

We stand at a crucial moment in time. We have less than a decade, which is only two business cycles, at current emissions levels before we reach 1.5°C global warming. Beyond this point, the more devastating impacts of climate change kick in for people and the planet. The science is clear: we need to halve global emissions this decade and get to net zero emissions no later than 2050.

The recent surge in corporate net zero commitments is a vital and promising development, but there is still so much more to do. Taking both government and corporate pledges together puts us on course to reach the dangerous heights of 3°C of global warming by the end of the century, which is double the target level. Globally, the gap between where we are and where we need to be continues to grow, as does the gap between the corporate climate leaders and those companies that want to take climate action but do not know where to start.

We need to move from ambition to action, from inspiration to implementation, and take a pragmatic approach to transformation if we are to deliver what is needed now. Delivering on net zero will require companies like ours to transform our operations, products and services, supply chains, how we innovate and invest, and how we develop people and skills. We also recognise this will create new business opportunities across sectors and geographies. But some of the toughest challenges—from regulatory hurdles, to bringing along our smaller suppliers, to breakthrough technologies and solutions—will need us to work beyond our sector silos. Collaboration will be critical to enable the systemic changes necessary for rapid emissions reduction at scale.

As leaders of some of the world's largest companies, with a combined annual revenue of \$500bn and assets worth \$800bn¹ committed to net zero, we are accelerating our efforts to minimise our climate impact and maximise our positive impact on people and our planet. We recognise that we have a responsibility, and an opportunity, to catalyze efforts and demonstrate the value of net zero transformation and what it entails so that companies of all sizes can do the same.

We have set up **Transform to Net Zero** to bring to life the net zero transformation journey for companies. We will work to develop best practice assets—guides, tools and templates—to embed net zero into leadership and governance, business and supply chain transformation, corporate innovation and finance, and transparency and accountability. Making net zero real will mean baking it into our corporate strategies and operating models, bringing our suppliers and others on the journey with us, and backing large-scale innovation. If we are successful as an alliance, we hope to have inspired companies from the private sector to join our efforts by the time we sunset this work in 2025.

We are committed to achieving an inclusive and equitable net zero world. We know that marginalised groups and low-income communities bear the greatest impacts of climate change. Therefore, we will help enable conditions needed to achieve effective, just and sustainable climate solutions for people of all gender, race or skills.

We want to lead by example to enable all businesses to achieve net zero emissions. **Transform to Net Zero** is starting with a targeted but diverse group of leaders committed to making net zero a reality. We have a clear

¹ Company statistics derived from Global Fortune 500 rankings and company financial records.

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vision and ambition, but we recognise there is a lot of work to do. We have created a space for open and honest reflection and collaboration. As we build and grow, we are eager to work with others—our supplier networks, our customers, other businesses, wider initiatives, industry bodies, governments and regulators—to amplify momentum and impact.

This is a critical moment for our climate. Let us come together to drive the transformational change we need.

