of the plan would naturally vary based on the maturity of a member, and - for subnational governments - may also depend on the urban vs. rural nature of the entity. It was also highlighted that this flexibility should be based on the concept of an actor contributing its fair share of emissions reductions - in particular of halving global emissions by 2030.

b) Specific perspectives

In addition to these general themes raised, certain unique perspectives are worth considering. This report outlines those specific comments, and attributes them to the relevant respondent's actor type.

Actor type represented	Unique perspective
Business leader	Set more aggressive timelines than the minimum global plan

	needed, because members in Race to Zero should be demonstrating leadership in ambition & accelerating action at a global scale.
Legal professionals collaborative	Plans should continuously be subject to ratcheting based on the latest science and technology available, and therefore should be reviewed & enhanced on a very regular basis.
NGO	In order to ensure the integrity of the Race to Zero campaign, a member's plans should be verified before they are formally accepted into the Race to Zero.
SME	Given the challenges of defining Scope 3, entities should be given more time to plan for how they will reduce emissions across their Scope 3. For example, entities could have 12 months (once in the Race) to publish their plan for Scopes 1 & 2, and 24 months for publishing their plan for Scope 3.

c) Concrete suggestions

Alongside these above reflections on the content required and the process suggested for submitting a satisfactory action plan, some respondents offered concrete suggestions on how Race to Zero should support its members in establishing these plans and verifying them. Some called for targeted working groups with corporates, financial institutions and actors from specific sectors to discuss the creation of transition plans.

It is important to note that, in the spirit of avoiding duplication, Race to Zero Partner initiatives are already engaging their members and supporting them in establishing plans.

That said, this work could be further expanded, in particular across regions and sectors yet under-represented in the Race to Zero. Some respondents offered explicit suggestions for how to address this gap.

2. Measuring impact

This section of the consultation focused on asking respondents to share what actions are most impactful to reduce emissions. The consultation also sought to explore which metrics could best measure impact in the Race. Broadly, respondents called for more consistency in reporting across members in the race, and reinforced the need to consolidate existing platforms rather than create new ones.

As a reminder, currently, the Race to Zero criteria specify that all members must "take immediate action toward achieving (net) zero, consistent with delivering interim targets specified", and must "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, actors are asked to report via platforms that feed into the UNFCCC Global Climate Action Portal."

d) General themes

i) Most impactful actions

Respondents were asked what actions they believed would be most impactful in their race towards contributing their fair share of halving global emissions by 2030. Most of these actions aligned closely with the general themes raised in Part I on components needed for strong plans, specifically recommending that organisations:

1) Align policy lobbying with operational activities

See Part III on additional criteria.

2) Invest in line with climate targets

Many respondents highlighted the importance of investment in accelerating progress, and notably called for Race to Zero members to allocate financial resources and ensure investment plans are in line with climate targets - for instance by investing in total transition to renewable energy; costing carbon into their decision making appropriately; and incentivising appropriately.

3) Introduce legal contracts aligned with Race to Zero criteria

Contracts provide a mechanism for action as part of both governance and stakeholder engagement, and are one of the 'bridges' between the 'Plan' and 'Proceed' stages.

4) Engage in radical collaboration

Race to Zero is in a unique position to enable enhanced collaboration across Partner initiatives and members in the Race to Zero. Several members recommended exploring the development of a collaborative platform between the Race to Zero Partners (including perhaps other strategic partners with specific expertise). This could help spotlight the challenges faced by the partners and members and connect them with peers who have overcome similar challenges. Additionally, this platform could provide visibility to each of the Partners and members in the Campaign who can offer particular contributions to accelerating climate action.

Further responses underscored the importance of visibly defining what collaboration should look like (across the supply chain, across actor types) in order to build up a common language and understanding of radical collaboration. In particular, a few respondents highlighted the importance of outlining the financial benefits of collaboration, to encourage more engagement.

5) Establish public-private partnerships

In a similar vein to the above recommendation, several respondents highlighted the impact of public-private partnerships in helping accelerate action. Race to Zero could point to how these can be established and support the introduction of relevant public and private entities.

6) Communicate net zero

Members should empower individuals and communities closest to them to distinguish robust net zero targets from the bad and ugly ones used for greenwashing.

ii) Metrics to measure

1) Quantitative

Respondents agreed that the primary metric to measure must be emissions reduction, across all scopes of emissions. This should be done consistently through existing platforms so as to align measurement across actor types. Moreover, members should measure both the emissions already reduced, and the emissions forecast to be reduced which will enable Race to Zero to assess gaps in progress forecast.

2) Qualitative

Members should also measure qualitative data such as governance structures, accountability measures, and stakeholder engagement are also instructive to provide insights into the longevity and institutionalization of support from members' leadership and their capacity to change behavior and culture across their organizations and value chains.

iii) How to measure

1) More consistency in defining & measuring emissions:

General standards should be implemented to make measurement and reporting comparable across firms. Considering lack of data on emissions from supply chains, Race to Zero partner's could develop models for more accurate estimates of emissions considering, for example, the transoceanic transport of goods. Furthermore, analysis of emission hotspots are already being developed which will help reduce the majority of emissions with directly actionable insights.

2) Consolidation of existing measuring

Many respondents underlined the existing reporting bodies already carrying out this work, and recommended no new measuring bodies be introduced because this would cause further confusion and splinter the landscape of reporting. Existing entities were already working on this, and Race to Zero does not intend to duplicate this work nor start it from scratch, but respondents called for these to be further expanded to new actor types and regions.

3) Centralisation

That said, other respondents endorsed the centralisation of reporting emissions reductions across all Race to Zero members. Without creating a new platform or tool, many called for an aggregated reporting platform providing visibility on member targets, commitments and progress. It was repeatedly suggested that this could be owned by an existing entity, and support could be directed towards these organisations expanding their capacity to track and measure other actor types' emissions.

e) Specific perspectives

Actor type represented	Unique perspective
Race to Zero member company	Every company that signs up has to commit to having their Scope 1 & 2 analysed within 12 months and Scope 3 within 24 months. This has to be owned at Board level with a published individual's name against the commitment. SMEs should be supported to measure Scope 1, 2 & 3. It should be fully tax deductible.
Standards body	Members should use recognised, credible and existing standards to develop and deliver their commitments. Race to Zero can signpost partners and members to existing standards

	and bring further co-ordination to the campaign. Race to Zero should engage with national standards bodies in a comprehensive review, exploring the extent to which the international standards system can drive net zero by 2050.
Race to Zero member company	Establish a dedicated Partner Hub for Partners and their members to readily access support and guidance, and to enable collaboration across Partner initiatives who each have expertise in different areas / regions / sectors.
NGO	Independent Auditing of emissions would be crucial to breed consistency and encourage transparency.

f) Concrete suggestions

The overall sense from the respondents on this question was the need to build consistency across members in the Race and support existing organisations to expand their capacities to measure and report emissions across more actor types. All these measurements could be grouped - as they already are on GCAP, and the platform could be developed to filter, assess and streamline actions and targets set by different actors and cooperative initiatives.

Work is underway to support SMEs in undertaking emissions measurement and reporting, and in parallel, local governments could be funded or supported to help automate their reporting and tracking.

3. Additional criteria

g) General themes

For this section, respondents reflected on whether Race to Zero members should be required to meet any additional criteria, beyond the existing minimum criteria, in order to join Race to Zero. *As a reminder, currently, the Race to Zero requires its members to "seek to enable all actors to contribute to the global transition toward (net) zero through engagement, information sharing, access to finance, and capacity building. Members should develop pledges, plans, and actions in consideration of equity, drawing on, inter alia, the Sustainable Development Goals and Articles 2 and 4 of the Paris Agreement."*

General themes raised across the responses suggested that Race to Zero should consider the following suggestions:

- 1) **Engage in positive climate policy**
NGO analysis identified certain industry associations as a key blockage to climate policy action. Many organisations retain memberships to these industry associations and, by endorsing their work, are contributing to their oppositional efforts against climate policy. Across all respondents, there was a general consensus that members should align their operational commitments with their lobbying and educational activities in order to ensure integrity of their commitments.
- 2) **Accelerate climate action through legal contracts**

The action of placing the plans (including both emissions reductions targets and leadership practices) as performance requirements within all contracts that have a potential climate impact (either as obligations on themselves or contractual partners, depending on who controls the emissions) will make the plans binding and enforceable under contract law (see further discussion under accountability below).

Members should also seek to negotiate contracts which do not have direct emissions or climate impact but under which they will be held accountable and receive incentives e.g. with investors, lenders or insurers and link their plan to their performance targets under those contracts.

Contractual requirements will promote awareness raising and embedding of the existing campaign, stimulating organisations to support each other to share knowledge, template plans, tools, examples of successful ‘business cases’ to sell the plan internally and ‘how to’s’ amongst corporate members. Parties that have more experience with Race to Zero compliance can help their contractual partners to understand how they can create their pledge and plan to sign up.

3) Demonstrate commitment to wider climate issues & building resilience

New members should show action towards an equitable and just climate transition, supporting communities, workers and those directly impacted by low-carbon transition, alongside emission reducing policies.

These suggestions were further complemented with requirements to show action towards wider Sustainable Development Goals, and recognition and mitigation of biodiversity, water, and other environmental crises.

4) Contribute to improving education on the climate crisis

Leadership should show commitment to improving knowledge of the climate crisis, including furthering education on actions or solutions that could be taken to help mitigate and adapt. This education should be offered to all stakeholders, board members and workforce, allowing the organisation to advocate for wider societal transformation to net-zero.

5) Put nature first

Achieving a zero carbon, resilient world will only be achieved with the preservation of nature and biodiversity. It was therefore recommended that leaders in the Race should explicitly be leading in nature based solutions and committing to deforestation-free supply chains.

h) Specific perspectives

Actor type represented	Unique perspective
Environmental Consultancy	It is important for Race to Zero to remain as inclusive as possible. Current standards to join should therefore be put into inclusive and understandable language to improve access and organisations should be allowed to join even if they cannot answer everything from the outset.
Local government network	Cities should develop stakeholder institutions to prove they are being held to account and run public campaigns to increase awareness of the climate crisis. Alongside this, cities should report annually their short

	term advances before joining Race to Zero.
SME	Businesses must have published annual GHG emissions, available for public viewing, before joining Race to Zero. However, there needs to be a globally standardised and verified way of measuring GHG emissions to ensure consumers are confident it is not greenwash.
Renewable energy company	New members must demonstrate leadership practices that support a positive ambition loop between government policy and private sector ambition.
Non-profit specialising in environmental impact reporting	Commitments and their integrity are best supported through agile platforms for collaboration, clear and coherent guidance and transparent, public and standardised reporting.
NGO	Rather than identifying one organisation to support integrity of commitments, all partner initiatives could collaborate with organisations with expertise in equity and empowerment to develop equity-related disclosure metrics into their reporting.
NGO	New members should show active participation in alliances leading global action on mitigation and adaptation. Strong leadership can also be shown through coaching other organisations to contribute to international best practice.

i) **Concrete suggestions**

Building on the comments provided, certain respondents offered concrete suggestions for how Race to Zero could implement these additional criteria or guidelines for members in the Race.

In particular, Race to Zero members could collectively make a crucial impact on this major blockage to climate action by publishing a joint statement:

- declaring that they do not agree with the climate policy advocacy of industry associations found to be not supporting the ambitions of the Paris Agreement, and
- calling on the associations to which they retain memberships to quickly cease oppositional climate lobbying.

4. Support & Accountability

In this section, respondents were asked to consider how Race to Zero could help identify major challenges to members’ progress against their commitments, whilst also implementing a process through which members who were repeatedly falling short of their commitments would be held accountable for not meeting the Race to Zero minimum criteria.

j) **General themes**

1) Regular review of members

All respondents who responded to this question agreed that member progress should be reviewed on a regular basis (most respondents agreed this should be annual) and many supported that their progress against the 4 'P's of Race to Zero should be publicly tracked. Several suggested that if a member were to fall short of its commitments, it should be granted a grace period within which to address the gaps. Beyond that grace period, if the member still failed to meet its commitments, it should be publicly removed from the Race, as per the below.

2) More explicit removal of a member if they do not meet their targets

Many respondents, across stakeholder groups, supported the need for a more public removal of members who did not meet their targets. Recommendations for how this should be carried out included: through an annual list on the website of those added and those removed; through social media announcements; or continuously on the website. That said, some believed that it was more important to celebrate those taking action than to focus on those falling behind.

3) Full disclosure recommended

Respondents called for more disclosure around various elements of a member's activities, including disclosure of all Trade Association memberships; disclosure of lobbying practices; disclosure of investments etc. Such transparency would help address where to target support or guidance for a member in the campaign that is not meeting its commitments.

4) Tiered membership in the Race

Based on the above comments, several respondents suggested that the Campaign could strengthen its integrity and transparency through tiered membership. Members who have only just pledged their commitment could be welcomed into a 'warm up room', until they submit their plans (and these are approved) and start taking action, at which point they could enter the Race.

k) Specific perspectives

Respondents were split over who should be responsible for holding members accountable. The Partner initiatives manage their members to the criteria, and the Race to Zero currently undertakes an annual review of all Partners to support them in managing their members to the criteria and to continue driving upward convergence.

Other respondents felt the need for a more transparent, independent process - similar to the [Expert Peer Review Group \(EPRG\) process for Partners](#) - which would enable a regular review or spot check of members in the Race, to ensure they continue to comply with the criteria.

Some respondents suggested this process be carried out proactively by the EPRG itself, whilst others recommended there should be an open opportunity to enquire about any member at any given time, and that this enquiry could be directed at the EPRG for a more reactive review process.

Still other respondents believed this process should be even more independent from the EPRG, and instead members in the Race could be audited on an ad hoc basis by a third party organisation.

l) Concrete suggestions

Actor type represented	Unique perspective
NGO	Lobbying disclosures as recommended in the section 'Policy and integrity', should be formalized as part of a member's annual reporting process. If evidence is found of Race to Zero members backsliding on

	<p>commitments, there should be a reporting mechanism via the UNFCCC secretariat whereby members have a 1 year time frame during which they must publicly change their positions /address third party relationships or forfeit membership to the Race to Zero campaign.</p>
SME	<p>State actors seem uniquely positioned to provide clear guidelines and regulations. Financial institutions should provide more incentive structures, e.g., supply chain finance, renewable energy incentives, electric cars support, carbon benefits reduction.</p>
UN body	<p>Partner initiatives are quite close to the members transition process towards their commitments. They could be in a good position to track and support them in the challenges they are facing to meet them. A close coordination between Partners and Race to Zero secretariat will be needed to hold accountable those members that do not fulfil their commitments. If this is not properly tackled, reputational risk for the initiative might arise.</p>
NGO	<p>Representation from First Nations people is critical to incorporate Indigenous Knowledge in the understanding of climate change impacts, adaptation and mitigation.</p>