

Net zero drafting checklist

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Why read this?

This checklist is a framework for lawyers who are writing and negotiating net zero and net zero-related concepts into their contracts.

With [more than 90%](#) of global GDP covered by some form of net zero pledge, lawyers who negotiate and write net zero concepts into contracts must understand what net zero means and what net zero target setting involves.

The checklist can be used as a standalone tool or with our [net zero dashboard](#).

What is net zero?

[Net zero](#) is the point where there is **no net impact** on the climate from an organisation's greenhouse gas emissions achieved through a combination of **reducing** then **removing emissions**. For more information, see TCLP's [Net zero explainer](#) and [Net zero: what is it? Video](#).

Using contracts to deliver net zero

TCLP has identified seven core elements of net zero to help lawyers write net zero concepts into their contracts. They are: scope, warming, timing, offsetting, governance, just transition and climate policy engagement. Our [net zero dashboard](#) summarises these in a simple graphic. This net zero drafting checklist lists the questions to be considered when assessing how aligned a contract is with net zero under each of the seven elements on the dashboard.

Race to Zero criteria

Initiatives like [Race to Zero](#) and [the Science Based Targets initiative](#) provide a framework for organisations to set and deliver net zero targets. Aligning commercial contracts with net zero is



a powerful and practical way to deliver those targets.

We have therefore included Race to Zero's membership criteria in our net zero drafting checklist so you can also assess your contract against those standards.

[Race to Zero](#) is a UN-backed global campaign that provides a framework and guidance for organisations who have set credible science-based net zero targets. Race to Zero currently has over 10,000 members representing 1,049 cities, 67 regions, 5,235 businesses and 441 of the biggest investors. These actors join 120 countries in the [Climate Ambition Coalition](#), the largest ever alliance committed to achieving net zero carbon emissions by 2050 at the latest. This now represents over 12% of the global population, 15% of GDP and more than 10% of global CO2 emissions.

The [Race to Zero membership criteria](#) breaks down net zero targets into 5 stages: Pledge, Plan, Proceed, Publish and Persuade. Each element involves 'membership criteria' (mandatory minimum requirements that new and existing members must satisfy) and leadership practices (example behaviours and practices for more ambitious net zero targets).

Just transition

This checklist includes just transition indicators drawn from the:

- [Climate Action 100+ Benchmark v 1.1](#);
- [World Benchmarking Alliance Just Transition Assessment 2021](#);
- [Framework for Dignity in the Built Environment](#); and
- [Grantham Research Institute on Climate Change and the Environment \(LSE\)'s just transition investor framework](#).

For more tools and practical resources on how to reflect just transition principles in contracts, explore our just transition resources [here](#).

Net zero drafting checklist

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>1. Scope</p> <p>Do the emissions reporting and reduction requirements of the clause apply to the total emissions of one or both parties, or emissions relating just to the activities, or both?</p> <p>Do the reporting and reduction requirements cover scope 1, 2 and 3 emissions?¹</p> <ul style="list-style-type: none"> ● Scope 1: direct emissions from sources owned or controlled by the organisation. ● Scope 2: indirect emissions associated with electricity purchased by the organisation. ● Scope 3: all other indirect emissions from sources not directly owned or controlled, upstream and downstream in the supply or value chain. 	<p>Pledge (starting line):</p> <p>‘Targets must cover all greenhouse gas emissions:</p> <ol style="list-style-type: none"> 1. Including scopes 1, 2 and 3 for all businesses and other organisations; 2. Including all territorial emissions for cities and regions; 3. For financial entities, including all portfolio/ financed/ facilitated/; insured emissions; and 4. Including all land-based emissions.’ 	<input type="checkbox"/>

¹ As defined by the [Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised Edition 2015](#)

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The clause may intentionally only address one or two of the scopes, but if it involves organisational targets it should ideally specify reductions of all three scopes.		
<p>2. Scope</p> <p>Could (or should) the clause cascade obligations through the chain to other parties to cover Scope 3 emissions?</p>	<p>Pledge (Interpretation Guide):</p> <p>'Scope. Net zero targets should cover on average 90% of emissions including scope 3 upstream and downstream, or the equivalent territorial scope, where they are material to total emissions and where data availability allows them to be measured sufficiently. This includes land emissions'.</p> <p>'Scope 3 for financial institutions should mean including portfolio/ loan book/ insured/ facilitated emissions'.</p>	<input type="checkbox"/>
<p>3. Scope/ Just transition</p> <p>When addressing Scope 3 emissions, does the clause enable financial or capacity-building support for suppliers (including SMEs)?</p>	-	<input type="checkbox"/>
<p>4. Scope/ Just transition</p> <p>When addressing Scope 3 emissions, does the clause require due diligence and measures to address adverse impacts on the environment and human</p>	-	<input type="checkbox"/>

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>rights in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct? (e.g. does it require human rights and environmental due diligence and policies along the entire supply chain?)</p>		
<p>5. Scope/ Just transition</p> <p>When addressing Scope 3 emissions, does the clause provide for:</p> <ul style="list-style-type: none"> ● sourcing materials and using resources responsibly, with regard to their social and environmental impacts? ● reducing climate impacts and generating new job opportunities through supply chain innovation? 	-	<input type="checkbox"/>

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<p>6. Warming</p> <p>Does the clause, its definitions or recitals explicitly align with the Paris Agreement goal of limiting global temperature increase to 1.5°C? (Companies that continue to emit a high level of emissions and then decarbonise rapidly for 2050 will bake in higher warming than will be the case where immediate, gradual emissions reductions are made.)</p>	<p>Pledge (starting line):</p> <p>‘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 scientific consensus on the global effort needed to limit warming to 1.5°C with no or limited overshoot, recognising that this requires halting deforestation and phasing down and out all unabated fossil fuels as part of a global, just transition.</p> <p>Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO2 by 2030’.</p>	<input type="checkbox"/>
<p>7. Warming/ Just transition</p> <p>Does the clause promote equitable resilience to a warming world? For example:</p> <ul style="list-style-type: none"> ● are efforts to adapt to climate change, and to strengthen climate and disaster resilience, closely connected to locally-determined needs? Do they draw on the meaningful participation of local stakeholders? ● are equity in adaptation and resiliency efforts embedded to ensure that the benefits reach 	<p>-</p>	<input type="checkbox"/>

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Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
vulnerable members of the population, and avoid harm to them?		
8. Warming/ timing and targets Could the clause reflect or require joining Race to Zero and/ or setting a Science Based Target (e.g. as a minimum, in the recitals)?	All	<input type="checkbox"/>
9. Timing and targets Does the clause facilitate net zero or absolute/ gross zero being achieved by 2050 or sooner and net negative thereafter?	Pledge (leadership practices): ‘Compensate for any unabated emissions year on year through investment in high quality carbon credits, disclose neutralisation milestones that demonstrate the integrity of commitments to neutralise unabated emissions and state how you plan to ultimately neutralise any residual emissions by 2050 through high-quality, permanent removals’. Proceed (starting line): ‘Take immediate action through all available pathways toward achieving (net) zero, consistent with delivering interim targets. Where relevant, contribute to sectoral breakthroughs’.	<input type="checkbox"/>
10. Timing and targets	Pledge (starting line):	<input type="checkbox"/>

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<p>Have you included interim targets? Are emissions reduction requirements continuous and measured?</p>	<p>‘Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the global 50% reduction in CO2 by 2030’.</p> <p>Pledge (leadership practices):</p> <p>‘Pledge to reduce methane emissions by at least 34% by 2030, in line with the IPCC’s 6th Assessment, and make near-term pledges to reduce other high global warming potential GHG emissions’.</p> <p>Plan (starting line):</p> <p>‘Within 12 months of joining, publicly disclose a Transition Plan, City/ Region Plan, or equivalent, which outlines how all other Race to Zero criteria will be met, including what actions will be taken in the next 12 months, within 2-3 years, and by 2030’.</p>	
<p>11. Timing and targets</p> <p>Is a pace of decarbonisation specified? It has been suggested that, as a minimum, organisations should</p>	<p>Pledge (starting line):</p> <p>‘Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO2 by 2030’.</p>	<input type="checkbox"/>

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<p>aim to halve absolute emissions every decade (a 7% year on year reduction).²</p>	<p>Pledge (Interpretation Guide):</p> <p>‘Fair share and equity in timelines & rates of emissions reductions. A 50 percent reduction [in global GHG emissions] by 2030 implies average annual reductions of approximately 7 percent [...] However [...] change may not be linear, in particular for hard to abate sectors, and that 7 percent/ year may be more/ less ambitious depending on baseline, sector and geography’.</p>	
<p>12. Timing and targets/ Just transition</p> <p>Does the company’s climate transition plan (CTP) or the targets identified in the contract:</p> <ul style="list-style-type: none"> ● consider just transition issues; and ● include time-bound measurable indicators to mitigate the social impacts of the net zero transition on affected stakeholders, including vulnerable groups? 	<p>-</p>	<p><input type="checkbox"/></p>

² The ‘Carbon Law’; J. Rockström et al., [A roadmap for rapid decarbonisation](#), Science 355.6331, 1269-1271 (2017); [Summary Report: Race to Zero criteria consultations](#); EU Technical Expert Group on Sustainable Finance, [TEG final report on EU climate benchmarks and benchmark ESG disclosures](#) (September 2019).

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>13. Offsetting</p> <p>If the clause involves gross or net zero emissions reductions targets that the parties intend to satisfy using offsets, the clause should:</p> <ul style="list-style-type: none"> • embed the offsetting mitigation hierarchy (continuously reduce, properly account for and disclose absolute emissions of all Scopes and scale up removals within the value chain before compensating unavoidable or residual emissions); and • set out how the parties GHG emissions will be addressed through offsetting.³ 	<p>Pledge (leadership practices):</p> <p>‘Compensate for any unabated emissions year on year through investment in high quality carbon credits, disclose neutralisation milestones that demonstrate the integrity of commitments to neutralise unabated emissions and state how you plan to ultimately neutralise any residual emissions by 2050 through high-quality, permanent removals’.</p> <p>Pledge (Interpretation Guide):</p> <p>‘End target and claiming net zero. Prioritise reducing real world emissions, limiting any residual emissions to those that are not feasible to eliminate. In addition, clearly specify what high quality credits are used to make what, if any, compensation or neutralisation claims, clarifying how sinks and credits are used both on the path to (net) zero, and after (net) zero is obtained’.</p> <p>Pledge (Interpretation Guide):</p> <p>‘Carbon markets. To enhance climate ambition and contribute to global net-zero, companies should contribute to mitigation beyond their value chains. Members are required to prioritise internal emissions reductions [...]. In parallel - but by no</p>	<input type="checkbox"/>

³ See [TCLP Offsetting Explainer](#) and [The Oxford Principles for Net Zero Aligned Carbon Offsetting 2020](#).

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
	means as a substitute for reducing their own emissions - entities are encouraged to contribute beyond their value chain or territory to a global state by mobilising resources towards protecting biodiversity, building resilience and removing carbon to compensate for unabated emissions’.	
<p>14. Offsetting</p> <p>Does the clause specify that offsets should move:</p> <ul style="list-style-type: none"> ● from short-lived, uncertain and higher risk storage to long-lived storage methods which have low risk of reversal over millennia; ● to emissions sinks that correspond with the source of emissions in terms of their warming impact, and in terms of the timescale and durability of carbon storage (‘like for like’⁴); and ● to offsets that remove emissions, rather than avoid or reduce third parties’ emissions?⁵ 	<p>Pledge (leadership practices):</p> <p>‘Compensate for any unabated emissions year on year through investment in high quality carbon credits, disclose neutralisation milestones that demonstrate the integrity of commitments to neutralise unabated emissions and state how you plan to ultimately neutralise any residual emissions by 2050 through high-quality, permanent removals’.</p> <p>Pledge (Interpretation Guide):</p> <p>‘End target and claiming net zero. Prioritise reducing real world emissions, limiting any residual emissions to those that are not feasible to eliminate. In addition, clearly specify what high quality credits are used to make what, if any, compensation or neutralisation claims, clarifying how sinks and credits are used both on the path to (net) zero, and after (net) zero is obtained’.</p>	<input type="checkbox"/>

⁴ See [Race to Zero Lexicon](#).

⁵ See [TCLP Offsetting Explainer](#) and [The Oxford Principles for Net Zero Aligned Carbon Offsetting 2020](#).

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	<p>‘End target and claiming net zero. Net zero: an actor reduces its emissions following science-based pathways, with any remaining GHG emissions [...] being fully neutralised by like-for-like removals (e.g. permanent removals for fossil carbon emissions) exclusively claimed by that actor, either within the value chain or through purchase of valid offsets’.</p> <p>‘End target and claiming net zero. Any neutralisation of unabated emissions must transition to permanent removals of any residual emissions’.</p> <p>Pledge (Interpretation Guide):</p> <p>‘Carbon markets. Investments should seek to align with the NCS conservation hierarchy and IUCN guidance on NBS’.</p>	
<p>15. Offsetting</p> <p>Does the clause specify the purchase of offsets from a recognised provider (to ensure that they are additional, permanent and verifiable)?⁶</p>	<p>Pledge (Interpretation Guide):</p> <p>‘Protecting nature. Ensure that any credits achieve robust outcomes for additionality, permanence, and accounting, and do not undermine social justice or harm biodiversity’.</p> <p>Pledge (Interpretation Guide):</p>	<input type="checkbox"/>

⁶ See [TCLP Offsetting Explainer](#) and [The Oxford Principles for Net Zero Aligned Carbon Offsetting 2020](#).

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	<p>‘Carbon markets. Where carbon markets are purchased [...], they should be of high quality and should be independently verified against standards to ensure that they deliver real and quantifiable mitigation e.g. by (a) applying accurate, conservative baselines, (b) ensuring additionality, (c) including measures to fully address the risk of reversals, (d) minimising and account for leakage, (e) without double counting’.</p>	
<p>16. Offsetting/ Just transition</p> <p>Does the use of offsets consider:</p> <ul style="list-style-type: none"> • implications on global equity and wider social and ecological goals⁷; and • due diligence on the underlying offsetting projects to ensure that those projects support a just transition and prevent potential adverse impacts on land rights, indigenous rights and communities? 	<p>Pledge (Interpretation Guide):</p> <p>‘Protecting nature. Encourage immediate contributions to the preservation and restoration of natural sinks, not necessarily linked to neutralisation claims. Ensure that any credits achieve robust outcomes for additionality, permanence and accounting, and do not undermine social justice or harm biodiversity’.</p> <p>‘Support the conservation of forests, wetlands, and other ecosystems in areas in which the company operates or sources materials’.</p>	<input type="checkbox"/>
<p>17. Governance</p> <p>Does the clause involve board-level engagement and</p>	<p>Plan (Interpretation Guide):</p> <p>Transition plans ‘should be embedded at the heart of an entity’s</p>	<input checked="" type="checkbox"/>

⁷ See [TCLP Offsetting Explainer](#) and [IUCN Global Standard for Nature-based Solutions](#).

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<p>decisions (with appropriate climate and just transition advice or expertise)?</p>	<p>whole strategic model, rather than a separate, climate-only plan’.</p> <p>‘Transition plans should specify at least [...]: (ii) governance arrangements around [planned GHG reductions and removals], including who is responsible for deciding on and implementing the different elements of the plan, if applicable; (iii) how the activities will be financed, if applicable; (iv) how the proposed activities will depart from Business as Usual, and how and when the plan will be updated.</p> <p>Entities’ plans should [...] include content around: [...] Accountability (clear governance structures, disclosure, performance incentives, etc.)’.</p>	
<p>18. Governance/ Just transition</p> <p>If the clause requires board level strategy or planning, does that strategy:</p> <ul style="list-style-type: none"> • mitigate social impacts of the transition on workers and other affected stakeholders? • require the organisation to adapt to climate change, and to strengthen climate and disaster resilience? 	<p>-</p>	<p><input type="checkbox"/></p>

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<ul style="list-style-type: none"> ● align with established international standards (including the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct and International Labour Organization standards)? ● require that just transition issues are considered within all areas of business operations including remuneration, climate risk management and capital investment as well as acquisitions and restructuring? 		
<p>19. Governance</p> <p>Does the clause incorporate or promote transparency and accountability, including:</p> <ul style="list-style-type: none"> ● self-reported and externally verified high quality disclosures of the company’s risks, impacts and performance relating to climate, environment, human rights and just transition?⁸ 	<p>Plan (Interpretation Guide):</p> <p>‘Transition plan content. Entities’ plans should [...] include content around: [...] Accountability (clear governance structures, disclosure, performance incentives, etc.)’.</p> <p>Publish (starting line): ‘Report publicly progress against both interim and long-term targets, as well as the actions being taken, at least annually.</p>	<input type="checkbox"/>

⁸ Aligned with [The Greenhouse Gas Protocol](#) and perhaps reporting to the [CDP](#) and in accordance with the [Task Force on Climate-Related Financial Disclosures](#) (TCFD). Public reporting in an annual report?

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<ul style="list-style-type: none"> • mechanisms to measure progress (for example, using external reporting frameworks); and • enforcement mechanisms? 	<p>Report in a standardised open format, and via platforms that feed into the UNFCCC Global Climate Action Portal.’</p> <p>Publish (leadership practices):</p> <p>‘Report on progress both regarding within-value-chain/ territorial emissions reductions and investment made/ action taken outside of your value chain/ territory. Report on how you have allocated resources and capacities to achieve the short-term and longer-term targets’.</p>	
<p>20. Governance</p> <p>Does the clause link climate targets to remuneration?</p>	-	<input type="checkbox"/>
<p>21. Governance</p> <p>Are there any fiduciary duties to the climate or environment?</p>	-	<input type="checkbox"/>
<p>22. Governance/ Just transition</p> <p>Does the clause include a requirement:</p> <ul style="list-style-type: none"> • for social dialogue and stakeholder engagement focusing in particular on vulnerable groups and those whose perspectives are often excluded? 	-	<input type="checkbox"/>

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<p>This is particularly important where performing the contract or transition plans may cause adverse climate or human rights impacts for communities affected by the relevant projects, products or services.</p> <ul style="list-style-type: none"> to take adequate steps, when planning projects or transactions, not to reinforce ethnic, racial, religious, economic or other divisions? <p>Instead the contract should require the parties to identify opportunities to bridge any such divisions.</p>		
<p>23. Just transition</p> <p>The Paris Agreement requires equity and common but differentiated responsibilities, in the light of different national circumstances.</p> <ul style="list-style-type: none"> Have you considered any negative unintended consequences of the clause on other parties? Does the clause consider equity and sectoral or regional differences? (E.g. How might the 	<p>Pledge (starting line):</p> <p>‘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 scientific consensus on the global effort needed to limit warming to 1.5°C with no or limited overshoot, recognising that this requires halting deforestation and phasing down and out all unabated fossil fuels as part of a global, just transition’.</p> <p>Plan (leadership practices):</p>	<input type="checkbox"/>

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>obligations negatively impact parties at the source of a supply chain?)</p> <ul style="list-style-type: none"> ● Is the contract being used to shift responsibility for environmental or human rights impacts to other parties in a way that results in an unjust transition? ● Can you include resource provision to support other parties with the obligations imposed? For example, could the contract require parties to share value in net zero and resilience investments with local communities (e.g. regeneration, access to clean and affordable energy, site repurposing) in regions affected by decarbonisation? ● Can the contracting parties support consumers (notably vulnerable groups that are adversely affected by the parties' decarbonisation strategies) by ensuring affordable access to key goods and services in the transition? ● Does the clause consider any impacts of the contract's performance on access to housing, transport, infrastructure, public space, 	<p>‘Support a Just Transition. Explain how you will support communities affected by both climate impacts and the climate transition, and strengthen their participation in achieving the global goal of halving emissions by 2030, seeking to address injustices and build towards a more equitable future’.</p> <p>‘Empower stakeholders. Explain what actions you will take to empower other stakeholders in your community and beyond to achieve their own targets, embracing the spirit of radical collaboration. Include how you will support the Sustainable Development Goals. Identify in your plan how you will help build the resilience of, and drive funding to, developing countries to achieve a just, inclusive transition’.</p> <p>Proceed (leadership practices):</p> <p>‘Empower your ecosystem. Empower those in your ecosystem to implement Race to Zero plans, including through financing, capacity building, knowledge-sharing, and access to resources. In particular for financial institutions, scale-up investment in emerging markets and developing countries’.</p> <p>Proceed (Implementation Guide):</p> <p>‘Equity. Consider that the overarching challenge is to achieve a global net zero state. Members must therefore encourage and</p>	

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>employment (and transport to employment) and systemic injustices?</p> <ul style="list-style-type: none"> ● Does the clause: <ul style="list-style-type: none"> ○ demonstrate respect for labour rights? ○ require the parties to assess the risks of employment dislocation caused by the net zero transition and the related impacts on workers and affected stakeholders? ○ provide or support access to green and decent jobs (including reskilling, retraining or other relevant support) in a way which ensures gender balance and inclusion of vulnerable groups? ○ consider the impact of resourcing choices? (E.g. local or low carbon materials and labour, giving surplus materials to community projects, investing in training for low carbon product manufacturing or helping 	<p>empower others [...] in your ecosystem to implement Race to Zero plans, including through financing, capacity building, knowledge-sharing and access to resources’.</p>	

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p style="text-align: center;">underrepresented groups to access new green job opportunities.)</p>		
<p>24. Climate policy engagement</p> <p>Does the clause require:</p> <ul style="list-style-type: none"> ● alignment with the Global Standard On Responsible Corporate Climate Lobbying (i.e. Paris-Aligned lobbying activities, trade association memberships and public policy positions)? ● just transition-aligned lobbying activities, trade association memberships (and their lobbying activities and policies) and public policy positions? ● parties to disclose how they will align their lobbying to the Paris Agreement and a just transition and the measures they will take to address any misalignment? 	<p>Persuade (starting line):</p> <p>‘within 12 months of joining [Race to Zero], align external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global (net) zero by 2050’.</p> <p>Persuade (Implementation Guide):</p> <p>[...] ensure a governance mechanism is in place to provide accountability and alignment to the global [goal] across all policy and engagement actions. If your associations persist in not aligning with scientific pathways, publicly remove yourself from such a trade association’.</p>	<input type="checkbox"/>

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>25. Climate policy engagement</p> <p>Does the clause require parties to embed climate policy and just transition engagement throughout their organisations (e.g. by employee and business network education)?⁹</p>	<p>Persuade (leadership practices):</p> <p>‘Activate the ambition loop. Proactively advocate for your peers, stakeholders, and governments to align their goals and actions to 1.5°C. Demonstrate how the implementation of your own ambitious targets can create opportunities for others to follow’.</p> <p>Persuade (Implementation Guide):</p> <p>“Align” means ensuring that all external engagement activities (e.g. lobbying, public relations campaigns, membership in associations that engage in public policy advocacy etc) are consistent with the objectives [...] for halving emissions by 2030 and reaching global net zero by 2050’.</p>	<input type="checkbox"/>
<p>26. Climate policy engagement</p> <p>Does the clause require climate and just transition policy leadership (e.g. by sectoral collaboration or funding climate projects)?¹⁰</p>	<p>Persuade (leadership practices):</p> <p>‘Activate the ambition loop. Proactively advocate for your peers, stakeholders, and governments to align their goals and actions to 1.5°C. Demonstrate how the implementation of your own ambitious targets can create opportunities for others to follow’.</p>	<input type="checkbox"/>

⁹ See [Athena’s Clause](#) and Section 4 of [The 1.5°C Business Playbook](#).

¹⁰ Section 4 of [The 1.5°C Business Playbook](#).

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
	<p>Persuade (leadership practices):</p> <p>‘Mainstream (net) zero alignment. Advocate for appropriate regulation and facilitating measures to ensure that alignment to 1.5°C becomes the default for all actors’.</p> <p>Proceed (Implementation Guide):</p> <p>‘Equity. Consider that the overarching challenge is to achieve a global net zero state. Members must therefore encourage and empower others [...] in your ecosystem to implement Race to Zero plans, including through financing, capacity building, knowledge-sharing and access to resources’.</p>	

Questions to consider when drafting for net zero	Relevant corresponding Race to Zero criteria (from the Interpretation Guide, starting line and leadership practices)	Y/N
<p>27. Net zero ‘adjacent’ requirements</p> <p>Does or should the contract consider other mechanisms beyond pure emissions reduction that indirectly drive emissions reduction or support the transition to net zero (either through contractual obligations or disclosure/ due diligence)?</p> <p>This might include:</p> <ul style="list-style-type: none"> ● general sustainability requirements; ● employee training and engagement (Athena’s Clause); ● food procurement and waste (Runa’s Clause); ● circular economy considerations (Alex’s Clause, Aatmay’s Clause); ● reduction of single use plastics (Alice’s Clause); ● risk/ resilience and adaptation considerations (Archie’s, Iris’, and Marni’s Clauses); ● waste reduction, water conservation, biodiversity (Georgie’s, Rory’s and Edgar’s Clauses); or ● other environmental matters. 	<p>Pledge (leadership practices):</p> <p>‘Pledge to halt deforestation and protect biodiversity, making your activities consistent with climate resilient development. Pledge to make finance consistent with climate resilient development including ending deforestation and conversion of other natural ecosystems, and respecting biodiversity’.</p> <p>Pledge (Interpretation Guide):</p> <p>‘Protecting nature: support the conservation of forests, wetlands and other ecosystems in areas which the company operates or sources materials, including by: (i) participating in relevant landscapes and jurisdictional initiatives; (ii) investing in/ contributing to conservation projects following high quality principles proposed by recognised organisations; (iii) supporting conservation finance mechanisms, including at landscape and jurisdictional levels’.</p>	<input type="checkbox"/>