

RACE TO ZERO

Progress Report



RACE TO ZERO

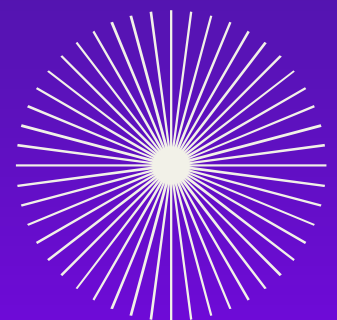


2023

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We are in the Race of our lives.

A race in which **we all win, or we all lose** together. This is a race for a better world; a world, where nature is protected and nature loss reversed, sustainable development goals are met, finance flows where it is needed, and all voices are heard. In this transition towards a healthier, more resilient and fairer global net zero world we need radical collaboration to halve global emissions by 2030.

As the Global Stocktake illustrates, we are off track and still have a long way to go before reaching our 1.5C goal. But we also know that we have the frameworks, the tools, and the technologies we need to win this race. Initiatives like Race to Zero and Race to Resilience are helping by convening and aligning non-Party stakeholders (NPS) under ambitious shared goals. We already have a critical mass of members in the Races. Now is the time to translate commitments into targets, pledges into transition plans, and actions into real emission reductions. We recognize the need to address the challenges facing NPS from developing countries in formulating and implementing net-zero targets and will work towards identifying the measures needed to support them to formulate and deliver on credible net-zero targets.

The transition to a climate resilient and low-carbon economy must be just and equitable. NPS' strategies to tackle the growing threat of climate change need to incorporate the full range of environmental, social, economic and governance dimensions and to address transitional challenges encountered by vulnerable communities. We encourage NPS to connect their action on climate change with inclusive development pathways through ensuring linkages with and contribution of climate action of NPS to the 2030 Agenda for Sustainable Development.

In 2023, the campaign reinforced its efforts to increase the participation of NPS from developing regions. We proudly celebrate the expansion of Race to Zero to 30 countries and the substantive increase in membership from the Asia Pacific and MENA region. With 146 countries in the Race, the campaign is now ready to identify mechanisms to strengthen principles of equity and fair share, putting them at the centre of the global roadmap to Net Zero.

Under the leadership of the SME Climate Hub, this year we also saw a substantive increase in the participation of SMEs, now representing over 50% of the members in the campaign. SMEs are the backbone of the global economy and there is no hope of reaching global Net Zero without them. At the same time, of all the businesses, SMEs are usually the least capable of managing, tracking and addressing their emissions. The tools and frameworks developed by the SME Climate Hub, as well as the launch of their regional chapters are a fundamental pillar in the transition to Net Zero.

Finally, we also celebrate those members in the campaign who are embracing the 5th P of Race to Zero criteria “Persuade”. They are making progress on the alignment of their policy and advocacy strategies with their climate targets, as it is reflected in the report by InfluenceMap.

Throughout the report, we can see that our partners and members are increasing their alignment with the implementation of their commitments.

We are entering a new era of climate action. An era in which tracking and reporting is critical to maintaining integrity. An era in which structural barriers are impeding climate action, blocking the radical collaboration needed to address a global crisis. An era in which we need to transition from voluntary climate action, to standards and policies that will level the playing field, create the right incentives, and enable all actors of the economy to engage in the transition to global Net Zero.

As UN Climate Change High-Level Champions, we have a mandate from parties to accelerate action from NPS and enhance ambition, supporting the goals of the Paris Agreement. We are committed to continuing to work with the Race to Zero community, supporting the implementation of existing commitments, aligning NPS to address collective barriers, and promoting conditions for policies and regulations that will enable NPS to accelerate their transition to a **fair, inclusive, resilient Net Zero world**.



H.E. Razan Al Mubarak,
UN Climate Change
High-Level Champion, COP28



Dr. Mahmoud Mohieldin,
UN Climate Change
High-Level Champion, COP27

Foreword	3
Section 1: Executive Summary	6
Chapter 1: <i>Key Findings</i>	6
Chapter 2: <i>2023 in Review</i>	10
Chapter 3: <i>Signals of Change</i>	14
Section 2: Methodology	17
Section 3: 2023 Progress	20
Chapter 4: <i>Companies</i>	20
Chapter 5: <i>Finance</i>	30
Chapter 6: <i>Cities, States and Regions</i>	35
Chapter 7: <i>Healthcare and Aid</i>	41
Chapter 8: <i>Universities and Colleges</i>	44
Chapter 9: <i>Strengthening the Ecosystem</i>	46
Chapter 10: <i>Accelerators</i>	49
Section 4: Accelerating Delivery	53
Chapter 11: <i>Systems Transformation</i>	53
Chapter 12: <i>Just Transition</i>	60
Chapter 13: <i>Activating Policy</i>	63
Section 5: Looking Ahead	67
Section 6: Join the Race	69
Section 7: Appendices	70

CONTENTS

CONTENTS

Chapter 1: Key Findings

This Report reflects the progress that has been made by Race to Zero Partners and their members in their transition towards a resilient global Net Zero world. It shows a positive increase in implementation of the criteria and impact on the real economy. While in some cases alignment with the criteria has been gradual, in others we are seeing accelerated improvement. This reflects the leadership and commitment by Partners and members and their collective ability to overcome challenges and barriers to progress.



KEY FINDINGS

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This report shows that the direction is clear and there is a consistent trend of progress. However, the transition is not happening at the speed and scale required to reach the goal of halving global emissions by 2030. Race to Zero partners and its members need to exponentially accelerate the implementation of their commitments, enhance their transparency, increase the financing to support the transition including for emerging markets and developing economies, and support the policy and regulation that would enable the systems transformation required across all regions and sectors of the economy.

Building on this progress and enhancing implementation and collaboration in response to the Global Stocktake will be critical next steps for the Campaign.

Some of the most important signals of progress include:

CAMPAIGN GROWTH

- Through the leadership of 26 Partners and 31 Accelerators, over 13,500 non-Party stakeholders are transitioning to net zero and the halving of global emissions by 2030. This is an increase of over 2,000 members since the last progress report and almost doubling membership since COP26.
- The campaign includes non-Party stakeholders from 30 new countries, now covering 146 countries. Asia-Pacific is the fastest growing region in the campaign with 518 new members. The Middle East and North Africa (MENA) has seen a 104% growth in 2022, including a significant rise in SMEs, reaching 131 members.
- SMEs, represent 90% of businesses and more than 50% of employment worldwide (according to the World Bank). They now account for over half of the members of the Race representing a 39% growth since 2022.

IMPLEMENTATION OF THE 5P CRITERIA

A key component of the Race is to set an interim target contributing to halving global emissions by 2030 in their transition to net zero by 2050 at the latest. There is progress on members moving from the initial phase of making a Pledge to setting a Target; however, more action is needed, and partners are encouraged to manage their members consistently:

- From 2022 to 2023, the number of large companies reporting to have at least one company-wide, net zero target for 2050 or before increased by almost 74% (351 to 610) [CDP]¹.
- All SMEs who reported this year, pledged the interim targets for halving global emissions by 2030 and the net zero targets, with the latest deadline being 2050 [SME Climate Hub reporting tool].
- All 78 of Health Care Without Harms's members in the Race have fully committed to achieving net-zero emissions by 2050, with corresponding interim targets.
- Of the 1,193 universities and colleges in the Race, 97% have set a net zero target, and 22% also have an interim target.
- Data reported shows that cities part of the campaign are 1.5 times more likely to report a long-term net zero target than those not part of Race to Zero.

¹ Statistic derived from CDP questions C4.2c.2.

There is a growing number of non-Party stakeholders self-reporting that they have a transition plan in place. Despite efforts underway to establish a standardized framework for transition plans, the current absence and lack of independent verification leads to substantial variations in scope and format (Plan):

- With regards to large companies, there was an annual increase of 59% (688 vs. 433 in 2022) reporting transition plans for net zero by 2050 [CDP]².
- Of the 381 Race to Zero cities reporting through CDP-ICLEI Track in 2023³ 84% reported having a climate action plan or strategy addressing mitigation, compared with 78% reported in 2022 [CDP]. Based on current targets, these cities could collectively reduce global emissions by 1.2 GtCO₂ e annually in 2030 and by 3.0 GtCO₂ e annually in 2050 compared to a business-as-usual (BAU) trajectory [GCoM].
- The number of states and regions reporting a climate action plan or strategy through CDP has grown to 82%, compared with 72% in 2022 [CDP].
- When it comes to disclosing transition plans, 45% of the universities in the campaign have published transition plans and 47% are publicly disclosing progress.

As part of efforts to increase transparency, non-Party stakeholders are also increasingly reporting on progress, supported by enhanced reporting and accountability measures from Partners (Publish):

- There was a 1.5x increase since 2022 in large companies reporting to CDP (924 in 2023 - 587 in 2022) [CDP].
- A growing number of health care members (51%) are publishing their progress through HCWH's reporting system.
- Many Race to Zero Partners have also enhanced their own reporting and accountability measures by updating frameworks, streamlining processes, and developing new net zero programs to drive progress towards net-zero commitments.

Race to Zero leaders are at the forefront of the changing net zero landscape, aligning their advocacy with net zero and supporting the development of net zero standards and frameworks, building a [conveyor belt](#) from voluntary to mandatory regulation. This year we started to measure action against the new [5th P criterion 'persuade'](#) - which relates to aligning advocacy with net-zero ambition:

- InfluenceMap has [assessed](#) 164 Race to Zero companies (including financial institutions) and around 15% of these are considered aligned with policy to deliver the Paris Agreement (rating B or above). Of the total 500 companies they [assess](#), only 5% have a rating of B or above. While clearly there is still room for improvement it is a positive sign of the leadership of Race to Zero.
- 73% (672 out of 924) of the large companies who reported to CDP have a public commitment to conducting their engagement activities in line with the goals of the Paris Agreement⁴.
- 93% of the reporting states and regions recognize the importance of collaborating with governments, civil society and business on climate related issues and in particular engaging with other levels of government (such as cities or national) on climate mitigation-related activities.
- 68% of responding Cities reported that they are collaborating with government, civil society, or business on climate-related issues, a 13% increase on last year. This highlights the increased efforts in collaboration across stakeholders on climate action. 59% of cities reported engaging with other levels of government (such as regional or national) on climate mitigation-related activities.

² Statistic derived from CDP question C3.1c.1 and C3.1c.2.

³ Reported to CDP-ICLEI Track by 11 October 2023. All publicly reported data is available on the [Open Data Portal](#).

⁴ Statistic based on CDP question C12.3_C2.

REAL ECONOMY IMPACT / SIGNALS OF CHANGE

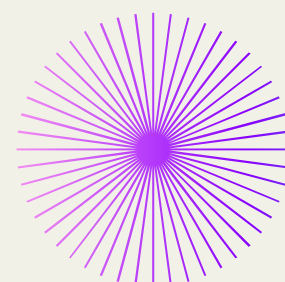
The action taken by non-Party stakeholders is creating change and positive impact in the real economy and signalling that change is underway:

- 20% of all supply-side actors by revenue in most major sectors of the economy are part of Race to Zero - this represents a breakthrough level of ambition according to [2030 Breakthroughs](#) theory of change.
- Since COP27, over 70 built-environment organisations - representing over \$45B in combined revenue - have joined the Race to Zero. As of October, this included 20% of major real estate asset managers and owners. Their commitment to cutting emissions across scopes 1, 2 and 3 includes the embodied and operational emissions of the \$1.4T AuM.
- FI members are closing the gap, proceeding with implementing their targets across scope 1 (96% of FIs), scope 2 (94%), and scope 3 (94%); here there was a 37% increase in FIs (105 to 137) proceeding with scope 3 emission reductions.
- According to CDP data, Race to Zero large company members are accelerating their annual progress on the alignment of financial expenditure. Across all expenditure types there has been around a 3 times increase in annual (2022 - 2023) expenditure alignment with climate action⁵.
- According to CDP questionnaires, large Race to Zero companies are closing the gap on proceeding with emission target reductions across all scopes⁶.
- On the road to a just transition, throughout 2023 Partners and members of Race to Zero have played a crucial role in contributing valuable insights and addressing both critical and emerging issues related to justice and the path to net-zero.

Unrealised opportunities and systemic challenges and barriers need to be addressed to move collectively towards net zero goals.

The lack of financing and capacity building is a key barrier for SMEs, cities, states and regions and non-Party stakeholders from emerging markets and developing economies. Many Partners are working to address this:

- 74% of Race to Zero cities which reported to CDP-ICLEI track have climate-related projects that require financing. 1217 projects were reported which are worth approximately \$108B and are seeking \$42B in financing.
- 18 states and regions reported to CDP that funding is required for climate-related projects; 100 projects were reported which are worth approximately \$2B and are seeking \$617M in financing.



⁵ This statistic uses the CDP question C3.5a_c1.

⁶ See Figure 6.

Chapter 2: 2023 in Review

In June, [Race to Zero](#) celebrated its three-year anniversary providing an opportunity for celebration and reflection on how far the campaign has come and what more needs to be done to halve emissions by 2030 and deliver a net zero and nature positive economy. The Race to Zero Community of Partners, Accelerators and members have taken the campaign to new heights with a growing presence around the world, continuing to mobilise and rally non-Party stakeholders, build capacity to expedite the just transition needed, implement action throughout the 'real economy' and influence the systemic changes needed to deliver a healthier, fairer zero carbon world by 2050.



PROGRESS



MEMBER GROWTH

This year the campaign has grown - under the leadership of 26 [Partners](#) and supported by 31 [Accelerators](#) - more net zero commitments have been mobilised. There are now approximately 13,500 [members](#) of Race to Zero through our Partners - including businesses, cities, regions, finance, education and healthcare institutions - doubling from 7,760 members 18 months ago and increasing from 11,309 members in the last Progress Report in 2022.

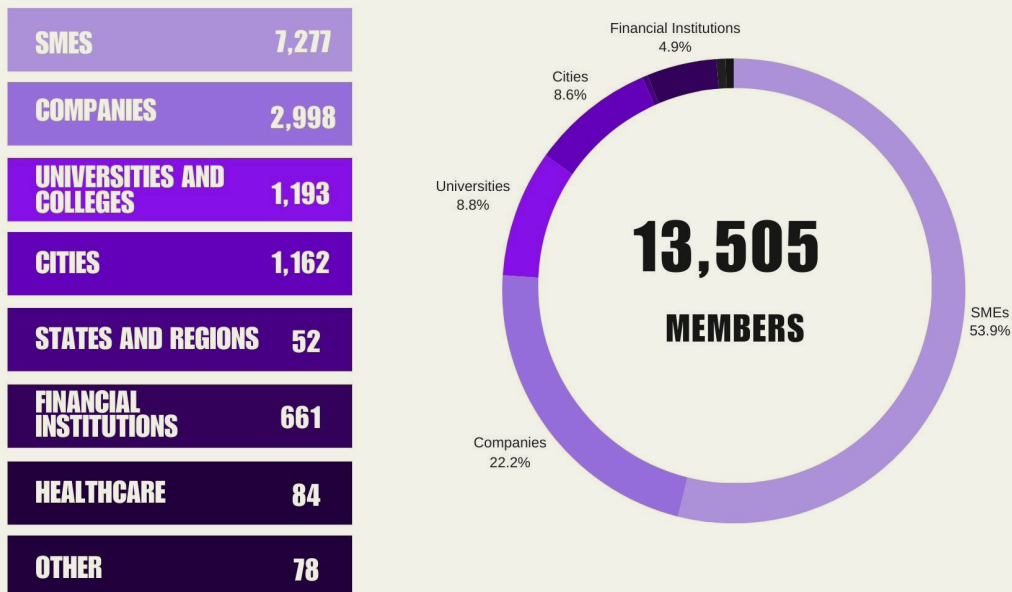


FIGURE 1: RACE TO ZERO MEMBERSHIP

Non-Party stakeholders committed to the Race include 10,275 companies spanning across 28 sectors, 1,162 cities, 52 states and regions, and 1,193 universities and colleges globally - together forming the largest, growing alliance of non-Party stakeholders committed to taking rigorous and immediate action on climate.

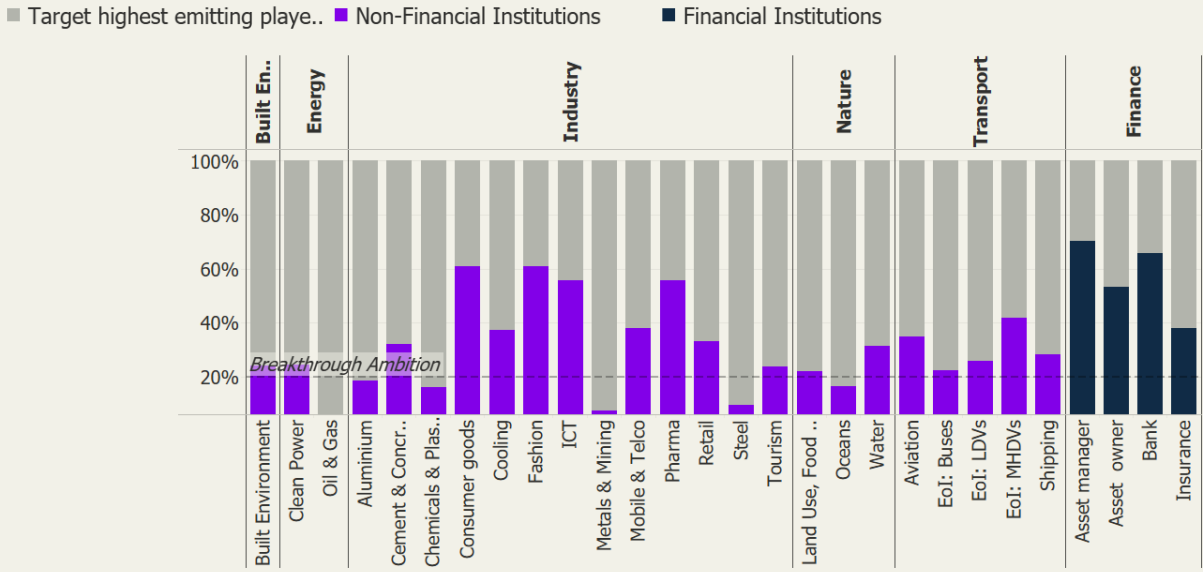


FIGURE 2: RACE TO ZERO SECTORAL COVERAGE

ACHIEVING NET ZERO GLOBALLY

In 2023, the Race has continued to grow and inspire change around the world.

This year, the campaign embarked on a transformative journey towards expanding regionally, with the overarching goal to enhance the campaign’s relevance to each region’s unique priorities and challenges, while fostering global membership growth. This strategy included developing approaches that recognised the specific context including developing regional narratives, translation into multiple languages and expanding presence across priority events and stakeholder engagement. This included active participation in climate weeks worldwide including Africa, MENA, Asia and Pacific, Latin America and the Caribbean, London, and New York. It also included specific deep dive events on activating the 5th P in key geographies such as Japan and India.

In 2023, the Race expanded its membership to 30 new countries, now covering 146 countries. Asia-Pacific was the [fastest growing region](#), welcoming 518 new members to the campaign.

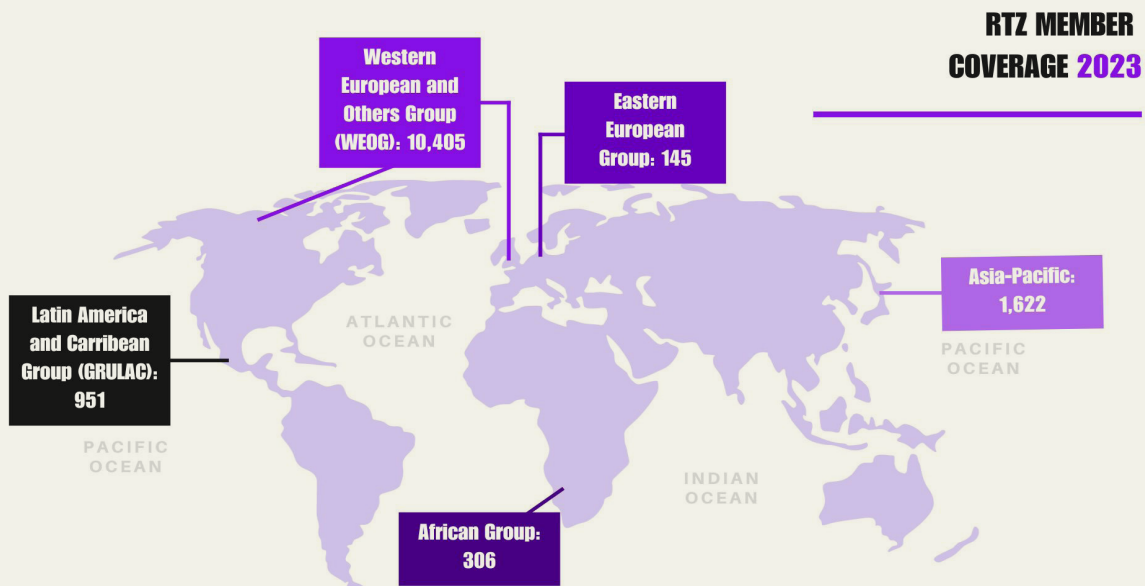


FIGURE 3: RACE TO ZERO MEMBER COVERAGE AS OF OCTOBER 2023

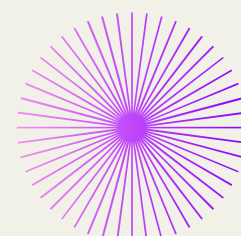
In the Middle East and North African (MENA)⁷ region, home to the Presidencies for COP27 and COP28, there was a notable growth in Race to Zero membership, with a significant rise in SMEs. Figure 4 illustrates a positive increase in overall Race to Zero members compared to the previous year, showcasing a noteworthy jump from 5 to 131 SME members since 2022. This surge reflects a strategic focus on catalyzing transformative change through heightened awareness, collaboration with key regional entities, and active participation in events such as MENA Climate Week to shape policies for a net-zero future. Moreover, there has been a substantial increase in collaboration and partnerships with key regional entities such as [UAE Alliance for Climate Action \(UACA\)](#), [COP28 & SME Climate Hub for MENA](#), [The Surpluss](#), [UN Global Compact](#), and others to increase membership.

MENA Non-Party Stakeholders	MENA 2022 Members	MENA 2023 Members	Difference
SMEs	5	131	+2520%
Companies	52	45	-13%
Universities & Colleges	42	45	+7%
Cities	19	19	
Financial Institutions	7	11	+57%
Other	-	3	
Healthcare	-	1	
TOTAL MEMBERS	125	255	+104%

FIGURE 4: RACE TO ZERO MEMBERSHIP GROWTH IN MENA REGION 2022 - 2023

A key feature of our effort to make Race to Zero relevant in every region has been the onboarding of new Accelerators, from Chile to the UAE. This year, the Race welcomed [CLG Chile](#), [Comunidad #PorElClima](#), [Giki](#), [Environmental Defense Fund's Net Zero Action Accelerator Team \(EDF NZAA\)](#), the [World Business Council for Sustainable Development \(WBCSD\)](#) and [The Surpluss](#), each of which play a pivotal role in advancing the campaign's mission around the globe. The Race was also proud to see progress from existing Accelerators and Partners, such as the expansion of [Alliances for Climate Action](#) and launch of [COP28 & SME Climate Hub for MENA](#).

⁷ MENA region is comprised of 21 distinctive countries, including Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, Turkey, United Arab Emirates, and Yemen.



Chapter 3: Signals of Change

Since Race to Zero was launched in 2020, net-zero has proliferated across non-Party stakeholders and there has been a rapid expansion in the systems needed to support the transition, create the enabling conditions for non-Party stakeholders, and help level the playing field. A pivot to regulation and net zero aligned policies will unleash innovation at speed and scale by removing barriers; and unlock investment by creating certainty. This will also secure a fair share and just transition to a nature positive net zero, supporting non-Party stakeholders from developing regions, particularly through finance; and protect consumers and investors by limiting the potential for greenwashing.



REAL ECONOMY CHANGE

In order to halve emissions by 2030 and reach net zero by 2050, we can no longer continue business as usual. Significant transformation of the way non-Party stakeholders operate is needed to deliver a fairer, healthier world in time. With 20% of all supply side actors by revenue in most major sectors of the economy now in Race to Zero, we are seeing tipping points emerging in key sectors of the economy, reaching a critical mass of non-Party stakeholders driving greater action and [breakthrough](#) level of ambition (more detail on the 2030 Breakthroughs is discussed in chapter 11).

INFLUENCING INTERNATIONAL STANDARDS

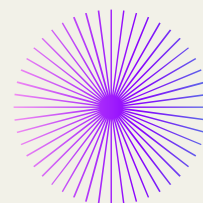
In 2019, only 16% of the global economy was covered by a net zero target. Now, in 2023, [92% of global GDP is covered by net zero](#). However, not all targets are equal. As businesses, investors, and governments operate on a global scale, there is a growing need for a common set of standards to facilitate comparability and transparency as sustainability is assessed across boards.

Voluntary standards and the voluntary actions of non-Party stakeholders have been pivotal in creating and promoting best practices for net zero action. However, [Oxford Net Zero's 2023 Regulation Tracker](#) shows that the pivot from voluntary standards to their incorporation into mandatory national regulations is underway. This is underscored by the [new ISSB inaugural standards](#)—IFRS S1 and IFRS S2— launched in June 2023, signalling a new era of sustainability-related disclosures in markets worldwide. At COP27, the [ISO Net Zero Guidelines](#) which were informed by Race to Zero marked also a pivotal moment in carrying forward the ISO '[London Climate Declaration](#)', and the campaign continues to input on standards and national quality infrastructure net zero alignment through [Our 2050 World](#).

Race to Zero leaders are at the forefront of this changing landscape, aligning their advocacy with net zero and supporting the development of net zero standards and frameworks, building a [conveyor belt](#) from voluntary to mandatory regulation.

The recommendations of the [Integrity Matters Report](#), launched at COP27 and endorsed by the UN Secretary General, provide a clear guidance for non-Party stakeholders on their transition to a credible Net Zero pathway. The core tenants of the Race to Zero criteria are reflected and the campaign is closely aligned with the net zero recommendations from the United Nations' [High-Level Expert Group \(HLEG\)](#).

In June the UNFCCC secretariat launched the [Recognition and Accountability Framework](#) for non-Party stakeholders, with the aim to recognize and celebrate voluntary non-Party stakeholder contributions and progress toward the goals of the Paris Agreement. Through a consultation process the secretariat will refine its Implementation plan defining how UNFCCC can contribute to enhance transparency and accountability of voluntary climate action, including through the enhancement of the [Global Climate Action Portal \(GCAP\)](#).



ENHANCED MANDATORY CLIMATE DISCLOSURE

As regulators worldwide are showing a growing concern for climate-related risks and corporate emissions, mandatory climate disclosure is on the rise in many jurisdictions (new [SEC Proposed Rule](#), [EU Corporate Sustainability Reporting Directive \(CSRD\)](#), [Revised European Union Emissions Trading System \(EU ETS\)](#)). According to the [2023 State of Climate Action report](#), mandatory corporate climate risk disclosure is one of the seven indicators (out of 42 total) that is on the right track. Various actors, including Race to Zero Partners, are enhancing reporting to meet these pending requirements, streamlining the process for non-Party stakeholders around the globe.

Globally, progress is being made on increasing mandatory corporate climate risk disclosure⁸. Based on current legislation, jurisdictions collectively covering half of global GDP will be covered by climate-related regulation⁹. Disclosures create consistency amongst non-Party stakeholders reporting, which both aids transparency and helps unlock dedicated finance¹⁰. According to CDP data, Race to Zero large company members are accelerating annual (2022-2023) progress on the alignment of financial expenditure. (See Figure 7).

Reporting beyond large companies and financial institutions, and in particular SMEs, is crucial for full scope coverage of global emissions. Also required is greater transparency of data and improved machine readability to ease complex insight generation. According to CDP questionnaires, large Race to Zero companies are closing the gap on proceeding with emission target reductions. (See Figure 6).

TRANSITION PLANS

There is growing clarity towards what good Transition Plans look like - for example through the publication of the new [Disclosure Framework](#) from the Transition Plan Taskforce, organizations like CDP provide [guidance](#) on how to develop transition plans, and the [World Benchmarking alliance has established a working group](#) to help create an assessment framework for gauging the credibility of transition plans.

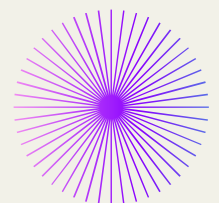
THE ROAD TO REGULATION

As part of the contribution from a voluntary campaign, Race to Zero recognizes the work of non-Party stakeholders in catalysing a 'Road to Regulation', and has this year convened the '[Net Zero Policy & Regulation Community](#)', to share information on regulatory initiatives around the globe and advocate for uptake in major economies. Representation in this community spans Brazil, Australia, India, the UK, Canada and 30+ organisations, including [Our 2050 World](#), [Net Zero Lawyers Alliance](#), [Oxford Net Zero](#), [CDP](#), [AAA](#), [InfluenceMap](#), [We Mean Business Coalition](#), [ClientEarth](#) and many more.

⁸ <https://www.wri.org/research/state-climate-action-2023>.

⁹ [Envisioning the Future of Non-State Climate Data and Accountability 2023](#) Angel Hsu, Marco Schletz.

¹⁰ <https://www.sec.gov/files/2023-fdta-report.pdf>.



How Race to Zero Measures Progress

Each year, Race to Zero reports progress on the alignment with the campaign's [criteria](#). The progress report reflects how members are moving ahead with progress against '[the 5Ps](#)' (Pledge, Plan, Proceed, Publish and Persuade), with the support of partners to reinforce Race to Zero's commitment to maintain transparency.

This Progress Report is separate from the annual review process which formally assessed the progress the Partners were making to implement the campaign criteria - The High Level Champions [agreed](#) with the [UNFCCC](#) secretariat Executive Secretary that the campaign would pause this review to avoid duplication for Race to Zero Partners and wait for the results of the UNFCCC secretariat Recognition and Accountability Framework.

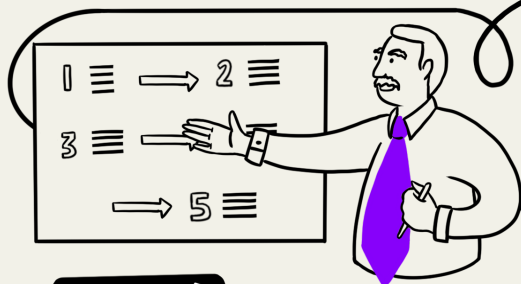


RACE TO ZERO'S STARTING LINE CRITERIA (ALSO KNOWN AS THE 5 P'S)



PLEDGE

PLEDGE TO REACH NET ZERO AS SOON AS POSSIBLE,
AND TO CONTRIBUTE TO HALVING EMISSIONS BY 2030.

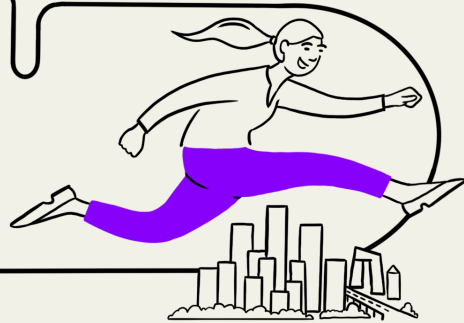


PLAN

PUBLICLY DISCLOSE A TRANSITION PLAN,
INCLUDING ACTIONS BY 2030.

PROCEED

TAKE ACTION TO ACHIEVE NET ZERO,
CONSISTENT WITH YOUR TARGETS AND
CONTRIBUTING TO SECTOR BREAKTHROUGHS.



PUBLISH

REPORT PUBLICLY PROGRESS ON YOUR TARGET
TARGETS AND ACTIONS, FEEDING INTO THE
UNFCCC GLOBAL CLIMATE ACTION PORTAL

PERSUADE

ALIGN POLICY AND ENGAGEMENT, INCLUDING
MEMBERSHIP ASSOCIATIONS, WITH HALVING
EMISSIONS BY 2030.



For this Progress Report, the campaign collected data across its Partners to accurately represent progress for each member type (i.e. companies, financial institutions, cities). The report serves as a snapshot, relying mainly on publicly disclosed member data, or reports published on their websites, to identify actions or tools supporting pledge progress.

In cases where data is not openly accessible, Race to Zero relies on the expertise of Partners to provide insights on their members' advancement against the Race's criteria, ensuring that privacy standards are upheld.

To understand how members are progressing in their efforts to net zero, Race to Zero has gathered information from three key sources. First is information from the [CDP Climate Change 2023 Questionnaire](#), which includes responses from large companies, financial institutions, cities, and states or regions. For areas like healthcare, SMEs and higher education, we've collected data directly from our Partners, including [SME Climate Hub](#), [Health Care Without Harm](#), and [Race to Zero for Universities and Colleges](#), related to the criteria.

Lastly, a survey was also shared with all Race to Zero Partners to collect inputs and provide general data on their 2023 progress. All three streams of data are then compiled to provide a comprehensive overview of the Race's yearly progress by actor type (see Figure X). Finally, to safeguard the confidentiality of private data, this report focuses on sector-level reporting and aligning information with the 5Ps. This approach allows Race to Zero to share information transparently while ensuring a complete representation. Appendix A lists all the detailed information on what each member is asked to share for the Race to Zero progress report.

	RtZ Members (as of Oct 2023)	Members ¹¹	Progress Report Coverage
Total Members	13505	10017	74%
SME	7277	6893	95%
Large Company¹²	2998	1301	43%
University & Colleges	1193	1193	100%
City (CDP/ICLEI Track Count)	1162	381	33%
Financial Institution¹³	661	145	22%
Healthcare	84	78	93%
Other	78	0	0%
State or Region	52	28	54%

FIGURE 5: RACE TO ZERO MEMBERSHIP COVERAGE IN THE PROGRESS REPORT COMPARED TO ALL MEMBERS.

climate arc



¹¹ The table illustrates the Race to Zero members covered in the Progress Report, noting that the campaign did not have data for all members as of the release of this report.

¹² Inclusion of large companies reporting through CDP as of August, 2023.

¹³ Inclusion of financial institutions reporting publicly to CDP as of August, 2023.

2023 Progress Among Each Type of Non-Party Stakeholders

Reflecting the unique role that different actors play in the Race and that Race to Zero Partners often work with one specific actor type, the report outlines the progress by each category of actor.

Reporting methodologies for understanding progress across the 5Ps is distinct for each of the actor types in the campaign and it is not possible to draw conclusions or comparisons between the actors. For a detailed methodology for each actor type, please refer to the Appendix.

Chapter 4: Company Progress

Partners in Race to Zero lead non-Party stakeholders throughout their journey to net zero, with the majority working with companies. Through their leadership, they have brought together over 10,000 businesses (over half of which are SMEs) from across all sectors of the economy.

Corporate progress in the past year is examined distinctly between large companies and SME members of Race to Zero. There are positive trends of change across indicators for both groups. Progress is understood through CDP data and in partnership with Climate Arc analysis across each of the 5P criteria the 5th P, *persuade*. This year, the status of the 5th P, *persuade* will be understood simply through an initial baseline value. Overall, we can see continued corporate progress toward net zero.



SECTION 1: LARGE COMPANIES' PROGRESS

METHODOLOGY¹⁴

Race to Zero utilised the companies and financial institutions [CDP Climate Change 2023 Questionnaire](#) to report on the advancements of large companies and financial institutions (see Chapter: Financial Institutions) in relation to the [5P Criteria](#). The Race to Zero collaborated with [CDP](#) and [Climate Arc](#) to understand data related to each member's self-reported transition plans, their ongoing actions, and the available publicly published reports. Progress was assessed with a sample of 31% (924 out of 2,998) of all large companies in the Race to Zero that reported to CDP in the 2023 reporting cycle.

PROGRESS

There was a 57% annual (2022-2023) increase in Race to Zero large company members reporting to CDP (924 vs. 587) showing momentum towards publicly reporting climate progress.

Between 2022 and 2023, there was a 74% increase in large companies reporting to have at least one company-wide, net zero target for 2050 or before (610 vs. 351)¹⁵. Though there is progress on members moving from the initial phase of making a Pledge to setting a Target, more action and more transparency is needed, and partners are encouraged to manage their members consistently.

CASE STUDY



[Enel](#), the largest utility producer in Italy and [SBTi](#) member, is working to reach an emissions intensity of 73 grams of CO₂ per kilowatt-hour (gCO₂e/kWh) by 2030, which represents an almost 80% reduction compared to 2017 levels. The company already has a significant renewables capacity of 54 gigawatts with plans to add 17 more by 2025 and around 40 between 2025 and 2030. These goals are supported by a mature renewables pipeline of 129GW.

A significant aspect of Enel planning is driving systems transformation. Enel plans to enhance grid flexibility and facilitate a higher share of clean energy generation by investing in battery storage. Simultaneously, their commitment to behind-the-meter storage systems that are situated on the customer side of the meter is set to increase by over 400%. To facilitate customers playing a central role in the energy transition process, over the next three years Enel will roll out value-added services such as increasing electric vehicle charging points.

Momentum continues to build around net zero transition planning. According to CDP data, there is an annual (2022-2023) increase –59% –in large companies (688 vs. 433) self reporting transition plans for net zero by 2050¹⁶. However without an agreed standard for transition plans and independent verification these are likely to be very different in scope and format. Race to Zero is expecting progress on ensuring the credibility of transition planning in the future with the current initiatives working to develop criteria on best practices for transition planning.

¹⁴ See Appendix A for further details on the data model/methodology.

¹⁵ This statistic uses CDP questions C4.2c_2 and C4.2c_1, which has further details on target coverage.

¹⁶ This statistic uses CDP questions C3.1c_1 and C3.1c_2, which has further details on transition plan definitions.



[Planet Mark](#) Member [Commercial](#) has a target to achieve Net Zero by 2028. To achieve this, they have disclosed a Transition Plan focusing on, but not limited to: renewable energy contracts; closed loop recycling; solar panel installation; zero waste to landfill; plastic free and vegetarian policies; sustainable paper strategy; decommission fossil fuels; product transparency map; hydrogen and EV vans and electric charging points. In 2022, the business transformation specialists launched a new range of products and services so they could work with key clients and suppliers to achieve tangible reductions on scope 1 and 2 emissions, through power reduction and solar panel installations. To date, Commercial has reduced carbon emissions per employee by 45.8%.

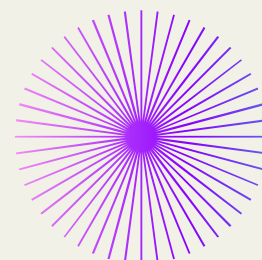


[Ørsted](#), a member of the [Exponential Roadmap Initiative](#), works across four key sustainability areas to create a low-emission energy system that contributes to a just and thriving planet: science-aligned climate action, green energy that revives nature, a green transformation that works for people and governance that enables the right decisions. Their ambitious plan also includes targets and dates for phasing out fossil fuels.

There also continues to be good progress on large companies proceeding with their planned emissions reductions on the for scope 1¹⁷, 2¹⁸, and 3¹⁹ targets. See Figure 6 for more details.

PROCEEDING WITH PLANNED EMISSION REDUCTIONS			
Target Scope	2022 RTZ Members	2023 RTZ Members	Annual Increase (2022-2023)
1	581	912	+57%
2	562	859	+53%
3	550	873	+59%

FIGURE 6: LARGE COMPANIES PROCEEDING WITH PLANNED EMISSION REDUCTIONS BASED ON CDP DATA



¹⁷ This statistic uses CDP question C6.1c.1.

¹⁸ This statistic uses CDP question C6.3c.1.

¹⁹ This statistic uses CDP question C6.5c.1.

The acceleration of the alignment of expenditures can help contribute to unlocking transition finance. There is also accelerated progress on the number of large companies reporting expenditure alignment—capital (CapEx), operational (OpEx), and revenue—with net zero²⁰. See Figure 7. It is relevant to note that methods for assessing expenditure alignment are still evolving so like for transition plans, they vary in quality and definition.

REPORTED EXPENDITURE ALIGNMENT WITH NET ZERO		
Expenditure Type	Percentage of RtZ members have aligned expenditure with their organisation's climate transition (2023) ²¹	Annual Increase in members reporting expenditure alignment with climate transition (2022-2023)
CapEx	20%	Nearly 3x
OpEx	11%	Over 3x
Revenue	18%	Nearly 3x

FIGURE 7: LARGE COMPANIES REPORTED EXPENDITURE ALIGNMENT WITH NET ZERO BASED ON CDP DATA

CASE STUDIES



Products represent 56% of [SBTi](#) Member [Flying Tiger Copenhagen's](#) carbon footprint. They created a set of guidelines to prioritize the use of certain materials based on circularity, carbon footprint, and deforestation criteria. These internal product guidelines contributed to a 16% reduction in product plastic from 2019. It has also contributed to reducing the climate impact per kilogram of product materials.



[Tech Zero](#) member, [Staze](#), is a hotel booking platform for businesses that enables them to minimize, offset and track their hotel carbon footprint. Staze helps companies to reduce their carbon footprint from business travel (sometimes by up to 70%), while also putting pressure on hotels to set their own net zero targets and reduce their carbon footprint. Staze has already reduced absolute emissions by 70% from their baseline year, putting them on track to meet their goal of net zero by 2028.



[Viña Concha y Toro](#), member of [SBTi](#), saw that a significant portion of their emissions (83%) originates from scope 3 sources. To address these emissions - primarily related to packaging materials, product transport, grape procurement, and other supplies and services - they have implemented a Carbon Footprint Program with suppliers, which has driven an over 20% drop in emissions tied to packaging.

In line with the new [5th P criterion 'persuade'](#) - which relates to aligning advocacy with net-zero ambition, 73% of the large companies publicly reporting to CDP (672 out of 924) have a public commitment to conduct their engagement activities in line with the goals of the Paris Agreement²².

²⁰ This statistic uses CDP question C3.5a_c1.

²¹ Includes both public and non-public CDP disclosure.

²² Statistic based on CDP question C12.3_C2.

SECTION 2: SME PROGRESS

METHODOLOGY²³

Earlier this year, the [SME Climate Hub](#) introduced a new reporting tool, marking a significant milestone in supporting small and medium-sized enterprises (SMEs) with the process of reporting their climate objectives and roadmaps. In 2023, 3,868 SMEs, who had been in the campaign for more than one year, were asked to report on their progress. Since the launch of this reporting tool, 12% of SMEs (382 out of 3,868) met the initial October 1 deadline for submitting their reports, establishing a foundational benchmark for SMEs to monitor their advancements in the years ahead. The SME Climate Hub anticipates a progressive rise in reporting over the coming six months and remains dedicated to fostering greater engagement in climate action among SMEs.

Notably, this analysis only captures the progress of SMEs in the Race through the SME Climate Hub, which covers 95% (6,893 out of 7,277) of all SMEs in the campaign. The remaining SMEs have joined the Race to Zero through other partner initiatives including [Planet Mark](#), [Tech Zero](#) and [Pledge to Net Zero](#).

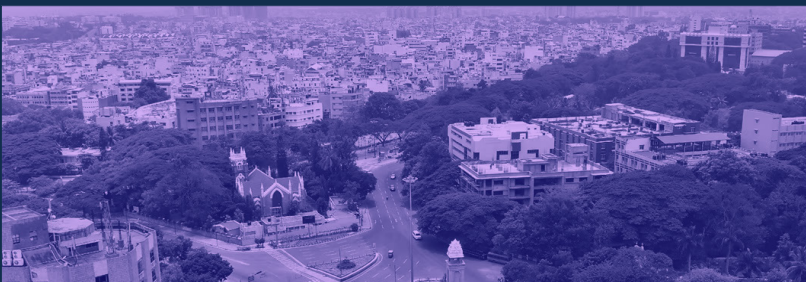
PROGRESS

As of October 2023, the SME Climate Hub reported 6,893 signatories committed to the Race to Zero campaign, a 39% growth from 2022. Of the SMEs who reported this year, all have pledged both interim targets for halving emissions by 2030 and net zero targets, with the latest deadline being 2050.

CASE STUDIES



[SME Climate Hub](#) signatory [Forster Communications](#) has pledged to achieve net zero emissions by 2030. Their 2020 Climate Positive Plan focuses on a comprehensive three-year roadmap to cut carbon emissions, transition to net-zero suppliers, promote sustainable commuting among employees, and ensure all clients commit to emissions reductions. They've made substantial progress reaching these goals, with 100% of suppliers and 90% of business-sector clients making net zero pledges, along with a 4.1-ton reduction in CO₂ emissions all while seeing a 104% increase in clients, primarily centred around climate action, and garnering nearly 90% of their income from repeat business and referrals.



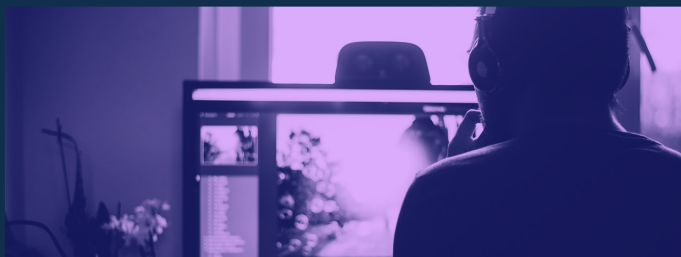
[SME Climate Hub](#) signatory, [Intelliace Solutions Private Limited](#), reduced scope 1, 2 and 3 emissions by 40% (from 2021 - 2022) in the first year of signing to Race to Zero, and plans to reduce their carbon emissions 20% more this year than last year, with an ambitious goal of net zero by 2030.

²³ See Appendix A for further details on the data model/methodology

As SMEs are proactively setting scientifically grounded targets to address their emissions, the SME Climate Hub is diligently collaborating with its members to gather multi-year reports, ensuring transparent tracking of their climate transition plan advancements.

The primary challenges hindering SMEs in achieving their objectives revolve around the scarcity of skills and knowledge, inadequate financial resources, and time constraints. Prior to adopting the SME Climate Hub reporting tool, many SMEs had not comprehensively documented or measured their emissions. Consequently, as they continue to collect data through multi-year reporting, we will gradually gain the ability to gauge their advancements in reducing emissions with greater precision.

CASE STUDIES



New [Tech Zero](#) joiner [RedEye](#) - an AI driven Marketing Automation platform - has reported a 39.08% reduction in absolute emissions through a few actions, including transitioning to remote-first working and reviewing the efficiency of their data centres. These two actions resulted in gross annual reductions of 12% each.

The central objective of the SME Climate Hub is to motivate businesses to publicly pledge and regularly publish their emissions reduction progress as part of the SME Climate Commitment, and to offer free measurement, education and action tools to help SMEs meet their commitments.

Such transparency is instrumental in driving significant transformations and spotlighting climate leadership amongst its members. As the SME Climate Hub's reporting tool continues to streamline standards and simplify reporting processes for SMEs, this increase of engagement marks an initial step in strengthening SMEs' efforts to advance climate action and establish the foundation for the future.



SECTION 3: COMPANY PARTNERS

PARTNER OVERVIEW



**Business
Declares**

[Business Declares](#) which is a network of over 100 business and finance members. Originally a predominantly UK based organization as of 2023, they have expanded their membership to cover four continents. This year, Business Declares' Race to Zero membership grew by 8 members.



[CBN Expert](#) a carbon accounting software platform that is committed to helping SMEs measure, track and report their carbon emissions, has over 5M tonnes of carbon under management. It has been using its [website](#) to give businesses the tools and insight to become Net Zero through its unique 3 step Carbon Triple A programme which includes: accounting, accreditation, and advice. The site also facilitates the joining of the Race to Zero initiative, with over 200 members having already taken the pledge.

**EXPONENTIAL
ROADMAP** INITIATIVE

With a membership of 39, the Sweden-based [Exponential Roadmap Initiative \(ERI\)](#) has continued to grow and as of 2023 is now working with companies in the UK, US and Denmark. Their membership represents over \$1T in combined annual revenue and just under 2 million employees.

All of ERI's members have interim targets, and the number of members with published transition plans has doubled this past year. Reducing supply chain emissions continues to be a challenge for many companies, but ERI's members are making progress with their [1.5°C Supply Chain Leaders](#). To accelerate scope 3 action, ERI published [guidance](#) on Supplier Engagement earlier this year and on [addressing emissions financed by cash in the bank](#).



**INTERNATIONAL
WINERIES FOR
CLIMATE ACTION**

[International Wineries for Climate Action \(IWCA\)](#) is a non-profit collaborative working group of environmentally committed wineries, taking a science-based approach to reducing carbon emissions across the wine industry. Spanning across 11 countries and 5 continents, the initiative has grown from 20 to 45 members from all over the world including their first companies from Argentina and North Macedonia this past year and adding to wineries from Australia, Canada, Chile, France, India, Portugal, Spain, New Zealand, and the United States.

This year, 4 of IWCA's members achieved their most advanced Gold Level, a reflection of their consistent progress in reducing emissions over multiple inventories and investments in renewable energy.

PARTNER OVERVIEW



The [Fashion Industry Charter for Climate Action](#) is convened by the [UNFCCC](#), has been strengthening the ambition of the fashion industry to align with the 1.5-degree target. All members are asked to set SBTi, get them approved within 12 months, or get third party validation if they go for 50% absolute reduction. This year, the Charter has also defined specific and concrete priorities for each Charter commitment.

As of 2023, the Fashion Charter had 93 members in the Race, a 14% decrease from 2022 setting a good precedent of integrity by removing those members who don't meet their criteria. 42% of Charter companies have submitted their initial transition plans and 90 out of 100 signatories disclosed through CDP this year.

In 2023, the Fashion Charter focused on bringing more manufacturers in, particularly from southeast Asia where the majority of manufacturers are based. As of this year, they have 21 signatories from the Asia Pacific, 2 from Africa, 2 from Eastern Europe, 3 from Latin America and Caribbean, 17 from North America and 50 from Western Europe.



The [Japan Climate Initiative \(JCI\)](#) The JCI Race To Zero Circle is a group of multi sectoral signatories from faith-based groups to companies that have joined the Race and are taking the lead in achieving net-zero goals along 1.5C pathways. They have gained 4 new signatories this year, bringing their membership to 34 total.

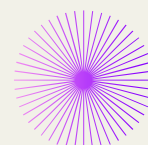


[Planet Mark](#), an internationally recognized sustainability certification, has gained 7 new members this year, totalling to 53 members in the Race covering the UK, UAE and Luxembourg. This includes SMEs, companies, financial institutions and higher education.

13 of these members have set interim targets, as well as their final Net Zero target dates. 37 members have final Net Zero target dates of 2030 or sooner (and therefore have not set an interim target).

In 2023, 14% of members have published Transition Plans, in line with Race to Zero criteria, building on 0 in 2022.. 22% of members are developing plans themselves with Planet Mark's guidance, while 16% have instructed Planet Mark to develop Transition Plans for them through their net zero service. The remaining 40% have not started their plans as they are either within their first 12 months of pledging or have other limiting factors (eg. are waiting for financing).

Planet Mark members have achieved a total carbon reduction of 713,895t CO₂e over the last 6 years (equivalent to 631,207 return flights from London to New York).



PARTNER OVERVIEW



[Pledge to Net Zero](#) has focused on providing practical guidance and advice to members – many of which are small businesses in the environmental sector. Members have cut nearly 50,000 tonnes CO₂e direct carbon emissions from their baseline, as well as a 40,000 tonnes CO₂e drop in Scope 3 emissions. This year, Pledge to Net Zero welcomed 1 new member to the Race.



SCIENCE
BASED
TARGETS

The [Science Based Targets Initiative \(SBTi\)](#) recent [report](#) shows that more than one third of the global economy by market capitalization had set, or committed to set, science-based targets. These companies with science-based targets have committed to a total reduction of 76 millions tonnes of CO₂e, equal to eliminating Switzerland's annual emissions twice over. This was also the first year that SBTi observed a growth on every continent for the first time.

The SBTi's Business Ambition for 1.5°C 2019 campaign, which closed in 2021, challenged private companies to commit to set verifiable 1.5°C and net-zero-aligned science-based targets.

Since 2022, the 1.5°C and net-zero-aligned science-based target is the only accepted SBTi target. Companies now join the Race through SBTi's [Net-Zero Standard](#) which provides a common, robust and science-based understanding of how to achieve both short-term targets and end state net-zero. It gives business leaders clarity and confidence that their near- and long-term decarbonisation plans are aligned with climate science.

As of October 2023, SBTi has 2,783 members in the Race to Zero, a 10% increase from 2022.



As of 2023, there are 11 Scotch Whisky Association companies in the Race to Zero through the [Scotch Whisky Association \(SWA\)](#). In 2023, the SWA launched a Water Stewardship Strategy and Commitment to Responsible Peat Use and work programme focusing on efficiency, alternatives, and restoration. Through these and other efforts, the association has seen improved energy and water efficiency in their distilleries, ultimately reducing GHG emissions from 2008 levels.



The [SME Climate Hub](#) is the official pathway for small and medium sized businesses to join the Race to Zero campaign. Nearly 7,000 businesses across 120+ countries have already made the commitment - a 35% increase from 2022.

In 2023, the SME Climate Hub worked to expand their reach and work with new companies by launching pilots and/or regional campaigns in India, Latin America, the MENA region and Spain and contributed to the launch of a UK-specific sister website in the UK, in collaboration with the Broadway Initiative and the UK Government.

PARTNER OVERVIEW



[Sports for Climate Action](#), convened by the [UNFCCC](#), works toward achieving a clear trajectory for the global sports community to combat climate change.

As of 2023, Sports for Climate Action has 272 signatories from all over the world. This is a 305% growth from 67 signatories in 2022. The signatories are distributed among different regions as follows: Northern America (38), Northern Europe (85), Southern Europe (25), Western Europe (67), Latin America and the Caribbean (13), Sub-Saharan Africa (10), Eastern Asia (8), Western Asia (6), South-eastern Asia (4), Australia and New Zealand (9), Southern Asia (2), Eastern Europe (2) and Polynesia (1).

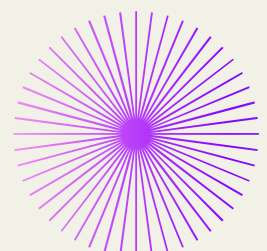
Out of all the signatories, 65% have targets aligned with Race to Zero. Because these organisations represent a diverse set of actors, the targets and what they cover are also different. For example, some include travel of fans/others don't. Those that include it in their boundaries, either address that impact with Gold Standard offsets or they build strategies to promote low carbon transportation. It should also be noted that the footprint of some sport organisations is relatively small with some less than 1000t CO₂e. Yet, these have a massive impact in mobilizing their community and fans in support of sustainable development goals.

More information on the progress of sports will be included in a UNFCCC five-year progress report in December 2023.



[Tech Zero](#) is a taskforce of over 300 tech companies of all sizes around the world committed to climate action. Over the past 18 months, 78 members have published a transition plan in line with the Tech Zero and Race to Zero criteria, many for the first time. Of these, 12 members reported a reduction in emissions compared to their baseline year, with an average emission reduction of 32%. Members are getting more ambitious with their net zero targets, with over half of members pledging to reach net zero on or before 2030.

Its members comprise a quarter of the Supercritical Climate 100, published in partnership with TechCrunch. These companies, expanding to cover 30 countries around the world, form the high benchmark against which other companies can measure their impact.



Chapter 5: Financial Institutions

Financial Institutions (FIs) account for 5% (661 out of 13,505) of signatories to Race to Zero Partners. According to both the CDP data analysis and the [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) progress report, 2023 has continued to see a rise of financial institutions taking action. To support FIs in delivering the greatest impact, understanding a snapshot of progress is key. In developing this analysis, Race to Zero utilised (publicly reported) data from [CDP](#) and analysis from [Climate Arc](#). We see a steady increase in key indicators of growth for each of the 5Ps²⁴ for FIs.

Race to Zero finance Partners are also affiliated with [GFANZ](#), a coalition supporting financial institutions committed to accelerating the net-zero transition. GFANZ has published a progress report in December 2023 using alliance provided data and therefore may show some different findings.

As with other actor types this report shows that there is a consistent trend of increasing annual progress from FI partners. Race to Zero finance partners and their members also need to exponentially accelerate the implementation of their commitments, enhance their transparency ensuring any alliance specific reporting includes progress against their commitments (for example interim targets), and support the policy and regulation that would enable the systems transformation required across all regions and sectors of the economy. Finance Institutions should continue to take action: finance a just transition in line with a 1.5°C future, build capacity and invest in emerging markets and developing economies, increase financing for adaptation and resilience and reduce emissions from financing.



SECTION 1: FINANCE PROGRESS

METHODOLOGY²⁵

As with large companies, Race to Zero utilised the [CDP Climate Change 2023 Questionnaire](#) to report on the advancements of FIs for each of the Race to Zero's [5P Criteria](#). Race to Zero collaborated with [CDP](#) and [Climate Arc](#) to understand financial progress through a subset of FIs member's transition plans, ongoing actions, and publicly published reports as reported to CDP.

The findings presented in this section are based on a partial dataset, as there are multiple options available to Financial Institutions for reporting such as through the Principles for Responsible Investment (PRI) reporting platform or through Finance Alliances reporting mechanisms. The statistics here show directional insights and trends provided rather than precise values for the Race to Zero Financial Institutions cohort. While the trends correlate with the trends seen by GFANZ and financial alliances, detailed insights should be drawn from the progress reports/updates produced by each alliance.

PROGRESS

Through the corporate track, 145 members of Race to Zero finance Partners reported publicly to CDP compared to 108 in 2022, marking an 34% increase in this sample since last year.

Of the subset of 145 Financial Institutions (FIs) who reported to CDP, 61% (88) reported having at least one company-wide, net zero target for 2050 or before²⁶. This is a 47% increase within this sample since 2022. In 2023, FIs within this subset reporting to have developed transition plans for net zero increased by 49% - 100 FIs compared to 67 in 2022²⁷. Overall, this sampling is consistent with the general trend of reporting, and reporting of specific plans moving in the right direction.

There is an increase in FIs reporting to CDP that they are measuring progress toward scope 1, 2, and 3 targets²⁸. To caveat, the measurements are related to the FIs own scope 1, 2, and 3 rather than an analysis of the FIs investment portfolio. This year, 140 FIs reported to CDP a scope 1 planned emissions reductions, marking a 33% increase compared to 105 that reported similarly last year²⁹. Within this sample, measuring progress toward scope 2 planned emissions reductions (location based) targets increased annually by 29%, (137 vs. 106)³⁰. According to the CDP data there was a 31% increase in FIs (137 vs. 105) measuring progress toward scope 3 emission reductions³¹. Overall, through this sampling, FIs in the Race to Zero are actively working to close the gap on proceeding with implementing their targets. In the 2023 CDP data sample, over 96% of responding FIs reported that they are working on their scope 1 target and 94% measuring progress toward both their scope 2 and 3 targets.

²⁴ Race to Zero does not assess the 5th P in this progress report, but rather identify a current baseline.

²⁵ See Appendix A for further details on the data model/methodology.

²⁶ This statistic uses CDP question C-FS4.1d_C27.

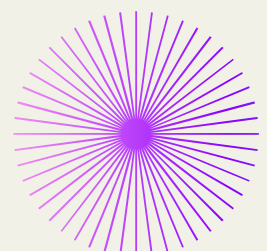
²⁷ This statistic uses CDP question C3.1_C2.

²⁸ This information comes from an annual change (2022-2023) of reporting CDP question C-FS14.1.

²⁹ This statistic comes from CDP question C6.1_C1.

³⁰ This statistic comes from CDP question C6.3_C1.

³¹ This statistic comes from CDP question C6.5_C1.





[NZBA](#) member and active working group member for Accelerator [Comunidad #PorElClima](#), [BBVA](#) has shared a TCFD report that reflects progress in their commitment to transparency, publishing details on the sector plans for which alignment targets have been set: oil and gas; power generation; automotive industry; steel and cement; and phase-out targets, which is the case for the coal sector. BBVA has also published its clients' progress toward decarbonization in the initial version of its climate transition plan, and they have established a new governance model, the Sustainability Alignment Steering Group (SASG), to approve proposed decarbonization objectives, evaluate the degree of compliance, supervise plans to achieve them; and promote knowledge of best practices in the sector.



[NZAOA](#) member, [AXA Group](#), committed to reducing the carbon footprint of its general account investments by 20% between 2019 and 2025. This objective was met, and exceeded, with a reduced carbon footprint of 35% at year-end 2022. Following this successful first phase of AXA's investment decarbonization plan, in June 2023 the AXA Group established a new intermediate target on investments to reduce the carbon footprint of its General Account assets by 50% by 2030 (using the baseline year 2019). At this stage the intermediary targets focus on listed equities & corporate bonds and real estate owned. AXA has also made significant strides in green solution investments securing €25.1B in 2022 approaching their €26B target by end of 2023 while investing substantially in forestry related projects to meet its €1.5B objective in natural capital.



[Paris Aligned Asset Owners \(PAAO\)](#) member, the [NZ Super Fund](#), worked closely with the Treasury and the other Crown Financial Institutions (CFIs) to develop the Crown Responsible Investment Framework, which includes a commitment to reporting against common carbon metrics. NZ Superfund has transparently reported on progress against their own commitments in detail through their annual progress reports, this year showing that the Fund has no material, long-term holdings of fossil fuel reserves and has achieved a 59.7% reduction in emissions intensity, excelling their target of 40% by 2025.

This year marked the first look at a sampling of the FIs implementing the 5th P – Persuade – based on the CDP questionnaire. This will help to set a baseline for future Race to Zero progress reports. Of the FIs reporting to CDP, 77% (112 out of 145) have a public commitment to conduct their engagement activities in line with the goals of the Paris Agreement³².

³² This statistic comes from CDP question C12.3_C2.

SECTION 2: FINANCE PARTNERS

Race to Zero works with financial Partner alliances to support signatories. These alliances, which are affiliated with the [Glasgow Finance Alliance for Net Zero \(GFANZ\)](#), each track progress across their signatories, which collectively represent the 600+ financial institutions in Race.

PARTNER OVERVIEW

UN-Convened
**Net Zero
Financial Services
Providers Alliance
Exchange Group**

Exchange Group, is part of the [Net Zero Financial Service Providers Alliance \(NZFSPA or "Alliance"\)](#). The Exchange Group has a global reach of over 130 Partner Exchanges around the world, with current exchanges originating from Africa, Asia, Europe, Latin America and North America (noting that some of these exchanges have international operations as well). Together, the current members of the Exchange Group list more than 6,200 companies representing a market cap of over US\$12.9T.

Since approving its Target Setting Protocol in June, the Exchange Group has brought 7 members into the Race, with new members prepared to join by COP28. Once finalised, this will represent a 50% growth in the membership of the Exchange Group since 2022.

NET ZERO ASSET MANAGERS INITIATIVE

The [Net Zero Asset Managers initiative \(NZAM\)](#) which launched in December 2020, has grown to include over 315 signatories, with 26 new members joining the initiative in 2023. Signatories are responsible for the management of over \$57T AuM, with \$24T AuM committed to net zero in 2023 (compared to \$3.9T in 2021).

All signatories have signed the voluntary [Net Zero Asset Managers Commitment Statement](#) and many have ambitious climate commitments, with 25% of signatories having their first target in 2025 or before, and 73% have their first target between 2025 and 2030. 145 NZAM members have fossil fuel policies.

The initiative is delivered by six investor networks: [AIGCC](#), [CDP](#), [Ceres](#), [IGCC](#), [IIGCC](#) and [PRI](#).

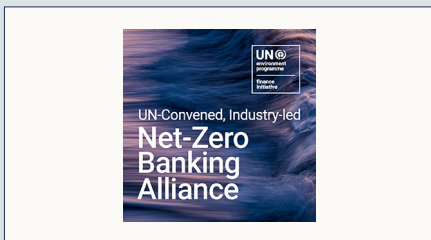


The UN-convened [Net Zero Asset Owner Alliance \(NZAOA\)](#) which is a member-led initiative of institutional investors, has grown from 77 to 87 members by November 2023 with 65 members in Europe, 10 in North America, 6 in Japan and Hong Kong, 3 in Africa, and 1 in Australia with over US\$ 9.5T AuM.

Through the 2023 reporting cycle, 69 members with US\$ 8.4T AuM have set intermediate climate targets in line with the Alliance's Target-Setting Protocol, an increase from 44 members with \$7.1T AuM last year.

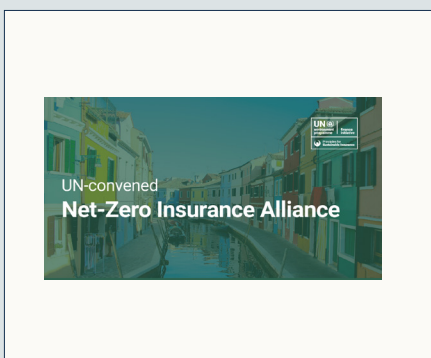
100% coverage has been achieved in terms of proportion of members with intermediate targets who have set them for engagement, and 67 members have set sub-portfolio targets, up from 41 in 2022. These members target, on average, carbon dioxide equivalent (CO₂e) reduction ranges of 22%-32% for 2025 and 40%-60% for 2030.

PARTNER OVERVIEW



Since the beginning of 2023 and the end of October, 12 members have joined the industry-led and [UN-convened Net-Zero Banking Alliance \(NZBA\)](#) taking the total to 136 signatories and \$74.9T total assets with members setting sectoral decarbonisation targets covering power generation, oil and gas, commercial and residential real estate, transport, iron and steel, coal, cement, agriculture and aluminium.

As the accelerator for climate target setting under the [UNEP FI's Principles for Responsible Banking \(PRB\)](#) and the sector-specific alliance for banks under [GFANZ](#), network, this year, NZBA member working groups focused on implementation and sectoral tracks, ultimately releasing publications on [transition finance](#) and on the role of [carbon credits in climate target setting](#).



In a span of just 18 months since its launch, [the UN-convened Net-Zero Insurance Alliance \(NZIA\)](#) and its partners developed the foundational concepts and frameworks that enable insurers, reinsurers, and other insurance market participants across the globe to individually start or propel their respective net-zero insurance journeys and take urgent and ambitious individual and unilateral climate action. These include the NZIA statement of commitment, the NZIA white paper on net-zero insurance, the Partnership for Carbon Accounting Financials (PCAF) Insurance-Associated Emissions Standard, and the NZIA Target-Setting Protocol.

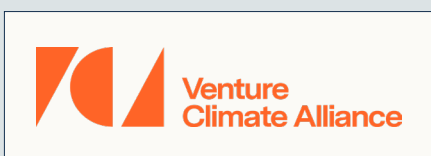
UNEP and NZIA members remain fully committed to the net-zero transition and are engaging with a broader community of stakeholders on the evolution of the NZIA. To speed up and scale up net-zero insurance thinking and practices globally, priorities include advancing net-zero insurance frameworks, net-zero transition planning by re/insurers, real economy engagement by re/insurers, and tackling barriers to re/insuring the net-zero transition.



With 11 members in total spanning across the UK, US and Australia, the [Net Zero Investment Consultants Initiative \(NZICI\)](#)'s group of prominent investment consultants has worked to embed net-zero considerations into advisory work, reckoning this group can catalyse faster progress by the investment industry on climate goals. Member's progress will be further showcased in NZICI's progress report launching Q4 2023.



[Paris Aligned Asset Owners \(PAAO\)](#), a global group of asset owners - mainly pension funds - launched with 22 asset owners in March 2021, representing more than \$1T AuM. Today, PAAO stands at 56 members across 9 countries with more than \$3.3T AuM. PAAO grew increasingly ambitious with their targets in 2023, with members adding 11 new targets.



The [Venture Climate Alliance \(VCA\)](#) welcomed 82 new members to the Race in 2023. As a new Partner, it helped its growing group of leading venture capitalists to achieve net zero emissions for operations by 2030 or sooner and encouraged portfolio companies to set their own net zero targets.

Chapter 6: Cities, States and Regions

Cities, states and regions have a critical role to play in the net zero transition. Race to Zero cities are making progress in their efforts to address climate change through their increased mitigation actions, embedding climate within their policies and processes and recognising the benefits and opportunities of action.



SECTION 1: CITY PROGRESS

Cities, states and regions have a critical role to play in the net zero transition. Race to Zero cities are making progress in their efforts to address climate change through their increased mitigation actions, embedding climate within their policies and processes and recognising the benefits and opportunities of action.

METHODOLOGY³³

In collaboration with [Cities Race to Zero](#), Race to Zero, utilised publicly available [CDP](#) data to understand the progress of all Race to Zero cities that reported through the [CDP-ICLEI Track](#) as of October 2023. This analysis utilised the CDP [Cities Questionnaire 2023](#) to acquire insights into member progress through Race to Zero's [5P Criteria](#). The responses submitted by each city member were aggregated and analysed to assess the overall progress of cities in the Race who have pledged interim and net zero targets. Appendix A provides a comprehensive list of the CDP questions used to assess the campaign progress.

[CDP-ICLEI Track](#) - the world's leading environmental reporting platform and progress accountability mechanism for cities, tracking over 1,100 cities of all sizes across the globe - is one of the official platforms that cities report to annually as part of Cities Race to Zero. 381 Race to Zero cities reported through CDP-ICLEI Track by the October cut off in 2023.

Additionally, the [Global Covenant of Mayors for Climate and Energy \(GCoM\)](#) undertakes an annual exercise to estimate the aggregate and projected greenhouse gas emissions trajectories of cities and local governments - and quantifies the collective potential impact of achieving signatories' greenhouse gas (GHG) emissions targets. This "nearest neighbour" model was employed to estimate scenarios for the collective impact of the 381 cities that reported through CDP-ICLEI Track in 2023.

PROGRESS

To date, over 1,162 cities have signed up to the Race to Zero, a 2% growth in members since 2022 (1,136 cities). Race to Zero cities are making progress in setting ambitious targets. Since 2022, there has been a 6% increase in Race to Zero cities reporting a long-term net zero target and a 6% increase in those reporting a long-term net zero and a mid-term target. Data reported shows that cities part of the campaign are 1.5 times more likely to report a long-term net zero target than those not part of Race to Zero.

Race to Zero cities are taking action and a growing number are embedding climate within their city processes. Of the 381 Race to Zero cities reporting through CDP-ICLEI Track in 2023³⁴ 84% reported having a climate action plan or strategy addressing mitigation compared to 78% reported in 2022. Additionally, there was an 18% increase of cities reporting at least one process in place for the oversight of climate-related issues such as having councils informed by relevant departments, assigning climate-related responsibilities to management-level positions in government, and including climate within strategy and planning within government.

A Global Covenant of Mayors for Climate and Energy analysis estimates that Race to Zero cities and local governments could collectively reduce global greenhouse gas (GHG) emissions by 1.2 GtCO₂e annually in 2030 and by 3.0 GtCO₂e annually in 2050 compared to a business-as-usual (BAU) trajectory.

CASE STUDIES



Under the [DK2020 Project](#), 92 of the 98 Danish municipalities have adopted climate action plans, and the number is expected to increase to 98 by 2024. The climate action plans aim to cut emissions by 76% in 2030 compared to 1990 levels and reach net-zero no later than 2050. A new report shows that if the 2030 targets are met, the subnational climate efforts are estimated to contribute to reducing GHG emissions from 48.5M tonnes in the base year to 18.3M tonnes by 2030.

³³ See Appendix A for further details on the data model/methodology.

³⁵ Reported to CDP-ICLEI Track by 11 October 2023. All publicly reported data is available on the [Open Data Portal](#).



The City of [Palo Alto](#) has set a carbon neutrality by 2030 goal as well as an emission reduction goal of 80% below 1990 levels by 2030. In 2021, Palo Alto had already reduced their emissions by 53.9% from the 1990 baseline. In order to reach their ambitious goals, Palo Alto is implementing their [2022 Sustainability and Climate Action Plan \(S/CAP\)](#). Palo Alto's S/CAP calls out specific goals to reduce natural gas usage in buildings 60% below 1990 levels, increase tree canopy to 40% by 2030, divert 95% of waste from landfills by 2030, reduce vehicle miles travelled 12% by 2030,



The [City of Ann Arbor](#) adopted its living carbon neutrality plan, [A²ZERO](#) in 2020. This plan was developed through extensive community engagement with over 60 public engagement events, two large town hall events, over 60 partner organizations, over 80 technical parents and 3 public surveys. Together with the community, the City of Ann Arbor is actively working to reduce vehicle miles travelled by 50%, consume 100% renewable energy and switch from natural gas powered vehicles and appliances to all electric to create a carbon neutral, equitable and sustainable city.

The key areas of mitigation action have been: transport, stationary energy, waste and generation of grid-supplied energy. More cities (69% compared to 52% in 2022) are also recognising the importance of assessing the wider opportunities and benefits of climate action.



The municipality of [San Pedro Garza Garcia](#) is implementing their plan to reduce 15,000 tons of emissions by 2024 through arborisation, energy-efficient technologies in municipal buildings, and transitioning to cleaner fuels in municipal vehicles. To address industrial emissions, they have introduced new regulations and inspections to ensure energy efficiency and carbon footprint reduction among industrial companies. Furthermore, the municipality is actively engaging political leaders, CEOs, unions, investors, and civil society in recognising the need for a multistakeholder approach to climate action.



[Helsinki](#) is retrofitting buildings for improved energy efficiency, promoting sustainable transportation options, investing in renewable energy sources, adopting circular economy practices, and undertaking climate-positive actions like urban agriculture and tree planting. Helsinki plans for all new cars sold in the city to be zero-emission vehicles by 2035 and aims to generate 30% of its energy from renewable sources by 2020.



[Tsévié in Togo](#) has developed access to renewable energy. The municipality has installed street lights in various neighbourhoods throughout Tsévié and granted subsidies for households to acquire solar kits. A clean cooking project to transform the use of charcoal and wood into stoves has improved households' transition toward clean energy, Tsévié plans a mature project supported by the [Transformative Action Program \(TAP\) facility](#) to fight deforestation and preserve biodiversity by rehabilitating the community forest, constructing of green belt around the town.

Although cities are reporting ambitious targets, 74% have identified that achieving these targets was conditional on components outside of their direct control, including decarbonisation of the electricity grid, mitigation in emissions sources that are controlled by a higher level of government, and the provision of national funding for infrastructure. Funding has also been identified as a key barrier for cities, and data reported to CDP-ICLEI Track shows that 74% of Race to Zero cities have climate-related projects that require financing. 1217 projects were reported worth approximately \$108B and seeking \$42B in financing.

This highlights the importance of Race to Zero's [5th P 'Persuade' criteria](#) and the need for engagement and collaboration across business and levels of government to help unlock these barriers. 68% reporting that they are collaborating with government, civil society, or business on climate-related issues, a 13% increase compared to last year. This highlights the increased efforts in collaboration across stakeholders on climate action. Further, 59% of cities reported engaging with other levels of government (such as regional or national) on climate mitigation-related activities.



[Nakuru City](#) has enacted renewable energy policies to advance its green transition, including the Nakuru County Clean Energy Policy and Action plan, Nakuru county Energy Plan(CEP), and the Sustainable energy Access and Climate Action Plan(SEACAP). These are supported by an implementation Plan (CIDP) 2023-2027 as well as integrated energy and climate actions across the county.



The [municipality of Chefchaouen](#) has formulated various actions and policies to reduce its energy consumption. A consultative energy council consisting of residents, economic associations, and local stakeholders was established – to ensure its policies have local support and buy-in. They created an ecology center where a swimming pool is fitted with solar energy, to showcase the city's energy-saving initiatives to its citizens and increase awareness. Political leadership from Mayor Mohamed Sefiani has transformed Chefchaouen into one of Africa's leading sustainable cities.

SECTION 2: STATES AND REGIONS PROGRESS

METHODOLOGY³⁵

Utilising the [CDP States and Regions Questionnaire](#), progress was discerned based on member-disclosed data pertaining to their journey towards net zero, which was subsequently used for reporting to the [Race to Zero 5Ps](#). Progress within this section was gauged based on publicly disclosed data from 28 validated Race to Zero States and Regions, submitted to CDP by October 2023. The data contributed by each member was then consolidated to gauge the collective progress of States and Regions on a global scale.

PROGRESS

States and regions are showing progress with more reporting an active emissions reduction target (93%) compared to 2022 (only 68%). This surge in the adoption of emissions reduction targets underscores the growing recognition of the urgent need for collective commitments and highlights a positive shift with states and regions taking the lead at the local level.

The number of states and regions with a climate action plan or strategy has grown to 82%, compared to 72% in 2022. This is consistent with the information on [Under2 Coalition](#)'s, Race to Zero's Partner dedicated to states and regions, efforts to aid states and regions make the transition from pledge to plan and action.

CASE STUDIES



The state of [Yucatán](#), recognizing its vulnerability to climate change, has developed a Special Climate Change Program to support their goal of becoming a carbon sink. In 2023, the state launched new initiatives such as a 100% electric transportation system, IE-Tram, avoiding over 10,000 tons of CO₂ per year. To support the Program, the State has an estimated carbon budget, and has established a regulatory framework, implemented carbon taxes, and offered incentives for emission reduction and jungle conservation projects.



In May 2023, [Quebec](#), which has the lowest emissions per capita in North America, launched an updated [Green Economy Plan](#) with increased funding for GHG reduction and climate change adaptation. Over \$1.4B has been added to the plan's budget this year, bringing the total to \$9B over five years. This contributes to Quebec's aim of reducing its GHG emissions to 37.5% below 1990 levels. The plan includes more than \$500M to support the construction of charging stations for electric vehicles and \$1B to reduce the carbon footprint of buildings, which are responsible for almost 10% of the province's GHG emissions.

³⁵ See Appendix A for further details on the data model/methodology.

States and Regions are proceeding with their pledges, with 86% implementing climate mitigations actions and 75% recognising the co-benefits of climate mitigation action with adaptation. All states and regions have reported a process in place for the oversight of climate-related issues to ensure it is embedded in local policies and processes.

One of the key barriers for states and regions is access to funding. 18 states and regions reported to CDP that funding is required for climate-related projects and 100 projects were reported worth approximately \$2B and seeking \$617M in financing. Further, reporting states and regions (93%) recognize the importance of collaborating with governments, civil society and business on climate related issues and in particular engaging with other levels of government (such as cities or national) on climate mitigation-related activities, in line with Race to Zero's [5th P](#).

SECTION 3: SUBNATIONAL PARTNERS

The [Under2 Coalition](#) and [Cities Race to Zero](#) provide the main entry points for subnational actors in the campaign, managing cities, states and regions as they meet robust campaign [criteria](#). Learn more about each of them below.

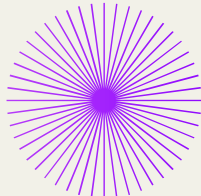
PARTNER OVERVIEW



[Cities Race to Zero](#) is the route for cities and local governments to join the global effort to meet the goals of the Paris-Agreement, through setting ambitious emissions reduction targets and undertaking impactful climate action to achieve these. Global city partners ([C40](#), [ICLEI](#), the [Global Covenant of Mayors](#), [CDP](#), [UCLG](#), [WRI](#) and [WWF](#)) have collaborated by engaging cities in the campaign, supporting their reporting efforts, using the data to track cities progress and supporting cities to set science-based targets – a core element of the Cities Race to Zero pledge.



The [Under2 Coalition](#) is the largest global network of states, regions, provinces and other subnational governments committed to achieving net zero emissions by 2050 at the latest. By working on ambition, implementation, regionalisation and accountability, Under2 Coalition states and regions have on average reduced their emissions by over 25% from their respective base years.



Chapter 7: Healthcare and Aid

Ambitious climate action is imperative to protecting healthcare and the health of people around the world. Transitioning to cleaner energy and greening healthcare and aid institutions will not only reduce emissions, but will also save lives.



SECTION 1: HEALTH AND AID PROGRESS

METHODOLOGY³⁶

This analysis uses data received from Race to Zero Partner, [Health Care Without Harm \(HCWH\)](#). HCWH uses the [CGHH Connect](#) platform to ask members to report their targets, baselines and annual emissions. Members are also required to report detailed qualitative information about their targets and annual progress to HCHW over email.

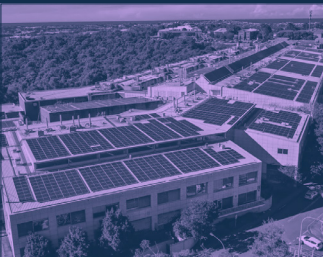
PROGRESS

After enduring the challenges of a long-lasting pandemic, the global health and aid sector, particularly in the developing world, is still grappling with recovery and setbacks in achieving global health goals. Simultaneously, these systems have had to confront increasingly frequent and severe climate impacts.

The sector is actively responding to the challenge. 78 healthcare institutions, representing the interests of thousands of hospitals and health centres from 28 countries have joined Race To Zero since HCWH became a Partner, and 9 have joined through the [Climate Action Accelerator](#). Over the past year alone, 14 new members have joined the Race through HCWH, expanding to 6 new countries including New Zealand, Indonesia, Poland, United Arab Emirates, Thailand and Zambia.

All 78 of HCWH's members in the Race have fully committed to achieving net-zero emissions by 2050, with corresponding interim targets. 19% of these members have submitted their transition plans, a 5% increase since last year, and a growing number of members are publishing through HCWH's reporting system (51%).

CASE STUDIES



By focusing on energy, waste, water, transport, procurement, and infrastructure the [Hunter New England Local Health District \(HNELHD\)](#) in Australia was able to save 2.2M Australian dollars through its sustainability initiatives, including installing the largest hospital solar installation in the world at John Hunter Hospital which will ultimately reduce carbon emissions by 2,700 tonnes annually. The leadership has also maintained a collaborative relationship with local aboriginal and Torres Strait Islander people.



[Terre des hommes Foundation \(Terre des hommes\)](#) is an independent, neutral and impartial Swiss organisation committed to bringing meaningful and lasting change to the lives of at risk children and youth. In July 2021, Terre des hommes signed a partnership agreement with the [Climate Action Accelerator](#) to co-create a climate and environmental roadmap aimed at defining effective emissions reduction targets and actions. The process led to the publication of the organisation's climate and environmental roadmap in August 2023, demonstrating Terre des hommes commitment to accelerating climate action throughout their humanitarian operations through the following steps:

- **Measuring** the carbon footprint of all and setting up an integrated monitoring system
- **Adopting** a decarbonisation trajectory that takes into account the latest scientific warnings and aspires to align with the objectives of the Paris climate agreement – namely a reduction of the organisation's carbon footprint by 50% by 2030
- **Developing** institutional and operational solutions to their environmental footprint while strengthening its social mission.
- **Integrating** the climate and environmental issues into the organisation's programmatic approach

³⁶ See Appendix A for further details on the data model/methodology.

With the growing momentum for healthcare action, this year the G20 recognized the need to support the development of climate-resilient and low-carbon health systems, and 74 countries are now committed to resilient, low-carbon health care through the recent [G20 Declaration](#), covering 75% of healthcare emissions. Find out more about Healthcare in the Race [here](#).

SECTION 2: HEALTH AND AID PARTNERS

Healthcare institutions join the Race through two main avenues: [Healthcare Without Harm's Climate Challenge Initiative](#) and by partnering with [Climate Action Accelerator](#). Organisations in the aid and some from the higher education sector also join through the Climate Action Accelerator.

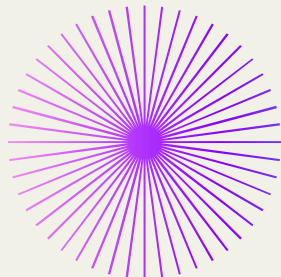
PARTNER OVERVIEW



[Health Care Without Harm \(HCWH\)](#) works to transform health care worldwide so that it reduces its environmental footprint, becomes a community anchor for sustainability and a leader in the global movement for environmental health and justice. Through its [Health Care Climate Challenge initiative](#) and [Global Green and Healthy Hospitals \(GGHH\)](#) network, HCWH provides health care institutions with a suite of tools and resources to support them in measuring their carbon footprint and implementing strategies and programs to achieve climate-smart health care.



The [Climate Action Accelerator](#) is a non-profit organisation working to help shift the aid, health and higher education sectors towards a radical transformation of their practices, pursuing emissions reduction targets (-50% by 2030) and a net zero trajectory, in line with the Paris Agreement. The Climate Action Accelerator has worked with international humanitarian aid organisations to calculate their carbon footprints, modelise carbon reduction trajectories and co-develop decarbonisation roadmaps.



Chapter 8: Universities and Colleges

Harnessing the power of collective action, universities and colleges around the world are stepping up and taking action to reduce their own emissions whilst using their voices to call on governments to accelerate the decarbonisation journey.



SECTION 1: UNIVERSITY AND COLLEGE PROGRESS

METHODOLOGY³⁷

Race to Zero's higher education Partner, [Race to Zero for Universities and Colleges](#), tracks signatories' progress. The data collected through their reporting has been used as the analysis for this report.

SECTION 1: UNIVERSITY AND COLLEGE PROGRESS

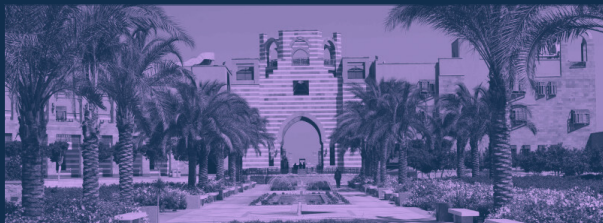
Of the 1,193 universities and colleges in the Race, a growing number have set a net zero target, reaching a total 97% of members in 2023. 22% of these members also have an interim target. When it comes to disclosing transition plans, 45% of these institutions have published transition plans and 47% are publicly disclosing progress.

Recognising the need to drive youth engagement and increase support of higher education institutions, at [COP28](#), there will be an 'Education Day'. The COP28 Presidency has backed the [Universities Climate Network](#), which comprises 31 UAE-based universities and higher education institutions that have been working to drive engagement among youth and academia in the lead up to Dubai.

CASE STUDIES



In alliance with the Monterrey Metropolitan Collaboration Initiative and Race to Zero Accelerator [Alliances for Climate Action \(ACA\)](#), member [Tecnológico de Monterrey](#) advocated for 16 municipalities to join the Race To Zero commitment. Currently they have a net zero commitment by no later than 2050 and we are working together with the state and municipal governments and other NGO's in the elaboration of the Nuevo Leon's and Monterrey's Metropolitan Area Climate Action Plan (PAC NL-ZMM).

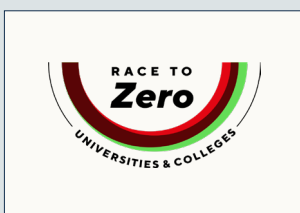


In 2023, the [American University in Cairo \(AUC\)](#) published their [net zero transition plan](#) detailing how they will progress on their commitment in the Race by focusing on improving areas of energy use, transportation, water consumption, solid waste disposal, and campus design. This plan was developed by faculty, staff and students.

SECTION 2: UNIVERSITY PARTNER

Universities and colleges join the Race by pledging through the [Race to Zero for Universities and Colleges](#) initiative.

PARTNER OVERVIEW



[Race to Zero for Universities and Colleges](#) is a partnership initiative between EAUC – the Alliance for Sustainability Leadership in Education and UNEP, with EAUC acting as secretariat. Established in 2019, and joining as a Race to Zero Partner in June 2020, they work with over 1,191 universities and colleges across the world from over 84 countries, 7 new countries since last year, who have committed to be net-zero by 2050 at the very latest. This represents 11,301,144 million students globally, including 10 signatories from the UAE.

³⁷ See Appendix A for further details on the data model/methodology.

Chapter 9: Strengthening the Ecosystem and Increasing Accountability

Partners across all actor types have undertaken several initiatives through 2023 to support their members as they move through the [5Ps](#). From launching new tools and resources to enhancing reporting and providing training, Partners have strengthened members alignment with Race to Zero's [criteria](#) to accelerate the delivery of net zero commitments.



EXPANDING TOOLS

In 2023, partners have continued to develop action guides to support their members on their transition to net zero:

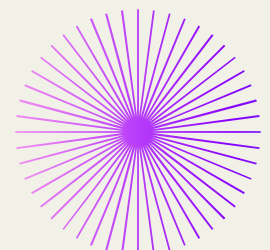
- The [Exponential Roadmap Initiative's](#) 1.5C Business Playbook
- [Race to Zero for Universities and Colleges](#) launched the [Net Zero on Campus guide](#) and developed a [costings tool](#) to help universities identify the cost of their net zero journey,
- Health Care Without Harm's [Climate Action Guidance](#) for healthcare institutions,
- The [Paris Aligned Asset Owner's](#) supplementary guidance for [Infrastructure](#) and [Private Equity](#)
- The [Fashion Charter's](#) new [guidance](#) covering issues such as Scope 3 Purchased Goods and Services.
- This [SME Climate Hub](#) also launched their [reporting tool](#) as a free resource for SMEs to publicly disclose their data on climate action progress. To help SMEs navigate the decarbonization process and take steps to reduce their emissions, the SME Climate Hub also launched its [Action Guides](#) in November 2023. The Action Guides outline how SMEs across industries and sectors can implement most straightforward yet impactful measures to reduce their companies' emissions.

[Tech Zero](#) and [International Wineries for Climate Action](#) have created net zero report templates to support their members as they disclose, and [Pledge to Net Zero](#) shared [case studies](#) with their members for peer-to-peer learning on implementation. [Japan Climate Initiative](#) published a [Japanese translation of the Race To Zero 5th P Handbook](#), and [Health Care Without Harm](#) included the contribution of each country's health system emissions to the global emissions from the health care sector and [adapted the requirements of members from different countries](#) in their new Interpretation guide for the health care sector.

The [Exchange Group](#), developed a new net zero target-setting [framework](#) to support a target-setting process that has special reference to the context of the exchange industry as a whole, as well as the varied circumstances of individual exchanges, and the [NZAOA](#) released a [number of position papers](#) to guide its membership, for example on carbon pricing and the oil and gas sector.

PROVIDING TECHNICAL ASSISTANCE

Partners have regularly offered training to guide their members as they implement their net zero commitments. The [NZAOA](#) provided technical assistance to members regarding target setting and reporting. [Tech Zero](#) offered members ad hoc sustainability consultancy for those who may not have a sustainability manager or team. [Planet Mark](#) delivered monthly [CPD](#)-accredited Net Zero Carbon Essential workshops monthly. [International Wineries for Climate Action](#) hosted trainings for members on the 5Ps. The financial alliances hosted a transition planning webinar with the [Glasgow Financial Allianz \(GFANZ\)](#). [Japan Climate Initiative](#) hosted transition planning webinars with the [2023 Japan Climate Action Summit](#). HCWH convened a [Global Health Care Climate Learning Initiative](#) with 98 healthcare institutions.



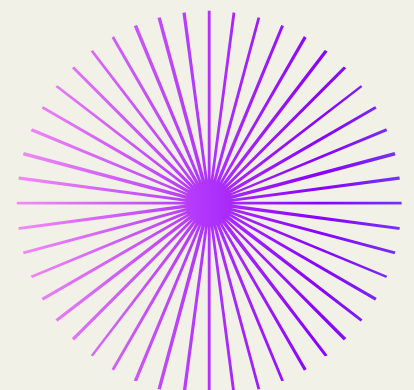
INCREASING CAPACITY

To create a more enabling environment, Partners have worked to increase the capacity of their stakeholders. [International Wineries for Climate Action](#) expanded the allowable list of auditors to include [CDP](#)-accredited firms, in addition to [ISO-14064](#)-accredited firms to accelerate the 3rd P 'Proceed'. The [Fashion Charter](#) launched an action arm of the Charter – peer action groups - to enable a more ambitious group of champion signatories to lead on implementation of specific priority actions. [The Scotch Whisky Association](#) provided individual reports to members who did not have resources to do reporting themselves, allowing them to understand their own emissions and where they sit within their peer group. Global city partners ([C40](#), [ICLEI](#), the [Global Covenant of Mayors](#), [CDP](#), [WRI](#) and [WWF](#)) have collaborated to provide guidance and support to cities to set science-based targets – a core element of the Cities Race to Zero pledge.

ENABLING REPORTING AND ENHANCING TRANSPARENCY

Partners are responsible for managing their members in line with their governance and procedures - and this year they have taken steps to enhance accountability and enable more transparent reporting. [Exponential Roadmap Initiative](#) updated their Climate Performance Review to assess members on 60 actions listed in their [1.5C Business Playbook](#). [International Wineries for Climate Action](#) streamlined reporting this year. [Planet Mark](#) released a new [Net Zero Programme](#) for their members, which aligns with the Race to Zero guidance as well as [ISO](#) and [SBTi](#). [Sports for Climate Action](#) developed a reporting questionnaire to align with the CDP reporting form, including a question that asks signatories to share the status of their transition plans.

2023 is the first year that [NZICI](#) members had to publish their progress against NZICI's reporting framework (further information on this in their upcoming progress report in Q4 2023). [PAAO](#) launched a new reporting process to collect information relating to signatories' actions and progress in the past year towards meeting the net zero commitment statement. A new reporting framework from [PRI](#) was released with greater functionality and alignment with [TCFD](#) and [ISSB](#), strengthening reporting for the financial alliances such as [NZAOA](#). [Race to Zero for Universities and Colleges](#) developed a framework for standardized carbon emissions reporting. The [SME Climate Hub](#) launched a new reporting process to collect information relating to signatories' actions and progress. [SBTi's](#) new commitment compliance policy came into force early in the year.



Chapter 10: Accelerators

To drive us faster on the race, the campaign also collaborates with [Accelerators](#) that work to support partners in their recruitment efforts, build the capacity of non-Party stakeholders, and enhance global uptake on net zero. They do this by enabling the implementation of Race to Zero's [criteria](#), and by encouraging non-Party stakeholders to join Partner initiatives.

This year, the campaign welcomed [CLG Chile](#), [Comunidad #PorElClima](#), [Digizen](#), [Environmental Defense Fund Net Zero Action Accelerator \(EDF NZAA\)](#), [Giki](#), [The Surpluss](#), and the [World Business Council for Sustainable Development \(WBCSD\)](#) as accelerators of Race to Zero.



ACCELERATOR OVERVIEW



[CLG Chile](#) was formed in 2009, after a visit from His Majesty King Charles III, and due to the joint management of the Faculty of Economics and Business of the University of Chile, the British Embassy and the British Chilean Chamber of Commerce. The Group is currently made up of 25 leading climate action companies and its objective is to influence public policies in an open, transparent, serious, and informed manner. Supporting its developers in the design of instruments that facilitate the transition towards a carbon-neutral economy, seeking to maintain a favourable space for business and aiming to generate and attract development opportunities for Chile. As of 2023, 60% of CLG Chile's members are committed to the Race.



Image: Comunidad #PorElClima Accelerator Launch at the Ministry for the Ecological Transition and Demographic Challenge in Spain

[Comunidad #PorElClima](#), the campaign's first Spanish Accelerator, is a multi-stakeholder platform working to ambitiously implement the Paris Agreement in Spain and Latin America inspiring climate action among companies, public administrations, NGOs, the media, universities, businesses and individuals by focusing on sectoral and concrete actions throughout the idea of community.

Since they joined the Race, they have implemented a program of green vouchers with Coca-Cola to encourage SMEs to measure, commit and implement. They also conducted a study on the engagement of the Iberoamerican private sector within Race to Zero to reflect on regional challenges and opportunities. They were also officially recognized by the Spanish Health Ministry for their work on ATACH at Spanish level as they persuaded more than 250 hospitals to commit to net zero.



NGO [Digizen](#) facilitates connections across society and industry to achieve ESG and net zero goals. Digizen offers professional training programmes, summits and more – working closely with cities and businesses to raise awareness on climate action and sustainability. In 2023, Digizen ran a nation wide net zero conference and took action at the C-Suite level through CEO training and a 25 week professional carbon markets course.

ACCELERATOR OVERVIEW



[Environmental Defense Fund's Net Zero Action Accelerator](#) turns corporate pledges into climate action. Bringing cutting-edge science, policy, and economic expertise, the NZAA arms leading companies and their value chains with the resources and capacity to act on their net zero goals. The aim is to transform the way business operates, galvanising action and accelerating progress towards an equitable net zero economy by mid-century.

During New York Climate Week, EDF launched the [Net Zero Action Accelerator web hub](#), a science-backed tool offering companies customised net zero action plans, putting sustainability goals within reach, with leading global resources from [Oxford Net Zero](#), [Deloitte](#), [Exponential Roadmap Initiative](#), [Transform to Net Zero](#) and [We Mean Business Coalition](#).

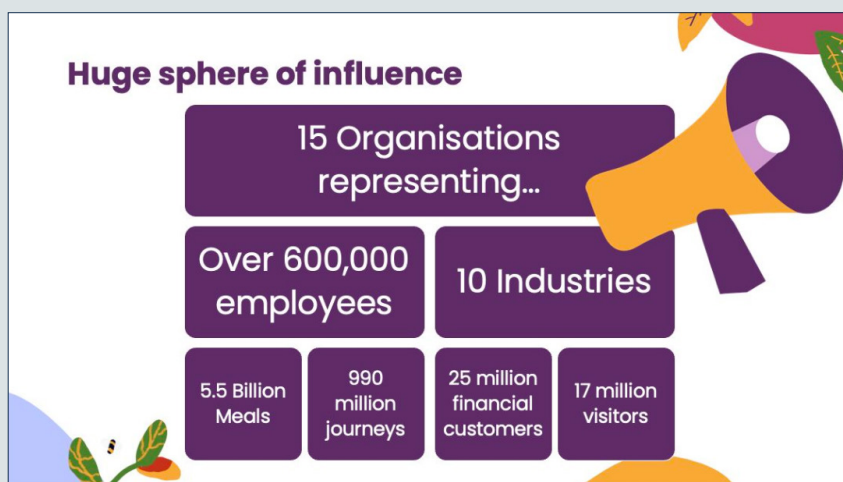
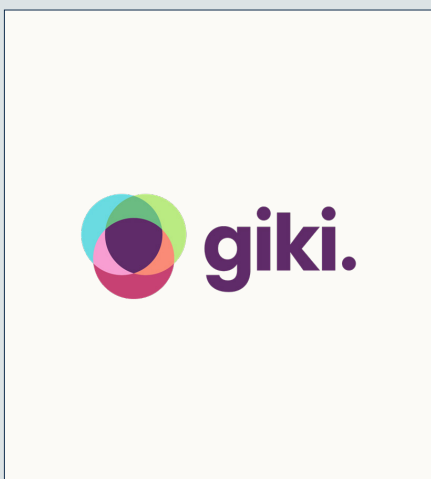


Image: Giki infographic on Employee Race to Zero Reach

[Giki](#) is a B Corp Social Enterprise that helps you learn what you can do for the planet and take steps to reduce your carbon footprint. Giki works with everyone from small businesses through to global companies. Each organisation uses Giki's science-based platform, and comprehensive engagement programme, to help employees build sustainable behaviours.

This year, Giki's [Employee Race to Zero](#) initiative mobilized 20 companies worldwide, such as [NatWest](#) and [Adobe](#), representing 600,000 employees and covering sectors that support every aspect of how we work, eat, save and live. Read more [here](#).



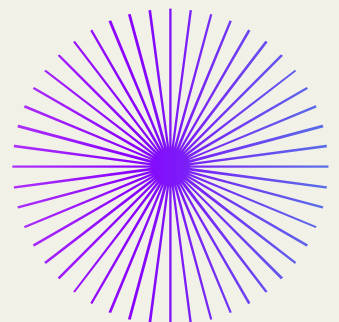
[World Business Council for Sustainable Development \(WBCSD\)](#) is a global community of 200+ leading businesses driving systems transformation for a better world in which 9+ billion people can live well, within planetary boundaries, by mid-century. With its business community, WBCSD tackles three pressing, interconnected challenges our world faces: the climate emergency, the loss of nature and mounting inequality. As an Accelerator, WBCSD will work alongside the Race to Zero campaign on [five priority areas](#): raising ambition, driving systems change, increasing accountability, net zero aligned advocacy and regionalisation.

ACCELERATOR OVERVIEW



[The Surpluss](#) is a B2B climate-tech operator with more than 400 members in the UAE that drives the net zero transition by assisting companies to reduce the intensity of their industrial processes by reducing GHG emissions through resource sharing and industrial symbiosis cluster formation. The Surpluss aims to transform excess into equal access, empowering communities and reshaping the future of business, one synergy at a time.

Since joining in September, The Surpluss has reached 50% of their goal of onboarding 100 UAE members into the Race by 2024, well ahead of their commitment to engage in the region.



Chapter 11: Enabling a Systems Transformation

To win the Race to Zero emissions, the world must achieve near-term transformational change across every sector of the global economy. Individual Net Zero targets among non-Party stakeholders can only be achieved as part of the transformation in the economic system that those non-Party stakeholders are a part of. To accelerate this system transformation, the High Level Champions are promoting the [2030 Breakthroughs](#).

In most cases, Race to Zero members are the pioneers within those sectors. Recognizing their leadership and strengthening the connection with the different strategies across these breakthroughs offers a unique opportunity to accelerate the implementation of their Net Zero transition plans. As a first attempt to make this connection, this year Race to Zero worked with the following priority breakthroughs to reach their breakthrough ambition for 20% of major actors by revenue committing to the Race by 2030.



ACCELERATING A NET ZERO BUILT ENVIRONMENT

In 2022, combined, buildings and their construction are responsible for nearly 40% of global energy-related CO₂ emissions.

2030 Breakthrough: 100% of projects completed in 2030 or after are net zero carbon in operation (with >40% reduction in embodied carbon)

Since COP27 over 70 built environment organisations - representing over \$45B of combined revenue - have joined the Race to Zero. As of October, this included 20% of major real estate asset managers and owners. Their commitment to cut emissions across scopes 1, 2 and 3 includes the embodied and operational emissions of the \$1.4T AuM.

Race to Zero members also include:

- 48% of major architects and engineers
- 19% of major construction companies

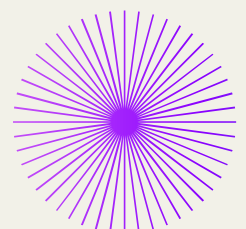
Many of these - including [Arup](#) and [JLL](#) - have also taken action towards the [5th P - 'Persuade'](#) - by amplifying their demand signal by [committing](#) to only owning and occupying net-zero carbon buildings by 2030. The city of [Nagpur's](#) [Net Zero Buildings by 2050: Roadmap](#) includes strategies and actions to help reduce GHG emissions in the context of choice of building materials, explicitly aligns policy actions to net zero action.

Others such as [Sunway REIT](#), a Malaysian Real Estate Investor with \$1.9B of property, have introduced an internal carbon price, and [Daiwa House Industry](#) in Japan updated its purchasing power by committing to 90% of its suppliers (by spend) covering purchased goods and services will have science-based targets by FY2026. [Lendlease](#) - a global construction firm - made an unparalleled commitment to reach ["Absolute Zecitiro"](#) by 2040 across scopes 1, 2 and 3. [Tokyo](#) is expanding zero emission buildings to reduce GHG emissions by 30% compared to 2000, reaching all net zero buildings by 2050, accounting for adaptation measures such as disaster prevention and heat countermeasures.

CASE STUDIES



[SBTi](#) Member, [Holcim](#), has developed low carbon products. Morocco's Mohammed VI Tower used Holcim's low-carbon cement to reduce construction-related CO₂ emissions by 32% compared to traditional cement. To lower the building's operational cooling emissions, the project used Airium, Holcim's a mineral insulating foam that makes insulation of building envelopes affordable and accessible in developing countries.





In 2023, [Aldar](#) officially joined the Race to Zero, pledging to significantly reduce their carbon footprint. The Abu Dhabi-based developer, manager and investor has committed to achieving Net Zero in its scope 1 and 2 emissions, as well as a 45% reduction in scope 3 emissions intensity, by 2030, with the ultimate goal of achieving Net Zero by 2050. To fulfill this commitment, Aldar is taking a series of actions, including:

- **Implementation of the Aldar Sustainable Design Standard** to maximize energy efficiency and reduce embodied emissions in new developments.
- **Engaging and upskilling** its supply chain to encourage innovation in low carbon products and sustainable practices.
- **Prioritizing green construction** practices and sustainable material procurement.
- **Adoption of more clean energy sources** and enhanced energy and resource efficiencies across all existing and new assets.
- **Engaging tenants** to offer guidance and incentives that encourage sustainable behaviors.
- **Implement circular economy principles** to minimize waste and increase recycling.
- **Integrate sustainability** considerations into investment process.

Aldar is catalyzing industry action through the Real Estate Climate Pledge, launched in collaboration with the UAE Ministry of Climate Change and Environment in early 2023. Through the Pledge, 29 UAE-based real estate and construction companies have committed to publish their own decarbonization targets by COP28.

TRAVELLING FROM 'A' TO 'B' WITH ZERO EMISSIONS

[Transport](#) is being decarbonized by shifting to a more sustainable and diverse range of modes and vehicle technologies. In 2023, 29% of major supply side actors sector by revenue committed to the Race to Zero.

2030 Breakthrough: BEV and FCEV make up 60% of global bus sales and 35-40% of global heavy goods vehicles sales

2030 Breakthrough: ZEV makes up 75-95% of total global passenger vehicles & vans sales

2030 Breakthrough: Zero emission fuels make up 5% of international shipping fuels and 15% of domestic shipping fuels

The electrification of all light-duty vehicles and trains has marked a real breakthrough in the Race to zero emissions, as did the development of zero-emission liquid fuels for planes, vessels and other long-distance transport. While it is possible for scalable zero-emission fuels to make up 5% of international shipping fuels by 2030 – [shipping's breakthrough target](#) – new [report](#) finds that the window of opportunity will close soon and rapid action is required from the industry.

2023 saw the launch of the [Zero Emission Maritime Buyers Alliance \(ZEMBA\)](#) by large shipowners of zero emission vehicles, and Race to Zero and SBTi member [Maersk](#) secured green methanol for the world's first methanol-enabled container vessel.



Mobility turnaround means shifting mobility to environmentally compatible alternatives. In 2019, the [Bonn City Council](#) adopted the goal of becoming climate-neutral by 2035. Because traffic accounts for more than half a million kg of carbon dioxide a year, more than a quarter of the city's total emissions, it was decided in this context that at least 75 percent of journeys should be made using environmentally friendly and space-saving forms of mobility by 2030. For this reason, the city is strengthening public transport, cycling and walking. These modes of transport protect the climate and the environment, they ensure better air and less noise. Amongst the activities already in place are 350 e-charging stations, to be upgraded to 650 soon, 45 new bicycle streets will officially be marked (painted), and 900 parking spots converted to make space for climate-friendly mobility.



[Felton Road](#), [IWCA](#) member, switched their direct-to-consumer shipping from airbourne to sea freight. Representing about 10% of annual shipments, this distribution channel was responsible for 44 tons of CO₂e, the equivalent of 14% of their baseline emissions year. With just one meeting with their export courier, that 44 ton liability was reduced to 0.5 tons.



FOOD SYSTEMS FOR THE FUTURE

Food and agriculture is responsible for around one third of global GHG emissions. As of 2023, there are 612 food and agriculture members in the Race, a 76% growth from 2022 (347 members).

2030 Breakthrough: >10Gt CO2 mitigated per year through nature-based solutions, including: shifting to sustainable and healthy diets, halving food waste and wide adoption of climate resilient, sustainable agriculture.

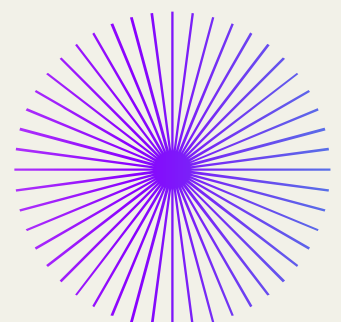
Race to Zero's Accelerator, the [Consumer Goods Forum](#) (CGF), has played a pivotal role in crafting net zero food systems for the future. This year, CGF launched the [Climate x Nature x Ag Ecosystem Map tool](#), to decode the complex landscape for decarbonising land and agriculture emissions. This year's CGF Summit also marked a milestone achievement, with the elevation of the Race to Zero Taskforce to an official Coalition of Action dedicated to net zero. The taskforce members have aligned on 4 workstreams to address net zero challenges, including increasing net zero leadership to increase Race to Zero participation (especially in priority regions), enhancing net zero data insights, improving product sustainability on both the supply and demand side, and driving partnerships and collaboration across the Race.

CASE STUDIES



Dutch food and biochemicals company and [SBTi](#) Member, [Corbion](#), is committed to supporting the aquaculture sector to reduce their emissions by providing a sustainable algae omega-3 as alternative to fish oil in feed. Today, Corbion is the first company to use industrial-scale fermentation and a circular production model to create sustainable nutrition by producing its algae-based feed ingredients. They have published a peer reviewed LCA study that shows a 30-40% reduction in carbon footprint for their algae based Omega 3 products compared to fish oil.

Race to Zero is pleased to promote and acknowledge the COP28 Non-State Actor Call to Action for Transforming Food Systems for People, Nature and Climate. We encourage non-Party stakeholders to get involved by signing up [here](#).



EMBEDDING NATURE IN CLIMATE ACTION

[Nature-positive](#) is a global commitment to halt the decline of natural habitats and reverse their loss by 2030. This year, alongside [Global Commons Alliance](#), [Business for Nature](#), [WBCSD](#), [TNFD](#), [SBTN](#), [SBTi](#), [UNEP FI](#), [Global Canopy](#), [WEF](#) and others, the UN Climate Change High Level Champions are advancing the [Nature Positive for Climate Action](#) effort. As part of this, the campaign called on members in the Race to Zero to put nature at the heart of climate transition plans (see [WWF guidance](#)), and to increase investment in nature-based solutions (see Climate Champions' [Mobilising Private Capital for Nature](#) report).



Alongside this activity, we urge :

- **Businesses** to set science-based targets on forest land and agriculture emissions (e.g., [SBTi FLAG](#)) and nature (e.g., [SBTN land use and water targets](#));
- **Cities and regions** to put themselves in the [strongest position](#) to adopt nature science-based targets, to integrate nature into transition plans and urban policy agendas, and to report their actions through a credible platform;
- **Businesses and financial institutions** to disclose progress, adopting recommendations from [Task Force on Nature-related Financial Disclosure \(TNFD\)](#) for transparent risk and impact assessment; and
- **Financial institutions** to address commodity-driven deforestation, land conversion, and associated human rights abuses in line with the [Finance Sector Roadmap](#) and to join the [Financial Sector Deforestation Action initiative](#) (FSDA).

Progress is already happening. For example, [investment in nature tech startups has surged by \\$7.5bn worldwide](#) since 2018, and members like [RobecoSAM](#) have [launched specific biodiversity investment strategies](#). Companies such as [Unilever](#) are embedding nature into their transition plans, with plans to achieve [deforestation-free supply chains for five major commodities](#). Partners such as [Scotch Whisky Association](#) are launching new nature programmes focusing on issues such as water and responsible peat use restoration.



This year, [SBTi](#) member, [Salesforce](#), released a [Nature Positive Strategy](#) to support and accelerate Salesforce's existing Climate Action Plan and the net zero. The new strategy focuses on 3 additional nature pillars: Reducing impacts on nature, Leading on nature restoration at scale, and Accelerating customer success and the nature positive movement.



[SBTi](#) member, [CEMEX](#) has worked with conservation NGOs to restore 140,000ha of natural ecosystems at El Carmen Nature Reserve. The work has included species reintroductions, such as the American Bison, which has seen the recovery of the ecosystems and serves as an example of a Nature Positive approach. In the UK, collaboration with the RSPB has seen the development of Conservation Management through Biodiversity plans at 10 priority sites. In total, the UK's 23 active sites support over 1,500 ha of priority habitat and has over 650 kt CO₂e embedded in the biomass and soil at those sites. And in Columbia, CEMEX's Maceo site, which is in a biodiversity hotspot, integrates sustainable development and biodiversity action plans that have the potential to sequester 2,721,404 t CO₂e over 30 years while preserving crucial habitat which supports endemic and endangered species.



[Swansea University](#), [Race to Zero for Universities and Colleges](#) member, has been using existing university spaces to create provisions for biodiversity and carbon sequestration on campus and in the local area. By supporting 61 wide-scale peatland restoration across the regional landscape they are improving onsite areas for growing native species, such as Sphagnum moss and wildflowers.



Dipolog City, a member of [Cities Race to Zero](#), has a carbon absorption capacity that will be boosted through a large reforestation project covering 589 hectares in the mountain ranges of two villages. The reforestation project is estimated to ultimately sequester approximately 4,000 tCO₂e per year.



[GSK](#), member of [SBTi](#), has issued a [comprehensive nature report](#) in fall 2023. Their actions include reducing impacts on nature across their full value chain, investing in the protection and restoration of nature, and driving collective action for nature by engaging others in the healthcare sector.



As a Finance Sector Deforestation Action, [SBTi](#), and [Net Zero Asset Managers Initiative](#) member, [Schroders](#), has adopted a comprehensive Deforestation Elimination Policy aimed at eradicating commodity-driven deforestation from their portfolios by 2025. This policy applies uniformly to all financing activities, encompassing both new and existing initiatives, regardless of the size of the company or deal. Notably, it extends beyond deforestation concerns to address human rights abuses that are associated with commodity-driven deforestation (including palm oil, soy, cattle products, and timber).

[Aviva Investors](#), member of [Net Zero Asset Managers Initiative](#), has integrated nature and biodiversity into its comprehensive net-zero strategy. As part of their 2040 Net Zero commitment in 2021, they allocated £100M for carbon removal from the atmosphere through nature-based solutions, and through collaborations with conservation organisations they are reintroducing woodlands over 3,000 hectares, which has the potential to remove about 1.4M tonnes of carbon. Read more on how financial institutions are protecting biodiversity [here](#).

Chapter 12: Facilitating a Just Transition

The transition to a net zero-emission future is a complex and multifaceted journey. It can only be achieved through a collaborative and inclusive approach that is fair, inclusive, and leaves no one behind.



On the road to a just transition, Partners and members of Race to Zero are making substantive efforts, bringing valuable insights and addressing both critical and emerging issues to secure justice as an integral part of the path to net-zero. Some of the highlights from the Race's Partners throughout 2023 are:

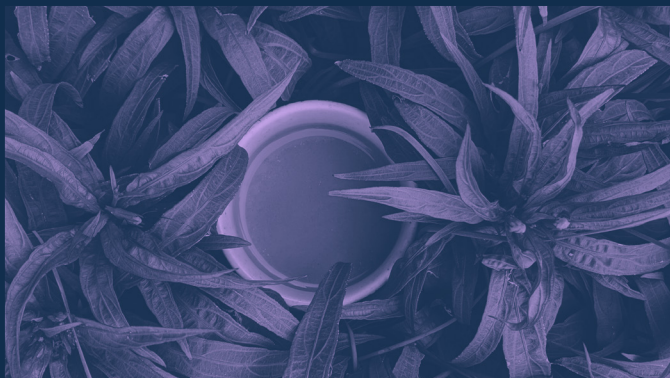
- [Exponential Roadmap Initiative](#) including justice and an equitable transition in their transition plan template for members,
- [SME Climate Hub](#) including just transition as part of their free online [Climate Fit tool](#),
- The [Fashion Charter for Climate Action](#) offering expert webinars on the just transition for members,
- The [Just transition for Healthy People in a Healthy World report](#) by [Health Care Without Harm](#) serving as a guide for just climate action worldwide.
- [International Wineries for Climate Action](#) introducing a micro-wineries initiative for small producers who want to reduce emissions but do not have the resources.

Their contributions, extending beyond dialogue, are instrumental in breaking down barriers to implementation and refining the operationalisation of a **just transition**.

→ THE FAIR SHARE, EQUITY, AND JUSTICE WORKING GROUP

To explore further the role of Fair Share, Equity and Justice, Race to Zero and its Expert Peer Review Group, established a Working Group chaired by Ulka Kelkar, Director of Climate at [WRI India](#) and comprising members from organisations such as [CIFF](#), [Avina Foundation](#), [Oxford Net-Zero](#), [Zeni Sustainable Finance](#), [CEEW](#), [Global Methane Hub](#). This working group was newly convened in Quarter 4 of 2023 and will take forward actions next year. Building on [work from 2022](#), this group will explore how established Race to Zero principles of fair share, equity and justice are embedded and operationalized net-zero action and identify and promote challenges, gaps and best practice.

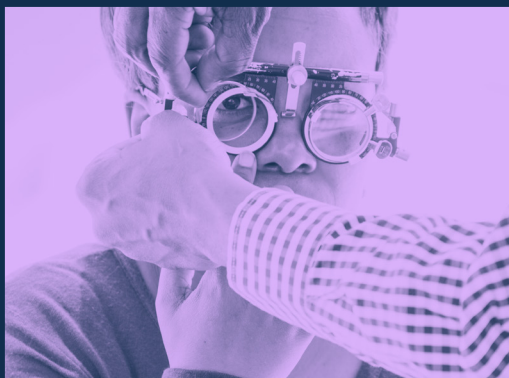
In 2023, Race to Zero has also participated in Regional Climate Weeks to unlock the potential of South-South partnerships. Despite a strong commitment to achieving net-zero emissions, many countries in the developing world remain dependent on fossil fuels. This reality accentuates the imperative for a transition that is equitable, just, and fair and which supports sustainable development. These pivotal events serve as a platform to address critical issues related to a just transition, emphasising the role of non-Party stakeholders.



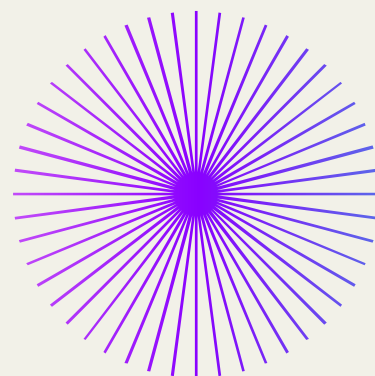
[Business Declares](#) member, [Pukka Herbs](#), is addressing climate change and its impact on their global network of suppliers and growers. Pukka uses a data-driven approach, employing a risk modelling tool to identify and prepare for climate change impacts in sourcing locations like Karnataka, India, where water scarcity threatens organic turmeric farmers. In response, Pukka supports community-driven solutions, such as using Fair for Life premiums to plant diverse species that reduce erosion and enhance soil health.



As the city of [Warsaw](#), transitions from coal to renewable energy, in line with Poland's national goal of eliminating coal from its energy systems by 2050, social housing in Warsaw remains energy inefficient and houses lower-income residents, making further efforts crucial to reduce energy use and prevent energy poverty and associated health and safety risks. Warsaw is working with [C40](#) on energy audits, the installation of clean heating units, and the development of socio-political analyses to engage vulnerable tenants. The city plans to utilise the [C40 Inclusive Climate Action \(ICA\) Cities Fund](#) to launch the [Carbon-neutral and Affordable Retrofits for Everyone in Need \(CARE\)](#) project to prioritise energy-efficient renovations in social housing based on climate and social criteria, ultimately reducing energy poverty and promoting climate mitigation.



[Thiruppuvanam Vision Centre](#) in India, a [HCWH](#) member, launched an initiative to bridge the health care gap for their local community in need of improved access to eye care services while simultaneously reducing carbon emissions. Known as the Vision Centre, the initiative provides satellite telemedicine and subsidized primary eye care services within a 7km radius of the centre. Operating with minimal electricity use and locally sourced medical equipment, the Vision Centre keeps its carbon footprint low. The initiative has saved nearly 10,000 trips to the base hospital, resulting in a reduction of over 50t CO₂e emissions, while providing eye care to over 60,000 patients.



Chapter 13: Activating Policy

Delivering a just and inclusive global transition to a resilient net zero society requires a supportive policy and regulatory environment. non-Party stakeholders and governments have a critical role to play to activate ambitious policy in line with a 1.5C future.



IMPLEMENTING THE 5TH P (PERSUADE)

Last year in June 2022, a new [criterion](#) was added to the Race to Zero criteria – the [5th P \('Persuade'\)](#) to acknowledge the role of non-Party stakeholders in policy and engagement. At the starting line, Race to Zero requires all actors to: “align external policy and engagement, including membership in associations, to the goal of halving global emissions by 2030 and reaching global (net) zero by 2050”. Race to Zero also encourages leadership in terms of activating the ambition loop (between non-Party stakeholders and governments) and advocating for appropriate regulation.

This year, the UN Climate Change High-Level Champions and Race to Zero, in collaboration with [We Mean Business Coalition](#), [Ceres](#), [EDF + Biz](#) and [InfluenceMap](#), issued a ‘[Call to Action](#)’ for non-Party stakeholders to align their advocacy with net zero goals, in the context of a just transition. Race to Zero also launched ‘[The 5th P \(Persuade\) Handbook](#)’, to consolidate critical resources, guide Partners and members in implementing the 5th P (Persuade).

Delivering the just transition to a global resilient net-zero world needs the creation of a supportive and aligned policy and regulatory environment.

Actively supporting and calling for ambitious resilient net zero policies and regulation that takes into consideration the need for a just transition, and different national circumstances, shows a serious commitment to tackling climate change.

Non-state actors can **lead the way**.

This 'Call to Action' builds off the HLEG recommendations, AAA Framework and RPE Framework and is supported by:

You can support too, by adding your logo here

JOIN THE RACE TO ZERO

(if not already in) and follow the 5 Ps framework: **Pledge, Plan, Proceed, Publish and Persuade**. Race to Zero Partners are listed [here](#).

The UN Climate Change High Level Champions call on all non-state actors to:

PLEDGE

PLAN

PROCEED

PUBLISH

PERSUADE

ALIGN YOUR ADVOCACY, POLICY AND ENGAGEMENT WITH NET ZERO GOALS:

COMMIT

Commit to align your governance, advocacy, engagement and policies with a just transition to net zero, particularly through climate transition plans;

ADVOCATE

horizontally (e.g business to business) and vertically (e.g investor to government; city, state or region to national government) for external net zero policies and regulation;

ALIGN

your associations (trade or other) to net zero advocacy, by influencing association activities or changing membership as a last resort;

ALLOCATE SPENDING

to advance (not obstruct) net zero policies and engagement;

DISCLOSE

Disclose at least annually how you are aligning your advocacy, policy and engagement with net zero goals, in the context of just transition; and

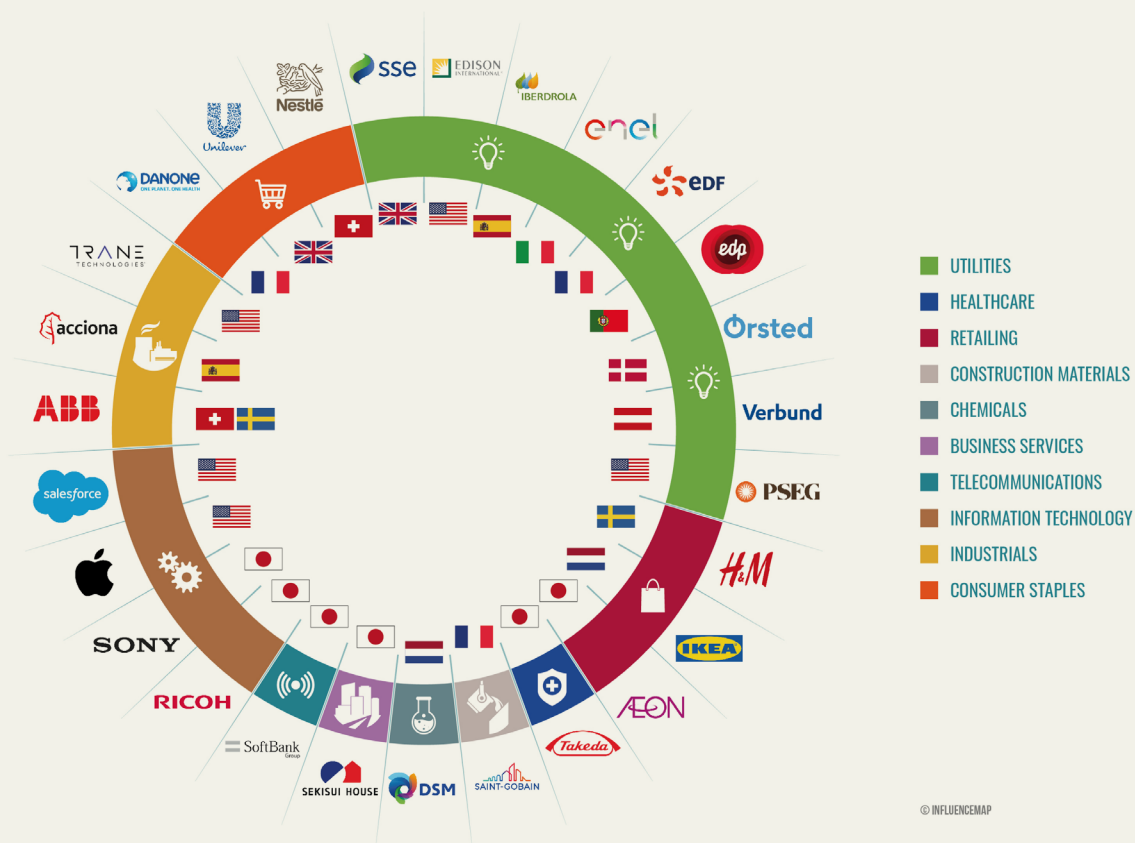
DEVELOP POLICIES

including principles of a just transition, that enable & incentivise other non-state actors to take climate action (e.g. subnational powers).

CALL TO ACTION

Recognising policy and engagement leadership is critical, as shown by the [AAA Network](#) (which Race to Zero has contributed to), We Mean Business Coalition's [Responsible Policy Engagement Framework](#) and [InfluenceMap's Corporate Climate Policy Engagement Leaders Report](#). Race to Zero's Partners have also been incorporating the 5th P (Persuade) into their criteria and workstreams, as is reflected in the 2022 [Global Investor Statement to Governments on the Climate Crisis](#), PlanetMark's [Carbon Policy Tracker](#) and Business Declares' [Queue for Climate & Nature](#). Race to Zero members are making progress aligning their policy engagement activities with policy to deliver the Paris Agreement.

InfluenceMap [assessed 500 companies](#) with only 5% considered as aligned with policy to deliver the Paris Agreement (rating of B or above). From the 164 Race to Zero companies assessed, 15% have a rating of B or above. While clearly there is still room for improvement it is a positive sign of the leadership of Race to Zero members.



INFLUENCEMAP'S 27 CORPORATE CLIMATE POLICY ENGAGEMENT LEADERS, WITH 20 IN THE RACE TO ZERO.

CASE STUDIES



[H&M Group](#), Member of [SBTi](#) and the [Fashion Charter for Climate Action](#), has been engaging with policymakers and trade associations to drive positive environmental change, advocating for policy reform such as renewable electricity generation and transparent energy certificate systems to support industry-wide impact. In 2023, they participated in [policy roundtables](#) to discuss key reforms needed for transformation of renewable energy and advance policy in Power Purchase Agreements.



In Japan, [303 non-Party stakeholders](#) called on the government to supply the vast majority of electricity from renewable energy sources by 2035, and to introduce a carbon pricing system earlier than planned to ensure that the 2030 emission reduction target is achieved and further raised to the next level. This effort was coordinated by Race to Zero Partner, [Japan Climate Initiative](#). Moreover, six³⁸ of the 27 companies identified by InfluenceMap as climate policy leaders are headquartered in Japan. This activity will contribute to improving Japan's Green Transformation Basic Policy, a \$1T investment roadmap for public-private financing over the next ten years to decarbonize industrial sectors domestically and support the energy transition in Asia, leading to true decarbonization measures.



Large businesses in California, a co-chair of the [Under2 Coalition](#) will, by 2026, have to disclose their emissions [in a new law](#) enacted by Governor Gavin Newsom in October 2023. Reflecting the positive developments in disclosure around the world (such as the [ISSB's newly launched standards](#)), this disclosure law demonstrates the role that subnationals can play in mobilising leadership on corporate climate transparency. Race to Zero members, including [Apple](#) and [Patagonia](#), came out in support of the bill - demonstrating powerful collaboration among non-Party stakeholders.



RACE TO ZERO'S ROAD TO REGULATION EVENT IN LONDON

³⁸ Softbank Group, Sony Group, Richo, Aeon, Takeda Pharmaceutical and Sekisui House.

Since the launch of Race to Zero, the campaign and its partners have mobilised the fastest growing coalition of non-Party stakeholders for net-zero, demonstrating the power of international collaboration. As we see a wave of growing ambition across all actor types, from companies to hospitals, the needle is shifting away from pledges to plans and from target setting into accelerating action. The vast and diverse range of concrete action and examples presented throughout the report show how Race to Zero members are increasingly taking action transitioning towards their Net Zero targets. The direction is clear and there is a consistent trend of progress, however, this transition is not happening at the speed and scale required to reach the goal of halving global emissions by 2030. Race to Zero partners and its members need to exponentially accelerate the implementation of their commitments, and support the policy and regulation that would enable the systems transformation required across all regions and sectors of the economy.

As part of this report, Partners were asked about both the challenges and the opportunities that need to be collectively addressed and unlocked as we continue to strive towards a net zero , fairer, more resilient world.



LOOKING AHEAD

THESE CAN BE SUMMARISED IN:

Opportunities

1.	Greater collaboration within and between non-Party stakeholders types, and with governments, can help accelerate delivery.
2.	Aligning the nature and climate agendas can unlock progress more quickly.
3.	Bringing together the need for sectoral transformations and net zero action will catalyse action.
4.	Emerging disclosure requirements at the national and global level will help increase transparency and provide companies with more interoperability of climate reporting.
5.	Establishing funds or financial mechanisms for net zero action by non-Party stakeholders can help build capacity, especially in the developing world.
6.	A collaborative road to regulation is needed to urgently scale up implementation, and provide policy incentives for a just transition to net zero. Establishing credibility and recognition of existing action by national governments can also help support the work of non-Party stakeholders
7.	There is a need to integrate justice and equity into net zero strategies to protect and support vulnerable groups.

Challenges

1.	Scope 3 emissions remain difficult to quantify, and therefore to reduce.
2.	Additional guidance is needed on beyond value chain mitigation and the use of high integrity credits/offsets.
3.	There is a need for better data to measure progress and design solutions.
4.	Limited capacity and funding is stagnating progress, particularly for SMEs as well as Cities and States and Regions.
5.	Non-Party stakeholders are looking for policy guidance. Policy and regulatory action support is needed from governments, especially as we face an uncertain and evolving regulatory landscape.
6.	Need to establish clear standards for Transition Plans, building on existing voluntary initiatives.

The High Level Champions will keep working through the global campaigns and all their different workstreams to support, encourage and recognize non-State actor leadership on this Race towards a fairer, just and resilient net zero world.

Our resilience is being tested. Climate risks, as well as recent economic, geopolitical and global health upheavals, have significant strategic and operational implications. Business as usual is no longer an option.

Stakeholders from regulators and investors, to consumers and employees, are demanding urgent, credible climate action. First movers are also facing increasing rewards and recognition. As we face the increasing impacts of climate change, all sectors will need to align and adapt to a resilient, net zero future across value chains and economies.

By Joining the Race, members receive:

- Recognition of a credible net zero commitment, meeting robust, globally-agreed minimum criteria;
- Support and guidance in implementing that net zero commitment;
- Opportunities to be spotlighted at major international events or through our communication channels; and
- Exposure to a global community of like-minded change-makers and exciting partnership opportunities.

HOW TO JOIN RACE TO ZERO

JOIN A PARTNER

COMPANIES
 Science Based Targets, PlanetMark, Tech Zero, Exponential Roadmap Initiative, SME Hub, Fashion Charter for Climate Action, Business Declares, International Women's Forum for Global Action, Japan Climate Initiative, Pledge to Net Zero, Standards.

UNIVERSITIES
 seauc, UN@, Second Nature, PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI), FINANCE UNEP INITIATIVE.

CITIES STATES & REGIONS
 Under2, Cities Made in 2020, Paris Aligned Asset Owners, Net Zero Banking Alliance, Net Zero Insurance Alliance, Net Zero Investment Consultants, Net Zero Financial Service Providers Exchange Group.

HOSPITALS
 Sports for Climate Action, National Parks.

FINANCIAL INSTITUTIONS
 The Net-Zero Asset Owner Alliance.

IMPLEMENT NET ZERO

PERSUADE
 ALIGN POLICY AND ENGAGEMENT INCLUDING MEMBERSHIP ASSOCIATIONS TO NET ZERO GOALS

PUBLISH
 REPORT PUBLICLY ON YOUR TARGETS AND ACTIONS FEEDING INTO THE UNFCCC GLOBAL CLIMATE ACTION PORTAL

PROCEED
 TAKE ACTION TO ACHIEVE NET ZERO CONSISTENT WITH YOUR TARGETS AND CONTRIBUTING TO SECTOR BREAKTHROUGHS

PLAN
 PUBLICLY DISCLOSE A TRANSITION PLAN INCLUDING ACTIONS BY 2030

PLEDGE
 PLEDGE TO REACH NET ZERO NO LATER THAN 2050. CONTRIBUTE TO HALVING EMISSIONS BY 2030

SUPPORT 2030 BREAKTHROUGHS

BUILT ENVIRONMENT
 100% OF PROJECTS COMPLETED IN 2030 OR AFTER ARE NET ZERO CARBON IN OPERATION WITH >40% REDUCTION IN EMBODIED CARBON

TRANSPORT
 TO MAKE ZERO-EMISSION VEHICLES ACCESSIBLE, AFFORDABLE & SUSTAINABLE IN ALL REGIONS. ZERO EMISSIONS FUELS 5% OF INTERNATIONAL SHIPPING & 15% OF DOMESTIC SHIPPING FUELS BY 2030. SUSTAINABLE AVIATION FUEL (SAF) TO MAKE UP 13-15% OF FUELS BY 2030

NATURE
 MORE THAN 10GT CO2E MITIGATED PER YEAR THROUGH NATURE BASED SOLUTIONS BY 2030 INCLUDING THE PROTECTION (+5Mha) SUSTAINABLE MANAGEMENT (2Bha) AND RESTORATION (350Mha) OF LAND DEMAND SIDE FOOD SYSTEM ACTION

2030 BREAKTHROUGHS

Find out more about [Race to Zero](#)

MORE ON HLEG

MORE ON R2Z CRITERIA



APPENDIX

APPENDIX

APPENDIX A (DATA MODEL / METHODOLOGY)

The table below provides a comprehensive list of detailed information that each Partner is requested to share for the Race to Zero Progress Report. This information serves as a vital reference for assessing member progress against the 5Ps and overall campaign goals. For large companies and FIs the data cut off for member inclusion in the data analysis was August 2023 and the reporting cycle for annual CDP progress data was from September 2022-September 2023.

Appendix: To gauge progress across the five Ps for each of the RtZ Partner types, annual change of the following indicators was compared (2022-2023).

		Pledge	Plan	Proceed	Publish	Persuade	
CITIES	CDP-ICLEI Track questionnaire	(C5.1a) Provide details of your emissions reduction target(s).	(C7.1a_1) Does your jurisdiction have a climate action plan or strategy that addresses mitigation, adaptation (resilience), and/or energy? Climate action plan type. (C2.1) Does your jurisdiction have a community-wide emissions inventory? (C5.1) Does your jurisdiction have an active greenhouse gas emission reduction target(s) in place?	(C9.1) Describe the outcomes of the most significant mitigation actions your jurisdiction is currently undertaking. Note that this can include those in the planning and/or implementation phases. (C0.2) Provide information on your jurisdiction's oversight of climate-related risks and opportunities and how these issues have impacted your jurisdiction's planning. (C0.3) Report how your jurisdiction assesses the wider environmental, social and economic opportunities and benefits of climate action.	CDP ICLEI-Track disclosure / MyCovenant platform	(C0.4) Report on your engagement with higher and/or lower levels of governments regarding your jurisdiction's climate action. (C0.5) Report your jurisdiction's most significant examples of collaboration with government, business, and/or civil society on climate-related issues.	
	CDP questionnaire	(C5.1a) Provide details of your emissions reduction target(s).	(C2.1) Does your S&R have GHG inventory? (C5.1) Does your jurisdiction have an active greenhouse gas emission reduction target(s) in place? If no active GHG emissions reduction target is in place, please indicate the primary reason why. (C7.1) Does your jurisdiction have a climate action plan or strategy? (C7.4) Describe any planned climate-related projects within your jurisdiction for which you hope to attract financing.	(C0.2) Provide information on your jurisdiction's oversight of climate-related risks and opportunities and how these issues have impacted your jurisdiction's planning. (C0.3) Report how your jurisdiction assesses the wider environmental, social and economic opportunities and benefits of climate action. (C9.1) Describe the outcomes of the most significant mitigation actions your jurisdiction is currently undertaking. Note that this can include those in the planning and/or implementation phases.	CDP disclosure / Under2 Disclosure	(C0.4) Report on your engagement with higher and/or lower levels of governments regarding your jurisdiction's climate action. (C0.5) Report your jurisdiction's most significant examples of collaboration with government, business, and/or civil society on climate-related issues.	
HEALTHCARE & AID	Health Care Without Harm Questionnaire	Did RtZ members pledge at the head-of-organisation level to reach (net) zero* GHGs as soon as possible, and by 2050 at the latest, in line with the scientific consensus on the global effort needed to limit warming to 1.5°C with no or limited overshoot?	Did RtZ members pledge 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?	Within 12 months of joining, did RtZ members 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?	Did the RtZ member take immediate action through all available pathways toward achieving (net) zero, consistent with delivering your interim targets? Where relevant, did they contribute to sectoral breakthroughs?	Did the RtZ members report publicly progress against both interim and longer-term targets, as well as the actions being taken, at least annually? For example, in the Health Care Without Harm's reporting system?	Within 12 months of joining, did the RtZ member align with external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global (net) zero by 2050.?
	Race to Zero for Universities and Colleges Questionnaire	Did RtZ members pledge at the head-of-organisation level to reach (net) zero* GHGs as soon as possible, and by 2050 at the latest, in line with the scientific consensus on the global effort needed to limit warming to 1.5°C with no or limited overshoot?	Did RtZ members pledge 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?	Within 12 months of joining, did RtZ members 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?	Did the RtZ member take immediate action through all available pathways toward achieving (net) zero, consistent with delivering your interim targets? Where relevant, did they contribute to sectoral breakthroughs?	Did the RtZ members report publicly progress against both interim and longer-term targets, as well as the actions being taken, at least annually? For example, Race to Zero for Universities and Colleges reporting system)?	Within 12 months of joining, did the RtZ member align with external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global (net) zero by 2050.?
LARGE COMPANIES	CDP questionnaire	(C4.1) Did you have an emissions target that was active in the reporting year? (C4.2) Did you have any other climate-related targets that were active in the reporting year?	(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?	(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition? (C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.	(C5.2) Provide your base year and base year emissions. (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e? (C6.2) Describe your organization's approach to reporting Scope 2 emissions. (C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e? (C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.	(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year? (C16.1) Provide details for the person that has signed off (approved) your CDP climate change response. (C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?	
	CDP questionnaire	(C-F54.1d) Provide details of the climate-related targets for your portfolio.	(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?	(C-F54.1d) Does your organization measure its portfolio impact on the climate? (C-F54.2a) Break down your organization's portfolio impact by asset class.	(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.	(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?	