



CLIMATE FIT

SEVEN STEPS TO NET ZERO

Small and medium enterprises (SMEs) account for around 90%¹ of global businesses and half of all employment. In a world facing an urgent climate crisis, SMEs have a significant role to play in reducing carbon emissions. More than this, by bringing climate action into the heart of their operations, founders can build resilience, meet the changing needs of consumers and investors, and ensure the long-term health of their business - and the planet.

The primary reason reported by SMEs for not taking climate action is not knowing what to do. It can seem an insurmountable challenge, and difficult to know where to start. Yet, moving towards net zero and affecting positive change for the planet is an important step for SMEs to future-proof their business. To help, experts from the University of Cambridge Institute for Sustainability Leadership (CISL) and Business for Social Responsibility (BSR™) have outlined seven clear, achievable steps to help SMEs enable climate action and join the race to net zero.

BECOMING CLIMATE FIT

1 GOVERNANCE & STRATEGY: Turn ambition into action.



To avoid the worst effects of climate change, we need to restrict the increase in temperature to no more than 1.5 Celsius. To achieve this, every business needs to embed climate goals, and specifically net zero, within their long-term business strategy and value proposition. This can be accomplished by tailoring your mission and vision statements to incorporate your climate ambitions.

Of course, ambitions must be met by sufficient action. Understanding which areas of your business will be affected by your climate strategy and how you can facilitate progress and mitigate risks is key to success. Clearly identifying roles, responsibilities and accountability will help you track, report and ensure continuous improvement whilst maintaining enthusiasm for the vital work you are doing.

2 OPERATIONS: Reduce operational emissions through energy efficiency, emission reductions and renewables.



By incorporating simple, practical solutions within the workplace, and taking advantage of new technologies and incentive programmes, you can reduce greenhouse gas emissions, cut costs and increase energy security.

Switching to renewables, addressing transportation fleets, minimizing the impact of business travel, reducing waste and preventing high energy loss - for example through the operation of commercial buildings - all helps to reduce your company's environmental impact.

3 SUPPLY CHAIN: Reduce the emissions you don't directly own or control.



Most of your business's emissions are probably found in your value chain rather than in your direct operations. But just because a business does not directly control those 'Scope 3' emissions, it does not mean they can't or shouldn't take action. By working directly with your suppliers, aligning procurement practices with your climate ambitions, and mapping your GHG hotspots, you can focus your attention on improving areas that are causing the greatest impact, and where you're likely to be able to affect the most change.

Buyers can be an ambassador for change by helping bring their suppliers along on the climate journey. The majority of businesses do not know their emissions footprint. By taking the opportunity to engage in dialogue with suppliers about climate action, you can work towards achieving a sustainable supply chain, driving more companies towards a unified goal of net zero.

4 DESIGN FOR NET ZERO: Create products and services designed for good.



Ever-increasing consumption is putting a strain on natural resources. What's more, a huge amount of waste is created by planned obsolescence, meaning that products are designed to wear out on purpose, like incandescent light bulbs. We have the potential to change this by reshaping the way we design and use products.

A background in design is not essential either. What is required is the ability to implement a life cycle thinking approach and design for best performance with least negative impact.

5 FINANCE: Commit to decarbonization and gain a competitive edge.



Transitioning to net zero requires investment, but can open up new opportunities that enhance your access to capital, in addition to lowering your operating costs. Once you have made a commitment to reduce emissions, it is important that you identify which decarbonization projects to focus on first and how they will be funded.

By setting out a clear plan for ranking different ideas, you can focus on building a solid business case for your top-priority project and decide which financing option would work best for you. By investing in climate action your business stands to gain a competitive edge, staying ahead of the curve with regulatory changes, and improving your business resilience.

6 PEOPLE & COMMUNITY: Bring people with you on your net zero journey.



Reaching net zero cannot be accomplished by one person alone: it's a team sport. It's up to you to educate and inspire your staff and colleagues with your climate goals. Through shared responsibility, collective ideas and awareness of how those impacted by climate change will be affected by your efforts, you can drive your plan forward and achieve your goals faster.

From here, you can extend your climate goals into your community, increasing the resilience of your business and providing opportunities for attracting talent, collaborating with local partners, and developing local support - as well as helping support and build the resilience of the community itself.

7 NET ZERO STORYTELLING: Tell your story and grow your business.



The past year has seen a huge rise in demand for sustainable goods and services. Brands that take action and champion the needs of their consumers will be rewarded with their loyalty and advocacy, so awareness and effective communication is essential.

Each net zero story is unique, and yours is no exception. By writing an honest account of your progress that aligns with your business's mission and vision, you can use your efforts to decarbonize as a way of reaching the hearts and minds of your customers.

Continuing to adapt and update this story as you continue on your journey will help to avoid 'greenwashing'. After all, you don't need to spend time and money claiming to be green in your marketing strategy - you now have climate action integrated throughout your business and that will do the talking for you.

THE TOOLS YOU NEED TO TRANSFORM YOUR BUSINESS

The race to net zero starts here. Join our supportive community at the starting line.

[Climate Fit](#) is a free online training course that offers the tools small and medium businesses across the globe need to make informed decisions about how to reduce their carbon emissions. Developed by the University of [Cambridge Institute for Sustainability Leadership \(CISL\)](#) and [Business for Social Responsibility \(BSR™\)](#), in partnership with the [We Mean Business \(WMB\) Coalition](#) and hosted through the [SME Climate Hub](#), this modular course is suitable for both beginners and those in leadership roles.



Climate Fit guides learners through the decarbonisation journey via a customised programme designed to educate and inspire. Each of the seven modules is self-paced and takes approximately 30 minutes to complete, with insights and coaching from world-renowned eco-athletes.

By completion, participants will have the practical skills, knowledge and confidence to feel empowered to take action towards transformational change.

Join the race to zero: get #ClimateFit today:
<https://smeclimatehub.org/climate-fit/>

[1] <https://www.carbontrust.com/resources/the-journey-to-net-zero-for-smes>