

Initiative: Under2 Coalition
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Following UNFCCC guidance, this document details the net zero commitment criteria for the Under2 Coalition's signatory entities aligned with the 1.5C pathway under the Paris Agreement.

- A. Alignment of the criteria with the long-term goal of the Paris Agreement, and the resolve to limit the temperature increase to 1.5 °C, clearly outlining approaches to interim targets
 - a. The Under2 Coalition's Memorandum of Understanding clearly lays out the commitment to limiting the temperature increase to well below 2°C with best efforts to achieve 1.5°C, and reaching net zero by 2050. The coalition states that best practice for members involves a target year earlier than 2050 (especially for developed regions), and recommends signatories have interim targets on the path to net zero, as well as recommending a 45% CO₂ reduction by 2030.
- B. Follow-up approaches taken by the Initiative to its signatories regarding their net zero commitments;
 - a. Signatories are highly encouraged to disclose climate data to CDP and the Under2 Ambition Tracker each year, and the Coalition conducts net zero verification against defined criteria. The Tracker collects data on target year, legislation status, policy status, gas coverage, and mitigation pathways. Members are also encouraged to report annually through the CDP States, Cities and Regions (CStaR) questionnaire, which feeds into global platforms including the UNFCCC portal, Race to Zero, and investor and research databases. Further, the Under2 Coalition's Subnational Transition Plan project, funded by European Climate Foundation, was designed to spotlight the vital role that states and regions play in driving climate action. This initiative aimed to elevate subnational leadership by illustrating their impact in delivering on the goals of the Paris Agreement. By doing so, we seek to showcase tangible data points for securing lasting recognition of the value and contributions of subnational actors in shaping a resilient, low-carbon future. 73% of Under2 members have subnational transition plans in place; this project aims to share best practice and support members in setting roadmaps to achieving these far-off targets.
Additionally, the Under2 Coalition's priority areas include the fossil fuel phaseout, methane abatement, climate finance, sustainable food, and electrification. Targetted capacity building and implementation programs across these key levers assist members in meeting their net zero targets.
- C. Compliance mechanism applied by the Initiative to its signatories, including the removal of non-compliant signatories;
 - a. Entering into the Under2 Coalition via the MOU does not represent the signing of a contract or a treaty, and there are no mechanisms for the removal of non-compliant signatories in place.
- D. Any other approaches to exclusion for any entity not meeting the criteria of the Initiative;

- a. There is no existing exclusion criteria.
- E. Established standards, and/or methodologies required to be applied by its signatories for their net zero commitments, GHG accounting and/or climate action disclosure;
 - a. Recommended methodologies for signatories' net zero commitments and climate action disclosure are aligned with Oxford and ECIU's Net Zero terminology, the Paris Agreement, and UNFCCC global standards. The Under2 benchmarking tool defines best practice criteria including gas coverage (all 7 major GHG groups), shipping/aviation coverage, removals, and offsetting. No specific GHG accounting standard is mandated.
- F. Frequency of disclosure of relevant data, including GHG inventories, required by the Initiative to its signatories;
 - a. Signatories are highly encouraged to disclose relevant data annually via the Ambition Tracker and the CDP Cities, States, and Regions questionnaire. Reporting fatigue and limited engagement from certain less active members presents a challenge for the coalition.
- G. Source and origin of GHG emissions from the entity required to be covered in the net zero commitment;
 - a. Net zero targets must be region-wide and economy-wide (not sectoral), with a narrow exception for low-resourced governments where one sector dominates emissions. International shipping and aviation are tracked as a separate assessment criterion, with best practice being coverage of both.
- H. Types of GHG required to be covered in the net zero commitment;
 - a. The best practice recommended by the Coalition is for signatories' net zero commitments to cover all 7 major GHG groups: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃.
- I. Timeframe of the net zero commitment;
 - a. The Coalition-level net zero target year is 2050. A specific target year is required for signatories' net zero commitments (targets without a year are not accepted), and earlier target years represent best practice.
- J. Interim targets required to be established along with the net zero commitment;
 - a. The Coalition requires that mitigation planning documentation supports either the net zero target or interim targets on the path to it. Specific interim target values are not mandated, but the MOU recommends a 45% emissions reduction by 2030.
- K. Use of carbon market approaches in achieving interim and long-term targets;
 - a. "Offsetting" is a tracked data point in the Ambition Tracker (defined as emissions cuts or carbon removal outside the jurisdictional boundary), with best practice being no planned use of offsetting. There is no requirement or restriction on the use of carbon markets.
- L. Treatment of residual emissions;
 - a. Removals / sequestration are an assessed criterion for members, wherein best practice involves planned use of permanent carbon or GHG removals within the jurisdiction through clearly defined activities. Additionally, separate targets for mitigation and removals are best practice.