

Engagement Guide

The <u>SME Climate Hub</u> welcome anyone to share information about the Hub and our free tools and resources with SMEs in their network or value chain.

This guide is designed to help organizations with SMEs in their network or value chain (ex. large corporate, bank, business association, NGO, etc.) engage SMEs in climate action and share a consistent message to maximize impact. Leveraging the resources of the <u>SME Climate Hub</u>, this guide recommends steps to take to communicate with SMEs and provides links to key <u>SME Climate Hub</u> information and learning resources which may be useful.

1. Select which information and resources to share

- Introduce SMEs to the SME Climate Hub
- help SMEs find the right SME Climate Hub action tools and resources
- Call on SMEs to make the SME Climate Commitment
- Call on SMEs to report through the SME Climate Hub
- Connect SMEs to SME Climate Hub region and country pages
- Highlight SME Climate Hub case studies and SME stories
- 2. Identify the best method for communication
- 3. Consider incentivizing action

WHAT ABOUT BUSINESSES THAT ARE LARGER THAN 500 EMPLOYEES?

In addition to inviting eligible SMEs (500 or fewer employees) to use the SME Climate Hub tools and resources, you can also share the <u>Mobilize Your SMEs</u> page with larger businesses in your network. Encourage these larger companies to share SME Climate Hub information with their network, which will reach more SMEs and create a cascading effect of net-zero commitments and emissions reductions.



1. Select which information and resources to share

The <u>SME Climate Hub</u> has a number of different resources available. To get started, you can review the information below and plan a learning journey for your SME partners sharing all or some of the resources, depending on your organization's goals. You can then tailor the text in our Welcome Letter template or leverage the information and links from the options below:

Introduce SMEs to the SME Climate Hub

You could start with an introduction of what the SME Climate Hub is and encourage SMEs to explore the platform for themselves.

The SME **Climate Hub**

The SME Climate Hub is a global initiative that helps small and mediumsized enterprises (SMEs) - those with less than 500 employees - to make a climate commitment, take action, and measure their progress towards emissions reductions. All tools and resources on the SME Climate Hub are free and specifically equip the SME community to take climate action.

The SME Climate Hub is an initiative of the We Mean Business Coalition, the global non-profit catalyzing business and policy action to halve global emissions by 2030. The initiative was co-founded and is operated in partnership with the Exponential Roadmap Initiative and the UN Climate Change High Level Champion's Race to Zero campaign, in collaboration with Normative.

The initiative is also the key entry point for SMEs to join the Race to Zero campaign — an international campaign that brings together an unprecedented coalition of real economy actors and 120 governments committed to achieve net-zero emissions by no later than 2050.

Help SMEs find the right SME Climate Hub action tools and resources

Climate action topics may be unfamiliar for many SMEs. Simply asking SMEs to make the SME Climate Commitment or to report through the SME Climate Hub may be difficult as many SMEs may not know how to get started.

The <u>SME Climate Hub</u> action tools and resources support SMEs along their climate action journey from understanding basic climate-related topics, to calculating their GHG emissions, through to setting and implementing targets aligned with science.

All tools and resources are free and available to any SME regardless of commitment status. A brief description of the SME Climate Hub tools can be found below.

Action Courses

The SME Climate Hub Action Courses are free, practical e-learning courses that help small and medium-sized companies reduce their carbon emissions. These learning modules target high-emitting industries and topics, with additional resources currently in development. By taking climate action through the Action Courses, businesses can access new business opportunities and increase their long-term resilience.



The SME Climate Hub Action Guides outline in simple and concise terms how SMEs can take action to reduce their emissions. The guides are linked to the different categories in our SME Reporting Tool and provide concrete steps to address the majority of emissions across all scopes. Current topics include:

Action Guides

- Setting Climate Targets
- Engaging Suppliers with Climate Action
- Reducing Emissions from Office Buildings
- Reducing Emissions from Data and IT equipment
- Reducing Emissions from Freight and Goods Transport
- Reducing Business Travel Emissions
- Quantifying Emissions
- Installing On Site Renewable Energy Production

Business Carbon Calculator

The Business Carbon Calculator was developed by Normative for the SME Climate Hub with support from Google.org. The Calculator is optimized for small businesses (50 employees or less) and enables SMEs to measure their carbon footprint and identify emission hotspots. Small businesses input easily accessible data – such as the size of their facilities or their spend on electricity – into a simple-to-use form. The resulting output establishes a baseline footprint covering Scope 1, 2 and 3 emissions, from which to take action through the suite of tools on the SME Climate Hub.

Climate Fit

Climate Fit is a comprehensive, step-by-step educational course to support SMEs to reduce their emissions by setting targets and making operational changes. Businesses can learn tactical advice to reduce emissions in their operations, supply chains, and design. The SME Climate Hub developed Climate Fit in partnership with BSR and the Cambridge Institute for Sustainability Leadership (CISL). The course is free, available online globally, and self-paced for accessibility.

<u>Financial</u> <u>Support Guide</u>

To help spur engagement between financiers and SMEs, the SME Climate Hub worked in partnership with BSR and the Cambridge Institute for Sustainability Leadership (CISL) to launch an online guide to help businesses access existing financial support to reduce emissions. The resource is interactive and provides practical tools, such as email templates and business success stories.



Call on SMEs to make the SME Climate Commitment

You could invite SMEs to make the <u>SME Climate Commitment</u>. You will set the tone of urgency in the invitation and can decide if this commitment will be optional or required for your SME partners.

The SME Climate
Commitment

The SME Climate Commitment is a public net zero commitment aligned with science and the requirements of the Race to Zero campaign. The Commitment process is free and includes a simple sign-up and due diligence process. The SME Climate Commitment is a great starting place for SMEs to immediately commit and begin taking action on their scopes 1, 2, and 3 emissions, and publicly report on that action to their customers or other stakeholders.

The Supplier Cascade:

A Practical Approach to Accelerating Supply Chain Decarbonization

The Supplier Cascade is an action-oriented and practical approach designed to help companies manage the emissions in their supply chains by focusing on one area that an organization can directly control. The Supplier Cascade has been designed to kick start climate action through the supply chain by helping businesses to ask their Tier 1 suppliers to:

- make a credible net zero commitment aligned with science (including the
- <u>SME Climate Commitment</u>);
- start a cascade by asking all their own Tier 1 suppliers to do the same; and
- report progress on their targets and supplier action annually.

The Supplier Cascade has been created by the We Mean Business Coalition, in partnership with BSR, CDP, Ceres, Environmental Defense Fund (EDF), the SME Climate Hub and in collaboration with the Science Based Targets initiative (SBTi).

Learn more about The Supplier Cascade here.

SUPPLIER CASCADE

Call on SMEs to report through the SME Climate Hub

To gather emissions data, understand an SME's progress towards net zero, and encourage transparency, you can request that SMEs report through the <u>SME Climate Hub</u>.

The SME Reporting Tool Reporting is required annually for SMEs after they make the SME Climate Commitment. SMEs may also want to publicly disclose progress to key stakeholders including customers, banks, and employees, and to provide reports as a basis for establishing strategy and action. To facilitate these needs, the SME Climate Hub has developed an interactive reporting tool.

All reports are made publicly available on the SME Climate Hub website and can be accessed through <u>Our SMEs</u> page.

Connect SMEs to SME Climate Hub region and country pages

SMEs are often searching for climate action information and resources specific to the geography in which they or their operations are located. In cases where your SMEs are located in a specific region or country, you could consider directing SMEs to the SME Climate Hub's region- or country-specific pages:



India

Latin America and the Caribbean

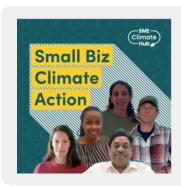
Middle East and North Africa

United Kingdom

United States

highlight SME Climate Hub case studies and SME stories

SMEs often want to understand SME climate action practices by learning from their peers' experiences. The <u>SME Climate Hub</u> gathers and shares case studies and examples of how members of the <u>SME Climate Hub</u> community are taking climate action all over the world.



SME Stories



2. Identify the best method for communication

Next, in order to share the above resources, you should identify the best method of communication to reach your SME partners.

You should also determine who this information should come from and how frequently it should be delivered.

COMMUNICATIONS CHANNELS TO CONSIDER:

- Direct email communication
- Online platform, such as a supplier portal or organization website
- Non-interactive contact, such as newsletters
- Open events
- Interactive meetings
- Webinars & videos

3. Consider incentivizing action

Deploying incentives to drive SME climate action can be a powerful mechanism to accelerate progress. Incentive approaches can vary. You should work to determine which measures are feasible within your organization and how to implement them.

INCENTIVE MECHANISMS TO CONSIDER:

- Recognition either publicly or amongst key audiences
- Sharing learnings and resources
- Providing free capacity building support or technical assistance
- Access to finance or funding
- Preferential financing terms
- Preferential business or contractual terms
- Implementing contractual and/or procurement requirements

Incentives could be connected to an SME making the <u>SME Climate Commitment</u>, reporting through the <u>SME Climate Hub</u>, and/or completing <u>SME Climate Hub action courses</u>. Incentives should be clearly and consistently communicated to suppliers to ensure understanding of the requirements.

For more information and to review answers to common questions please visit our FAQs page.

