



Rules for reporting

What are the SME Climate Hub reporting requirements?

In line with the SME Climate Commitment and the criteria for continued membership of the SME Climate Hub and the United Nations Race to Zero campaign, SMEs are required to publicly report progress against short-term and long term targets as well as actions through a *climate report*. The following is required of SMEs:

- Annual disclosure of progress against emissions¹ reductions targets, and of actions being taken.
- Fulfilment of SME Climate Hub requirements on reporting, which are anchored in the United Nations' Race to Zero [starting line criteria](#).²
- The report should include up to date information for the most recent financial reporting year.
- SMEs deviating from the target trajectory to halve emissions by 2030 should clearly explain their deviation and the actions they are taking in order to reach the target, either through the reporting tool or in their own public report.

In which form can the climate report be provided?

The climate report can be completed using the SME Climate Hub reporting tool or by uploading a report on the SME Climate Hub, if another tool or method has been used.

What is the SME Climate Hub reporting tool?

The SME Climate Hub reporting tool is provided as a free resource to enable SMEs to create a climate report summarising their annual greenhouse gas emissions, including the actions they are taking and the impact of their emissions reduction efforts. The tool is designed specifically for SMEs and the report and its data can be integrated into annual business reports, shared on company websites, or communicated to customers and funders. The tool is based on the [SME Climate Disclosure Framework](#) which has been developed by CDP, Exponential Roadmap Initiative and Normative for the SME Climate Hub for the SME Climate Hub.

¹ "Emissions" is used as an abbreviation for Greenhouse Gas Emissions

² UN Race to Zero states: Report publicly progress against both interim and longer-term targets, as well as the actions being taken, at least annually. Report in a standardised, open format.

What is the benefit of reporting through the SME Climate Hub reporting tool?

By reporting through the SME Climate Hub reporting tool, SMEs will ensure they fulfil the SME Climate Hub reporting requirements and also get help and supporting information to simplify the reporting process.

The report data (which can be downloaded) will allow for comparison of emissions year to year. The reporting tool will be further developed in line with the latest climate science and leading practices. The tool is developed with simplicity in mind, which is essential for SMEs.

Since many customers and financial institutions request climate reports from suppliers, we expect that reporting through the SME Climate Hub reporting tool will turn into a business advantage for SMEs.

When shall the first climate report be provided?

From December 2022, SMEs shall provide their first progress report, within 18 months of making the SME Climate Commitment.

SMEs which have joined the SME Climate Hub in 2020 shall provide their first report in Q1 2023.

SMEs which have joined the SME Climate Hub in 2021 shall provide their first report by July 2023.

SMEs which have joined in 2022 shall provide their first progress report within 18 months of making the SME Climate Commitment.

What will happen if an SME does not provide a climate report?

SMEs who fail to deliver their report will no longer be counted amongst SME Climate Hub signatories and will be removed from the SME Climate Hub website and the UN Race to Zero website.

As highlighted above, the SME Climate Hub will provide committed SMEs with reasonable time to meet the reporting requirements. In 2022, SMEs will be given extra time as the reporting tool and rules for reporting have just been launched.

Can reporting requirements be fulfilled without using the SME Climate Hub reporting tool?

If preferred, an SME can develop an annual climate report without using the SME Climate Hub reporting tool. The report should be made publicly available, include the required data points (see mandatory requirements below), and be uploaded to the SME Climate Hub.

Which reporting requirements are mandatory?

The SME Climate Hub reporting tool contains mandatory questions, in line with SME Climate Hub requirements, which are anchored in the United Nations' Race to Zero [starting line criteria](#):

- Own emissions (Scope 1 & 2)
- Actions to reduce emissions
- Comments on progress

This information should be covered if a company chooses to disclose progress through its own reporting format, rather than through the SME Climate Hub reporting tool. Note that the impacts of climate solutions and investments in carbon credits ("compensation") should always be reported separately from emissions, and not deducted.

What are the optional reporting requirements?

The SME Climate Hub reporting tool also includes highly recommended - but non-mandatory - questions, which provide an opportunity to report on the company's overall climate strategy and progress. Non-mandatory questions include:

- Value chain emissions* (Scope 3)
- Management and strategy
- Climate solutions (solutions which enable customers to avoid emissions)

**Value chain emissions (Scope 3 emissions) are key to lowering your emissions, but they can be difficult to measure. The SME Climate Hub expects SMEs to develop value chain emissions reporting over time. Businesses at the start of their climate action journey might report that they are not yet measuring their value chain emissions but take concrete action. An SME that is further along in their climate action journey will be measuring their key value chain emission categories and be taking action.*

Will the report be publicly accessible?

The disclosed report and data provided through the tool will be made public through the SME Climate Hub, in line with the [SME Climate Commitment](#). Participating SMEs will be able to access their full report and data through their SME Climate Hub dashboard.

Will the SME Climate Hub check the quality of the report?

- The SMEs providing their reports are responsible for the quality of their own data.
- The SME Climate Hub will check that the mandatory data points have been covered.
- The SME Climate Hub does not take responsibility for reviewing the content in the reports but will do sample assessments (on both reports produced through the SME Climate Hub reporting tool and public disclosure via external reports).
- Basic data integrity checks will also be done, including spot checks on boundaries and year on year progress monitoring.
- The sample assessments will be reviewed by a group of experts from academia, climate science and business.

What happens if an SME provides an incomplete report?

In order to complete a report through the SME Climate Hub reporting tool, all mandatory questions must be answered. There may be areas (for example in value chain emissions), where an SME can not provide complete data, which is understandable at the beginning. The SME Climate Hub will expect to see improvements year over year. The challenges highlighted in the submitted reports will also be used as a basis for developing further support for SMEs.

What happens if there are errors or missing data in the report?

The quality of the data is the responsibility of the SME completing the report. If an SME identifies errors or missing data after closing its report through the SME Climate Hub, the SME will be able to add comments on this, but it will not be able to change the initial report.

What happens if the SME does not demonstrate progress on the commitment over time?

SMEs should do their utmost to deliver on their commitment, address deviation from targets and take corrective actions if they are not delivering according to their commitment. Through the SME Climate Hub reporting tool, SMEs can highlight key challenges they are facing and what support they need to remove blockers. More specifically, for an SME that has made the SME Climate Commitment:

- Progress over time is expected, especially with regards to the goal to halve emissions before 2030.
- Progress is not expected to be linear (i.e. you might see more progress one year than another).
- A 2-5 year timeframe will be generally applied for assessing progress.

SME Climate Hub reserved rights

The SME Climate Hub reserves the right to remove an SME from its list of signatories and from partner websites at its discretion, for reasons including reputational concerns, non-compliance with commitment requirements, or failure to update the SME Climate Hub on relevant business changes.

In cases where an SME ceases to exist (e.g. through a merger or an acquisition), we kindly ask you to inform the SME Climate Hub of this change to ensure the public list of participating enterprises can be kept up to date.