

# FACTSHEET

## WHAT IS RACE TO ZERO AND WHAT DOES IT MEAN FOR RESPONSIBLE BUSINESS?

Climate change poses an existential threat to people and planet and many consider achieving a net-zero carbon economy as the key factor in limiting global warming to 1.5°C by 2030. Those companies that see tackling climate change as part of future-proofing their business will be the ones to prosper in this changing world.

As the UK prepares to host COP26 in November 2021, you are increasingly likely to hear the phrase 'Race to Zero'. In this factsheet we describe the Race to Zero campaign and outline what it means for responsible business.

### RACE TO ZERO CAMPAIGN

#### What is it?

Race to Zero<sup>1</sup> is a global campaign led by the United Nations Framework Convention on Climate Change (UNFCCC). It brings together leading net-zero networks and initiatives which have a range of pledges and commitments to reach net-zero by 2050 at the latest. Race to Zero is an umbrella under which they all fit together.

The objective of the campaign is to raise awareness and advocate for a shift to a decarbonized economy in the run up to COP26. At that landmark conference, governments will be discussing, and hopefully strengthening, the commitments made under the Paris Agreement. By uniting for this cause, businesses, cities, regions and investors hope to show governments their commitment to meeting the goals of the Paris Agreement and to push governments to make even more ambitious pledges themselves.

### BUSINESS IN THE COMMUNITY MEMBERS REFERENCED IN THIS FACTSHEET

- Anglian Water
- AXA
- PwC
- Severn Trent
- Unilever
- United Utilities

By becoming a Race to Zero member, businesses are challenging themselves to go further and faster in their response to the climate emergency, demonstrating their place and purpose in an ever-evolving world to their investors, customers, employees, and the communities they operate in.

#### Who is involved?

The campaign currently involves 1,397 businesses, 454 cities, 23 regions, 74 of the biggest investors, and 569 universities, collectively covering nearly 25% global CO<sub>2</sub> emissions and over 50% GDP. After signing up to Race to Zero, participants are registered on the [UNFCC Global Climate Action Portal](https://www.unfccc.org/global-climate-action-portal).



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These members have joined the campaign through official partner networks and initiatives, [a list of](#)

[which can be found here](#). A summary of some of these are listed in the table below:

PARTNER	PLEDGE	AUDIENCE
<a href="#">Business Ambition for 1.5°C</a>	Commit to align ambition with 1.5°C and reach science-based net-zero emissions by 2050	All large businesses
<a href="#">The Climate Pledge</a>	Net-zero carbon by 2040	All large businesses
<a href="#">SME Climate Hub</a>	Reduce emissions by 50% by 2030 and reach net-zero by 2050	Small and medium-sized enterprises
<a href="#">Net- Zero Asset Owners Alliance</a>	Net-zero by 2050	Asset Owners
<a href="#">Net- Zero Asset Managers Initiative</a>	Net-zero by 2050	Asset managers
<a href="#">Water UK</a>	Net-zero water supply by 2030	Water companies in the UK

### The 'Race to Zero' Starting Line:

As well as meeting the specific criteria set out by the partners through which they join the campaign, members must also meet a minimum set of criteria that focus on achieving a net-zero pledge. This minimum set of criteria is known as the 'starting line' and only once a member has met these can they start their 'race to zero'.

- 1. Pledge** at head-of-organisation level to reach net-zero by 2050 latest, in line with global commitments to reach 1.5°C.
- 2. Plan** a short-to-medium term strategy ahead of COP26 to reach this target and set an interim target for the next decade, in line with IPCC's suggested 50% reduction in CO<sub>2</sub> emissions by 2030.
- 3. Proceed** to take immediate action to start to achieve the short-to-medium term targets.
- 4. Publish** progress reports on these targets at least annually and, where possible, into the [UNFCCC Global Climate Action Portal](#).<sup>ii</sup>

### Race to Zero Breakthroughs

In January 2021, at the World Economic Forum's Davos Agenda, the Race to Zero Breakthroughs were launched. Published in a special paper<sup>iii</sup>, the Breakthroughs are a set of near-term goals for more than 20 sectors, aiming to achieve a systems-based approach to meeting net-zero. By challenging 20% of key actors from each sector to make a net-zero commitment, the Breakthroughs hope to gather enough momentum to create a tipping point and accelerate exponential, sector-wide change.

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**“I URGE ALL LEADERS ACROSS SOCIETY, BUT PARTICULARLY WITHIN THE BUSINESS COMMUNITY, TO COMMIT TO TAKING ACTION, AND TAKING THAT ACTION NOW, AND REACHING THESE BREAKTHROUGHS AS SOON AS POSSIBLE.”<sup>v</sup>**

**Alok Sharma, COP26 President**

### CASE STUDY | AXA

AXA have set a target to contain the “warming potential” of their investments below 1.5°C in order to achieve climate neutrality by 2050. To support this commitment in a collective setting they joined the [Net-Zero Asset Owner Alliance](#), and in line with the Alliance’s target-setting protocol, have created a strategy to reduce CO<sub>2</sub> emissions by 20% from 2019-2025.<sup>vi</sup>

### CASE STUDY | PWC UK

PwC UK’s long-standing environmental programme has already reduced the company’s total greenhouse gas footprint by 60% since 2007. However, signing up to the United Nations Business Ambition for 1.5°C challenged them to go even further. They have made a new science-based commitment to halve emissions by 2030 against a 2019 baseline, and to achieve net-zero greenhouse gas emissions within a decade, across the entire global PwC network. It’s also helping them to catalyse innovation in their client services, to redefine the way they work with clients, and is providing a platform for lower costs and improved employee pride.

### CASE STUDY | UNILEVER

Unilever has pledged to reach net-zero emissions for products by 2039, covering all upstream supply chain activities and supported by a new €1bn Climate and Nature fund. The company is part of the [1.5 Supply Chain Leaders](#) initiative which is linked to the SME Climate Hub, encouraging companies in their supply chain to commit to targets and therefore contributing to systemic change.<sup>iv</sup>

### CASE STUDY | WATER UK

Water UK has called on water companies around the world to tackle the carbon emissions associated with supplying water to billions of homes and businesses every year. The ambition is to mobilise major water companies responsible for 20% of global water supply, with the aim of delivering the full decarbonisation of water and wastewater services in 20 countries by 2030, with the UK Water Industry leading the way. Water UK was the first industry trade body to be made one of the Race to Zero campaign partners, having published their [Net-Zero 2030 Routemap](#) which forms the world’s first detailed plan to get an entire industry sector to net-zero.<sup>vi</sup> United Utilities, Anglian Water and Severn Trent are amongst the UK water companies to join the campaign.

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## RACE TO RESILIENCE CAMPAIGN

Race to Resilience is the sibling campaign to Race to Zero, which aims to put people and nature at the heart of the fight against climate change. It follows a similar structure to the Race to Zero campaign and will bring together businesses, investors, cities and civil society through a partnership of initiatives made to strengthen the resilience of four billion people in communities that are vulnerable to climate risk by 2030.

Like Race to Zero, individual actors cannot join themselves and must instead be vetted through an official partner initiative or network. At the time of writing, these partners are yet to be confirmed.

### How can BITC support you in your Race To zero?

BITC is a member of the [UK Business Group Alliance for Net-Zero](#), an informal network of leading business groups working to increase political and business ambition with the aim of achieving net-zero by 2050 in the UK. We are advocating as part of this group to ensure all our business networks are committing to Race to Zero partner initiatives. We are fully supportive of the Race to Zero campaign and

our role at BITC is to equip and support our members to commit and implement their climate action plans.

Through our [Challenge 2030](#) campaign, BITC is encouraging as many businesses as possible, starting with our own members, to set net-zero targets to limit global temperature increase to 1.5°C as close to 2030 as possible. We are aligning our ask with existing pledges, rather than setting up a new initiative, to make sure that we maximise collective efforts towards the same goal. Therefore our ask of our business members is to pledge to a Race to Zero aligned commitment and to report progress through the [Responsible Business Tracker®](#), BITC's flagship performance assessment tool, available to all BITC members.

We will equip your business to implement ambitious climate action plans by providing a series of events and resources to support you in your efforts. Learn from best practice and share challenges with other committed businesses in our network including members of our Climate Action Leadership Team and Net-Zero Carbon Taskforce.

You can also contact our Advisory Team who can offer support to create and implement a climate strategy that will help you achieve these goals.

## ENJOYED THIS CONTENT?

You might also like to:

- [find out more about Climate Action at BITC](#)
- [learn more about our advisory services](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team today to learn how membership of BITC can help you take your responsible business journey further, and drive lasting global change.

## REFERENCES

<sup>i</sup> [UNFCCC, Race to Zero Campaign.](#)

<sup>ii</sup> [UNFCCC, Defining the “Starting Line”: Minimum criteria required for participation in the Race to Zero campaign.](#)

<sup>iii</sup> [UNFCCC, Race to Zero Breakthroughs: Transforming Our Systems Together.](#)

<sup>iv</sup> [Edie, Sep 2020. Ikea, Unilever and BT spearhead net-zero supply chain initiative.](#)

<sup>v</sup> [COP26 President Alok Sharma at 'Mobilizing Climate Action for COP26': the Race to Zero Breakthroughs launch event and part of Davos Agenda Week.](#)

<sup>vi</sup> [AXA, Dec 2020. AXA celebrates the fifth anniversary of the Paris Agreement and calls for new commitments.](#)

<sup>vii</sup> [United Utilities, Nov 2020. United Utilities Plans for Net Zero Carbon by 2030.](#)