

## The UK SME Voluntary Emissions Standard

Contextual Questions		Data Quality Considered?
1	Please share the postcode of your main operational business location: a. (Optional) Is this location owned or rented?	No
2	Please provide your SIC code(s): a. [A dropdown list using the 2007 SIC reference, including an 'Other' option that allows for a short free-text submission.]	No
3	Total employee headcount (No. Employees):	No
Emission Questions		
1	Emissions intensity ratios: Please can you provide details for the following aspects of your business activity: a. Total floorspace owned and/or rented (Total Square Meters) b. Total company revenue, as per last year of accounts (in GBP)	No
2	Electricity Use (Renewable and Nuclear electricity used (MWh)): Report your organisation's consumption of purchased or acquired electricity from renewable or nuclear sources in MWh.	Yes
3	Electricity Use (Non-Renewable and Non-Nuclear electricity used (MWh)): Report your organisation's consumption of purchased or acquired electricity from non-renewable sources in MWh.	Yes
4	Natural Gas Usage (M3): Report your organisation's consumption of natural gas in M3.	Yes
5	Scope 1 emissions (tCO <sub>2</sub> e): What were your organisation's gross global Scope 1 emissions in metric tons CO <sub>2</sub> e?	Yes
6	Scope 2 emissions (tCO <sub>2</sub> e): What were your organisation's gross global Scope 2 emissions in metric tons CO <sub>2</sub> e? a. Absolute Scope 2 emissions (market-based method): b. Absolute Scope 2 emissions (location-based method):	Yes
7	Scope 3 Categories Mandatory for PPN006 Compliance (tCO <sub>2</sub> e) Please report Scope 3 emissions (tCO <sub>2</sub> e) from the following included sources: i) Upstream transportation and distribution (Scope 3 category 4) ii) Waste generated in operations (Scope 3 category 5) iii) Business travel (Scope 3 category 6) iv) Employee commuting (Scope 3 category 7) v) Downstream transportation and distribution (Scope 3 category 9) [Respondents can select a 'not currently recorded' if they do not have this information]	No
8	(Optional) Additional Scope 3 emissions (tCO <sub>2</sub> e): From the remaining categories, please account for your organisation's gross global Scope 3 emissions, choosing the most relevant categories to your business processes. [This question gives disclosers a drop down of 10 options (the remaining 10 Scope three categories). Organisations will have the option to choose the most relevant categories to their operation] a. [If selected none] If you cannot provide quantitative data relating to your Scope 3 emissions, please state the year or period you will be able to report.	No

Can you confirm you are committed to reaching Net Zero by 2050 (if sooner, than 2050 please state the target year you will reach net zero)		
9	a. (Optional) Do you have interim emissions reduction targets? ii. If yes, are these targets: 1. Absolute Emission Reduction Targets (from X tCO2e in YYYY to X tCO2e in YYYY, a % reduction of X) 2. Emissions intensity ratio reduction targets (X% by YYYY)	No
10	(Optional) Narrative: "Please select a category for any actions your business has taken in the last reporting year to improve efficiency, attract customers, or promote green growth." (Multiple choice drop box, including): <ul style="list-style-type: none"> <li>• Company policy or behavioural change (e.g. sustainability policies, staff engagement programs)</li> <li>• Energy efficiency improvements in buildings (e.g. insulation, LED lighting, HVAC upgrades)</li> <li>• Energy efficiency in production or operational processes (e.g. equipment upgrades, process redesign)</li> <li>• Reduction of fugitive emissions (e.g. leak detection, improved sealing or containment)</li> <li>• Switch to low-carbon energy sources (e.g. purchasing renewable electricity, green gas)</li> <li>• On-site generation of low-carbon energy (e.g. solar panels, biomass boilers)</li> <li>• Reduction in non-energy industrial process emissions (e.g. using alternative materials or methods)</li> <li>• Low-carbon transportation initiatives (e.g. EVs, route optimisation, active travel policies)</li> <li>• Waste reduction and circularity measures (e.g. reuse, recycling, resource efficiency)</li> <li>• Other (please specify)</li> </ul>	No

**Sign Off**

Leadership Sign Off:		
1	a. Is a senior executive accountable for the information presented in this questionnaire? (Yes/No) i. Please share the name and role of the senior executive accountable for the information. b. To the best of your knowledge is the information you have provided complete and accurate? (Yes/No) c. Please confirm the date that a senior executive has signed off this submission: (DD/MM/YY) <i>i. Note: The duration for which submissions remain valid will be determined by the organisations requesting the data. However, the secretariat recommends a validity period of no less than one year and no more than three years.</i>	No

**Figure 5** UK SME Voluntary Emissions Standard

# APPENDIX A - STANDARD EXPLANATION:

## Q1: Location Information

The standard asks SMEs to provide their location because it provides valuable context for understanding local emissions sources, regulatory requirements, and mitigation opportunities. By knowing the postcode of the SME's main operational site, stakeholders can better assess the regional environmental challenges it faces. Additionally, knowing whether the location is owned or rented offers further insight into the SME's ability to implement emissions reduction measures, such as energy efficiency upgrades or renewable energy installations. This information helps create a more precise emissions profile and aligns with regional sustainability efforts.

## Q2: SIC Codes

The standard asks for SIC codes because they provide a standardised framework to classify businesses based on their economic activity, which helps stakeholders understand the nature of a business and its potential environmental impact. The SIC system enables sector-level analysis, allowing for the identification of emissions-related risks and opportunities.

However, we acknowledge that the current SIC codes may not fully capture the emergence of green or net-zero-enabling industries, which may incorrectly be categorised as high-emitting. To address this, we recommend reform of the SIC classification system to better represent industries actively contributing to net-zero and sustainability goals, such as wind turbine manufacturers. Additionally, the inclusion of an 'other' option allows businesses to provide more context via free text, helping ensure that all industries are accurately represented.

## Q3: Employment Headcount

Including employee numbers in the standard helps provide a clear context for understanding the scale of a business's operations. As employee count often correlates with the

size and complexity of a business, this data helps assess emissions in proportion to workforce size. It supports more accurate benchmarking against similar businesses and ensures consistency in how emissions are reported across various sectors. Additionally, it enables comparability and accountability, making it easier for stakeholders to evaluate sustainability efforts relative to the business's capacity and resources. This information may also be used by data 'users' to calculate emissions intensity ratios.

## Q4: Floorspace and Revenue (Emissions Intensity)

The emissions intensity ratio enables stakeholders to assess emissions in relation to business growth, ensuring that improvements in emissions efficiency are recognised, rather than focusing solely on total emissions, which may increase as the business expands. This ratio is calculated using the total floorspace in the UK (in square metres), the company's total revenue from the previous year (in GBP), and the employee headcount provided, as these figures reflect the scale and performance of the business.

## Q5, Q6, & Q7: Energy Usage

The request for respondents to share their renewable, non-renewable, and gas usage is crucial for verifying the accuracy of reported Scope 1 and 2 emissions. This breakdown allows data users to assess the organisation's environmental impact, view its progress in transitioning to cleaner energy compared to similar businesses, and gain valuable sector-specific insights to benchmark performance and identify opportunities for improvement.

Electricity supplied from Nuclear Energy sources is counted with renewable energy, as both are zero-carbon sources and this standard is prioritising the measuring of emissions in the first instance.

## **Q8 & Q9: Scope 1 and Scope 2**

Sustainability data would not be meaningful without including Scope 1 and 2, as they cover the most direct and immediate sources of an organisation's emissions. For this reason, we ask all SMEs to report on these as a core part of their disclosure.

## **Q10: Scope 3 (PPN006 Mandated)**

To align with PPN006 (formerly PPN06/21), we are mandating responses to the five Scope 3 categories included in this standard. This ensures consistency with the UK government's major procurement requirements and will make it easier for both government and, eventually, the wider market to adopt this disclosure standard. As a compromise and recognising the SME-first bottom-up nature of our work, SMEs can still respond with a 'not currently recorded' option for these categories. SME respondents will not be penalised if they cannot provide a quantitative answer to this question.

Mandating responses to these Scope 3 categories will not necessarily mean that SMEs will be able to provide the required information. A significant number are likely to select the 'not currently recorded' option, as many do not yet have the necessary data available. The challenges SMEs face in recording and sharing this information were highlighted in a recent FSB survey, where X% of SMEs reported being unable to measure their emissions. Nevertheless, an SME selecting 'not currently recorded' remains valuable, as it gives data

users insight into the scale of the challenge facing SMEs and helps assess whether interventions to support Scope 3 disclosure are having the desired impact.

## **Q11: Scope 3 (remaining 10 categories)**

The remaining ten Scope 3 categories will remain optional – it will be up to an SME whether they respond. This reflects the complexity involved in calculating Scope 3 emissions and acknowledges the challenges SMEs often face in terms of cost, data availability, and determining which categories are most relevant to their operations.

## **Q12: Net Zero Target**

We've included a question on whether an SME is committed to reaching net zero by 2050, along with any associated targets. This provides useful context for data users and indicates whether the SME is actively thinking about net zero and potentially planning to implement measures to reach a target. It helps build a picture of current demand and ambition across the market.

## **Q13: Narrative**

The narrative question is included to give additional context on the types of actions SMEs are taking, if any, towards reducing their emissions. While entirely optional, it offers a space for organisations to share practical steps, challenges, or successes, helping to build a fuller picture of where SMEs are on their journey.

## APPENDIX B - DATA SOURCES FOR SMES:

Theme	SME Data Taskforce - Attributes	Input data sources, tools and support (if needed)
Context	SIC Code	Based off UK SIC 2007. You can find the full classification <a href="#">here</a>  Note: Please select the most appropriate SIC Code(s) for your business operation based on your understanding of the business. Your Companies House SIC Code(s) will not always accurately reflect the nature of your operations.
	Employee headcount	HR systems data  Note: Please share total employee headcount, rather than Full-time Equivalent (FTE)
	Total floorspace	Business Rates Information will include your approximate floorspace in the UK. This information can be found either in your financial reports or on the government's tax service <a href="#">website</a> .  Note: This answer should be your operational location (if you do not have a physical premises, please put 0, do not share the floorspace of your registered company address).
Energy Use	Total company revenue	Financial reports will detail your revenue for the reporting period (the last year).
	Electricity Use (Renewable and Nuclear energy used (MWh))	Your supplier's annual fuel mix statement will detail the renewable/nuclear/non-renewable split. Apply this split to your total energy usage.  Note: Respondents who consent to live data sharing (granting access to real-time information from their device or account) to answer this question will receive a higher data quality score.
	Electricity Use: (Non-renewable and Non-nuclear energy used (MWh))	Your supplier's annual fuel mix statement will detail the renewable/nuclear/non-renewable split. Apply this split to your total energy usage.  Note: Respondents who consent to live data sharing (granting access to real-time information from their device or account) to answer this question will receive a higher data quality score.
Energy Use	Natural Gas Use (M3)	Your monthly energy bills will detail gas usage.
CO2 Emissions	Scope 1 Emissions	Fuel purchase receipts, meter readings + calculation method/carbon calculator
		Emissions factors: Emission Factor Database (e.g IPCC, <a href="#">UK Gov</a> ) - For calculation  Free calculators can be found on the <a href="#">UK Business Climate Hub</a> and <a href="#">SME Climate Hub</a> . You will need to keep records of the amount of fuel (e.g., petrol, diesel, natural gas) used by each source over the reporting period.

		Utility bills, energy certificates+ calculation method/carbon calculator
		Emissions factors: Emission Factor Database (e.g IPCC, <a href="#">UK Gov</a> ) - For calculation
CO2 Emissions	Scope 2 Emissions	Free calculators can be found on the <a href="#">UK Business Climate Hub</a> and <a href="#">SME Climate Hub</a> . To do this manually, multiply the energy usage from each contract by the specific emissions factor for that source. An emissions factor can either be found on your contract if you have a low-carbon supplier (market-based) or from the published <a href="#">conversion factors for energy usage</a> (location-based).
		The Greenhouse Gas Protocol establishes standardised frameworks that provide guidance on measuring and managing GHG emissions. Per the Greenhouse Gas Protocol, Scope 3 emissions are divided into 15 distinct categories across upstream and downstream value chain activities. To align with PPN006 (UK Government Procurement Standard), this standard mandates responses to these 5 Scope 3 categories.
CO2 Emissions	Scope 3 Emissions (5 Mandated by PPN006)	You may select not currently recorded if these emissions are not currently recorded. If you select this option, you will not be penalised. In addition, these 5 Scope 3 emission categories are not necessarily the most important or the largest emission source for your business. Guidance can be found <a href="#">here</a> on how to determine which categories are relevant for your business.
		Free calculators can be found on the <a href="#">UK Business Climate Hub</a> and <a href="#">SME Climate Hub</a> . Emission Factors for manually calculating the CO2 emissions produced by different types of activity can be found <a href="#">here</a> .
CO2 Emissions	Scope 3 Emissions (10 Remaining)	The Greenhouse Gas Protocol establishes standardised frameworks that provide guidance on measuring and managing GHG emissions. Per the Greenhouse Gas Protocol, Scope 3 emissions are divided into 15 distinct categories across upstream and downstream value chain activities. Guidance can be found <a href="#">here</a> on how to determine which categories are relevant for your business.
		Free calculators can be found on the <a href="#">UK Business Climate Hub</a> and <a href="#">SME Climate Hub</a> . Emission Factors for manually calculating the CO2 emissions produced by different types of activity can be found <a href="#">here</a> .
	Net Zero Target & Emissions Reductions Targets	Guides and tools for setting science-aligned targets: e.g. <a href="#">Science Based Targets Initiative (SBTI) Getting Started Guide</a> for Science-based Target Setting, SME Climate Hub's <a href="#">Setting 1.5°C Aligned</a>
	Business Activity to Reduce Emissions	NA
	Leadership Sign Off	NA