TURNING BLUE CHIPS GREEN: A REVIEW OF FTSE100 NET ZERO COMMITMENTS

OCTOBER 2021

FOR YOUR WORLD

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WWF is an independent conservation organization, with over 30 million followers and a global network active in nearly 100 countries. Our mission is to stop the degradation of the planet's natural environment and to build a future in which people live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable and promoting the reduction of pollution and wasteful consumption.

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FOREWORD

The world is in the middle of a climate emergency, with no corner of the globe immune from the devastating consequences. In the last few months alone, parts of Europe have seen their worst ever flooding. Record-breaking temperatures in Greece have caused wildfires that have destroyed forests and natural habitats. Southern and Central Brazil is experiencing the worst drought in almost 100 years.

Tanya Steele
WWF Chief Executive

Philip Jansen
BT Chief Executive

This demonstrates climate change is real and its happening now around the world and – as the latest Intergovernmental Panel on Climate Change report showed – it is caused by our society's economic choices. Meanwhile, global greenhouse gas emissions continue to rise, putting us on a path to catastrophic temperature rises. It is clear that business as usual is not good enough.

While science tells us climate change is now undeniable, it also tells us it is not too late to change course. To keep global warming to 1.5 degrees Celsius, the goal of the Paris Agreement, the world needs to approximately halve carbon dioxide emissions by 2030 and reach Net Zero globally by 2050. Governments, cities, investors and businesses around the world have responded to this challenge with an explosion of pledges to reach Net Zero emissions. Net Zero has quickly gained acceptance, rapidly becoming the new North Star for governments and companies around the world to guide their climate ambitions.

Achieving our collective ambitions of a green recovery offers the greatest economic opportunity of our time to boost income, innovation, jobs, productivity and growth while also accelerating action to tackle the twin threats of climate change and environmental degradation.

Yet this report shows that, despite rapid progress, there is still much work to be done. The UK Government will be unable to meet its Net Zero climate promises without the private sector, and the private sector needs rigorous standards to rise to the challenge and overcome systemic obstacles blocking the way. That is why we are urging the UK government to inspire and lead the world this year with a landmark commitment to legislate on Net Zero transition plans.

As we approach the 26th Conference of the Parties to the UN Framework Convention on Climate Change in Glasgow, we are at a watershed moment in the history of the response to the climate crisis. Now is the time for bold collective action. We must act to ensure we can keep global temperature rise to 1.5°C. Together we can chart a bold course for the next stage of the Net Zero journey, pioneering a new era of climate action for people and planet.

EXECUTIVE SUMMARY

The UK government has promised to keep our climate as safe as possible by cutting greenhouse gas emissions by two thirds by 2030 and reaching Net Zero[1] by 2050.[i] It's also committed to help the finance sector get to Net Zero.[iii] These promises can only be met if the UK's private sector aligns to government ambition and takes steps to cut emissions now.[iii]

Many companies are stepping up to the challenge and have set their own Net Zero targets, with commitments more than doubling in the past year. These actions are voluntary, however: there is no legal requirement for them to do this. Despite the growing urgency of the climate crisis, the private sector's contribution to reaching the UK's decarbonisation goals currently depends on whether enough companies have voluntarily set strong targets and whether the activities to deliver those targets are credible and robust.

To test whether this approach is working, WWF UK conducted a review of publicly available information on the Net Zero commitments of the UK's FTSE 100 between August and September 2021 - the country's biggest companies who might be expected to lead the way on this agenda.[iv] Mirroring methodology developed by Oxford University and the Energy and Climate Intelligence Unit,[v] WWF's research builds on criteria from the 'starting line' and 'leadership practices' for participation in the UN-backed Race to Zero Campaign.[2] The results provide a first quantitative analysis of the all FTSE 100 firms commitments to, and plans for achieving, Net Zero based on these Race to Zero criteria.

The findings provide a sobering 'snapshot' of the Net Zero landscape among the UK's leading blue chip companies. Despite rapid increases in the number of climate commitments, just a month before the Glasgow Climate Summit, 26% have not yet committed to get to Net Zero by 2050. Beyond the headline commitments, the depth and scope of commitments is highly varied. Adoption of voluntary measures[3] are patchy, inconsistently applied, or not applied at all – creating a 'patchwork' of Net Zero standards.

A key finding is the lack of technical action plans which set out clearly how a company will meet their targets. Only 20% – under one fifth of the FTSE 100 – fully met this criteria, while 23% partially met it. **Over half (57%) have no publicly available plan on how they will meet Net Zero. This indicates that reli ance on a voluntary approach by the private sector is not enough, reinforcing the urgent need for legislation and regulation to catalyse and support action across the private sector at the scale and pace of change required.**

Climate pledges are not the same thing as emissions cuts in the real world. To bridge the gap between promise and practice, the government should mandate companies to develop, implement and report on 'transition plans' which set out exactly how and when they intend to reach their climate goals in line with what the science says is needed.[4] **Without this requirement, there is weak incentive for companies to take action and no accountability for inaction.**

Ahead of the landmark COP26 Climate Summit in Glasgow next month, the government should demonstrate how it plans to support and accelerate the shift of the UK's economy onto a sustainable pathway. **Specifically, it should inspire and lead the world by committing to introduce legislation requiring all large,[5] UK regulated companies to develop, disclose and implement transition plans that align with Net Zero and the 1.5°C goal of the Paris Agreement from 2023 onwards.**

1. The term Net Zero refers to balancing out any greenhouse gas emissions produced by industry, transport or other sources by removing an equivalent amount from the atmosphere. This means emissions from homes, transport, farming and industry will have to be avoided completely or - in the most difficult examples - offset through nature-based solutions or emergent carbon dioxide removal technology
2. Race to Zero is the UN-backed global campaign rallying non-state actors – including companies, cities, regions, financial and educational institutions – to take rigorous and immediate action to halve global emissions by 2030 and deliver a healthier, fairer zero carbon world in time. https://racetozero.unfccc.int
3. A full explanation of the criteria and interpretation points can be found in Annex 1
4. There is no commonly agreed definition of a transition plan yet, but a number of organisations have begun to develop guidance and principles. For example, the TCFD published proposed guidance stating that a firms' transition plans should help address its climate- related risks and opportunities, deliver on its climate targets, be anchored in quantitative metrics and be detailed and verifiable. TCFD public consultation (June-July 2021) https://assets.bbhub.io/company/sites/60/2021/05/2021-TCFD-Metrics_Targets_Guidance.pdf
5. The government has already legislated for mandatory climate disclosures for large UK companies, taking a graduated approach to roll out across the wider economy. If following the same path, this legislation would first apply to premium listed users and later extend to a broader range of listed issuers. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933783/FINAL_TCFD_ROADMAP.pdf

KEY FINDINGS

FTSE 100 commitments to reach Net Zero carbon emissions by 2050 have surged in 2021, more than doubling in the six months between March to September. Yet with less than six weeks to go before COP26, the pivotal Climate Summit in Glasgow, more than a quarter (26%) of FTSE 100 companies - the biggest publicly-listed companies in the UK - have yet to make that commitment.

Despite a rapid uptake of high-level pledges to Net Zero, this study reveals that the depth and scope of commitments is highly variable, making it questionable whether the pledges will really result in the climate-critical goal of swift and steep emissions reduction.

A key finding was the lack of company technical action plans which set out clearly how a company will meet their targets. Only 20% – under one fifth of the FTSE 100 – fully met this criteria, while 23% partially met it. Well over half (57%) have no public plan on how they will meet Net Zero.

One quarter of companies do not have near-term interim targets to reduce emissions in the next decade. This is despite a government pledge to cut UK emissions by two-thirds in this period. Just over a quarter of companies (28%) have targets independently verified by the Science Based Targets initiative as being adequately ambitious to align with the achievement of 1.5 Degrees. While individual companies provide positive examples of best practice, only four – BT, AstraZeneca, Sainsburys and Unilever – fully met all criteria.[6]

Offsetting – the practice of paying for emission cuts or carbon removal rather than cutting emissions – also needs attention. Use of offsetting is complex, controversial and contested. Best-practice requires companies to cut emissions first and foremost, with offsetting reserved for residual or hard-to-abate emissions only.[xii] However, this analysis shows that only 46% of FTSE 100 companies clearly stated they will only use offsetting for residual or hard-to-abate emissions.

Emissions coverage was also highly variable. Typically, emissions from the supply chain of a company and from the use of their products (defined as Scope 3 emissions) are many times larger than the emissions under their direct control. This is particularly acute in the Finance Sector, where a recent report from the Carbon Disclosure Project (CDP) found portfolio emissions for global financial institutions are on average 700 times larger than direct emissions. To reach Net Zero globally, companies will also need to act on supply chain emissions, yet just over half (53%) of companies with 2050 Net Zero targets included full Scope 3 emissions as well as Scopes 1 and 2.

Some companies are making good progress and meeting most of the baseline criteria covered in this study. These examples show what is achievable today and – if implemented in line with what the science requires – could present examples of emerging market best practice to shape future regulation.

While the study provides high-level findings about the existence of publicly available Net Zero pledges and plans, it was not designed to provide an in-depth analysis of the adequacy of implementation. A more nuanced picture lies beneath the headlines. Some companies who perform well on most of the criteria used in the analysis have current business practice models deeply embedded in high carbon sectors. This raises a strong red flag that some actors could be using the voluntary Net Zero pledges to distract from much more substantive changes required in their business model, and highlights the need for independent verification of the adequacy of ambition in these net zero pledges and plans. Others face structural, technical or timing barriers to meeting all criteria, particularly around coverage of Scope 3 emissions.

These cases underscore the need for the Government to take a leading role in driving and supporting the transition to ensure it progresses fast enough to deliver what the science says is required to avoid catastrophic climate change. Only legislation and authoritative sector guidance can provide the policy certainty for these barriers to be broken down and the necessary effort to be invested into the transition.

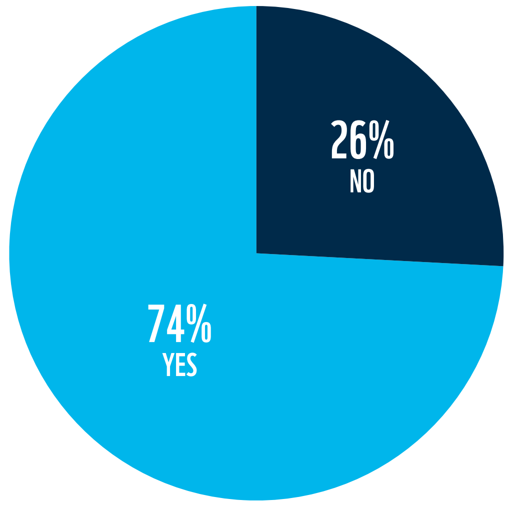
26%

OF FTSE 100 COMPANIES HAVE YET TO MAKE A COMMITMENT TO REACH NET ZERO CARBON BY 2050

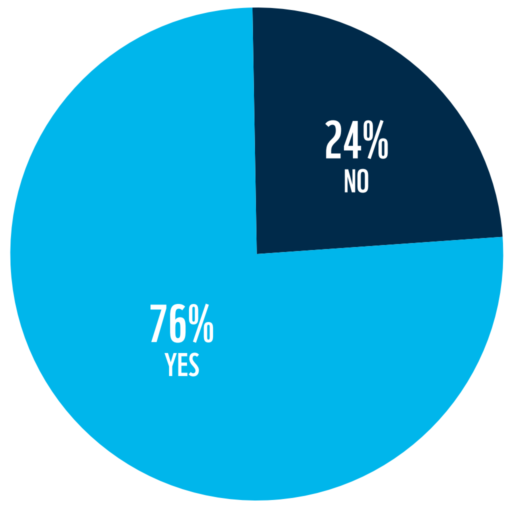
6. A full explanation of the criteria and interpretation points can be found in Annex 1

KEY FINDINGS AT A GLANCE[7]

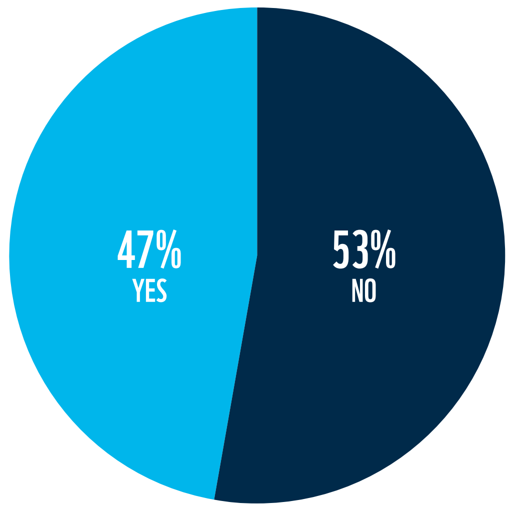
1 Does the company have a Net Zero target of 2050 or before?



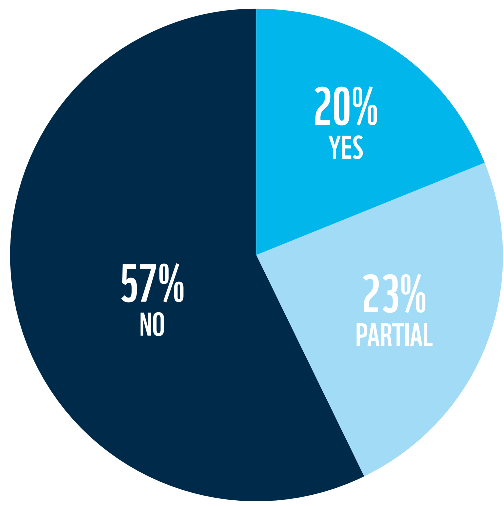
2. Does the company have an interim emissions reduction target in or before 2030?



3. Does the Net Zero target include Scope 3 emissions in addition to Scope 1 & 2?
Of the 74 companies with Net Zero targets, 53% cover all Scopes of emission.

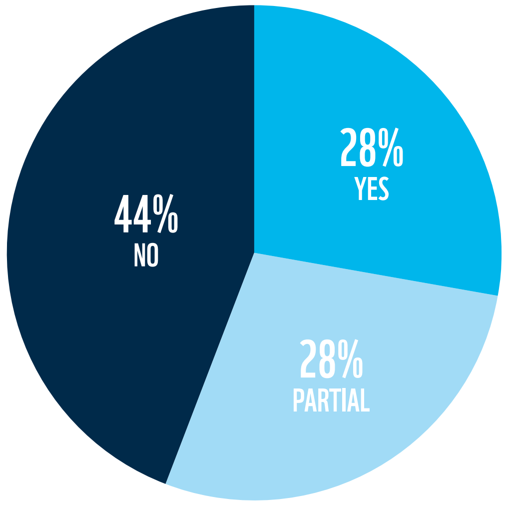


4. Does the company have an action plan to meet the Net Zero target?

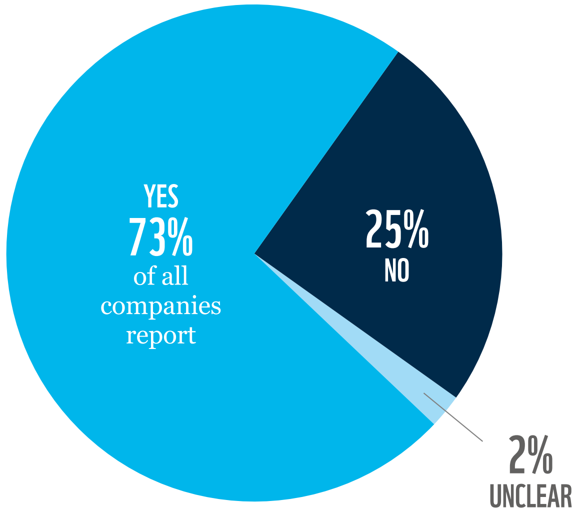


7. A full explanation of the criteria and interpretation points can be found in Annex 1

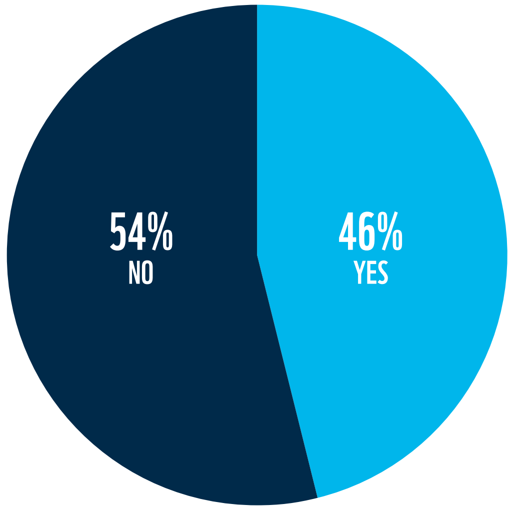
5. Has the company set Science Based Targets through the SBTi?



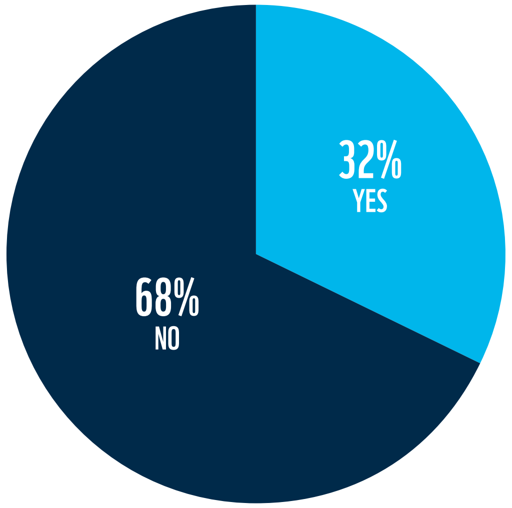
6. Does the company publicly report progress against its Net Zero targets?



7. Does the company clearly state that offsetting is reserved for residual or hard-to-abate emissions?



8. Is executive remuneration linked to delivery on the Net Zero target?



RECOMMENDATIONS

The UK Government should inspire and lead the world with a landmark announcement to align corporate climate strategies with the UK's path to Net Zero before the COP26 Climate Summit. To achieve this, it should:

- **Commit to introducing legislation requiring all large, UK regulated companies to develop, disclose and implement transition plans that align with Net Zero and the 1.5°C goal of the Paris Agreement from 2023 onwards.**

- The UK Government should use its convening power to bring together regulators, industry and civil society to develop detailed guidance on the most appropriate terminology, metrics, methodologies and specifications for transition plans based on market best practice. They should have clear and time-bound objectives linked to the transition plan policy goal and coordinate with existing initiatives and frameworks, notably the ongoing work of the Glasgow Financial Alliance for net–zero (GFANZ), Task Force on Climate-Related Financial Disclosures (TCFD) and Science Based Targets for Financial Institutions.[8]

- The UK Government should create a clear policy framework to drive Net Zero across the real economy, signalling the steps and timescales by which they will be met.

- In parallel, the UK should use its role in the G20 and other multilateral platforms to encourage other major economies to promote a global Paris-aligned financial sector, and mandatory Net Zero transition plans. As host of COP26, the UK has a clear opportunity to progress this.

[8] In addition to work of the Green Technical Advisory Group (GTAG) relating to net-zero, and other emerging work as outlined in the Chancellor's post Mansion House New Chapter for the Financial Services https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/998102/CCS0521556086-001_Mansion_House_Strategy_Document_FINAL.pdf

INTRODUCTION

Earlier this year, analysis from the Science Based Targets initiative showed that the FTSE 100 was aligned with 3.1 Degrees of warming, equal last place in a ranking of the G7 countries. This is far above the Paris Agreement target of limiting global temperature rise to 1.5°C.[9]

Recognising the pivotal role of business in reaching its climate goals, the UK government has run a year-long campaign to ask for their involvement in the UN-backed 'Race to Zero'.[viii] The initiative asks participants to commit to reaching Net Zero carbon emissions by 2050 and follow key principles to reduce emissions across all Scopes swiftly and fairly and in line with the Paris Agreement, with transparent action plans and robust near-term targets.

In August, Andrew Griffiths, the government's Net Zero business champion, told the Financial Times he had written to FTSE 100 chief executives flagging a "real imperative" for companies to set Net Zero targets ahead of COP26. He stated large businesses "have a responsibility to show leadership on climate" and they should all be aiming to set Race to Zero targets as the clear "kitemark".[ix]

WWF conducted research on the FTSE 100 companies over a three week period between August and September 2021 to assess how aligned the UK's premium companies are to the UK government's call to action.

METHODOLOGY

To assess the FTSE 100 companies, WWF UK drew on the 'starting line' and 'leadership practices' for participation in the Race to Zero Campaign.[xviii] These were established through extensive consultation amongst academics and practitioners, and are seen as the "kitemark" standard for robust and credible Net Zero commitments.[xix] As well as the overarching pledge to Net Zero by 2050, these include the existence of a plan (or evidence that the company is working to develop one), nearer-term targets to ensure action proceeds, commitment to publish progress reports, and clarity about the Scopes of activities and emissions covered.

Each company was assessed using publicly available information, against eight data points, drawn from these key transition principles for business. Results were marked in yes, no or partial. For the full set of questions and interpretation points, see Annex 1.

In interpreting the results, some important caveats apply:

- WWF UK's findings are based on public data only, so does not reflect internal activity and conversations within companies;
- The research was conducted between August 24 and September 12 2021 and presents a snapshot of the FTSE 100 for that period. In a fast-moving field, we expect more FTSE 100 companies to publish announcements before COP26 in November;
- The assessment aimed to provide high-level findings about the existence of Net Zero pledges and plans. It was not designed to provide an in-depth analysis of the adequacy of implementation;
- The nature of the review also meant that some subjective discretion was exercised by reviewers;
- WWF wrote to all companies featured in the report ahead of publication. In their responses, a number of companies highlighted systemic barriers to achieving certain criteria. In these cases, the explanation is in the table below and in our Findings.

9. According to research done by the Climate Disclosure Project and the United Nations Global Compact on behalf of the Science Based Targets initiative (June 2021) 'No major G7 stock index aligned with Paris climate goals' https://sciencebasedtargets.org/news/g7-stock-indexes-science-based-target

RESEARCH FINDINGS SCORECARD

Company Name	Does the company have a Net Zero target of 2050 or before?	Scope of emissions- does the target include Scope 3 emissions in addition to Scope 1 & 2?	Does the company have an interim target in or before 2030?	Does the company have an action plan or roadmap to meet the Net Zero target?	Does the company publicly report progress against its Net Zero target?	Does the company clearly state that offsetting is reserved for residual or hard-to-abate emissions?	Is the leadership of the entity formally accountable on delivery on the Net Zero target?	Has the company set Science Based Targets through the SBTi?
3I Group PLC	No	No	No	No	No	No	No	No
Abrdn PLC (aka Standard Life Aberdeen)	No	No	Yes	Yes	Yes	Yes	No	No
Admiral Group PLC	Yes	Yes	Yes	No	Yes	No	No	No
Anglo American PLC	Yes	No	Yes	Yes	Yes	No	No	No
Antofagasta PLC	Yes	Unclear	Yes	Partial	Yes	No	Yes	No
Ashtead group PLC	No	No	Yes	No	No	No	No	No
Associated British Foods PLC	No	No	No	No	No	No	No	No
AstraZeneca PLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Targets set - 1.5°C
Auto Trader Group PLC	No	No	No	No	No	No	No	Committed to business ambition for 1.5°C
Avast PLC	No	No	No	No	No	No	No	No
Aveva Group PLC	Yes	No	No	No	No	No	No	Committed to Business Ambition for 1.5°C
Aviva PLC***	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Committed to Business Ambition for 1.5°C
B&M European Value Retail	No	No	No	No	No	No	No	No
BAE Systems PLC	Yes	No	Yes	No	Unclear	No	No	Committed to Business Ambition for 1.5°C
Barclays PLC	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Barratt Developments PLC	Yes	No	Yes	No	Yes	No	Yes	Targets set - 1.5°C
Berkeley Group Holdings PLC	Yes	Yes	Yes	Partial	Unclear	Yes	No	Targets set - 1.5°C
BHP Group PLC	Yes	No	Yes	Yes	Yes	Yes	Yes	No
BP PLC	Yes	No	Yes	Partial	Yes	Yes	Yes	No
British American Tobacco PLC	Yes	Yes	Yes	No	Yes	No	No	Targets set - 2°C
British Land Co PLC	Yes	Yes	No	Yes	Yes	Yes	Yes	Targets set - 1.5°C
BT Group PLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Targets set - 1.5°C
Bunzl PLC	No	No	No	No	No	No	No	No
Burberry Group PLC	Yes	Yes	Yes	Yes	Yes	Yes	No	Targets set - 1.5°C
Coca Cola HBC AG*	Yes	Yes	Yes	No	No	No	Yes	Targets set - 1.5°C
Compass Group PLC	Yes	No	Yes	Partial	Yes	Yes	Yes	Committed
CRH PLC **	No	No	Yes	No	Yes	No	No	No
Croda International PLC	Yes	No	Yes	Partial	Yes	No	No	Targets set - 1.5°C
DCC PLC	Yes	No	Yes	No	Yes	No	Yes	No
Diageo PLC	Yes	Yes	Yes	No	Yes	No	Yes	Targets set - 1.5°C
Entain PLC	Yes	No	No	No	No	Yes	No	Committed to 1.5°C
Evraz PLC	No	No	Yes	No	No	No	No	No
Experian PLC	Yes	No	Yes	Partial	Yes	Yes	No	Targets set - 1.5°C
Ferguson PLC	No	No	No	No	No	No	No	No
Flutter Entertainment PLC	No	No	No	No	No	No	No	No
Fresnillo PLC	No	No	No	No	No	No	No	No
GlaxoSmithKline PLC	Yes	No	Yes	Yes	Yes	Yes	No	Targets set - 1.5°C and business ambition for 1.5°C
Glencore PLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Halma PLC	Yes	No	Yes	No	Yes	Yes	No	No
Hargreaves Lansdown PLC	No	No	No	No	No	No	No	No
Hikma Pharmaceuticals PLC	No	No	No	No	No	No	No	No
HSBC Holding PLC	Yes	Yes	Yes	Yes	Yes	No	No	Committed
Imperial Brands PLC	No	No	Yes	No	No	No	No	Targets set - 2°C
Informa PLC	Yes	Yes	Yes	No	Yes	Yes	No	Targets set - 1.5°C and business ambition for 1.5°C
Intercontinental Hotels Group PLC	No	No	Yes	No	No	No	No	Targets set for 2°C
Intermediate Capital Group PLC	No	No	Yes	No	Yes	No	No	No
International Consolidated Airlines Group	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Committed - Business Ambition for 1.5°C
Intertek Group PLC	Yes	No	Yes	No	Yes	No	No	Committed - Business Ambition for 1.5°C
ITV PLC	Yes	No	No	Yes	No	No	No	Targets set - 1.5°C

JD Sports Fashion PLC	No	No	No	No	No	No	No	Committed - Business Ambition for 1.5°C
Johnson Matthey PLC	Yes	No	Yes	No	Yes	No	Yes	Committed - Business Ambition for 1.5°C
Just Eat Takeaway.com	No	No	No	No	No	No	No	No
Kingfisher PLC	Yes	Unclear	Yes	No	Yes	No	Yes	Targets set - 1.5°C
Land Securities Group PLC	Yes	Yes	No	Partial	Yes	Yes	Yes	Targets set - 1.5°C
Legal and General Group PLC	Yes	Yes	Yes	Partial	Yes	No	Yes	No
Lloyd's Banking Group PLC	Yes	Yes	Yes	Partial	Yes	Yes	Yes	No
London Stock Exchange Group PLC	Yes	Unclear	Yes	No	No	No	No	Targets set - 1.5°C
M&G PLC ****	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Melrose Industries PLC	Yes	No	No	No	Yes	Yes	No	No
Mondi PLC	No	No	Yes	No	Yes	No	No	Targets set - 2°C
National Grid PLC	Yes	Yes	Yes	Yes	Yes	Yes	No	Targets set - Well-Below 2°C
NatWest Group PLC	Yes	No	Yes	Partial	Yes	Yes	Yes	Committed - Business Ambition for 1.5°C
Next PLC	No	No	Yes	No	Yes	No	No	Targets set - 1.5°C
Ocado Group PLC	Yes	Yes	Yes	Partial	Yes	No	No	No
Pearson PLC	Yes	Yes	Yes	No	Yes	Yes	No	Targets set - 1.5°C
Pershing Square Holdings LTD	No	No	No	No	No	No	No	No
Persimmon PLC	Yes	No	Yes	Partial	Yes	No	No	Targets set - 1.5°C
Phoenix Group Holdings PLC	Yes	Yes	Yes	No	Yes	Yes	No	Committed - Business Ambition for 1.5°C
Polymetal International PLC	No	No	Yes	No	Yes	Yes	Yes	No
Prudential PLC	Yes	Yes	Yes	No	Yes	No	No	No
Reckitt Benckiser Group PLC	Yes	No	Yes	Partial	Yes	No	No	Targets set - 1.5°C
Relx PLC	Yes	Yes	Yes	No	Yes	No	No	No
Rentokil Initial PLC	Yes	No	No	Yes	Yes	Yes	Yes	No
Rightmove PLC	Yes	Yes	No	No	Yes	No	No	Committed - Business Ambition for 1.5°C
Rio Tinto PLC	Yes	No	Yes	Partial	Yes	Yes	Yes	No
Rolls Royce Holdings PLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Committed - Business Ambition for 1.5°C
Royal Dutch Shell PLC A	Yes	Yes	Yes	Partial	Yes	Yes	Yes	No
Royal Dutch Shell PLC B	Yes	Yes	Yes	Partial	Yes	Yes	Yes	No
Royal Mail PLC	Yes	Unclear	No	No	Yes	No	Yes	No
Sage Group PLC	Yes	Yes	Yes	No	Yes	Yes	No	Committed - Business Ambition for 1.5°C
Sainsbury (J) PLC	Yes	No	Yes	Yes	Yes	No	Yes	Targets set - 1.5°C
Schroders PLC	Yes	Yes	Yes	No	No	Yes	No	Committed - Business Ambition for 1.5°C
Scottish Mortgage Inv Tst	No	No	No	No	No	No	No	No
Segro PLC	Yes	No	Yes	Partial	Yes	Yes	No	No
Severn Trent PLC	Yes	No	Yes	Partial	Yes	Yes	No	Targets set - 1.5°C
Smith (DS) PLC	Yes	Unclear	Yes	No	Yes	No	No	Committed - Business Ambition for 1.5°C
Smith and Nephew PLC	Yes	No	Yes	No	Yes	No	No	No
Smiths Group PLC	Yes	Yes	Yes	Partial	Yes	Yes	No	Committed - Business Ambition for 1.5°C
Smurfit Kappa Group PLC	Yes	No	Yes	Partial	Yes	No	No	Committed
Spirax Sarco Engineering PLC	Yes	No	Yes	No	Yes	Yes	No	No
SSE PLC	Yes	Yes	Yes	No	Yes	No	No	Committed - Well-Below 2°C
St. James Place PLC	Yes	Yes	Yes	No	Yes	Yes	No	Committed - Business Ambition for 1.5°C
Standard Chartered PLC	Yes	Yes	Yes	Partial	Yes	Yes	No	Committed
Taylor Wimpey PLC	No	No	Yes	No	Yes	No	No	Targets set - 1.5°C
Tesco PLC	Yes	Yes	Yes	Yes	Yes	Yes	No	Targets set - 1.5°C
Unilever PLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Targets set - 1.5°C
United Utilities Group PLC	Yes	No	Yes	No	Yes	Yes	No	Targets set - 1.5°C
Vodafone Group PLC	Yes	Yes	Yes	Partial	Yes	Yes	No	Targets set - 1.5°C
Weir Group PLC	Yes	No	Yes	No	Yes	No	Yes	No
Whitbread PLC	Yes	No	Yes	No	Yes	Yes	No	No
WPP PLC	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Targets set - 1.5°C

* The full name of this FTSE company is the Coca Cola Hellenic Bottling Company - a consumer packaged goods business and strategic bottling partner of the CocaCola company. See here for more information on their relationship to CocaCola. https://www.coca-colahellenic.com/en/about-us/who-we-are/relationship-with-tccc

** In correspondance with WWF, CRH highlighted that its most carbon intensive activity, cement (~80% emissions), is recognised as being hard-to-abate due to the contribution of process emissions. WWF recognises that the path to Net Zero may take longer to solve than other industries.

*** In correspondence with WWF, both Aviva and M&G PLC highlighted the newness of methodologies for setting Science Based Targets for the financial sector. As SBTi methodologies were published late 2020, no large financial services company has had time to go through the validation yet.

**** In correspondence with WWF, M&G stated that, while it is not a member of the SBTi, it has made a public commitment to set Science Based Target and align their approach to the Paris Agreement, consistent with SBTi ambition. A spokesperson for the company stated: We recognise and broader value of the SBTi in a number of ways internally. However, we have not fully worked through how to mitigate some of the large potential unintended consequences within the approach.

FINDINGS

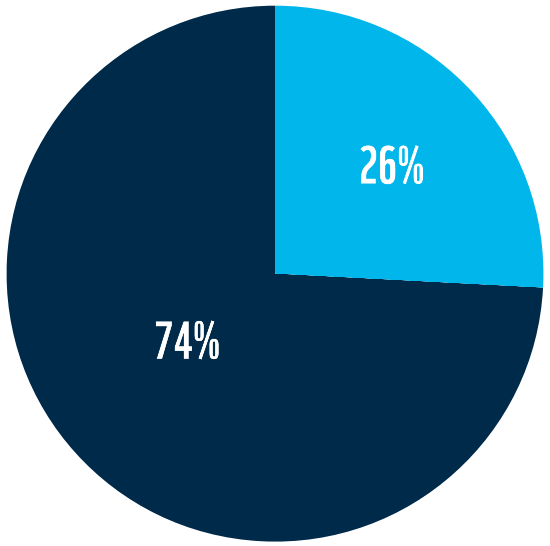
AMBITION AND TARGETS

The Paris Agreement requires all parties to adopt and communicate their highest possible ambition. For the UK this means Net Zero for all greenhouse gases from all sectors by 2050 at the latest. The Climate Change Committee, the independent body which advises the UK government on climate change, states: "Companies across the UK should strive for the highest ambition – the earliest date – possible."[xx]

However, speculative targets set many years ahead provide sparse guidance or accountability for delivery. This is why robust interim targets are needed to provide clearer guidance and incentives in the short term, and can offer more clarity on how the target should be implemented, to measure progress and re-evaluate plans. Actors can use interim targets to better understand the incremental changes that need to happen and to design more targeted interventions. In turn, this increases the chance the longer term Net Zero goal will be met.

FINDINGS:

Positively, the majority of FTSE 100 now have Net Zero pledges (74%) with interim targets.



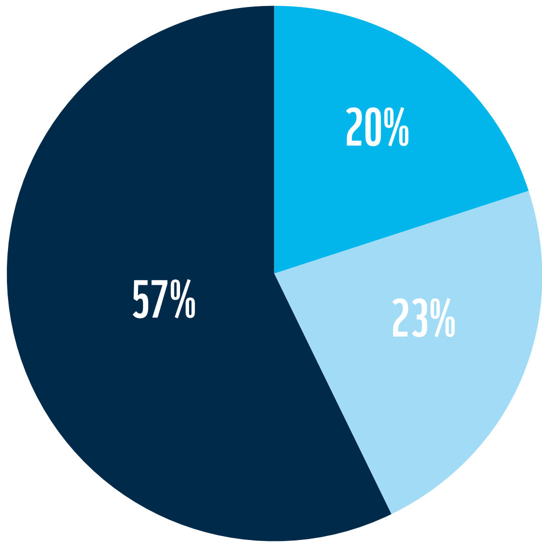
ACTION PLANS

Unsubstantiated targets without a clear strategy are less likely to be implemented. Action plans are the next level of detail needed to put meat on the bones of high level emissions reduction targets and support their implementation. They should set out a range of targets and actions designed to deliver an emissions reduction pathway. A credible plan would at a minimum cover points around measures for all emission Scopes that are covered by the target; information on the emission reductions expected from these measures within a certain time period; information on the extent to which measures will be applied and a schedule for regular review of measures.

WWF acknowledges that plans are subject to a level of uncertainty and change but believe mandating this level of detail forces companies to dig deeper into actionable steps and drives momentum for reaching Net Zero goals.

FINDINGS:

Only a minority (20%) of companies have public plans which clearly outline how they will operationalise their Net Zero goals. 23% of companies had plans in place which partially met the criteria, but well over half (57%) have no identifiable public plan.



SCOPE/COVERAGE

Greenhouse gas emissions are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain.[xxii]

Scope 3 emissions are typically the biggest part of a company's carbon footprint - but they are also the hardest to measure and predict. To reach Net Zero globally, companies will also need to act on supply chain emissions and, despite the challenges, many companies are attempting to do so. The challenge is particularly acute in the finance sector, where a recent report from the Carbon Disclosure Project (CDP) found portfolio emissions for global financial institutions are on average 700 times larger than direct emissions.[xxiii]

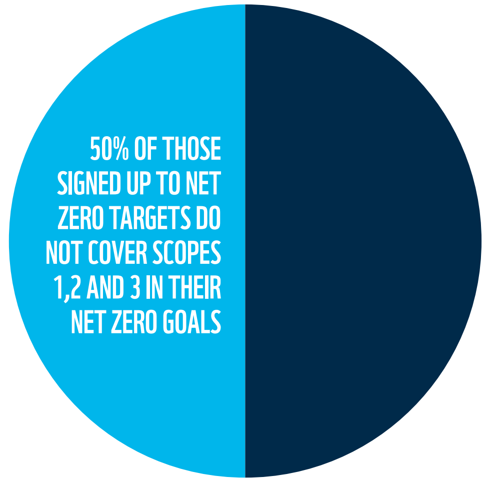
The knock-on effect — as companies with full Scope Net Zero targets ask their suppliers to cut emissions — is one reason measuring Scope 3 emissions is a powerful exercise. The Scope 3 emissions of one company will be the Scope 1 and 2 emissions of another. Investors are also turning to Scope 3 estimates as they try to understand the risks companies will face from increasing carbon prices and more stringent national emissions policies.

The CCC recommends businesses consider and reduce all emissions including Scope 3, which includes indirect emissions from wider supply chains (often reaching international jurisdictions), emissions from the use of their products, and investments.[xxiv]

MINIMISE THE USE OF OFFSETS, AIM TO PHASE THEM OUT, AND WHERE OFFSETTING REMAINS NECESSARY, PRIORITISE PERMANENT FORMS OF REMOVALS

FINDINGS:

Half (53%) of those signed up to Net Zero targets do not cover Scopes 1,2 and 3 in their Net Zero goals. Some companies do have Scope 3 reduction targets which are not linked to their Net Zero commitment, for example partial reductions on Scope 3 linked to interim targets.



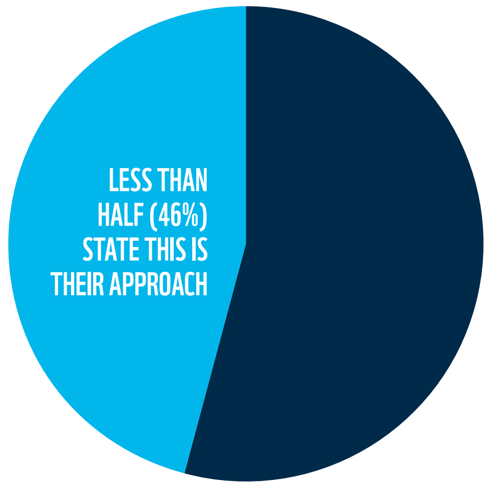
OFFSETTING

Best practice for reaching Net Zero prioritises emissions reduction first and foremost.[xxv] It requires that offsetting – the practice of paying for emission cuts or carbon removal rather than cutting emissions – is reserved for residual or hard-to-abate emissions.

The CCC says companies should: "Minimise the use of offsets, aim to phase them out, and where offsetting remains necessary, prioritise permanent forms of removals."[xxvi]

FINDINGS:

Less than half (46%) of FTSE 100 clearly state this is their approach, which points to a likely over-reliance on offsets, which will make it harder to reach 1.5 degrees collectively.



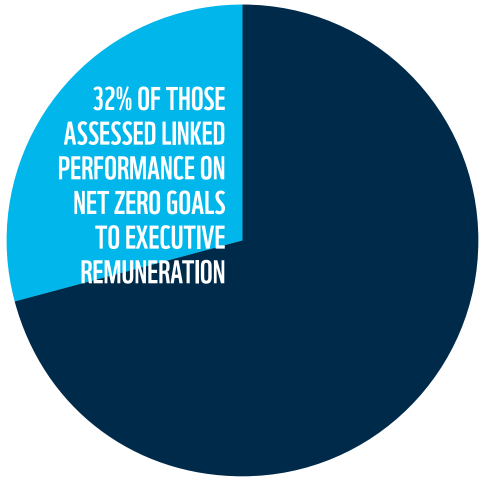
ACCOUNTABILITY

GOVERNANCE

To achieve the highest ambitions and make sure the targets are met and plans achieved, companies need to incorporate net zero goals and incentives into their corporate governance processes. This includes board-level responsibility for managing climate risks and opportunities and linking executive pay to climate goals. Ex Bank of England Governor Mark Carney, recently called for banks to link executive pay to climate goals.[xxvii]

FINDINGS:

32% - less than a third - of those assessed linked performance on Net Zero goals to executive remuneration.



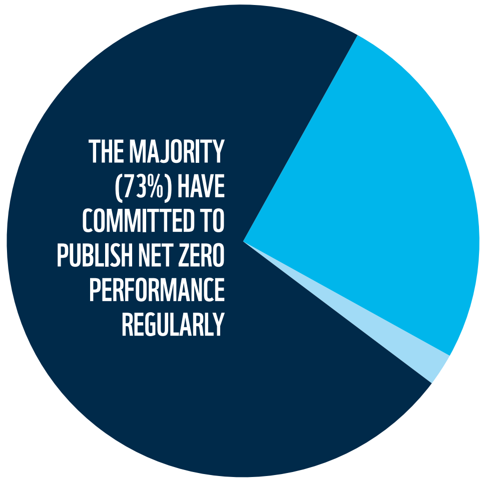
TRANSPARENCY

Low standards for transparency among Net Zero targets can create a haven for greenwashing.
There is a significant risk that untransparent Net Zero targets may mislead citizens, consumers and investors about the environmental impact associated with a product or service. Conversely, transparency can enable accountability and positive pressure to translate targets to ambitious action.

While publication of information is an important first step, inconsistent terminology, presentation and placement of Net Zero information is arguably as important. For transparency to translate into accountability, information should be presented in easily comparable, open data format, with agreed terminology.

FINDINGS:

Positively, the majority (73%) have committed to publish Net Zero performance regularly, but a quarter have not (25%) or are not clear on their approach (2%). However, there is no standardised approach to Net Zero terminology and presentation of data.

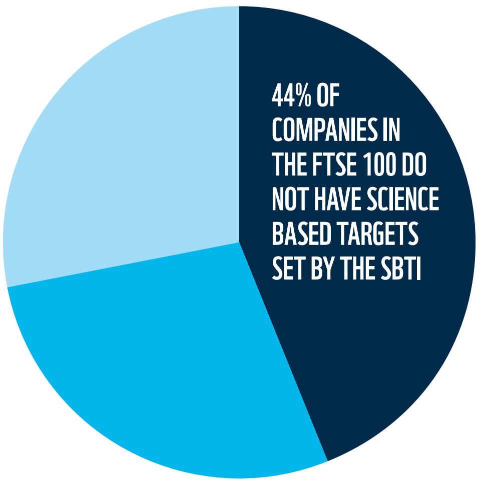


SCIENCE-BASED TARGETS[10]

The Science-Based Target (SBT) Initiative defines and helps companies set targets in line with climate science, enabling companies to understand and demonstrate the level of ambition and transformation required, to properly fulfil their responsibilities to achieving the net zero goal as defined by science. These transparent targets ensure a company's emissions are in line with the Paris Agreement. They thus help set the bar on what should be considered adequate in terms of a company's transition plan.

FINDINGS:

Almost half (44%) of companies in the FTSE 100 do not have Science Based Targets set by the SBTi. However, 28% have approved Science Based targets and 28% have committed targets awaiting approval.



In correspondence with WWF, some financial institutions raised the new nature of these methodologies for the sector. One highlighted that, as the methodologies for the financial services companies were only published in late 2020, no large financial services company has had time to go through the validation yet.[11]

Companies also raised questions around levels of SBTi commitments and implications for what is and is not covered in the Scopes. Companies signing up to both options 1 and 2* of the SBTi Business Ambition for 1.5C campaign are committing to the highest ambition of 1.5C alignment across all Scopes 1-3 in the short and long term. But many businesses are approved by SBTi but only have partial scope 3 coverage and are aligned to 2C or well below 2C.[xx] So whether or not an SBTi validation includes Scope 3 coverage of Net Zero goals depends on what level of ambition the business has signed up to within the SBTi.

26%
of our biggest businesses still have **no** commitment to reach Net Zero

57%
of the country's biggest companies **do not** have a public action plan to show how they will reach Net Zero

19%
of the country's biggest companies have the detailed plans needed setting out clearly how they will meet their Net Zero targets

10. WWF uses the term 'Science-Based Targets = SBT' in this report to exclusively refer to targets which have been validated and approved by the Science-Based Targets Initiative (SBTi). All other targets are referred to as non-SBT targets even though some of them may well be in line with, or even exceed, the necessary reductions for an emissions pathway that would achieve the Paris Agreement long-term temperature goal

11. Financial Institutions setting targets through the SBTi are due to go through the validation process in October 2022

THE JOURNEY SO FAR – NAVIGATING TO NET ZERO

THE DIRECTION OF TRAVEL

WWF's call for mandatory transition plans is not a bolt from the blue: it is part of a growing momentum, reflected in both UK policy and elsewhere, that transition plans are the necessary next step for companies to substantiate their Net Zero goals.

The Advisory Group on Finance to the UK's Climate Change Committee (CCC), published a report last year called The Road to Net Zero Finance, which recommended "Net Zero targets and plans should be mandatory for financial institutions". This would "ensure that financial flows are consistent with the Paris Agreement and would show clear UK leadership." [xxxi]

The Government has also already set the direction of travel for corporate climate compliance by announcing mandatory climate-related financial reporting for all large firms, and getting G7 support for rolling out this requirement internationally – setting a clear precedent of UK leadership in securing new global climate standards. It has also already required Net Zero transition plans from companies bidding for government procurement contracts and HM Treasury has announced the government will "work closely with the regulators to encourage and support firms to publish transition plans and will provide further details before the end of 2021." [xxxii]

Other jurisdictions are already heading in this direction, accompanied by a surge in sustainable finance policies internationally. [xxxiii] The European Union, seeking to build its green finance credentials, has announced it intends to require transition plans from all large companies, including short term targets and reports on progress. [xxxiv]

These moves are underpinned by growing public support and demand for climate action, while a growing number of **major financial institutions support the introduction of mandatory transition plans and greater accountability on climate targets.** [xxxv]

We are fast approaching an inevitable policy response for mandating transition plans but we need to move faster. **Ahead of the Climate Summit in Glasgow, now is the time for the UK to show climate leadership by being the decisive first-mover in setting global norms for transition plans.**

RULES OF THE ROAD
WHY LEGISLATION IS NEEDED

As well as **the reputational rewards of demonstrating world climate leadership,** there are other compelling reasons to act now.

1. **Cement the UK's position as a global hub of green finance.** The UK aspires to be a world leader in green finance.[xxxvi] But it cannot build a Net Zero economy without a common approach for all businesses on how they decarbonise their operations. Developing Net Zero transition plans is a critical foundation to give investors and business the clarity, confidence and direction to decarbonize effectively.

   That requires **a level playing field for business and addressing key structural barriers,** [xxxvii] something which can only be delivered through legislation and a mandatory approach for business to deliver a joined-up Net Zero transition. Every company, bank and insurer needs to adjust their business models, but needs the confidence that others are following the same standard.

> "The more certainty 'UK plc' has on future policy and the context in which it will operate in years to come, the more it can plan strategically for the future. This supports it to more efficiently and effectively enable the transition by helping the country to move in the same direction and avoids working to cross-purposes."
>
> UK Climate Change Committee. [xxxviii]

2. **Protect consumers and promote financial stability.** The public need to know their investments and pensions are being safeguarded against climate risk for the long-term. In turn, investors need access to information to promote active and earlier stewardship. As FTSE 100 member Aviva states: **"Divestment is not our first choice. Many of the companies that will move our economy from a high carbon to low carbon world already exist today. It is far better they face into the challenge and bring about the change, than just go bankrupt."** [xxxix] Damaging and rapid divestment will be far more likely in the absence of credible transition plans.

3. **Protect the UK tax payer and public purse.** In its July 2021 Fiscal Risks report, the Office for Budget Responsibility found that between now and 2050, the fiscal costs of reducing net emissions to zero in the UK could be 'significant' but 'not exceptional'. **Funding the UK's transition to Net Zero emissions could cost the government less over 30 years than the pandemic has cost in just two,** the fiscal watchdog claimed.[xl] Similarly, the UK's independent public spending watchdog, the National Audit Office, found in a November 2020 report that, while the costs of achieving Net Zero are highly uncertain, **the costs of inaction would be far greater** because of the need to adapt to substantial climate change, such as building flood defences and dealing with the health impacts of higher temperatures.[xli]

The Green economy can deliver jobs and opportunity only if there is widespread trust in the metrics and outcomes. And, as WWF's findings demonstrate, the current rate of progress is not enough to meet the scale and magnitude of the change required. Mandatory reporting of Net Zero transition plans is inevitable and essential to ensure we reach the Paris Agreement targets.

WHO'S IN THE DRIVING SEAT?

The role of public policy making and regulators is critical to both help companies produce robust plans and to guard against private sector greenwash and provide much-needed clarity to the market on 'what good looks like'.[xlii]

While Net Zero transition plans are conceptually new they are set against extensive and developing work supporting private sector progress to Net Zero and Paris alignment. This fast growing body of work provides the basis for market progress and will assist regulators in setting standards on best practice, principles and metrics. The Glasgow Financial Alliance for Net Zero (GFANZ), launched this year, will support technical collaboration on substantive and cross-cutting issues to accelerate alignment with Net Zero, including advancing work on transition plans that are consistent with 1.5°C.[xliii] The Task Force on Climate-Related Financial Disclosures (TCFD) published proposed guidance stating that a firms' transition plans should help address its climate- related risks and opportunities, deliver on its climate targets, be anchored in quantitative metrics and be detailed and verifiable.[xlv] Such guidance, while not adequate on its own, does lay the groundwork for further government action.

In other words, legislation is **achievable and a logical extension of measures already taken.** This is not about adding unnecessary burdens on business but builds on existing financial reporting requirements.

THE NEED FOR SPEED

As well as curating market best-practice for transition plans, it is up to the UK government to decide the form and pace of intervention. As the timeframe for effective climate action shortens with significant cuts to UK emissions promised this decade, **adopting the same previous voluntary or incremental approach, such as step-by-step pathways towards legislation, will not deliver in time.**

The adoption of the TCFD framework offers some important lessons here. After launching in 2015, the TCFD published recommendations in 2017 following a two year consultation process. Four years later, the UK has become the first major economy to commit to mandating its adoption in a gradual rollout extending to 2025.

When announcing this intention, the UK government acknowledged that legislation is now necessary as voluntary levels of disclosure overall were low, with evidence of inconsistent implementation, and because "an increase in the quality and quantity of TCFD disclosures is needed."[xlvi] While a necessary and important first step to climate disclosure, **the TCFD process will have taken ten years to move from inception to full implementation using this incremental approach.**

When considering the emission reductions needed this decade and through to 2050 to meet the government legal obligations to Net Zero, the increasingly urgent timeframes for implementation are of paramount importance. **It is clear that a replay of TCFD timeframes is not compatible with the science or the government's own legal obligations.**

The Government must swiftly commit to legislation requiring all large, UK regulated companies to develop, disclose and implement transition plans that align with Net Zero and the 1.5°C goal of the Paris Agreement from 2023 onwards.

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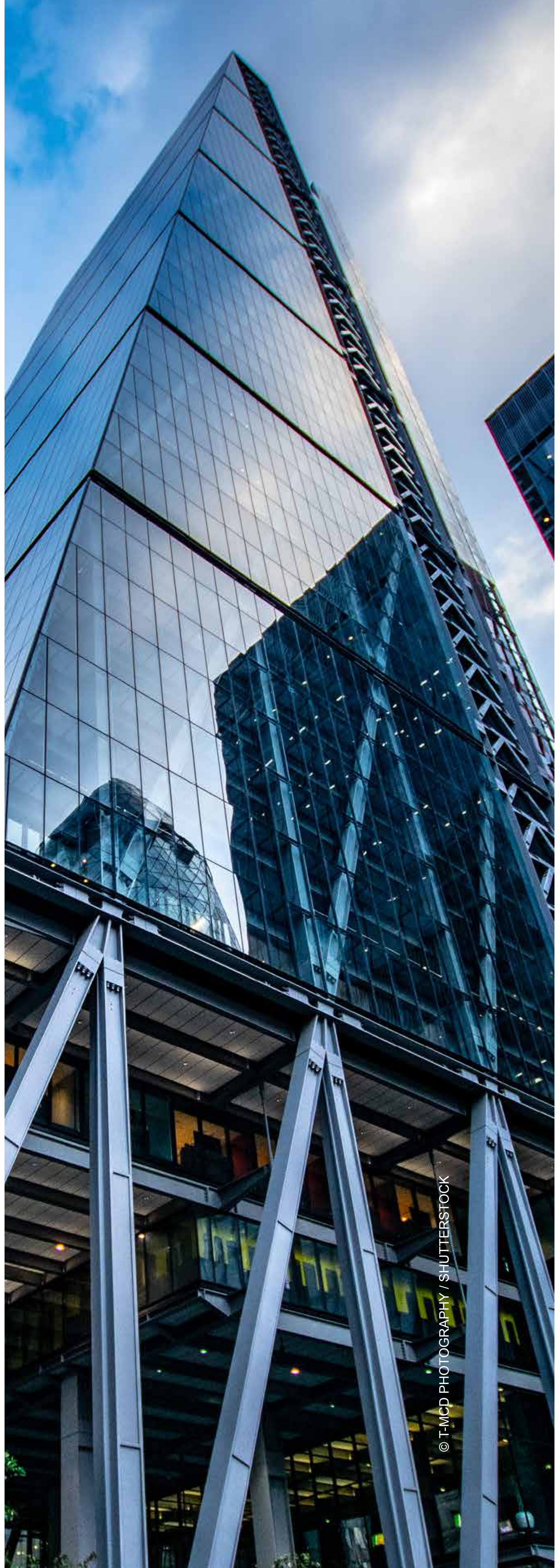
CONCLUSION

The surge in Net Zero pledges among FTSE 100 companies this year marks a watershed moment in the UK's fight against climate change. But for those promises to deliver on the UK's legal net zero commitment, they must be consistent, transparent, rigorous and aligned with science. This requires expectations to be set through legislation alongside clear standards and supportive regulation.

This analysis has demonstrated a clear need for government action on this agenda, and it's only set to grow. Companies need transition plans to credibly deliver their Net Zero goals, whilst financial institutions will experience difficulty in delivering their Net Zero goals without having transition plans for companies in their portfolios. In turn, the Government is dependent on private sector emissions reductions to achieve its own legally-binding Net Zero promises.

The time for reliance on voluntary corporate responses to the systemic threats of climate change has passed. New approaches to governmental and regulatory oversight must be forged. Government policy in a climate emergency requires more decisive action together with a bold political mandate to enable stakeholders to introduce changes earlier and at speed.

THIS IS WHAT IS NEEDED TO TURN THE UK'S BLUE CHIPS GREEN.



ANNEX 1: FTSE 100 SCORECARD CRITERIA

1. **Does the company have a Net Zero target of 2050 or before?**
Yes - The company has a specific Net Zero or carbon neutrality target, NOT emissions intensity (unless it's reducing intensity to zero), or partial reduction target.
No - The company has no target that brings down emissions to Net Zero.

2. **Does the target include Scope 3 emissions in their Net Zero target, in addition to Scope 1 & 2?**
This section specifically answers the question of whether all of a company's Scope 3 emissions are covered under the Net Zero target referenced in the previous column. It does NOT include
   i. partial reductions, either by percentage e.g. 40% reduction in Scope 3 emissions by a particular year (this is covered under interim targets), or by category e.g. Net Zero across Scope 3 for two of five product lines.
   ii. SBTi alignment e.g. company will reduce Scope 3 emissions by 40%, which is aligned with reductions required to keep warming to 1.5 degrees as per SBTi (covered under SBTi question)
Yes - The company's Net Zero target includes the full range of Scope 3 emissions.
No - The company does not include Scope 3 in addition to Scope 1&2. May include partial Scope 3, eg. Supplier side emissions but not downstream emissions. As per the GHG protocol, both of these are covered under Scope 3, hence, partial coverage is registered as "no".
Unclear - Not specified or clear.

3. **Does the company have an interim emissions reduction target in or before 2030?**
Yes - The company has an interim emissions reduction target, whether intensity based or absolute, in percentage terms or by Scope.
No - The company has set no interim target.

4. **Does the company have an action plan or roadmap to meet the Net Zero target?**
This refers specifically to a decarbonization plan that is laid out to meet the Net Zero ambition. While efforts such as recycling, water stewardship or switching away from plastics are commendable, they are not accounted for under this point unless they contribute to emissions reductions.
Yes - The company has a plan that has all of the following:
1. Measures for all emission Scopes that are covered by the target
2. Information on the emission reductions expected from these measures within a certain time period
3. Information on the extent to which measures will be applied (e.g. if switching to EVs, what share of the fleet; if installing an own solar PV installation, what is the installed capacity)
4. Schedule for regular review of measures
Partial - It has some elements of the above criteria, but not all.
No - No plan is laid out.

5. **Does the company publicly report progress against its Net Zero target?**
Yes - The company reports progress on its target, or reports Greenhouse Gas Emissions on a regular basis. This does not include general sustainability reports if they do not contain information pertaining to Net Zero plans or GHG reductions.
No - The company does not report on progress towards Net Zero targets.

6. **Does the company clearly state that offsetting is reserved for residual or hard-to-abate emissions?**
Yes - The company specifies a clear distinction between reductions and offsetting.
No - The company has no explicit distinction.

7. **Is executive remuneration linked to delivery on the Net Zero target?**
Yes - The company has linked executive remuneration to performance on Net Zero targets. This does not include other forms of "accountability" or oversight, such as a Board reviewing progress etc.
No - Executive remuneration is not linked to performance on Net Zero goals.

8. **Has the company set Science Based Targets through the SBTi?**
Yes- The company has an approved target through the SBTi, 1.5
Amber - The company has committed to 1.5 Degrees or 2 Degrees or well below but the target is not yet verified; target has been approved but for 2 Degrees/ well below 2.
No - The company is not signed up to the SBTi.

REFERENCES

i The term Net Zero refers to balancing out any greenhouse gas emissions produced by industry, transport or other sources by removing an equivalent amount from the atmosphere. This means emissions from homes, transport, farming and industry will have to be avoided completely or - in the most difficult examples - offset through nature-based solutions or emergent carbon dioxide removal technology.

ii Department for Business, Energy & Industrial Strategy (June 2019) 'UK becomes first major economy to pass Net Zero emissions law' https://www.gov.uk/government/news/uk-becomes-first-major-economy-to-pass-net-zero-emissions-law; Department for Business, Energy & Industrial Strategy (December 2020) 'UK sets ambitious new climate target ahead of UN Summit' https://www.gov.uk/government/news/uk-sets-ambitious-new-climate-target-ahead-of-un-summit; Department for Business, Energy & Industrial Strategy (April 2021) 'UK enshrines new target in law to slash emissions by 78% by 2035' https://www.gov.uk/government/news/uk-enshrines-new-target-in-law-to-slash-emissions-by-78-by-2035

iii G7 Leaders Communique (13 June 2021) https://www.consilium.europa.eu/media/50361/carbis-bay-g7-summit-communique.pdf

iv Department for Business, Energy & Industrial Strategy (April 2021) 'UK enshrines new target in law to slash emissions by 78% by 2035' https://www.gov.uk/government/news/uk-enshrines-new-target-in-law-to-slash-emissions-by-78-by-2035; Climate Change Committee (December 2020) 'The Role of Business in Delivering the UK's Net Zero Ambition' https://www.theccc.org.uk/wp-content/uploads/2020/12/The-role-of-business-in-delivering-the-UKs-Net-Zero-ambition.pdf

v London Stock Exchange (as of 12 September 2021) 'FTSE 100 Index' https://www.londonstockexchange.com/indices/ftse-100/constituents/table

vi Black, R., Cullen, K., Fay, B., Hale, T., Lang, J., Mahmood, S., Smith, S.M. (March 2021) 'Taking Stock: A global assessment of Net Zero targets', Energy & Climate Intelligence Unit and Oxford Net Zero, https://eciu.net/analysis/reports/2021/taking-stock-assessment-net-zero-targets. An updated version of these results is due for publication soon on https://www.zerotracker.net/

vii Race to Zero is the UN-backed global campaign rallying non-state actors – including companies, cities, regions, financial and educational institutions – to take rigorous and immediate action to halve global emissions by 2030 and deliver a healthier, fairer zero carbon world in time. https://racetozero.unfccc.int

viii A full explanation of the criteria and interpretation points can be found in Annex 1.

ix There is no commonly agreed definition of a transition plan yet, but a number of organisations have begun to develop guidance and principles. For example, the TCFD published proposed guidance stating that a firms' transition plans should help address its climate- related risks and opportunities, deliver on its climate targets, be anchored in quantitative metrics and be detailed and verifiable. TCFD public consultation (June-July 2021) https://assets.bbhub.io/company/sites/60/2021/05/2021-TCFD-Metrics_Targets_Guidance.pdf

x The government has already legislated for mandatory climate disclosures for large UK companies, taking a graduated approach to roll out across the wider economy. If following the same path, this legislation would first apply to premium listed users and later extend to a broader range of listed issuers. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933783/FINAL_TCFD_ROADMAP.pdf

xi A full explanation of the criteria and interpretation points can be found in Annex 1.

xii Net Zero Climate (April 2021) 'Race to Zero Criteria Consultations' https://netzeroclimate.org/race-to-zero; Taskforce for Scaling Voluntary Carbon Markets (January 2021) 'Taskforce Establishes Core Carbon Principles, Publishes Roadmap for Scaling Voluntary Carbon Markets' https://www.iif.com/tsvcm/Main-Page/Publications/ID/4254/Taskforce-Establishes-Core-Carbon-Principles-Publishes-Roadmap-for-Scaling-Voluntary-Carbon-Markets

xiii Carbon Disclosure Project (2020) 'Time to Green Finance' https://www.cdp.net/en/research/global-reports/financial-services-disclosure-report-2020

xiv A full explanation of the criteria and interpretation points can be found in Annex 1.

xv In addition to work of the Green Technical Advisory Group (GTAG) relating to net-zero, and other emerging work as outlined in the Chancellor's post Mansion House New Chapter for the Financial Services https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/998102/CCS0521556086-001_Mansion_House_Strategy_Document_FINAL.pdf

xvi Race to Zero https://racetozero.unfccc.int/

xvii Financial Times (31 August 2021) 'FTSE 100 bosses urged by UK government to set Net Zero targets' https://www.ft.com/content/7d9cfef0-963b-487f-95a5-0e265d0eb25d

xviii Race to Zero (April 2021) 'Criteria 2.0' https://racetozero.unfccc.int/wp-content/uploads/2021/04/Race-to-Zero-Criteria-2.0.pdf

xix Race to Zero (April 2021) 'Race to Zero strengthens and clarifies criteria' https://racetozero.unfccc.int/the-race-to-zero-strengthens-and-clarifies-campaign-criteria; Financial Times (31 August 2021) 'FTSE 100 bosses urged by UK government to set Net Zero targets' https://www.ft.com/content/7d9cfef0-963b-487f-95a5-0e265d0eb25d

xx Climate Change Committee (2021) 'The Role of Business in Delivering the UK's Net Zero ambition' https://www.theccc.org.uk/wp-content/uploads/2020/12/The-role-of-business-in-delivering-the-UKs-Net-Zero-ambition.pdf

xxi https://www.zerotracker.net/

xxii Carbon Trust 'Briefing: What are Scope 3 emissions?' https://www.carbontrust.com/resources/briefing-what-are-Scope-3-emissions

xxiii Carbon Disclosure Project (2020) 'Time to Green Finance' https://www.cdp.net/en/research/global-reports/financial-services-disclosure-report-2020

xxiv Climate Change Committee (2021) 'The Role of Business in Delivering the UK's Net Zero ambition' https://www.theccc.org.uk/wp-content/uploads/2020/12/The-role-of-business-in-delivering-the-UKs-Net-Zero-ambition.pdf

xxv Net Zero Climate (April 2021) 'Race to Zero Criteria Consultations' https://netzeroclimate.org/race-to-zero

xxvi Climate Change Committee (December 2020) 'The Role of Business in Delivering the UK's Net Zero Ambition' https://www.theccc.org.uk/wp-content/uploads/2020/12/The-role-of-business-in-delivering-the-UKs-Net-Zero-ambition.pdf

xxvii Guardian (October 2020) 'Mark Carney says banks should link executive pay to climate goals' https://www.theguardian.com/business/2020/oct/13/mark-carney-says-banks-should-link-executive-pay-to-paris-climate-goals

xxviii WWF uses the term 'Science-Based Targets = SBT' in this report to exclusively refer to targets which have been validated and approved by the Science-Based Targets Initiative (SBTi). All other targets are referred to as non-SBT targets even though some of them may well be in line with, or even exceed, the necessary reductions for an emissions pathway that would achieve the Paris Agreement long-term temperature goal.

xxix Financial Institutions setting targets through the SBTi are due to go through the validation process in October 2022.

xxx Science Based Targets Initiative (2021) 'Business Ambition Pledge' https://sciencebasedtargets.org/resources/files/Business-Ambition-Pledge-20210917.pdf and 'FAQs'

xxxi Advisory Group on Finance to the Climate Change Committee (December 2020) 'The Road to Net Zero' https://www.theccc.org.uk/publication/the-road-to-net-zero-finance-sixth-carbon-budget-advisory-group/

xxxii HM Treasury (July 2021) 'A New Chapter for Financial Services' https://www.gov.uk/government/publications/a-new-chapter-for-financial-services

xxxiii UNPRI 'Regulation Database' https://www.unpri.org/policy/regulation-database

xxxiv European Commission (2021) https://ec.europa.eu/info/publications/210706-sustainable-finance-strategy_en

xxxv Edie (2021) 'Two-thirds of Brits support UK's green industrial revolution plans' https://www.edie.net/news/11/Survey--Two-thirds-of-Brits-support-UK-s-green-industrial-revolution-plans; The Institutional Investors Group on Climate Change (July 2021) '$14 trillion investors call for consistency on 'corporate net zero alignment plans' and director accountability on climate targets' https://www.iigcc.org/news/usd-14-trillion-investors-call-for-consistency-on-corporate-net-zero-alignment-plans

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