



## **B4NZ SME Data Taskforce - WG5 - January 16**

### **Meeting Purpose**

To review progress on the SME Data Taskforce standard and discuss key issues surrounding its implementation and adoption, with a focus on refining the standard and planning for the next phase of work.

### **Key Takeaways**

- The standard is nearing completion of its initial phase, with focus now shifting towards developing an adoption strategy and finalising recommendations.
- Ongoing alignment efforts are in progress with government bodies, EU initiatives, and international standards organisations to ensure consistency and relevance.
- There was debate over reporting frequency, weighing the options of annual versus a 2-3 year validity to data. The group needs to balance the burden on SMEs against the currency of data.
- The group agreed to keep micro-businesses within the scope of the standard, whilst recognising the need to provide additional guidance on the feasibility of data collection for businesses of different sizes.

### **Topics**

#### **Project Timeline and Next Steps**

- Three more working group sessions are planned through May 2025, outlining a clear roadmap for completion.
- The next session will cover the proposed adoption strategy, addressing concerns raised by members about the need for this discussion.
- The group is in the process of wrapping up recommendations and finalising the SME data standard in the coming months.
- Plans are underway for a report launch in Parliament, with the date yet to be confirmed. All members will be invited to attend this significant milestone.

#### **External Engagement Updates**

- The taskforce continues to work in alignment with the Broadway Initiative and UK Business Hub, ensuring coherence with other industry efforts.
- Productive discussions have been held with the Cabinet Office regarding alignment with the PPN 06/21 procurement standard, exploring potential for further integration.
- Engagement is ongoing with the EU FRAG team concerning their voluntary SME reporting standard, with a focus on creating interoperability between the standards.



- Collaboration with ISO is progressing well, particularly on the development of a net zero standard that includes an SME annex.
- A connection has been established with the Willow Review team, which is examining the economic benefits of sustainability for businesses.

### **Data Standard Refinements**

- The group discussed how to better capture business activities beyond the limitations of SIC codes, recognising the need for more nuanced classification.
- There was debate over the inclusion of both absolute and intensity-based emissions targets, acknowledging the different needs of growing businesses.
- Agreement was reached to provide more structured options for emission reduction initiatives, balancing simplicity with comprehensiveness.
- The group considered the different needs of financial institutions and the agriculture sector, potentially requiring separate approaches or annexes to the standard.

### **Reporting Frequency**

- An initial proposal for a 3-year validity period for reported data was put forward but met with mixed reactions.
- Several members argued for annual reporting to enable effective progress tracking and alignment with other reporting cycles.
- A compromise was suggested of a 1-2 year cycle, with annual reporting recommended as best practice.
- The group agreed to develop detailed proposals on reporting frequency and seek consensus in the next session.

### **Segmentation Approach**

- After careful consideration, the decision was made to keep micro-businesses within the scope of the standard, recognising their significant contribution to the economy.
- The group acknowledged the need for clear guidance on the feasibility of data collection for businesses of different sizes.
- A suggestion was made to develop an "easy/medium/hard" grading system for each data point, to help businesses understand what is expected of them.
- Rather than formal segmentation, the group agreed to focus on providing plain English guidance to support businesses of all sizes in completing the standard.

### **Next Steps**

- Update the data standard based on the feedback received and share a new iteration with the group for review.
- Develop detailed proposals on reporting frequency, considering the various perspectives shared, for group review in the next session.



- The Secretariat will prepare communication materials for working group members to distribute to SME focus groups for testing and feedback.
- Develop preliminary guidance for each question/attribute to aid understanding and provide pointers on where to locate relevant data.
- Conduct a segmentation exercise for each attribute, similar to the ISO approach, to assess the ease of access for specific groups of SMEs.
- Explore the possibility of setting up SME focus groups to test the standard and gather real-world feedback on its usability and relevance.
- Continue one-on-one discussions with working group members to gather more in-depth insights and address individual concerns.
- Prepare for the next session, which will focus on the adoption strategy for the standard, ensuring all members are prepared to contribute to this crucial discussion.