

Disclosure for SMEs

June 2022



AGENDA



- ▼ **Value of SME Climate Action and Disclosure** – James Chamberlayne (CDP), Benon Ngobi (Accenture) and Gabrielle Ginér (BT) – 20 minutes
- ▼ **The SME Climate Disclosure Framework** – Farheen Altaf (CDP) – 10 minutes
- ▼ **Tool and resources available to SMEs** – Lydia Elliot (SME Climate Hub) – 10 minutes
- ▼ **Disclosing to CDP as an SME: accessing shortened questions and guidance** – Adèle Rowlands (CDP) – 10 minutes
- ▼ **Q&A and close** – 10 minutes



Value of SME Climate Action and Disclosure



James Chamberlayne

CDP

**Senior Manager, Supply
Chain**

WHAT ROLE DO SMEs HAVE IN A CLIMATE TRANSITION?



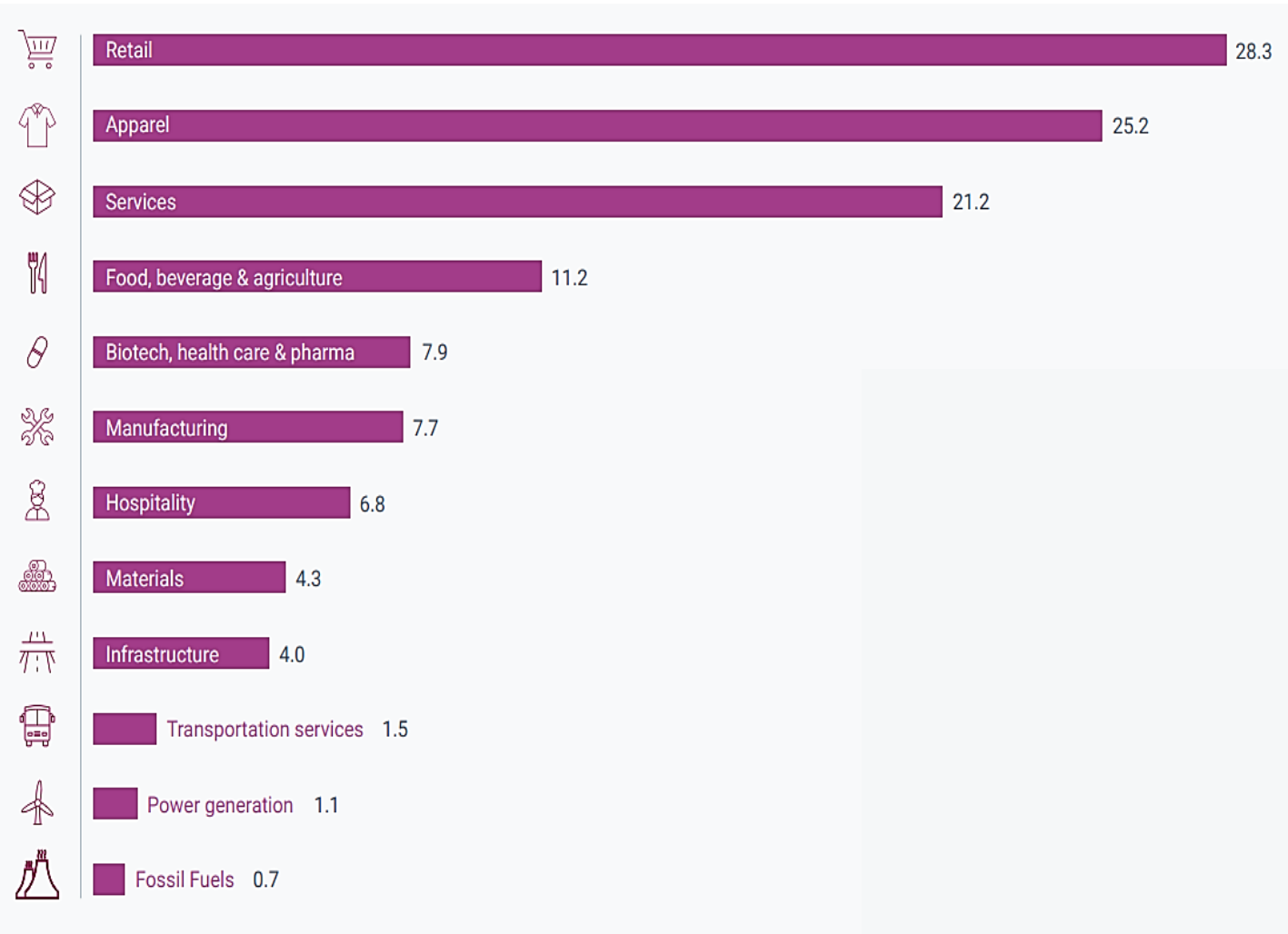
- ▼ SMEs play a major role in most economies.
- ▼ Globally, micro enterprises (SMEs with fewer than 10 employees) alone account for 70% to 90% of all firms.
- ▼ SMEs between 5-99 employees alone account for more than 50% of total net employment creation.
- ▼ They are the backbone of our communities and our economies.

It is crucial that SMEs are equipped with the tools and resources needed to commit to and accelerate climate action.



WHERE IS THE BIGGEST COPORATE IMPACT?

Supply chain emissions are significantly higher than direct operations emissions

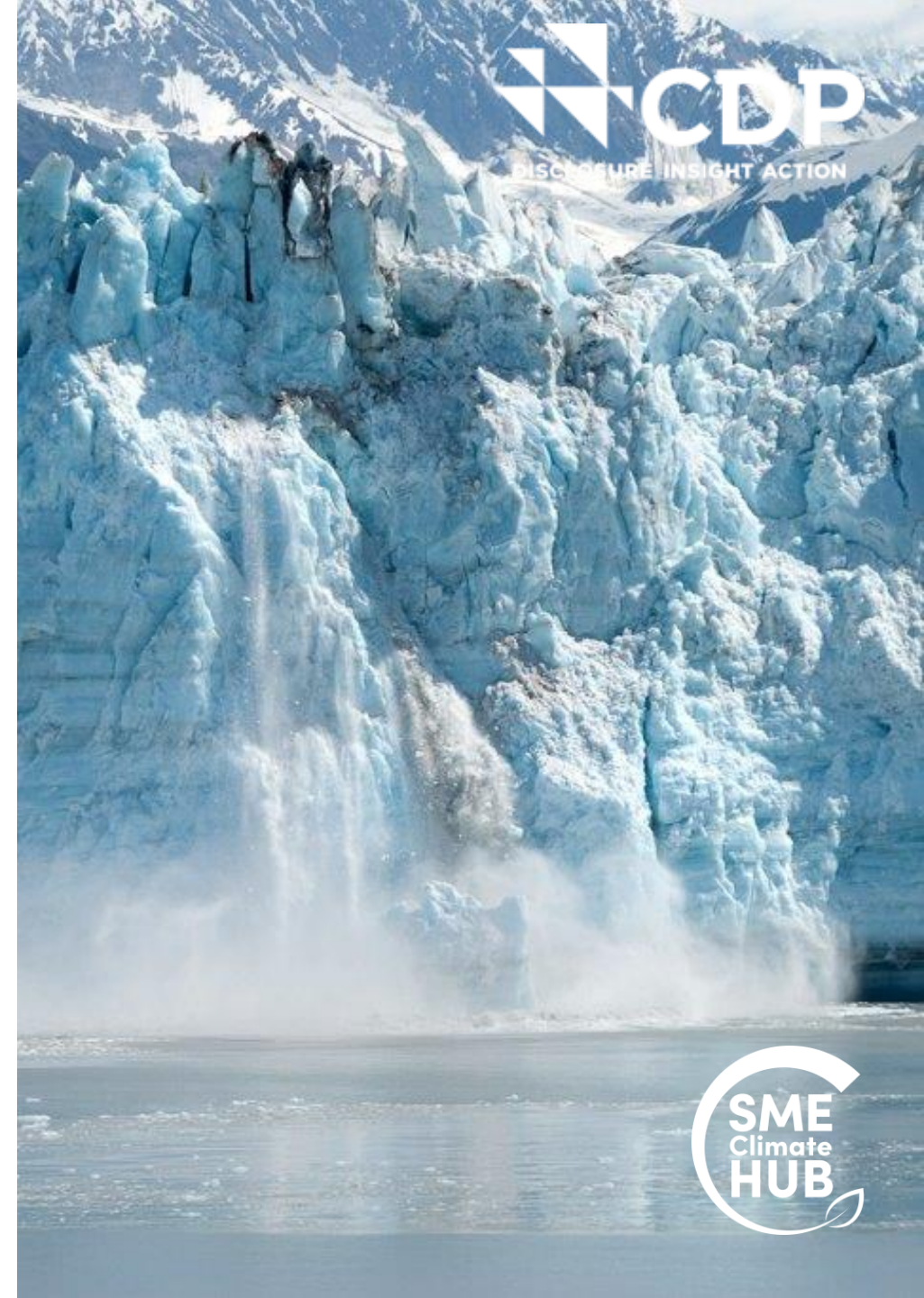


On average,
supply chain emissions are
11.4x higher
than operational emissions

Why is it important for SMEs to report their climate action?

You can't manage what you can't measure

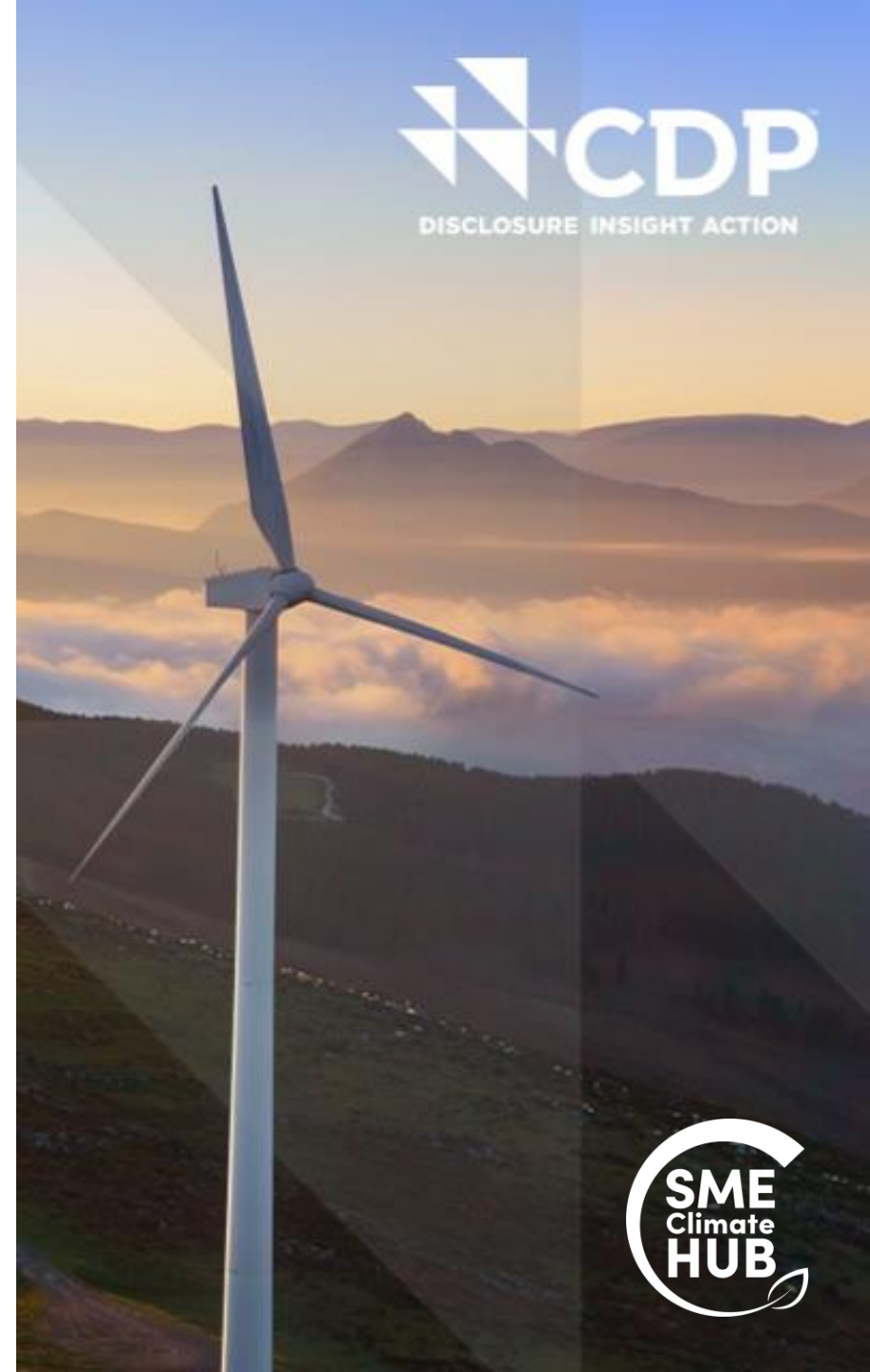
- ▼ **Tracking emissions reduction progress** is crucial for assessing whether the world is on track to reach net zero in line with the Paris Agreement.
- ▼ **Managing climate risk:** SMEs are particularly vulnerable to global risks such as climate change, as they often do not have strong risk management processes. Robust risk assessment is key to SMEs' resilience to climate change.



Why is it important for SMEs to report their climate action?

Role of SMEs in the transition to low carbon

- ▼ SMEs are key climate-solution providers. Their flexibility and capability to innovate makes them well placed and crucial for bringing low carbon, emissions-reducing products and services to the market.
- ▼ SMEs that report on their environmental performance **can benefit from the opportunities of a low carbon transition** including:
 - ▼ Access to finance
 - ▼ Meeting sustainable procurement demands (competitive advantage)
 - ▼ Meeting customer demands



Fireside chat: Value of SME Climate Action and Disclosure



James Chamberlayne

CDP

Senior Manager, Supply Chain



Gabrielle Ginér

BT

Head of Sustainability



Benon Ngobi

Accenture

Global Procurement Sustainability Director

CDP's SME Climate Disclosure Framework



Farheen Altaf

CDP

**Senior Technical Officer –
SME Net Zero Campaign**

Getting started on climate disclosure

Resource: SME Climate Disclosure Framework



- ▼ **Streamlined** list of metrics
- ▼ **Aligned** with key standards and frameworks like the GHG Protocol where relevant for SMEs
- ▼ **Modular** approach to enable SMEs to start small
- ▼ **Includes feedback** from SME Investors, banks and large purchasing organisations
- ▼ **Modular** approach to enable SMEs to start small
- ▼ Ultimately to **future proof** SMEs and increase **resilience** to climate risks



INTENDED USERS OF THE FRAMEWORK

DATA PROVIDERS

▼ SMEs

For the definition of SMEs please see the section 'Defining SMEs' in the framework.

Note: This also includes SMEs that specialize in providing products and services that aid companies in reducing their emissions in their value chains.

SME SUPPORT
e.g. environmental
consultancies

DATA COLLECTORS
e.g. CDP and the
SME Climate Hub

DATA USERS

▼ **Procurers or purchasing organizations** Organizations which will use disclosed data to aid purchasing decision making

▼ **Financial institutions (investors and lenders)** Organizations which will use disclosed data to aid investment decision making.

Other data users such as researchers and policymakers

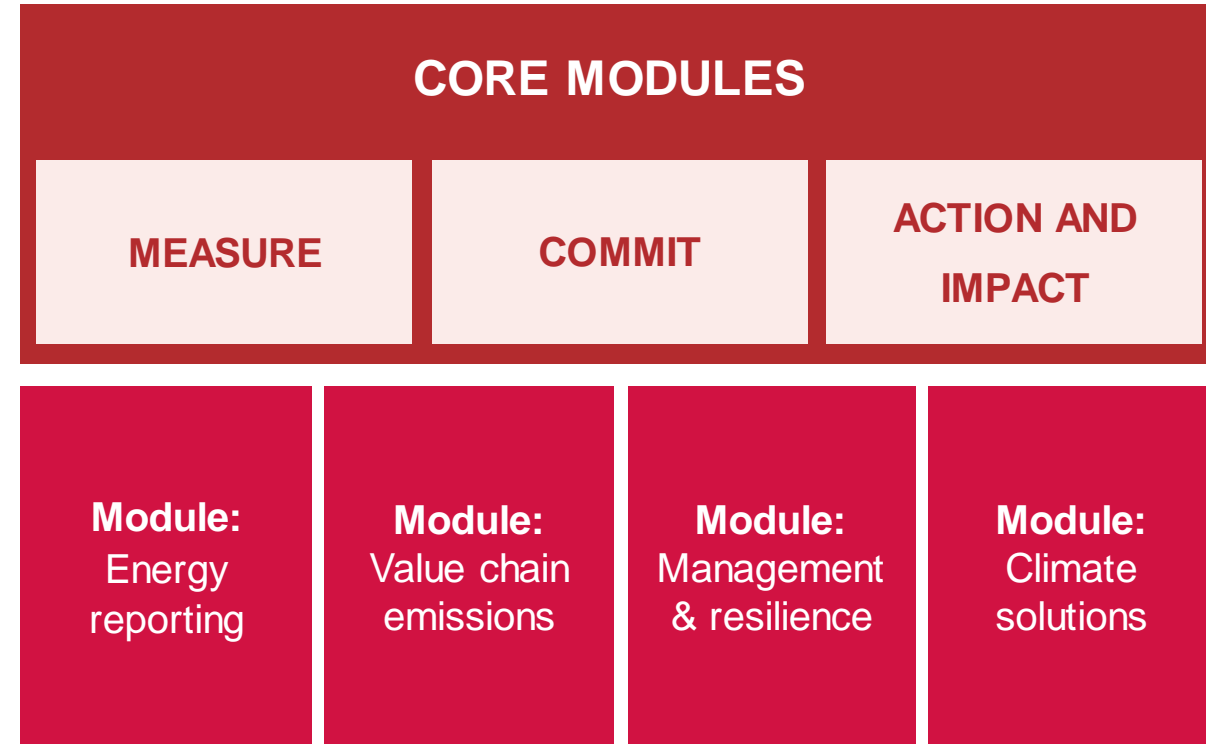


SME Climate Disclosure Framework



Key recommendations from the Framework:

- ▼ SMEs report against metrics and indicators in the core modules
- ▼ Data users, e.g. customers, communicate to SMEs which modules they would like to see prioritized in terms of reporting
- ▼ SMEs look to expand their reporting to cover the four additional modules within three years



Core Modules

Measure

- ▼ Scope 1 and Scope 2 emissions
- ▼ Calculation methodology
- ▼ Emissions intensity metric
- ▼ Relevant exclusions

Commit

- ▼ Details of targets
- ▼ Progress made against targets

Action and Impact

- ▼ Details of implemented and/or planned initiatives
- ▼ Change in emissions from previous year

Additional Modules

Energy reporting

- ▼ Total energy consumption
- ▼ Renewable energy consumption

Value chain emissions

- ▼ Scope 3 emissions from relevant GHG Protocol categories

Management and resilience

- ▼ Responsibility for oversight of climate issues
- ▼ Alignment of business strategy to net-zero future
- ▼ Management of climate-related risks

Climate solutions

- ▼ Details of low carbon products and services offered by company

The SME Climate Hub



Lydia Elliot

SME Climate Hub

Supply Chains Manager

MOBILISING MILLIONS OF SMALL AND MEDIUM
BUSINESSES TO ACHIEVE NET ZERO

SME CLIMATE HUB

June | 2022

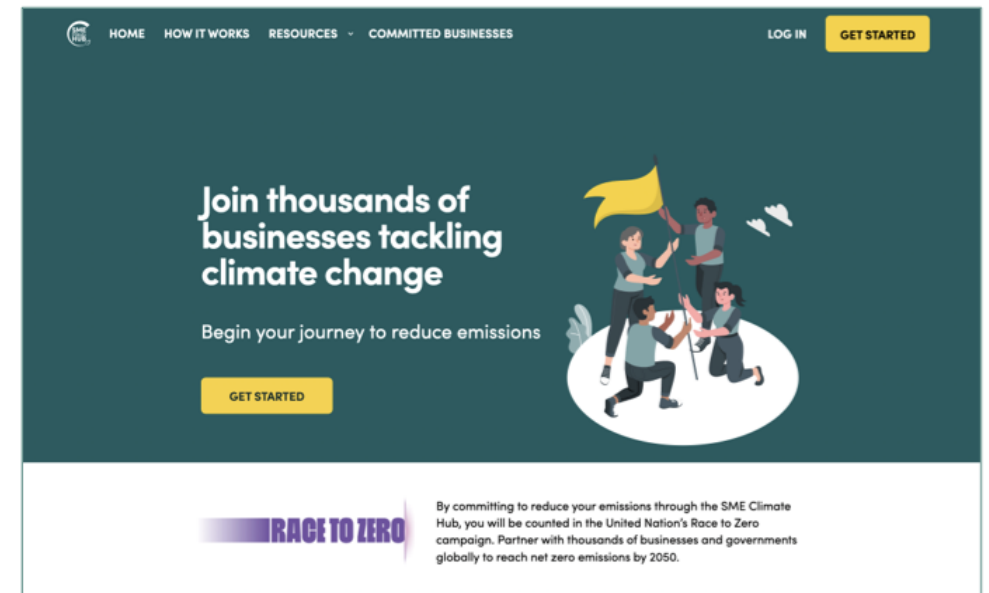


What is the SME Climate Hub?

The SME Climate Hub provides small and medium sized enterprises (SMEs) with a one-stop-shop to:

1. Commit to climate targets aligned with 1.5°C
2. Access free, best-in-class tools to measure emissions, act & report progress
3. Benefit from incentives to reduce emissions

The initiative is the official pathway for SMEs to join the UN Race to Zero campaign. Over 4,100 SMEs from 100+ countries, have made the commitment.



The screenshot shows the homepage of the SME Climate Hub. The header includes navigation links: HOME, HOW IT WORKS, RESOURCES, and COMMITTED BUSINESSES. On the right side of the header, there are links for LOG IN and a yellow GET STARTED button. The main content area features a dark green background with the text: "Join thousands of businesses tackling climate change" and "Begin your journey to reduce emissions". Below this text is another yellow GET STARTED button. To the right of the text is an illustration of four people celebrating, with one person holding a yellow flag. At the bottom of the page, there is a purple and white "RACE TO ZERO" logo and a paragraph of text: "By committing to reduce your emissions through the SME Climate Hub, you will be counted in the United Nation's Race to Zero campaign. Partner with thousands of businesses and governments globally to reach net zero emissions by 2050."

How it works – start your journey to net zero

1

SEE WHERE YOU STAND

Use our tools to help take the first steps, from measuring your emissions to learning more about small business climate action.

2

PUBLICALLY COMMIT

Make a simple, credible public commitment and join thousands of other businesses in the UN Race to Zero.

3

TAKE ACTION

Unlock resources and incentives to help you identify the right actions, report on progress and get recognized.



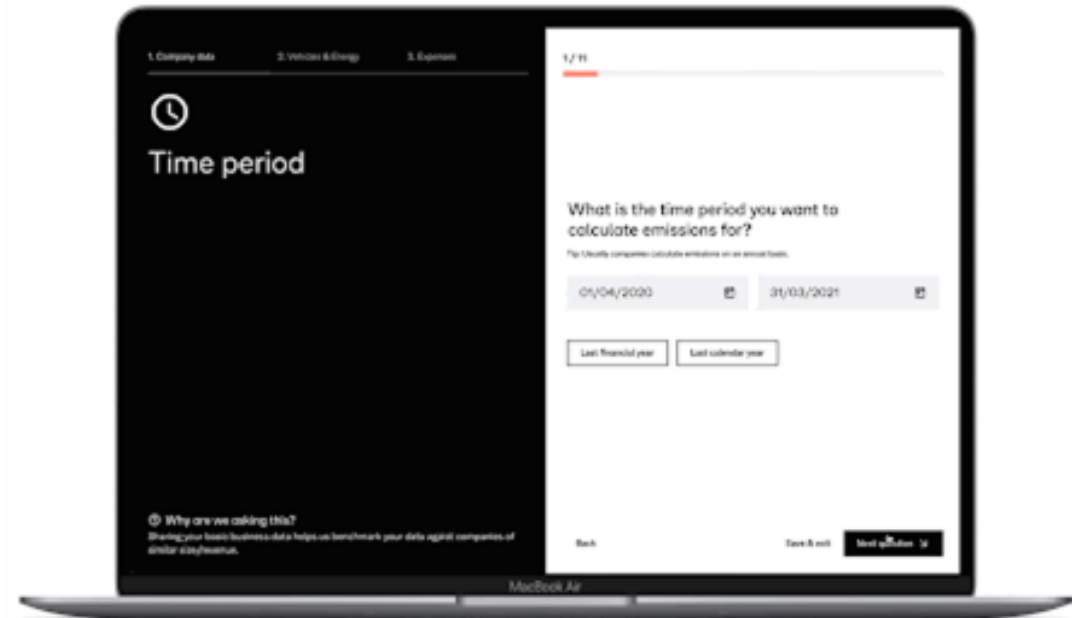
Key tool: Business Carbon Calculator



Google.org Normative

have partnered to bring SMEs around the world a free business carbon footprint calculator.

The calculator provides SMEs with Scope 1, 2 and 3 emissions following the Greenhouse Gas Protocol.



Key tool: Climate Fit



A practical step-by-step guide to help you reduce your emissions across your business

Climate Strategy & Governance

- How can my business model support my climate goals?



Strategy & Governance

Climate Action for your Operations

- How can I lower my company's climate impacts and increase efficiency?



Operations

Reducing Emissions in your Supply Chain

- How do I address the main climate impacts of my supply chain?



Supply Chain

Design for Net Zero

- How can I design more sustainable products?



Product Design

Financing Net Zero Transition

- How do I prioritize climate investments and evaluate their financial impacts?



Finance

Engaging your People and Communities

- What do climate considerations mean for my current and future employees? And my community?



People & Communities

Telling your net zero story

- How can I tell my sustainability story and increase my brand's sustainability profile?



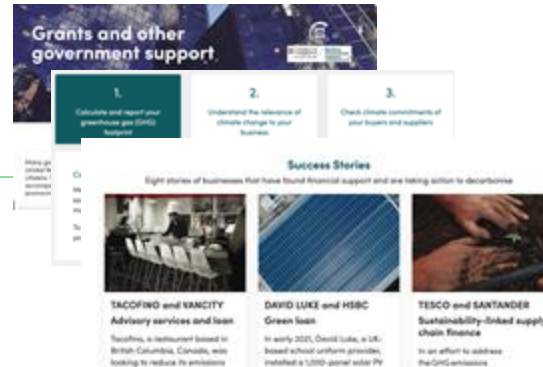
Storytelling & Communications



Other key tools and resources

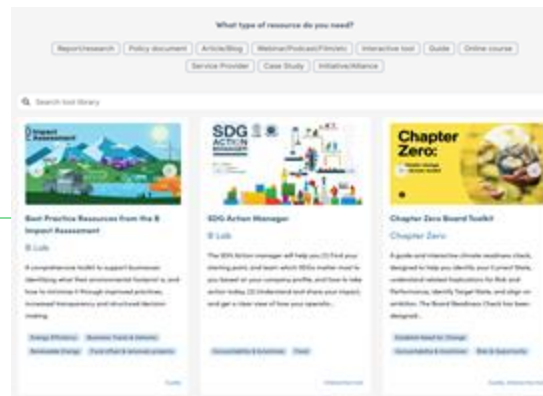
Financial Support Guide

A practical step-by-step guide to help you reduce emissions across your business – from operations to supply chain to messaging.



Tools Library

Practical tools and resources, like the 1.5°C Business Playbook. These tools are curated by the Net Zero team at Oxford University.



Coming soon!

- SME Reporting Tool: translating the SME Climate Disclosure Framework (CDP) into an easy-to-use tool on the SME Climate Hub.
- Action Modules: enable SMEs to quickly identify the key emissions reduction actions they need to take.



The SME Climate Commitment

The SME Climate Commitment

Recognising that climate change poses a threat to the economy, nature and society-at-large, our company commits to take action immediately in order to:

- **Halve our greenhouse gas emissions before 2030**
- **Achieve net zero emissions before 2050**
- **Disclose our progress on a yearly basis**

In doing so, we are proud to be recognised by the United Nations Race to Zero campaign, and join governments, businesses, cities, regions, and universities around the world that share the same mission.



Disclosing to CDP as an SME: accessing shortened questions and guidance



Adèle Rowlands

CDP

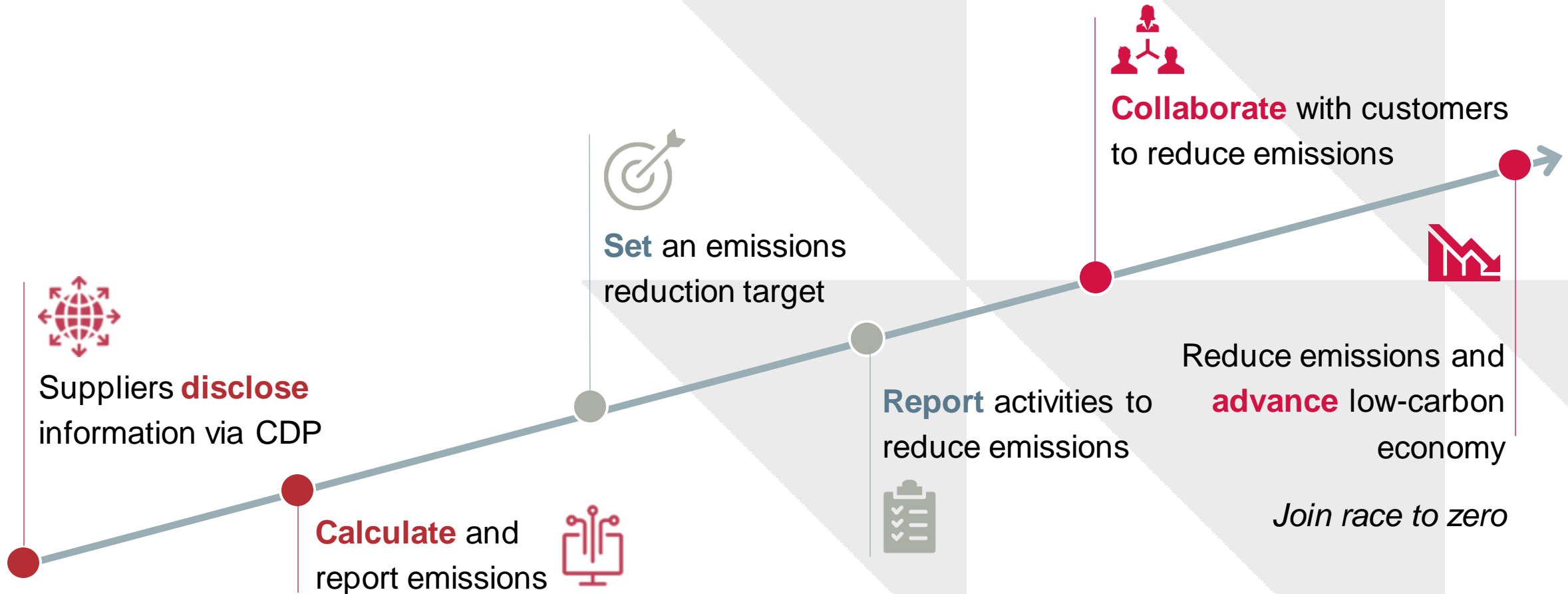
Value Chain Officer

ABOUT CDP



SUPPLIER ROADMAP

Climate Change

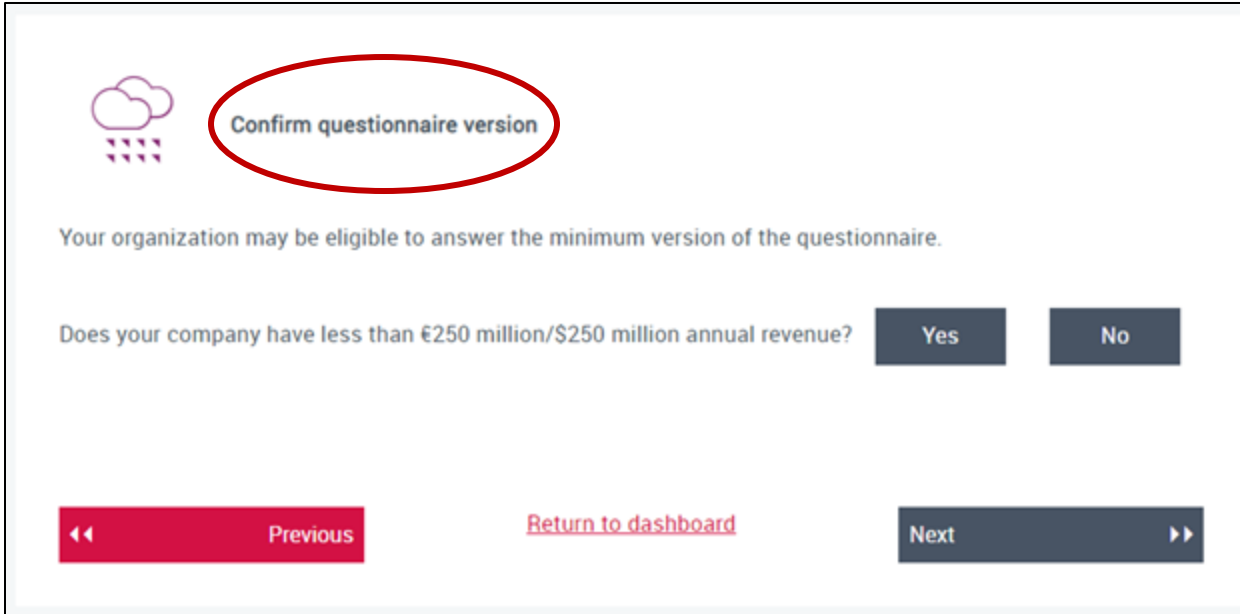



Phase 1 – Establish Foundation

Phase 2 – Build Capacity

Phase 3 – Improve Performance

SELECT A QUESTIONNAIRE VERSION: FULL OR MINIMUM



 **Confirm questionnaire version**

Your organization may be eligible to answer the minimum version of the questionnaire.

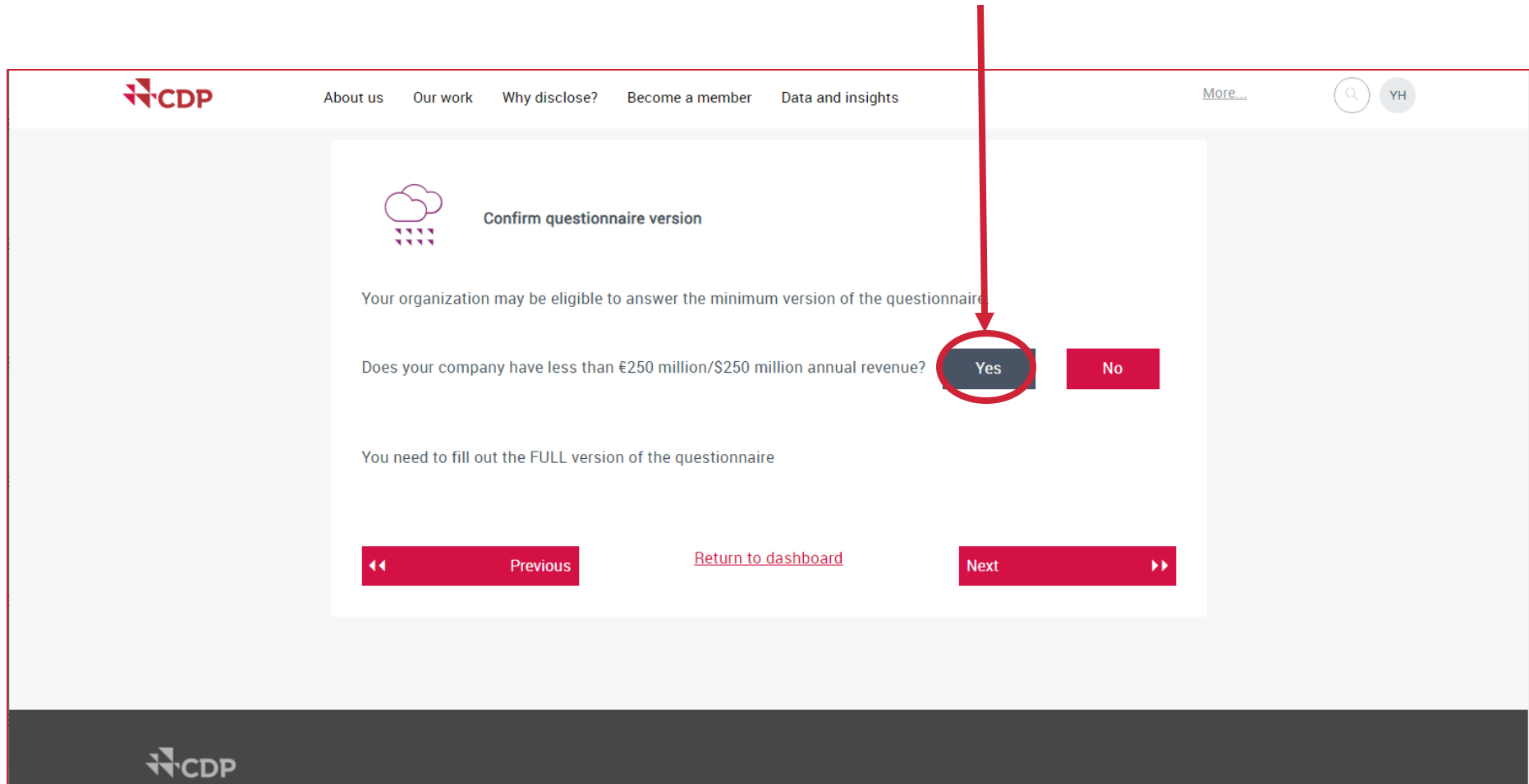
Does your company have less than €250 million/\$250 million annual revenue?

[Return to dashboard](#)

- ▼ For all CDP corporate questionnaires, there are two versions: full and minimum.
- ▼ The minimum version contains fewer questions, and no sector-specific questions or data points.
- ▼ The minimum version of a questionnaire can be completed by:
 - Organizations disclosing to that questionnaire for the first time; OR
 - Organizations not disclosing to that questionnaire for the first time, but with an annual revenue of less than EUR/US\$250 million
- ▼ Although any organizations meeting the above criteria may opt to complete a minimum version, they may not be eligible for scoring.

THE RESPONSE DASHBOARD

Confirming your participation




The screenshot shows a web interface for confirming questionnaire participation. At the top, there is a navigation bar with the CDP logo and links for 'About us', 'Our work', 'Why disclose?', 'Become a member', and 'Data and insights'. A search icon and the text 'YH' are also visible. The main content area features a cloud icon with rain, followed by the heading 'Confirm questionnaire version'. Below this, a message states: 'Your organization may be eligible to answer the minimum version of the questionnaire'. A question is posed: 'Does your company have less than €250 million/\$250 million annual revenue?'. Two buttons, 'Yes' and 'No', are provided for the response. The 'Yes' button is highlighted with a red circle, and a red arrow points to it from above. Below the question, a message reads: 'You need to fill out the FULL version of the questionnaire'. At the bottom of the content area, there are three buttons: 'Previous' (with a left arrow), 'Return to dashboard' (a text link), and 'Next' (with a right arrow). The CDP logo is also present in the bottom left corner of the page.

THE RESPONSE DASHBOARD

Selecting your questionnaire version

[Home](#) > [Corporate Dashboard](#)



Confirm questionnaire version

Your organization is eligible to answer the minimum version of the questionnaire, but you can choose to complete the full version. Please confirm your questionnaire choice below:

Does your company have less than €250 million/\$250 million annual revenue? Yes

- We will complete the FULL version of the questionnaire.
- We will complete the MINIMUM version of the questionnaire. Important note: No sector-specific questions are included in the minimum version. Responses to the minimum version will only be scored in certain circumstances. Please see our [Scoring Introduction](#) for more information on scoring eligibility.

⏪ Previous [Return to dashboard](#) Next ⏩

ACCESSING SHORTENED GUIDANCE

- ▼ Access CDP's Guidance for Companies page here: <https://www.cdp.net/en/guidance/guidance-for-companies>
- ▼ Find guidance for your CDP disclosure under 'CDP reporting guidance 2022'
- ▼ And specific minimum version scoring methodologies under 'CDP minimum version scoring methodologies'
- ▼ You can also preview the Minimum version of the questionnaire by selecting a theme under 'CDP questionnaires 2022' and then selecting 'Minimum version'

CDP reporting guidance 2022



Climate change

Reporting guidance for companies disclosing to the 2022 climate change request.



Forests

Reporting guidance for companies disclosing to the 2022 forests request.



Water security

Reporting guidance for companies disclosing to the 2022 water security request.

CDP minimum version scoring methodologies 2022



Climate change

Minimum version methodologies are ONLY applicable to companies responding to a customer request who have less than EUR/USD 250 million annual revenue.



Forests

Minimum version methodologies are ONLY applicable to companies responding to a customer request who have less than EUR/USD 250 million annual revenue.



Water security

Minimum version methodologies are ONLY applicable to companies responding to a customer request who have less than EUR/USD 250 million annual revenue.

Q&A session

