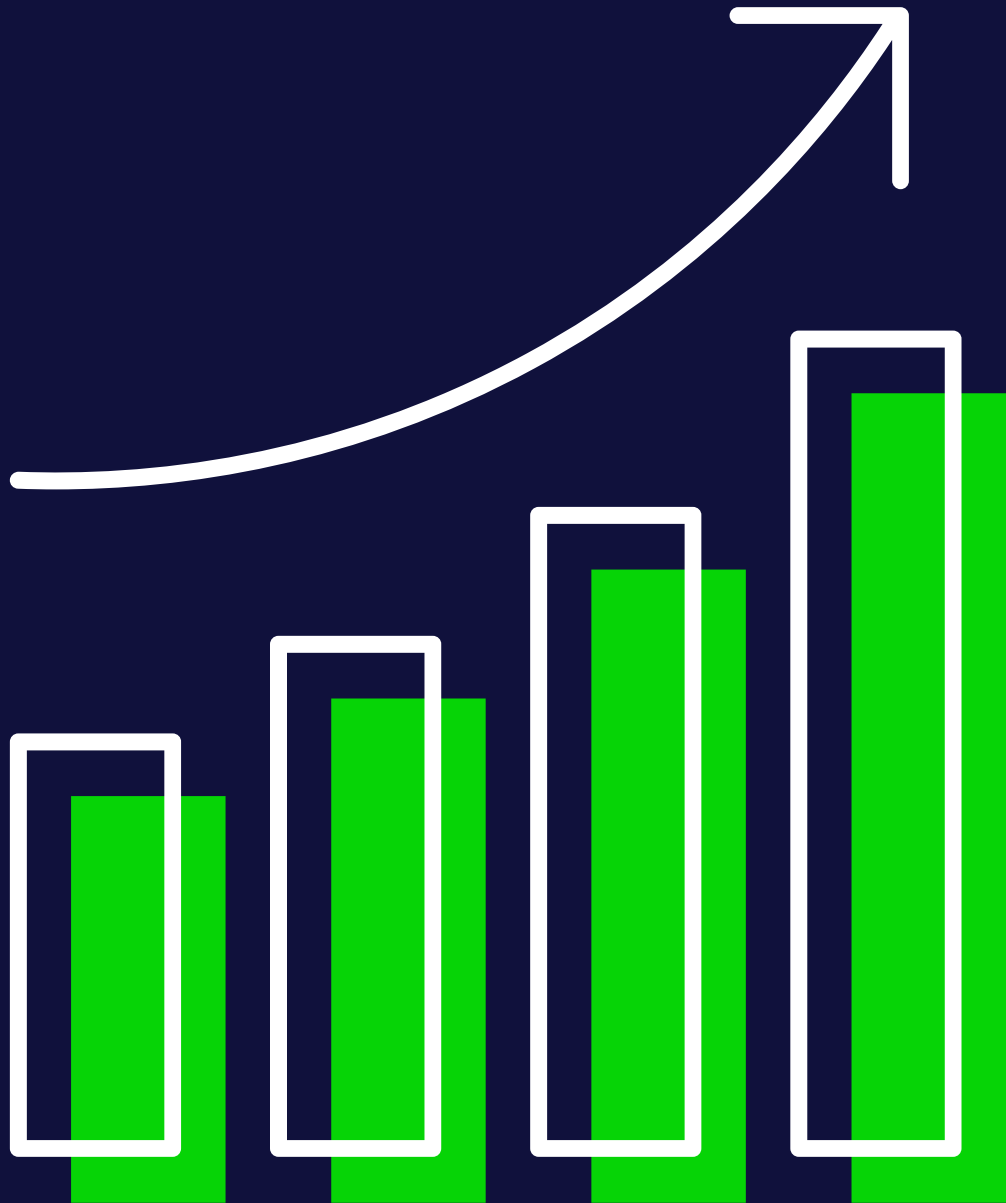


**SME SUSTAINABILITY
DATA TASKFORCE**

Public Consultation Review & Phase 2 Update



Foreword

HANNAH COOL

Chief Operating Officer, B4NZ



We set out to tackle a growing pain point for SMEs: the ever-increasing requests for sustainability data from their banks, existing customers and new customers. Instead of creating an environment where SMEs are inadvertently forced to respond to a myriad of information requests, largely treated as a checkbox exercise designed to satisfy top-down regulation, we must intervene now. We owe it to our small and mid-sized businesses to put them first, to create a system that works for them whilst delivering more energy-efficient organisations.

Our focus is on unlocking real value for SMEs – turning easy-to-access sustainability data into a pathway to energy efficiency and meaningful cost reductions. At the same time, we need to shift the burden of responsibility upward, placing it squarely on the banks and corporates whose supply chains depend on reliable data to make informed decisions. By doing this, we could simplify data provision for SMEs while enabling the larger institutions to drive genuine climate impact at scale. This has never been about adding another layer of reporting. It's always been about reducing complexity and creating consistency. Ensuring that the information we ask SMEs for is proportionate and fair, as well as useful and usable to those collecting it. Through the SME Sustainability Data Taskforce, we've seen the power of collaboration across industry, government, and civil society. There's a deep recognition that if we want to move capital efficiently and unlock decarbonisation at scale, we must make it easier for SMEs to engage - not harder!

The response to our work has been overwhelmingly positive. Financial institutions and corporates have not questioned the "what" – the need for better data – but the "how." Their feedback has focused on embedding the standard within existing tools, on working with technology providers, and on providing clear, trusted guidance for SMEs.

We've listened carefully. Phase 2 has focused on clarifying measurement units, simplifying guidance, and ensuring the Standard is both credible and practical in real-world settings. Most importantly, we've continued to hear one consistent message: businesses want to act but they need support. This is why the Taskforce's work matters. It's not just about data, it's about trust, accessibility, and shared purpose. It's about creating a system where every business, no matter its size, can participate in the transition to net zero and benefit from doing so. We now need to drive consistent adoption and alignment. If your customers or partners are SMEs, if you're measuring Scope 3 emissions, or if you rely on data collection from SMEs, it's essential that we all pull in the same direction. I urge you to recognise the importance of this work and actively support adoption efforts.

Our recommendations are clear, and we hope to see them taken forward across the market. We don't need more regulation – we need coordinated action that unlocks better outcomes for businesses of all sizes, and for the local environments they operate in. We remain deeply grateful for the continued engagement of the Net Zero Council, our partners across industry, and the many organisations that have supported and shaped this journey so far.

Foreword

EDWARD LOCKHART

Convenor, Broadway Initiative



We're pleased to see Phase 2 of the UK SME Voluntary Emission Standard progressing well. The Standard, developed with our Co-Chair B4NZ and wider Taskforce partners, provides a practical universal framework for SMEs to measure and report emissions in a consistent and credible way, helping banks, corporates, and other organisations access reliable data for decision-making.

The 2025 Net Zero Census highlights the ongoing challenges for SMEs: 37% of medium-sized firms have been asked for carbon data from customers in the past year, while 25% of SMEs report seeing no business benefits from reducing emissions. These findings reinforce the importance of the Standard in making reporting simpler, actionable, and aligned with real-world business benefits.

We are grateful for the continued engagement of more than 25 partner organisations, spanning banks, industry associations, technology providers, and SMEs themselves. Their input ensures that Phase 2 builds on the first stage to make the Standard practical, usable, and beneficial, supporting SMEs to engage confidently in the net zero transition.

THE SME SUSTAINABILITY DATA TASKFORCE



Observers Include: OECD, British Chambers of Commerce, UN Global Compact Network UK, Department of Energy Security & Net Zero, Sodexo, Scope 3 Peer Group and the BBC

Executive Summary

In Phase 1, the Taskforce laid the groundwork for change. We defined a robust data-collection approach, established core metrics aligned with UK and international frameworks, and tested them to ensure they were both practical for SMEs and interoperable for data users. These foundations created the conditions for trusted, comparable sustainability data at scale, enabling more effective and targeted green finance and fairer procurement.

Now, in Phase 2, we have moved from concept to consultation & adoption. Since launching the first draft of the UK SME Voluntary Emission Standard in June 2025, the Taskforce has focused on three priorities:

- **SME Engagement** – Engaging directly with business owners across the UK to test usability, gather feedback, and identify where guidance and education can make the biggest difference.
- **Market Outreach** – Working with corporates, financial institutions, and supply chain leaders to understand how the Standard fits into existing data collection processes and product development frameworks, and to identify areas for improvement.
- **Technology Alignment** – Convening technology partners to define guiding principles for implementing the Standard on platforms, ensuring consistent and comparable outputs regardless of where the data originates.

Phase 2 has reinforced the importance of creating a practical, credible, and widely adoptable Standard for data collectors to use when requesting SME emissions data, enabling them to participate confidently in sustainability reporting while providing reliable information to support decision-making, risk assessments, green finance deployment, and fairer procurement processes.

Our message remains simple

The Taskforce's recommendations are clear and pragmatic:

- **Data consumers** – Adopt the standard across finance, procurement, and supply chains (B4NZ & Broadway Initiative, 2025, From Burden to Benefit, p.21).
- **Government** – Align policy and procurement processes, including updates to PPN 006 to support consistent SME data requests and remove qualitative questions that cannot be automated (B4NZ & Broadway Initiative, 2025, From Burden to Benefit, p.42).
- **Data collection platforms** – Integrate the standard to reduce duplication, lower costs, and enhance data quality.

This is not about new regulations or additional burden. It's about implementation: creating the conditions for capital to flow where it matters most. By standardising how SMEs measure and share data, we unlock investment in energy efficiency, reduce operational costs, and continue progress in line with the UK's emissions reduction goals.

The Taskforce's ambition is to scale up the disclosure of primary (verified and unverified) SME emissions data. Over time, this should enable financial institutions to improve the quality of their

Scope 3 emissions reporting, which in turn can enhance their PCAF data quality scores. Recognising the data quality of submissions and assessments at an asset level will help drive progress and incentivise the collection of new data.

This is how we drive change through mass commercial action, not compliance, mobilising supply chains, aligning incentives, and turning sustainability from a burden into a benefit.

By 2030, the Taskforce's ambition is to deliver reliable, automated, accessible, and low-cost emissions data across all UK SMEs – data trusted by government, finance, and corporates – to support growth, investment, and the UK's leadership in net-zero data infrastructure. By creating a robust ecosystem that enables the flow of reliable data, the UK can demonstrate leadership in high-quality, consistent data that powers trust in financial-grade analytics and AI infrastructure, enabling secure data sharing and management in alignment with the 2025 Data Act.

LOOKING AHEAD

As we move into implementation, delivery will hinge on the progress of a range of interconnected market initiatives that we believe the Government should support:

- **UK SME Emissions Standard (SME Sustainability Data Taskforce Co-Chaired by B4NZ and The Broadway Initiative. Founding members include the Federation of Small Businesses, NatWest Group, Allica Bank, OakNorth Bank, Sage, Tide, Experian and the Institute of Directors):** a simple, digital reporting standard for UK SMEs.
- **Project Perseus (IB1, BBB, 12 trade associations, 12 banks, 30 carbon accounting software and energy data providers):** automated, permissioned data sharing for Scope 1 and 2 emissions via harmonised energy data APIs. Perseus is a cross-sector Smart Data Scheme.
- **Project Orion (IB1, Broadway Initiative, B4NZ):** Implementation of the UK SME Emissions Standard, harmonising reporting dissemination aligned with the Perseus implementation.
- **Carbon Commons (Sage, Small World Consulting, IB1):** open repository of verified emissions factors and methodologies for Scope 3 reporting.
- **Net Zero Census (Broadway initiative, partners):** baseline dataset mapping business emissions nationally.
- **UK Business Climate Hub (Broadway Initiative):** accessible SME guidance and capability building

To all those who have partnered with us, contributed their expertise, or championed this work - thank you. Your collaboration has enabled us to move from dialogue to delivery. **Together, we are proving that simplicity and alignment are not just desirable, they are achievable. And when they are, SMEs, the market, and the planet all win.**

At the Federation of Small Businesses, we know how vital it is to tackle the multilayered and complicated topic of how to make carbon accounting simpler and less time-consuming for small firms. Small businesses want to contribute to net zero, but 43 per cent who have measured their carbon emissions found it difficult or very difficult to do so. Small firms face a maze of inconsistent data requests from governments and local authorities, large businesses, and financial institutions.

The Taskforce's Standard helps to make reporting less complex and stressful, by offering a practical, consistent approach that reduces the reporting burden. By giving small businesses a single, easily replicable way to measure and share their carbon data, the Standard frees up time and resources for them to innovate and grow - while ensuring the information they provide is meaningful and valued among state and private sector stakeholders."



Ian O'Donnell
Sustainability Policy
Champion, Federation of
Small Businesses



Pamela Jouven
Director, SME Climate
Hub

"SMEs may be small individually, but together they are a powerful force in tackling climate change. They are essential to resilient economies, driving innovation, creating jobs, and contributing to the UK's net zero goals.

The UK SME Voluntary Emissions Standard gives these businesses a clear framework to measure and reduce their emissions, helping them access support, green finance, and partnerships. By empowering SMEs with the right tools and policies, we can unlock their full potential as solutions providers and build thriving, low-carbon economies."

An SME Perspective on Emissions Reporting

BWB TECHNOLOGIES

"BWB Technologies Ltd is a UK-based SME manufacturer of laboratory instrumentation, supplying scientific equipment to customers in over 100 countries. As a responsible business with ISO 9001 and ISO 14001 certifications, alignment with ISO 50005, and a B Corporation accredited company, we are increasingly required to disclose extensive environmental, social, and governance data to banks, financial providers, and major supply-chain partners. Currently, these requests arrive through a variety of fragmented portals and templates, each requiring near-identical information to be reformatted and resubmitted."



"Over the past ten months alone, we have completed seven separate disclosure exercises for tender purposes, each consuming approximately five to six hours of data collection and collation, effectively the loss of a full working week. For a small business, this administrative burden diverts time and resources away from innovation and growth. A simplified, standardised "create once, share many" framework would offer a practical, scalable solution, reducing duplication, improving data accuracy, and maximising our productivity while maintaining transparency and accountability."

Hozan Edwards, Managing Director, BWB Technologies

RECYCLELAB

"RecycleLab is a specialist recycling company focused on collecting and recycling single-use plastic laboratory consumables, turning them into high-quality recycled polymers for use in new products. RecycleLab has the overarching mission of creating a circular economy within this industry, using our recycled polymer to manufacture new lab products and healthcare devices."



"Currently, we provide carbon emission disclosures on an ad hoc basis, primarily when requested by our suppliers. These include a range of emissions reporting, from scope 1, 2, and 3 emissions, and the required data will often differ between suppliers. This fragmented approach can be burdensome, as a small business with limited resources, it is challenging to keep up with the varying information requirements from different suppliers."

We believe that a simplified and standardised 'create once, share many' approach would be highly beneficial. It would allow us to complete the reporting process once, ensure that it meets the required standards, and avoid spending additional time determining what each supplier needs and gathering the data individually."

Danielle Stephens, CEO, RecycleLab

SME Feedback

- **37% medium-sized businesses have been asked for carbon data**
- **52% of SMEs report lack of time as a moderate or significant barrier to taking net zero action**
- **46% cite a lack of trusted information as a moderate or significant barrier to net zero actions**

From the beginning of the Taskforce's work, we have worked closely with partners from the Institute of Directors, the Federation of Small Businesses, and the British Chambers of Commerce to design the standard, ensuring it is suitable for use by SMEs. Following publication of the draft standard in June, Taskforce Co-Chair B4NZ has pivoted to engage directly with dozens of SMEs in London, Brighton, and Burnley, and through a series of online sessions, to gather detailed feedback on the proposed UK SME Voluntary Emission Standards. This work was not intended to replicate a large-scale survey – such as the comprehensive effort carried out by our partners behind the Net Zero Business Census – but instead to provide a more targeted, conversation-based understanding of how the draft standard is perceived by SMEs across different sectors and regions.

Through these smaller, interactive discussions, we explored not only the clarity and usability of the standard itself but also the practical challenges and potential barriers that SMEs may face in adopting it. The insights gained from these engagements have been invaluable, enabling us to identify areas where additional guidance, simplification, or support may be needed. **As a result, we have proposed a number of refinements and recommendations to strengthen the published standard and improve its accessibility and effectiveness for SMEs.**

RECOMMENDATION 1: A SINGLE SOURCE OF CLEAR GUIDANCE FOR SMES

The standard will be supported by a single, consolidated set of guidance materials, including case studies, examples, and practical tools to help SMEs progress from basic reporting to meaningful decarbonisation actions, ideally hosted on a free hub such as the UK Business Climate Hub.

RECOMMENDATION 2: NET ZERO COMMITMENT WORDING

Several of the SMEs we spoke with expressed discomfort with the current wording of the commitment to reach net zero by 2050. At present, the question is phrased: **“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)?”** For many SMEs, this formulation poses challenges. Some do not expect their business to still be operating in 2050 due to retirement plans or anticipated ownership changes. Others are hesitant to commit to “net zero” without fully understanding what the term entails for their operations. Additionally, a number of SMEs feel uneasy making a potentially binding commitment 25 years in advance.

Our recommendation to partners implementing the standard is to refine the question to say, **“Can you confirm that your organisation is committed to reducing its emissions in support of the UK's transition to net zero?”** This revised wording would continue to provide a clear market signal about whether SMEs support the principle of reducing emissions, while avoiding situations in which SMEs state that they are not committed to reaching net zero by a specific date for reasons unrelated to ambition or intent.

Although the adoption of the standard by large companies cannot yet be guaranteed, requests for emissions data are already growing across supply chains (UK Net Zero Census, 2025, p.15), and whilst the standard is intended to act as a shield by setting clear, proportionate expectations for what data SMEs can reasonably be asked to provide in the first instance.

Overall, this is not meant to become another complex framework. Instead, it replaces the inconsistent, expanding, and often unrealistic demands currently placed on SMEs with a proportionate, standardised approach that reduces unnecessary time, cost, and administrative burden. Importantly, SMEs are also given protection when providing forward-looking emissions data or targets. These targets are intended as signals of ambition rather than guaranteed outcomes, acknowledging the uncertainty inherent in forecasting within rapidly evolving technical and market environments.

ADDITIONAL POINTS RAISED BY SMES

Incentives for Action

The standard is designed to remain grounded in real-world emissions reductions by allowing SMEs to choose and report specific actions, and to demonstrate progress as their data improves over time. It identifies where emissions are most likely to arise within typical SME operations, enabling targeted support and helping firms position themselves within emerging low-carbon supply chains and access new finance – key incentives many SMEs currently lack.

Verification Requirements

Verification is deliberately a lighter touch than a full audit. The emphasis is on sharing primary systems data, which is inherently more dependable than high-level estimates, rather than imposing burdensome assurance requirements. To support SMEs with limited capacity, the accompanying guidance provides clear, practical examples for improving data quality in a proportionate and achievable way.

Scope 3

Scope 3 categories are included only where necessary for alignment with PPN 006 and are otherwise effectively optional due to their complexity. The goal is not to mandate full Scope 3 reporting but to offer a consistent structure that SMEs can build on over time. Likewise, “not recorded” fields are not subject to mandatory deadlines for replacement with actual data. Larger organisations can use modelling where needed, while SMEs are expected to shift toward providing real data naturally as expectations from supply chains and financiers increase.

“The 2025 Net Zero Business Census showed how reporting pressures are cascading down to smaller firms - from just 8% of micro businesses being asked for carbon data to 37% of medium-sized businesses. With 52% citing a lack of time, 47% a lack of expertise, and 46% a lack of trusted information, the Standard responds directly to these findings by reducing duplication, aligning requests, and providing clear, practical guidance. If implemented, it will make reporting far more manageable for stretched SMEs, while ensuring the data they provide is genuinely useful to finance and supply-chain partners.” - Andrew Griffiths, Policy Director, Planet Mark





SME ENGAGEMENT BREAKFAST WITH OAKNORTH

In October, B4NZ co-hosted a session with our partners at OakNorth to gather SME feedback on the UK SME Voluntary Emissions Standard. The discussion brought together SMEs to understand what they need from a simple, trusted, and consistent emissions standard. Participants stressed the burden of repeated and inconsistent data requests, calling for one clear, standardised approach that enables action rather than creates new compliance pressure. Participants emphasised that the Standard should support access to finance, reduce admin, and embed sustainability into everyday operations – not over-regulate or penalise.

Feedback highlighted practical design considerations, including a preference for a 3-year reporting cycle, clarity on Scope 1–3 expectations, and the need for automation through energy data access and accounting software. Attendees also underscored the importance of trust and data quality, proposing a central open-source database and consistent methodologies aligned with ISO and the GHG Protocol.

SMEs were clear that incentives matter: they want recognition, tangible benefits, and support to move from data collection to real action. The session also reflected wider economic pressures, with many noting that while the path to Net Zero can feel challenging, decarbonisation still makes commercial sense when it drives efficiency and opportunity.

“Engaging directly with SMEs directly has given us invaluable insight into the challenges they face and the support they need to take meaningful climate action. Small and medium-sized businesses are eager to do the right thing, but they need clarity, consistency, and simple tools. Phase 2 of the Taskforce brings SMEs into the conversation, not as an afterthought but as core partners in the transition, ensuring that solutions are built around their realities rather than imposed on them.”



Valentina Kristensen, Head of Corporate Affairs, OakNorth

Market Feedback

Over the last six months, the SME Sustainability Data Taskforce secretariat has engaged positively with dozens of large organisations – including financial institutions and major corporates – as well as a range of industry bodies with significant market membership, gathering valuable feedback. Throughout this engagement, many have expressed strong support for the initiative's ambitions, and we expect this positive momentum to continue as we move into larger-scale testing and wider adoption next year.

Recurring questions that came up during this exercise were on the use case of the standard, the relationship of the standard with Perseus, queries about the education gap between what SMEs can do and what the standard asks and the need for some stakeholders to ask for additional data beyond the standard. These topics will be addressed in the following sections:

USE CASES

As noted above, SMEs account for 99% of UK businesses and around half of business-related emissions, yet most lack clear, practical guidance on what data to disclose or how. At the same time, large buyers, banks, and the government increasingly request emissions data. Without a consistent baseline, SMEs face multiple, duplicative requests – creating confusion, additional costs, and barriers to accessing finance and participating effectively in supply chains. This burden is also likely to lead to growing frustration and, ultimately, disengagement from efforts to reduce costs and emissions.

This is a growing issue: the 2025 UK Net Zero Business Census found that 37% of medium-sized firms and 8% of micro-businesses had been asked for carbon data from customers in the past year, with the Federation of Small Businesses similarly noting in May 2025 that 15% of businesses have been asked for this data, up from 9% in 2021. Carbon reporting requirements are increasingly cascading down supply chains, affecting SMEs even though many are not in scope of regulations such as SECR. These requests are typically bespoke, complex, and inconsistent, making it difficult for SMEs to respond accurately. This lack of standardised, high-quality data not only increases cost and administrative burden but also creates supply-chain risk: buyers and partners cannot reliably assess environmental performance, potentially delaying procurement decisions or limiting SME participation in key supply chains.

Globally, around US\$789 billion in sustainable finance is available for SMEs (Sage & ICC, 2024), reflecting growing momentum toward a low-carbon economy. However, despite this commitment, banks struggle to target and deploy green finance proactively. Improving the coverage,



consistency, and quality of sustainability data is essential to support better decision-making, reduce supply-chain risk, and incentivise investment in energy-efficiency measures.

The UK SME Voluntary Emission Standard addresses this challenge. By radically simplifying disclosure, supporting automation, and recommending embedded validation, the Standard streamlines data-sharing and builds a trusted data foundation with interoperability at its core. This enables SMEs to participate effectively in the net zero transition while giving government, buyers, and financial institutions confidence in the reliability and comparability of the data – ultimately reducing supply-chain risk, accelerating access to green finance, and enabling SMEs to remain competitive in sustainable supply chains.

RELATIONSHIP WITH PERSEUS

The UK SME Voluntary Emission Standard defines what needs to be measured and reported – providing a consistent, transparent framework that enables SMEs to disclose their greenhouse gas emissions in a credible and proportionate way.

Perseus, meanwhile, focuses on how this can be done in practice. Perseus is establishing the governance and trust frameworks that enable the secure, permissioned sharing of, in the first instance, energy-use data – the single, critical metric in our simplified standard. This metric was chosen because it is measurable, assurable, and essential for the financial institutions and corporates that rely on it for decision-making.

Automating, securing, and properly permissioning this data-sharing process is fundamental. To achieve this, we are working closely with partners who can help enable and support these mechanisms. Together, the standard and Perseus form a complementary system: the standard sets out the rules and expectations, while Perseus operationalises the trust, governance, and data-sharing pathways that make adoption both credible and scalable. Project Orion will involve leveraging partners, including Ice Breaker One, to automate data collection across all data points included in the UK SME Voluntary Emission Standard.

EDUCATION GAP

In our sessions with SMEs and in feedback from large partners, we identified a significant education gap in carbon accounting terminology and emissions disclosure, which we are looking to address. The complex standard published in our report will not be presented to an SME. Rather, these are the key data points that data collection platforms should ask for and map their questions to. We are working with technology partners to integrate the standard into existing data collection processes, and a key principle for platforms will be to ensure



the standard is written in plain English. As many platforms have integrated carbon calculators, an SME may be able to complete the standard without ever seeing Scope 1, 2, or 3 referred to directly.

Alongside the standard, a consolidated set of guidance for completing the standard will be compiled. This resource will be developed alongside SME-facing stakeholders and will ideally be hosted on the UK Business Climate Hub to support SMEs in completing the standard and, more generally, in upskilling in carbon accounting terminology and processes.

ADDITIONAL DATA

The UK SME Voluntary Emission Standard establishes a clear baseline for what SMEs should be expected to measure and report regarding their greenhouse gas emissions. It sets out the minimum, consistent requirements needed to ensure credible and comparable data across the economy.

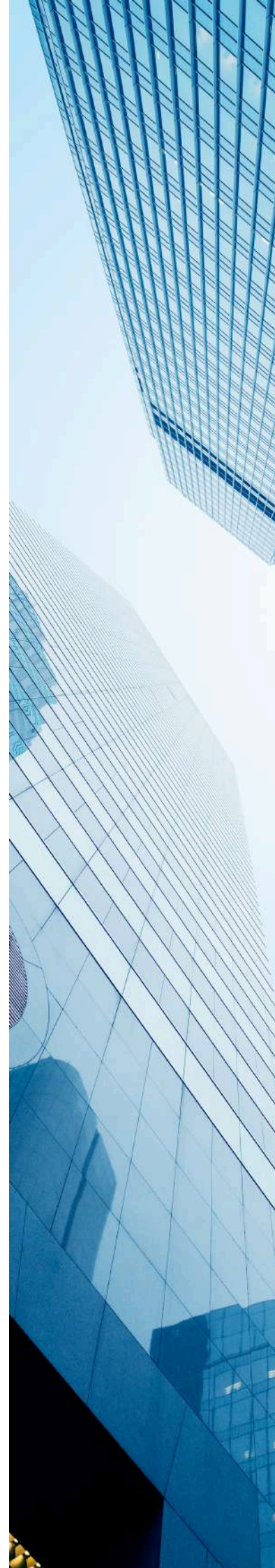
However, the Standard is intended to be a foundation, not a ceiling – stakeholders can, of course, request additional information where necessary to meet specific regulatory, sectoral, or supply chain needs. Using the Standard as the common baseline ensures that SMEs focus on preparing a higher-quality disclosure of emissions data to be shared with multiple partners, while allowing flexibility for deeper or more detailed reporting where relevant and proportionate.

“For SMEs, clarity and efficiency are crucial. Phase 2 of the Taskforce’s work has focused on providing the practical guidance to facilitate the adoption and integration of the standard by both measurement and reporting tools and any businesses looking to adopt the report directly.



This is a vital step towards achieving the goal of any business finding it incredibly easy to report credible emissions once and then share them across multiple partners. This saves time for all involved, prevents overzealous reporting demands, and ensures the data shared is credible. Ultimately, this is about enabling positive action, not creating extra work.”

Scott Harrison, Director, Strategy & Innovation, Experian UK



Technology Sub-Group

The Technology Sub-Group of the SME Sustainability Data Taskforce convened data providers, technology partners, and platform operators to define the rules to support practical implementation. The group focused on setting out the guidance and processes that will allow the UK SME Voluntary Emissions Standard to be applied consistently across platforms, with appropriate processes, workflows, and reference materials developed to support real-world adoption. This included consideration of standard guidance, data tagging, and mechanisms to make reporting as straightforward as possible for SMEs, while ensuring outputs remain consistent and interoperable across the ecosystem. The group also explored governance arrangements, quality assurance approaches, and the principles underpinning a kitemark or trusted certification model. Draft guidance documents produced through this work are included in the annexe of this report and provide a foundation for scalable and flexible implementation across the SME data collection ecosystem.

Scope of Work

The work of the Technology Sub-Group focused on supporting the practical rollout of the UK SME Voluntary Emissions Standard across multiple technology platforms. This phase concentrated on how early adopters – including data providers, aggregators, and SME platform operators – could implement the standard effectively in real-world settings. Key activities included:

- Testing and validating technical integration requirements, data collection workflows, and standardised data tagging approaches.
- Identifying practical challenges and solutions to ensure consistent, SME-friendly implementation across platforms.
- Developing draft guidance, templates, and reference materials to support adoption while allowing flexibility in output presentation.
- Capturing lessons learned and actionable insights on governance, data quality, and operational considerations to inform future implementation and wider market uptake.

Working Group Process

The Technology Sub-Group operated over a three-month period, meeting twice per month to progress shared work, test emerging proposals, and refine the practical elements of implementing the UK SME Voluntary Emissions Standard. Alongside the structured meetings, the group made use of targeted questionnaires to surface views on key design decisions, gather feedback on proposed approaches, and identify priorities for the implementation phase.

Members also collaborated extensively through shared documents, using these spaces to jointly develop and iterate guidance materials, technical considerations, and recommendations. This collaborative process allowed the group to build consensus efficiently, particularly on issues highlighted through the questionnaires – such as key recommendations for implementation, guidance for standardised data tagging and structuring, SME-friendly workflow recommendations, and consistent output requirements.

Together, these activities ensured that the group's conclusions were grounded in collective expertise and reflected a broad consensus across the participating platforms and technology providers.

Sub-Group Members



"This standard eases the reporting burden for SMEs by creating a clear way to collect and share data. As platforms like TrackZero integrate it into our workflows, reporting becomes almost effortless for businesses, creating a strong foundation of high-quality, standardised data that can unlock action across supply chains at scale. We have been delighted to contribute to this process, and it shows how effective ecosystem collaboration can be when we focus on practical, simple solutions that genuinely work for SMEs."

- Oliver Waters, Co-founder and CPO, TrackZero



"Phase 2 demonstrates the power of collaboration: cross-market organisations working together in a pre-competitive environment to turn dialogue into delivery. By standardising emissions data, we are creating a trusted foundation for green finance and supply chain action at scale."

- Gary Styles, Founder & CEO, Zellar



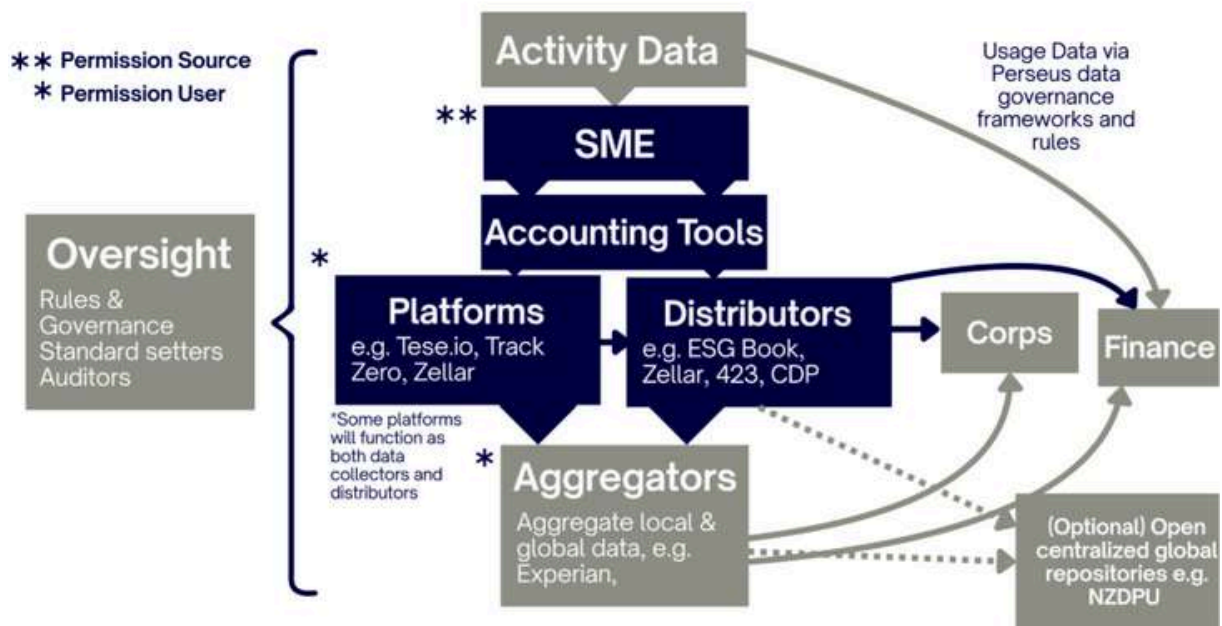
"SMEs form the backbone of the UK economy, yet most lack the tools and guidance to measure and report their climate impact. At the same time, financial institutions and corporates struggle with inconsistent and incomplete emissions data from their suppliers and customers. By combining B4NZ's convening power with Seneca's technical expertise, this initiative aims to break the complexity, creating a common language for disclosure that reduces the burden on SMEs while improving transparency for lenders, regulators, and supply chain partners"

- Jonathan Ha, CEO, Seneca ESG



"Smaller companies find it hard to fathom the labyrinthine requests from large enterprises whose business they need. That's why a single, clear, well-thought-through standard is so important. Do it once a year, use it many times plus set the foundation for what really matters - how is each and every business going to embrace the opportunities of the green economy."

- James Hand, Co-founder, Giki



Caption:

Key Outcomes of the Technology Sub Group

1. **Practical Alignment with the Standard:** The group explored how SME data platforms and service providers can integrate the Voluntary Emissions Standard in practice. This included testing technical integrations, data collection processes, evidence handling, and user workflows, highlighting areas where adoption was straightforward and where clarifications were needed.
2. **Actionable Insights and Draft Guidance:** Insights from early adopters were captured and translated into recommendations. These provide informed guidance on practical implementation, reducing barriers to adoption, and supporting the creation of tools and templates for SME reporting.
3. **Ecosystem Mapping and Best Practices:** The sub-group defined the roles, responsibilities, and requirements within a functioning emissions data-sharing ecosystem. This included establishing best practices for interoperability between platforms, SME usability, data quality assurance, and permissioned access protocols. The work clarified what “good” looks like for a digital ecosystem supporting low-friction emissions reporting for SMEs.

“Embedding the SME Standard into digital platforms ensures consistent and secure data flows, automating what was previously a manual, error-prone process. Phase 2 is a critical step toward making sustainability reporting seamless and actionable across the economy. This also provides the foundation for simple, secure, and automated data sharing with platforms aligned with other Standards, e.g., VSME. This is vital to ensure SMEs are not isolated or restricted to finance opportunities based on regional and geographic location.”



Henrik Micski, Senior Climate Manager, Sage

Technology Sub-Group

Recommendations

Through this collaborative process, the sub-group developed a set of core implementation principles to guide consistent, SME-friendly adoption of the UK SME Voluntary Emissions Standard. The group also agreed on a set of practical recommendations that technology providers and platforms should follow to ensure interoperability, data quality, and a coherent experience for SMEs across the ecosystem.

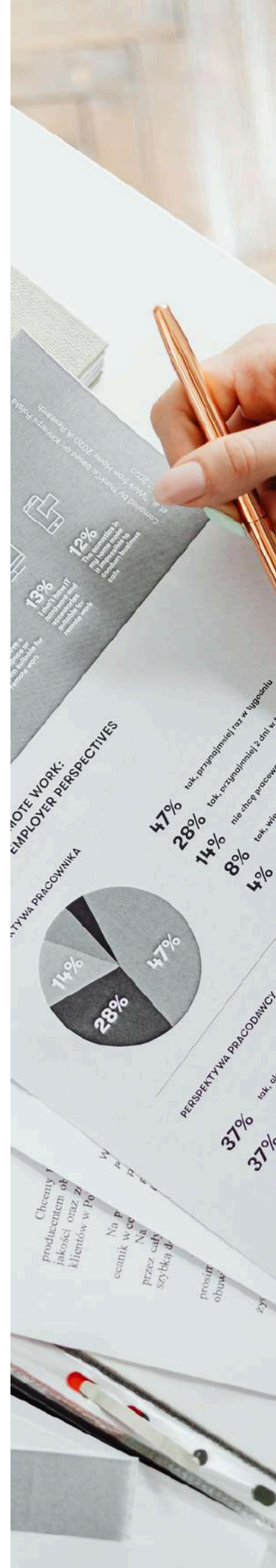
The group agreed on key principles for data collectors to guide implementation. Data collectors should:

- Align with the UK SME VES Standard and adopt streamlined, efficient data collection processes.
- Integrate automated, consent-based data sharing (ideally API-enabled) prior to validation.
- Provide clear guidance and user-friendly data collection tools, embedding data collection within the user or customer journey rather than relying on a standalone questionnaire.
- Ensure validation processes provide credibility and confidence in SME-submitted data.
- Enable automated, consent-based access to key datasets to reduce SME burden and support consistent reporting.
- Provide seamless mechanisms for sharing data with corporates and other authorised parties.
- Signpost SMEs to relevant opportunities, finance, and support services, such as grant schemes, supply chain requirements, or performance benchmarking tools.

The group also makes the following recommendations for organisations looking to implement the standard:

VALIDATION RECOMMENDATIONS

1. To ensure the highest data quality, SME submissions should undergo validation. This is not full third-party verification; it simply confirms that the uploaded evidence aligns with the submission and is broadly consistent with sector and business-size averages.
2. Platforms should have processes in place for spot-checking uploaded evidence. The Taskforce recommends that approximately 5% of uploaded evidence should be spot-checked in the first instance, with platforms retaining the ability to check specific evidence submissions if data recipients submit queries.
3. Platforms should have processes in place for pulling suitable supporting evidence from external sources (such as Companies House) without SME input to reduce disclosure friction.



TECHNICAL RECOMMENDATIONS

- Where the standard is adopted into existing data collection formats, VES questions should be clearly marked to ensure clarity and consistency for data collectors and platforms.
- Data outputs must be standardised in line with guidance in Annexe A & B to ensure that, regardless of the platform used or appearance of the Standard, the data output is consistent.
- Data collectors should use a 'data dictionary' for standardised tagging of data and JSON, XBRL and CSV in line with specified formatting rules (Draft in annexes A & B)
- Require all data outputs to transparently display the emissions calculation input data (with units such as litres or kWh) and the emission factors used in the data output (as per the Carbon Commons project) - and for SMEs using carbon calculators outside of the reporting platform, to disclose which carbon calculator(s) were used. This will address the uncertainty introduced by unknown 'black box' emission factors.

GOVERNANCE AND MEDIUM-TERM RECOMMENDATIONS

1. Introduce an initial self-certification model and provisional kitemark under the SME Voluntary Emissions Standard (VES), enabling platforms and SMEs to demonstrate early alignment without imposing onerous audit requirements.
2. Create a publicly accessible registry of self-certified providers, hosted by a central hub such as the UK Business Climate Hub, to provide SMEs with clarity on trusted solutions and promote market transparency.
3. Transition over time to a formal kitemark ideally administered by the BSI or UK Government, evolving from self-certification to independently verified assurance as the standard and market matures.
4. The UK SME VES should not be a standalone questionnaire but should be embedded into existing processes and user journeys to support data collection and aggregation (the aim of Project Orion). This approach addresses pressure from larger companies cascading down through supply chains and is designed to reduce burden, improve data quality, and enable smoother, more efficient data flows.

The ambition for the governance of the UK SME Voluntary Emissions Standard is to begin with a self-certification model supported by a kitemark, allowing platforms and technology partners to signal their alignment with the Standard. Given that our co-chair, the Broadway Initiative, operates the UK Business Climate Hub, the intention is for a central registry of approved partners to be hosted there.

Over time, the aim is to transition to a centralised governing body responsible for administering the Standard and managing approved partners. B4NZ works closely with BSI and participates in the ISO TC/207/SC7 Working Group 18 on greenhouse gas and climate change management, and we see a strong future pathway for the administration of the Standard to be handed over to BSI. We have also engaged with DEFRA and DESNZ on this work and would welcome their involvement or hosting in the longer term.



Technology Sub-Group: File Formats & Data Quality Considerations

RATIONALE FOR DIFFERENT FILE FORMATS

Different file formats – CSV, XBRL and JSON – support different reporting needs across SMEs and larger organisations.

In SME-to-SME exchanges, smaller businesses often lack sophisticated data systems and therefore depend on simple, readable outputs. Although the underlying data may be delivered in CSV, XBRL, or JSON, SMEs may require an easy-to-use Excel-style export that they can review and manually transfer into their reporting tools.

In SME-to-corporate reporting, larger organisations collecting emissions data from many suppliers need standardised, machine-readable formats. CSV, XBRL, and JSON (including via APIs) enable automated collection, aggregation, and analysis while keeping the process straightforward for SMEs. When SMEs wish to make their emissions information publicly accessible, the core data held in CSV, XBRL, or JSON should be able to generate clear, standardised outputs such as Excel or PDF. This supports visibility, comparability and trust, without requiring end users to work directly with technical formats.

DATA QUALITY IN PRACTICE

Each metric collected under the UK SME Voluntary Emissions Standard is assigned a data quality (DQ) score that reflects the strength, completeness, and reliability of the evidence supporting it. Data quality is assessed per metric, ensuring that each data point is evaluated independently based on the robustness and type of information provided.

In practice, some metrics may consist of multiple underlying data points with varying evidence quality. In these cases, the metric is classified as having Hybrid Data Quality. This occurs when certain components are well evidenced or validated, while others are incomplete, estimated, or based on lower-grade information. Such metrics sit between fully validated and fully unvalidated inputs: stronger than pure estimates but not equivalent to a complete, fully evidenced submission. To maintain transparency and ensure comparability, the overall DQ score for a metric is determined by the lowest level of evidence used within that metric. This “lowest common denominator” approach avoids overstating reliability while still preserving the underlying detail.

Through the standardised outputs defined by the implementation guidance, end data consumers (such as corporates, financial institutions, and other authorised users) receive this granular breakdown, enabling them to:

- See which components of a metric are validated and which rely on modelling or assumptions.
- Prioritise higher-quality elements where relevant.
- Identify areas where SMEs may improve data inputs over time.

This approach provides a clear, consistent, and scalable method for assessing and communicating data quality across all metrics in the ecosystem.

Updated Standard & Rationale

We have consulted a wide range of partners, from large businesses to SMEs, and have refined several questions through the Phase 2 process. These changes are highlighted in bold in the updated standard, but for brevity are summarised as follows:

- **Contextual Question 2 (SIC code):** Updated to include the word “*primary*” to encourage SMEs to provide their main area of activity rather than listing all applicable codes.
- **Contextual Question 3 (workforce size):** Revised to specify *FTE* rather than total employees to provide a more accurate basis for emissions-intensity ratios.
- **Emissions Question 9:** Adjusted to move away from a strict net-zero-by-2050 requirement and instead gauge whether the business is open to reducing its emissions.

<p>CONTEXTUAL QUESTIONS</p>	<ol style="list-style-type: none"> 1. Please share the postcode of your main operational business location: <ul style="list-style-type: none"> • (Optional) Is this location owned or rented? 2. Please share your primary SIC code(s): <ul style="list-style-type: none"> • [A dropdown list using the 2007 SIC reference, including an ‘Other’ option that allows for a short free-text submission.] 3. Total employee headcount (FTE)
<p>EMISSIONS QUESTIONS</p>	<ol style="list-style-type: none"> 1. Emissions intensity ratios: Please can you provide details for the following aspects of your business activity: <ul style="list-style-type: none"> • Total floorspace owned and/or rented (Total Square Meters) • Total company revenue, as per last year of accounts (in GBP) 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. 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. 4. Natural Gas Usage (M3): Report your organisation’s consumption of natural gas in M3. 5. Scope 1 emissions (tCO2e): What were your organisation’s gross global Scope 1 emissions in metric tons CO2e? 6. Scope 2 emissions (tCO2e): What were your organisation’s gross global Scope 2 emissions in metric tons CO2e? <ul style="list-style-type: none"> • Absolute Scope 2 emissions (market-based method): • Absolute Scope 2 emissions (location-based method): 7. Scope 3 Categories Mandatory for PPN006 Compliance (tCO2e): Please report Scope 3 emissions (tCO2e) from the following included sources: <ul style="list-style-type: none"> • Upstream transportation and distribution (Scope 3 category 4) • Waste generated in operations (Scope 3 category 5) • Business travel (Scope 3 category 6) • Employee commuting (Scope 3 category 7) • Downstream transportation and distribution (Scope 3 category 9) • [Respondents can select a ‘not currently recorded’ if they do not have this information]

**EMISSIONS
QUESTIONS
(Cont.)**

8. (Optional) Additional Scope 3 emissions (tCO₂e): 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.

9. Can you confirm that your organisation is committed to reducing its emissions in support of the UK's transition to net zero?

(Optional) Do you have interim emissions reduction targets?

- If yes, are these targets:
- Absolute Emission Reduction Targets (from X tCO₂e in YYYY to X tCO₂e in YYYY, a % reduction of X)
- Emissions intensity ratio reduction targets (X% by YYYY)

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):

- Company policy or behavioural change (e.g. sustainability policies, staff engagement programs)
- Energy efficiency improvements in buildings (e.g. insulation, LED lighting, HVAC upgrades)
- Energy efficiency in production or operational processes (e.g. equipment upgrades, process redesign)
- Reduction of fugitive emissions (e.g. leak detection, improved sealing or containment)
- Switch to low-carbon energy sources (e.g. purchasing renewable electricity, green gas)
- On-site generation of low-carbon energy (e.g. solar panels, biomass boilers)
- Reduction in non-energy industrial process emissions (e.g. using alternative materials or methods)
- Low-carbon transportation initiatives (e.g. EVs, route optimisation, active travel policies)
- Waste reduction and circularity measures (e.g. reuse, recycling, resource efficiency)
- Other (please specify)

11. Leadership Sign Off: a. Is a senior executive accountable for the information presented in this questionnaire? (Yes/No)

- Please share the name and role of the senior executive accountable for the information.
- To the best of your knowledge is the information you have provided complete and accurate? (Yes/No)

• Please confirm the date that a senior executive has signed off this submission: (DD/MM/YY)

- 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.

Next Steps for the SME Standard

MARKET RECOMMENDATIONS - DEEP ENGAGEMENT AND COLLABORATION WITH FINANCIAL SERVICES

Over the last few months, we have engaged a wide range of large market actors to gather their insights on the UK SME Voluntary Emissions Standard. Their input has been invaluable in shaping the direction of the Standard, but we recognise that broader and deeper engagement is still required. We will therefore continue this outreach throughout 2026 to ensure the Standard becomes a robust, practical, and widely supported foundation for SME emissions data capture.

Our engagement approach will continue to rely on 1-to-1 conversations, targeted discussions, and structured questionnaire responses. This enables us to collect detailed, granular feedback, understand organisation-specific requirements, and address any technical or operational issues raised. In parallel, we aim to begin testing elements of the Standard with a set of existing corporate partners and SMEs to understand how it performs in real-world conditions. We intend to share the findings of these trials – anonymised where appropriate – with interested stakeholders to support transparency, build confidence, and inform further refinement.

Through this ongoing cycle of engagement and testing, we aim to ensure the Standard is credible, usable, and reflective of market needs as it evolves.

SME RECOMMENDATIONS – PILOTING, OUTREACH AND DEVELOPMENT OF A CENTRALISED GUIDANCE SOURCE

Over the past few months, we have run a series of focus group sessions with SMEs to understand their needs, challenges, and expectations for the UK SME Voluntary Emissions Standard. This qualitative insight has been essential in shaping revisions to the standard set out below, and we will continue hosting these sessions throughout 2026 to gather deeper and more diverse feedback from businesses of different sizes and sectors.

To complement this, we plan to undertake a larger-scale SME survey to generate robust, trusted quantitative evidence on how the Standard is perceived, where further support is needed, and how it can be made as practical and accessible as possible.

Building on this engagement, our next steps for SMEs are:

- **Piloting** – Testing elements of the Standard with a representative group of SMEs to understand usability, data capture processes, and any barriers to adoption, with insights used to refine and improve the framework.
- **Outreach** – Expanding engagement to reach SMEs across the UK, including through business networks, local intermediaries, and sector bodies, ensuring the Standard reflects the realities of diverse business models.



- **Development of a centralised guidance source** – Working with partners to create a clear, accessible hub of supporting materials to help SMEs understand what is required, how to report, and where to find practical tools and support.

TECHNOLOGY – NEXT STEPS FOR GOVERNANCE PROPOSAL AND REFINING GUIDANCE (IN ANNEXES)

The Technology Sub-Group will now transition from a regular fortnightly meeting cycle to convening on an ad-hoc basis as specific pieces of work arise. In the coming months, the group will be asked to review and refine the emerging guidance documents, provide input on proposed testing approaches for the Standard, and support deeper technical interrogation where needed. We will also reconvene the group to consider governance-related issues as these develop, ensuring that the technical perspective is fully represented in future decision-making.

Annexes

In the external materials below, we have provided links to additional data quality guidance and guidelines developed by the Technology Working Group. These Annexes will be further developed in the next phase of the work.

Annexe A – Draft Data Structure and File Format Guidance

This annexe provides guidance on how data reported under the UK SME Voluntary Emissions Standard (VES) should be structured to ensure consistency, transparency, and machine readability across platforms.

Annexe B – Draft Data Tagging Guidance

This annexe defines the data tagging conventions for all fields under the UK SME Voluntary Emissions Standard (VES). Its purpose is to ensure outputs are consistent, machine-readable, and transparent.

Annexe C – Draft Data Quality Evidence Examples

This draft table outlines potential approaches to assessing data quality per question or attribute. The guidance is aimed at platform-level implementation rather than SME-level detail, and is intended to provide a starting point for discussion and refinement.

