

**BUSINESS
IN THE
COMMUNITY
IRELAND**



Climate Action
Programme for
SMEs

Climate Action Programme for Small and Medium sized Enterprises (SMEs) Insights Paper

November 2025



Leaders in sustainability and social inclusion



Table of Contents

| | |
|----|---|
| 3 | Foreword |
| 4 | Executive Summary |
| 8 | Programme Partners |
| 12 | Introduction |
| 12 | Is Another Climate Action Programme Necessary? |
| 15 | Insights From Current Literature |
| 15 | Resilience Is the New Sustainability |
| 15 | Supplier Engagement And Scope 3 |
| 19 | Standardisation And Voluntary Disclosures |
| 22 | Insights from the Climate Action Programme |
| 33 | Recommendations Based On Programme Insights and Research |
| 35 | Conclusion |
| 36 | Acknowledgements |
| 37 | Citations |



01

Foreword

At Business in the Community Ireland, our mission is clear: to build a sustainable, low-carbon economy where everyone thrives.

This vision cannot be achieved by any one actor alone - it demands collaboration across every sector and every link in the value chain.

That is why we are very pleased to be working with our partners on this programme, **Bank of Ireland, ESB, SSE Airtricity** and of course **Business in the Community Northern Ireland**.



Ireland faces a critical moment.

Despite our commitments, we are lagging behind in reducing greenhouse gas emissions, and the impacts of a changing climate are already being felt - through more frequent extreme weather events, pressure on ecosystems, and risks to our communities and businesses.

The urgency to act has never been greater. Large companies have a unique opportunity - and responsibility - to lead.

By supporting small and medium-sized enterprises (SMEs) within their value chains, they can accelerate climate action where it matters most.

SMEs form the backbone of our economy, yet many lack the resources and expertise to navigate the transition to low-carbon practices.

When larger organizations step up to share knowledge, tools, and investment, they create ripple effects that strengthen resilience and competitiveness across the entire economy.

The insights and recommendations gained through this programme are a valuable resource for all stakeholders.

They demonstrate what is possible when businesses work together and provide practical pathways for action

But insights alone are not enough -

they must be matched by commitment and collaboration. Every effort counts. Every partnership matters.

We invite you to read, reflect, and act.

The time for incremental change has passed - now is the time for bold, collective action.

Let us seize this opportunity to work together and ensure that Ireland not only meets its climate targets but builds a future where businesses, communities, and nature thrive side by side.

Tomás Sercovich

CEO, Business in the Community Ireland

02

Executive Summary

Business in the Community Ireland, along with our partners Business in the Community Northern Ireland, Bank of Ireland, ESB and SSE Airtricity are delighted to have completed Phase 2 of our **Climate Action Programme for SMEs**.

This year 60 participants took part in the programme, which was a considerable growth on our pilot programme in 2024.

Our ambition will be to grow this number further in 2026.

This programme came about out of a recognition on the part of BITC and our members that there is a collective responsibility to support small and medium sized enterprises (SMEs) to decarbonise.

In particular, to support the SMEs in the value chains of our members.

Over the two iterations of the programme, there has been significant appetite amongst SMEs for training, reflecting a recognition on their part that availing of this upskilling opportunity is about resilience and a continued ability to operate.

The Programme Structure

The programme structure includes one day of **Carbon Literacy Training¹**, delivered in-person.

In this part of the programme, the participants are brought through 4 modules.

This was followed by two half day online workshops.

The first focused on measuring GHG emissions and the second explored how to develop a climate strategy.



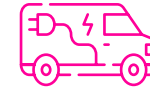
- **Module 1 explores the climate science.**



- **Module 2 dives into the impact of climate change on the environment and on people.**



- **Module three covers tools and frameworks for reporting and disclosing.**



- **Module 4 looks at the reasons for taking climate action and the ways in which change is already taking place.**

The objective of the programme for Phase 2 has been to;



Increase

- Increase the participants' knowledge of climate impacts and risks, of greenhouse gas emissions, reporting, data processes and the role SMEs can play in supply chain **decarbonisation**.
- Increase the scale of the programme.



Identify

- Identify insights on how to engage the harder-to-reach SMEs in the supply chains of participating companies



Build

- Build internal capacity within our member businesses to support SMEs
- Build knowledge and insight on how larger businesses can collectively work together to support SMEs to decarbonise.

Insights From The Programme

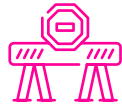
The programme surfaced several important insights that should inform future strategies for SME engagement and support:



Larger Businesses Acknowledge Their Responsibility

There is a growing understanding among large companies that they have a responsibility to support SMEs in their supply chains to decarbonise.

This recognition is a critical foundation for meaningful Scope 3 emissions reductions.



SMEs Are Willing But Constrained

The challenge for SMEs is rarely about ambition. There is a strong appetite to take climate action, but feasibility remains a major barrier.

Economic constraints, information gaps, and limited capacity make it difficult to allocate resources without clear guidance or financial incentives.



SMEs Are More Mature Than Perceived

Many SMEs are already engaged in sustainability and are further along in their climate journey than is often assumed.

They are tracking emissions, setting goals, and implementing practical actions across energy, transport, and operations.



Standardisation Is Both A Help And A Hurdle

While standardised reporting frameworks can reduce confusion and improve comparability, they also risk disadvantaging SMEs with fewer resources.

Careful design and support are needed to ensure inclusivity.



Persistent Challenges Remain

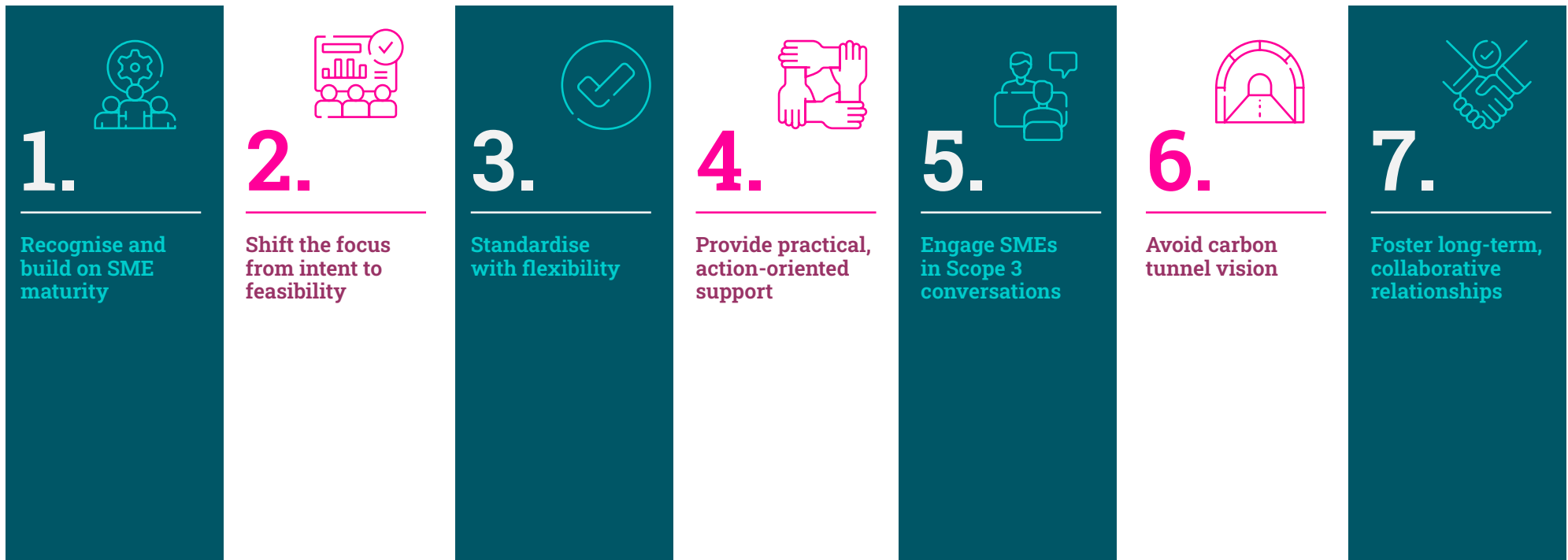
SMEs continue to face barriers such as limited access to charging infrastructure, lack of tailored support for service providers, and difficulty navigating complex reporting requirements.

These challenges must be addressed to unlock their full potential.

These insights reinforce the need for targeted, practical, and collaborative approaches to SME climate action - led by both large businesses and government bodies

Recommendations Based On Programme Insights

Note:- Additional text in relation to the Recommendations is available on page 33.



The Climate Action Programme for SMEs sits alongside and feeds into another of our collective action initiatives, [Accelerate, The Business Pact for Climate and Nature](#).

Accelerate is the BITCI platform to support business to develop Climate Transition Plans aligned with net-zero goals, and support companies to take action in nine key areas for holistic change.

03

Programme Partners

Our programme partners this year were **Bank of Ireland, ESB and SSE Airtricity**

[Bank of Ireland](#), [ESB](#), and [SSE Airtricity](#) came together to collectively support Ireland's transition to a net zero economy.



Bank of Ireland has set science-based targets and committed to aligning its lending and operations with the Paris Agreement, aiming for net zero by 2050 while providing over €15 billion in sustainable finance and tailored supports for SMEs to decarbonise their businesses.



ESB's "Driven to Make a Difference" strategy targets net zero by 2040 through large-scale renewable generation, resilient infrastructure, and empowering customers and communities to adopt clean technologies.



SSE Airtricity, part of SSE plc, is committed to net zero across its operations by 2040 and its wider value chain by 2050, offering practical tools like energy audits, green power purchase agreements, and financing options to help businesses accelerate their sustainability journey.



All three organisations recognise that SMEs are critical to achieving national climate goals and collaborate through initiatives such as the **Climate Action Programme for SMEs**, providing training, resources, and partnerships to enable accelerated climate action both within their own operations and across value chains.

Programme Partners: Bank of Ireland



Spotlight



Bank of Ireland supported the programme for a second year as it strongly aligns with their overall sustainability strategy, which is to provide practical support to businesses of all sizes, via several tools, in order to increase awareness of sustainability and encourage actions to decarbonise.

The Bank is continuing to take a grassroots approach with its supply chain engagement to support SMEs to develop and communicate a climate strategy.



Bank of Ireland is delighted to continue its partnership with Business in the Community for the second year of the Carbon Literacy Pilot Programme.

We have seen from working with SMEs over the past 12 months the progress they have made in terms of sustainability, whether it's learning how to measure and understand carbon footprint and working to implement plans on how to balance sustainability requirements with the reality of running a business.

The programme delivers practical and actionable insights that businesses can take away and embed in their own organisations, the results of which are now being seen across the national business landscape.

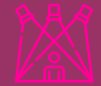
We look forward to further enhancing our collaboration with BITC and to working with Ireland's SMEs as sustainability delivers positive outcomes for their businesses."

Colette Shirley,
Director of Sustainability
Corporate & Markets



Participants of the training programme at the in-person day hosted by Bank of Ireland.

Programme Partners: ESB



Spotlight



For ESB, partnering with Business in the Community on the Climate Action Programme for SMEs aligns with the company's commitment to achieving Net Zero by 2040.

Through this collaboration, ESB had the opportunity to extend its sustainability ambitions beyond its own operations and empower SMEs to take meaningful climate action.

The programme has delivered tangible outcomes, including actionable plans that will drive emissions reductions across the SME sector.

Feedback from participants was overwhelmingly positive, highlighting the value of practical support and shared learning.

ESB's involvement demonstrates the company's leadership in climate action and complements wider sustainability initiatives, including its role as a founding member of the Irish Supply Chain Sustainability School.

Together, these initiatives help suppliers build capability and resilience, ensuring they are prepared for the challenges and opportunities of decarbonisation.



At ESB, we know that we can only deliver our goal of a net-zero electricity system by collaborating with SME partners across the value chain.

Participating in the BITC Climate Action Programme has been a really valuable experience, providing a platform to work collectively and accelerate progress towards a sustainable future for all."

Conor O'Regan,
ESB Chief Procurement Officer



Participants of the training programme taking part in the in-person day hosted by ESB.

Programme Partners: SSE Airtricity



Spotlight



SSE Airtricity are also supporting the programme for the second year running.

They were again a strong supporter of the all-island approach.

SSEs Net Zero Transition Plan puts collaboration and a Just Transition at the core of their business, recognising that by working with partners, suppliers and customers across Ireland and Northern Ireland they can do more to turn environmental and social ambition into action.



We're proud to be one of the founding companies taking part in year two of the All-Ireland Climate Action programme, building on the progress made with our customers as they advance on their path to net zero.

As an energy company, we recognise that meaningful climate action depends on collaboration and shared understanding, but also on creating systems that can scale.

A core aim of this programme is scalability - ensuring that every organisation, from small and medium-sized enterprises to large companies and right through to government level, has a role to play in driving carbon reductions.

Climate action is a strategic necessity, and initiatives like this provide practical support that helps organisations strengthen their resilience and accelerate real, measurable change."

**Russell Keating,
Director of Sales**



Participants of the training programme taking part in the in-person day hosted by SSE.

04

Introduction

Is Another Climate Action Programme Necessary?

“

We are hurtling toward climate chaos. The planet's vital signs are flashing red. The consequences of human-driven alterations of the climate are no longer future threats - they are here now.”

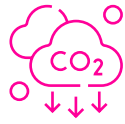


These are not the opening lines of a science fiction novel, but of a recent article titled [“The 2025 State of the Climate Report: A Planet on the Brink”](#), published in [BioScience](#) by [Oxford Academic](#)².

The article outlines the intensifying impacts of climate change - from heatwaves to floods and storms - and highlights the systemic failures that have enabled this acceleration.



Is Another Climate Action Programme Really Necessary? (Contd)



Atmospheric concentrations of carbon dioxide and other greenhouse gases reached record levels in 2024, levels not seen for hundreds of thousands of years³.

The Earth's capacity to absorb these emissions is weakening⁴.

Seven of the nine planetary boundaries have now been breached⁵, and there is growing recognition that we may have crossed our first tipping point: the widespread bleaching of coral reefs⁶.

The statistics are sobering.

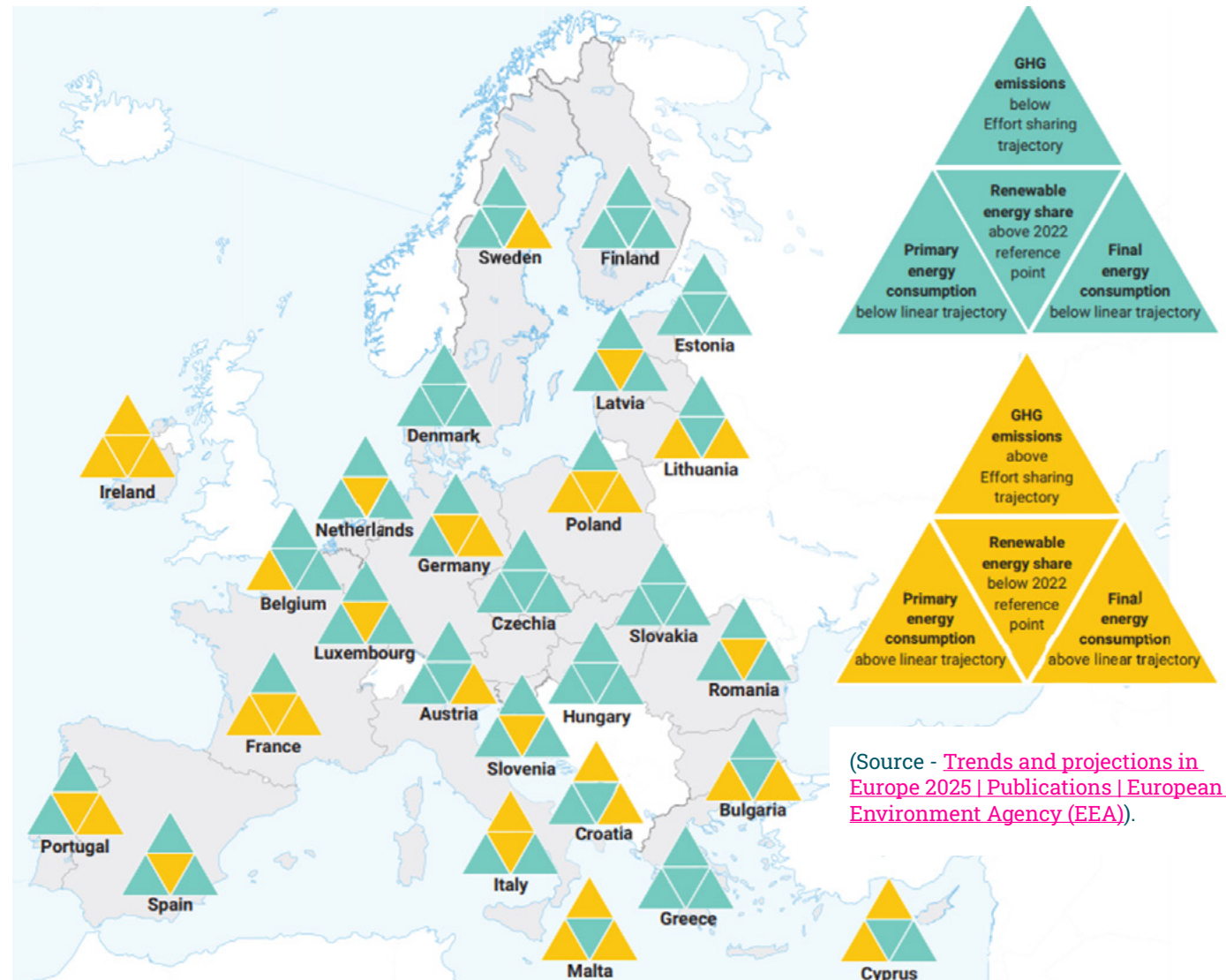
Heat records are being broken on land and at sea.

The global population is increasing by 1.3 million people and 0.5 million ruminant animals every week.

Fossil fuel consumption and GDP are at peak levels.

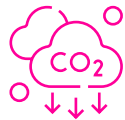
This year, **Earth Overshoot Day** - the date when humanity's resource consumption exceeds the planet's ability to regenerate - fell on July 24th, the earliest ever.

This is the very definition of unsustainable.



(Source - [Trends and projections in Europe 2025 | Publications | European Environment Agency \(EEA\)](#)).

Is Another Climate Action Programme Really Necessary? (Contd)



Narrowing in on Ireland for a moment, it's clear that we are an outlier, and not in a good way.

As the previous diagram shows, Ireland is lagging behind in meeting our GHG effort-sharing commitments, reducing primary energy consumption, increasing our renewable energy share, and lowering final energy consumption.

To address this, and to avoid crippling fines of between €8 billion and €26 billion⁷, we must significantly ramp up efforts to conserve energy, improve efficiency, and accelerate the transition to renewable sources.

These actions are a collective responsibility - not just for governments, but also for businesses and civil society.

While it's important to acknowledge that some actors have greater financial capacity to lead the way, meaningful progress depends on engagement and action across all levels of society and business.

This includes SMEs. In fact, it is essential for SMEs, for two reasons.

The first is the number of SMEs in the Irish economy. SMEs (<250 persons engaged) accounted for 99.8% of the total number of enterprises in 2020 according to figures from the CSO⁸.

Ireland cannot reach its climate targets without action by SMEs.

Secondly, research from the Department of Enterprise found that about one in four businesses say climate change is affecting them now, so it is a pressing rather than a hypothetical issue for many⁹.

What the information just outlined tells us is that this programme and others like it are necessary.

It is heartening to see that despite recent global political instability and setbacks in mandatory climate disclosures, sustainability remains a top business priority.

This was evident amongst this year's cohort of participants. And it is evident if we look to broader research.

Corporations are staying the course, having seen the tangible benefits of climate action - particularly in risk management.

Investment in sustainability technologies continues to grow, and most executives report that their approach involves either transforming their business model or embedding sustainability across their operations¹⁰.

Businesses increasingly understand that sustainability is about reducing risk, building resilience, and future-proofing operations.

While talk of instability and rollbacks have captured much of the media's attention of late, there is a growing consensus that momentum behind the transition to net zero fossil fuels is growing and is unstoppable¹¹.

Climate mitigation strategies and technologies are available, effective, and increasingly affordable.

There is a steep hill to climb, and it cannot - and will not - be done without SMEs.

What we must continue to pursue and strengthen are the social tipping points - moments when collective action can drive rapid, transformative change.

This is the message at the heart of the Climate Action Programme for SMEs: that everyone has a role to play, and every action matters.

This **Climate Action Programme** has sought to build on the insights in the current literature to support SMEs in beginning their decarbonisation journey.

It has helped participants assess operational risks, identify site-specific gaps, and understand how to remain competitive within the supply chains of larger companies and importantly, how to communicate their climate action ambition.

05

Insights From Current Literature

Resilience Is the New Sustainability

As the sustainability landscape evolves, resilience is increasingly becoming the defining concept for forward-thinking businesses.



Thought leaders like [David Carlin](#)¹², formally Head of Risk at the UNEP FI, emphasize that companies leading in transparency, data quality, and governance will continue to earn investor trust and build resilience - regardless of shifting regulatory thresholds.

Despite global political instability, regulatory rollbacks, and economic uncertainty, sustainability remains a core driver of business success and a foundational element of modern supply chains, it's just being called something else.

A recent global study, drawing on responses from 1,200 professionals across 97 countries and spanning roles in supply chain, procurement, operations, logistics, and sustainability, reveals that [corporate sustainability strategies are proving more resilient than policy cycles](#)¹³.

The terminology may shift - whether it's sustainability, resilience, or risk management - but the imperative remains the same: to recognize vulnerabilities, mitigate risks, and future-proof business operations.

Whatever term resonates most with your business, the goal is clear: to build a robust, adaptive, and competitive enterprise in the face of accelerating change.

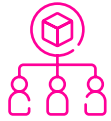


Supplier Engagement And Scope 3

As the urgency to address climate change intensifies, businesses are increasingly expected to reduce emissions across their value chains.

For large companies, this means engaging their suppliers - many of whom are SMEs - in meaningful decarbonisation efforts.

While SMEs often face significant barriers, large businesses have both the influence and responsibility to support them in overcoming these challenges and achieving shared climate goals.



Challenges In Supplier Engagement

One of the most cited barriers to supply chain decarbonisation is the lack of supplier-specific data.

Around 70% of companies report that insufficient information from suppliers is their biggest challenge¹⁴.

This is evidence that programmes that bring larger businesses and their SMEs together in dialogue are needed. It should also be recognised that while data is essential for tracking progress, it should not become a bottleneck or the sole focus of engagement.

Flexibility in how and where data is collected can ease the burden on suppliers and keep the emphasis on driving real progress¹⁵.

SMEs face additional hurdles:

- Unclear return on investment - will the business see tangible change as a result of investing in climate actions now such as reduced costs or new revenue opportunities in the future
- High implementation costs, limited resources, and lack of demand signals further complicate their ability to invest in greener practices.
- Many SMEs are willing to act but struggle with feasibility¹⁶.

The Case For Support And Collaboration

Evidence shows that supplier engagement works best when paired with support.

According to CDP:

- **Suppliers who receive training are 1.7 times more likely to complete climate-related assessments.**
- **Those supported in setting science-based targets are 2.6 times more likely to do so.**

Large companies should accompany climate-related asks with incentives, capacity-building, and collaborative efforts that lead to measurable emissions reductions¹⁷.

For Example:



ESB's partnership with Niaron on water quality testing demonstrates how collaboration can yield tangible environmental outcomes.



Spotlight

ESB and Niaron Collaboration- Woodland Sustainability Initiative

With an objective of achieving net-zero carbon emissions by 2040, ESB is committed to embedding sustainability right across its operations.

The Woodland 400kV redevelopment project is a prime example of this commitment in practice.

Awarded to Niaron Ltd, an Irish, family-owned construction and civil engineering company, the project faced a critical challenge: water management.

A comprehensive site review identified key risks, including potential runoff contamination of streams feeding the Tolka River Special Area of Conservation (SAC), and the absence of potable water onsite.

To address these challenges while meeting the stringent compliance requirements under Irish planning and environmental regulations, Niaron implemented a robust water management strategy that combined innovation and best practice.

This included:

- Leveraging existing boreholes for onsite water supply, reducing reliance on external sources.
- Deploying real-time monitoring equipment and training staff in environmental protection.
- Weekly sampling and monthly third-party lab check to ensure compliance with EPA standards and planning conditions.
- Installing silt traps, settlement areas, and sensor-based monitoring to minimize runoff risks and safeguard local ecosystems.

These measures delivered significant benefits: full regulatory compliance, reduced risk of enforcement actions, operational efficiency through onsite water sourcing, and strong environmental protection for local habitats.

By cutting transport emissions and reusing water, the project achieved notable sustainability gains aligned with ESB's vision, while strengthening trust with regulators and local communities.

Beyond environmental benefits, this initiative generated cost savings by avoiding fines and delays, creating a replicable model that sets a benchmark for future infrastructure projects.



Designing Supplier-Centric Strategies

To ensure participation, strategies must be designed with the supplier experience in mind. Overly complex or burdensome processes risk disengagement. Companies are advised to:

- **Avoid penalising SMEs as a blanket rule in tenders and contracts.**
- **Start by measuring engagement and capacity-building.**
- **Set expectations gradually as relationships mature.**



Benefits Of Supplier Engagement And Collaboration

Partnering with suppliers to increase transparency and mitigate climate risks makes companies [nine times more likely to set and deliver Scope 3 targets](#)¹⁸.

Defining a company-wide low-carbon roadmap [improves the odds of achieving targets by a factor of three](#)¹⁹.

This is why roadmaps from partner organisations and Ireland's long-term net zero pathway were used as foundational content in our programme.

Industry collaborations and cross-sector alliances are also proving effective. Companies that participate in these initiatives report:

- Improved emissions data
- Stronger supplier alignment
- Access to expertise
- Greater policy influence

[These benefits suggest that collaboration is not just helpful - it is essential for scaling credible Scope 3 management](#)²⁰.



Spotlight



Addressing Scope 3 Emissions

SSE Group actively engages stakeholders across its operations and value chain to reduce greenhouse gas emissions.

The company has set a target to engage with 90% of suppliers by spend to adopt science-based targets by 2030, supported by its Sustainable Procurement Code, Plan, and Supplier Diversity Strategy.

SSE works collaboratively through events, workshops, and initiatives like the Climate Action Programme for SMEs, while also partnering with joint ventures and suppliers to address scope 3 emissions.

Beyond its own operations, SSE promotes local economic benefits by fostering supply chain development and job creation.

These efforts complement SSE's advocacy for heat decarbonisation and energy efficiency measures, reinforcing its commitment to a low-carbon transition.

Large businesses have a critical role to play in enabling SMEs to decarbonise.

By offering training, incentives, and partnerships, and by designing supplier-friendly strategies, they can overcome barriers and unlock shared value.

These measures can prove particularly effective if targeted at SMEs in their value chain with [high emissions, high climate risk, low climate maturity, and high strategic value](#)²¹.



Collaboration, flexibility, and long-term commitment are key to building resilient, low-carbon supply chains that benefit business, SMEs and the planet.

Standardisation And Voluntary Disclosures

“

In 2025, the spotlight on sustainability reporting by SMEs has intensified.”

While this increased attention reflects growing recognition of SMEs' role in climate action, it also brings new challenges.

The push toward standardisation offers both promise and complexity, especially for businesses with limited resources.



Spotlight



Bank Of Ireland - Sustainability Coach

Bank of Ireland has launched its new Sustainable Business Coach online platform, a free digital tool designed to support SME business customers with sustainability planning and to identify their ESG priorities.

The origins of the Sustainable Business Coach platform are rooted in research conducted by Red C on behalf of Bank of Ireland.

The research found that while many SMEs were aware of ESG challenges, the majority still lacked a clear understanding of how to assess their sustainability performance and on how to take the first step in addressing it.

Approximately 70% of SMEs were concerned about the impact of ESG on their businesses, yet few felt equipped to respond effectively.

“

We recognised that our customers didn't just need sustainable products – they needed education, guidance and the practical tools to get started.”

Colette Shirley,
Director of Sustainability Corporate & Commercial, Bank of Ireland

Sustainable Business Coach, a first of its kind tool in the Irish market, is designed as a sustainability questionnaire with businesses answering a series of multiple-choice questions. It allows users to summarise their current sustainability position, identify areas where they need to take action and make progress.

The platform enables them to benchmark against their peers and use the sustainability report to form the basis of a sustainability strategy or policy – as well as communicate with stakeholders.

Sustainable Business Coach provides SMEs with a structured roadmap to make meaningful progress, with the online platform underpinned by a globally recognised future fit foundation framework based on the UN's Sustainable Development Goals.

The launch of the easily accessible and free-of charge Sustainable Business Coach further enhances Bank of Ireland's ESG ambitions in supporting our customers through the green transition.



The Case For Standardisation

SMEs have long expressed frustration at receiving multiple, slightly varying questionnaires from corporate customers on carbon and sustainability.

This fragmented approach creates inefficiencies and confusion and underscores the need for a harmonised framework.

The introduction of the [Voluntary reporting standard for SMEs \(VSME\)](#), by EFRAG in December 2024 is a welcome development.

It aims to:

- **Level the playing field by providing a template for SMEs to follow. It clarifies what can reasonably be asked of SMEs by larger businesses.**
- **Support data collection and help SMEs take meaningful action on climate, social, and governance issues.**
- **Reduce duplication and streamline reporting expectations across industries.**



Benefits Of Voluntary Reporting

Voluntary disclosures can be a powerful tool for SMEs.

They help businesses:

- **Identify gaps in their sustainability practices.**
- **Communicate climate action efforts to customers, investors, and regulators.**
- **Track progress over time and benchmark against peers.**
- **Prepare for future regulatory requirements.**

Importantly, voluntary reporting helps debunk the myth that SMEs cannot produce high-quality sustainability reports.

In fact, many SMEs are already delivering engaging, credible, and sometimes outstanding disclosures - as highlighted in the [Global SME Reporting Practice report²²](#).

These examples show that SMEs can lead by example and even inspire larger companies.





Concerns About Comparability And Capacity

Despite the benefits, SMEs are concerned about being compared against others in rigid formats that don't account for differences in readiness, resources, or capacity.

Key concerns include:

- Unequal access to expertise and funding for reporting tools and consultants.
- Fear of being judged unfairly against better-resourced peers.
- Pressure to meet the same standards despite vastly different starting points.

These concerns were echoed throughout the programme, where it became clear that SMEs are at different stages of climate maturity, with varying levels of capacity and skills.

Without thoughtful implementation, standardisation could unintentionally disadvantage those who are less resourced but equally committed.



The Need For Collaboration And Supplier-Friendly Platforms

To address these challenges, buyers and suppliers must work together to [align expectations, streamline surveys, and co-develop standards](#)²³.

Industry collaboration is essential to:

- Ensure fairness and accessibility in reporting.
- Provide education and guidance through supplier-friendly platforms.
- Support a crawl-walk-run approach to decarbonisation, allowing SMEs to build capacity over time.

Standardised platforms can play a critical role by guiding inputs to common methodologies and ensuring comparable metrics - without overwhelming SMEs.

Voluntary disclosures are a vital step toward transparency and climate accountability for SMEs.

But to be effective, they must be designed with equity and support in mind.



Standardisation should empower SMEs, not penalise them.

Through collaboration, thoughtful design, and supplier-friendly tools, we can create a reporting landscape that is inclusive, credible, and capable of driving real change across supply chains.

06

Insights from the Climate Action Programme

Motivation

As mentioned previously, SMEs are engaged in the topic of climate action, and eager to know what more they can do.

But what is behind the interest?

Of the respondents to the survey the vast majority recognised their responsibility as a business to be more environmentally aware.

This is an encouraging outcome. It suggests that SMEs have an intrinsic understanding of their responsibility.

It suggests also that it is no longer about getting 'buy-in' but there is still a need to support people working in SMEs in building, presenting and communicating the investment case for action.

Meeting customer expectations and compliance/good practice were also a motivator.

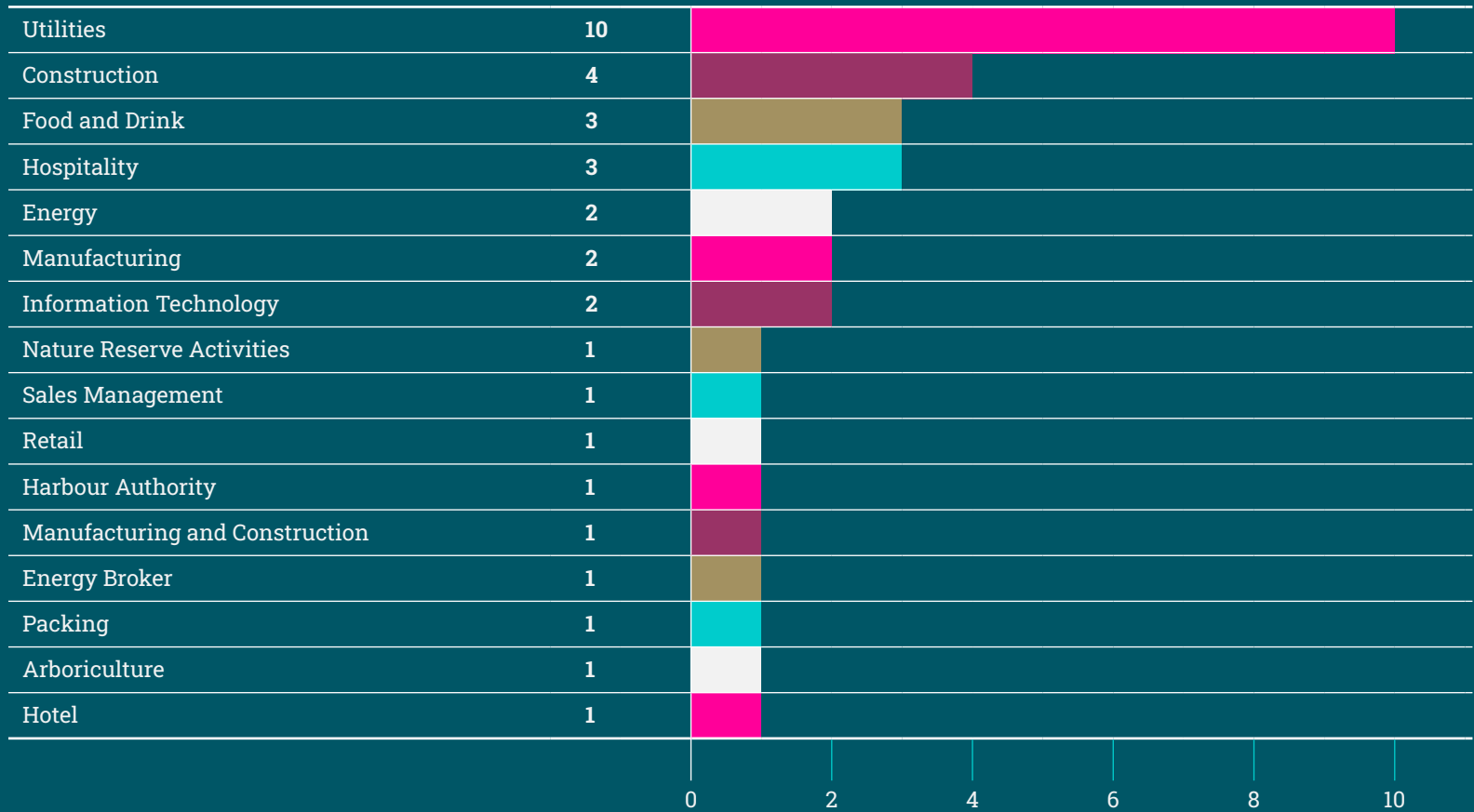
What is the businesses primary motivation for taking climate action?



Sectors

Unsurprisingly, given that ESB and SSE were two out of the three programme sponsors, and the SME participants were from their value chains, the majority of participants fell into categories related to the energy sector.

Sectors Represented



Knowledge

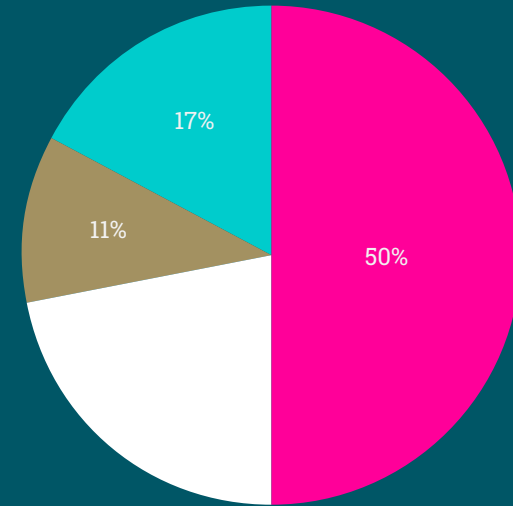
The pre-training assessment reveals that half of the participants (50%) possess average knowledge of climate and emissions, while 22% demonstrate good understanding.

A smaller group (11%) shows strong expertise, and 17% have minimal awareness.

These findings highlight the fact that while there is generally average to very good understanding out there of climate issues, there is still a need for comprehensive training that addresses foundational gaps while also enhancing advanced knowledge for future climate leadership.

How would you rate your overall knowledge of your business in relation to emissions and climate responsibility?

- Minimal - 6
- Average - 18
- Good - 8
- Very Good - 4



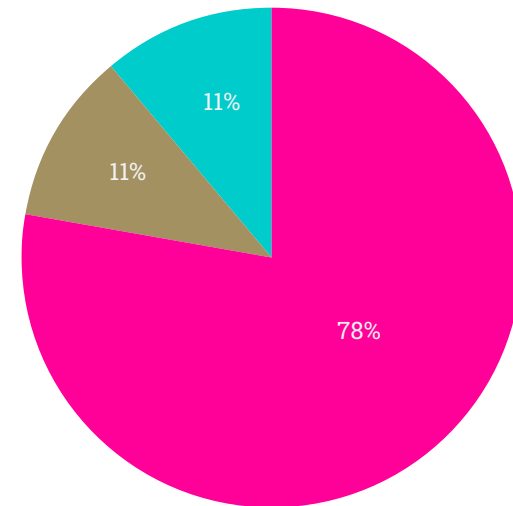
Already Taking Action

While challenges persist, SMEs across sectors are already taking meaningful steps to reduce their environmental impact.

These actions demonstrate that climate ambition is not limited to large corporations - SMEs are innovating, investing, and adapting in ways that align with their capacity and business models.

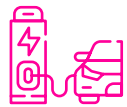
Prior to your involvement with this programme has your business taken steps to address climate action?

- Not At All - 4
- Some Actions Taken - 28
- Unsure - 4



Examples of SME Climate Actions

The following examples were collected via survey before training began and illustrate the breadth and creativity of SME-led sustainability initiatives:



Transport and Fleet Decarbonisation

- Integration of electric vehicles (EVs) into company fleets
- Installation of EV chargers at headquarters
- Use of HVO100 (hydrotreated vegetable oil) in fleet vehicles
- Transition to electric forklift trucks



Energy Efficiency and Renewable Energy

- Significant investment in solar PV panels (e.g., 530+ panels installed)
- Switching to LED and motion-sensor lighting systems
- Adoption of green electricity tariffs
- Monitoring and reducing electricity and water usage



Operational and Behavioural Changes

- Fully remote business models to reduce commuting emissions
- Internal tracking and reporting of energy and resource use
- Implementation of climate action policies and monthly sustainability meetings
- Accreditation through initiatives like EcoVadis and participation in initiatives such as [The Supply Chain Sustainability School Ireland](#)



Circular Economy and Nature-Based Solutions

- Re-use of by-products (e.g., wood from tree cutting)
- Switching to bio-oils for equipment like chainsaws
- Rewilding of premises grounds
- Reduce-reuse policies embedded in operations



Governance and Strategic Planning

- Appointment of sustainability officers and dedicated teams
- Full emissions disclosure and goal-setting across short, medium, and long terms
- Engagement with third-party providers for Scope 1, 2, and 3 analysis
- Recognition through awards (e.g. SEAI Energy Awards)

Emerging Trends in SME Climate Action

From these examples, several trends are becoming clear:

1.



Electrification and Renewable Energy Adoption

SMEs are increasingly investing in solar energy and electric vehicles, especially where infrastructure allows.

These technologies are seen as tangible, high-impact solutions.

2.



Data-Driven Decision Making

More SMEs are tracking usage, reporting internally, and seeking external support to understand their carbon footprint - laying the groundwork for science-based targets.

3.



Integration of Sustainability into Governance

The appointment of sustainability leads, and the establishment of internal sustainability teams reflect a shift toward embedding climate action into core business strategy.

4.



Nature and Circularity-Based Solutions

SMEs are embracing circular economy principles and nature-based actions, such as rewilding and by-product reuse, which offer low-cost, high-value environmental benefits.

5.



Recognition and Collaboration

Accreditation, awards, and participation in sustainability networks are helping SMEs gain visibility and credibility, while also fostering peer learning and collaboration.



Spotlight

These examples show that SMEs are not only willing but actively engaged in climate action.

Their efforts span energy, transport, operations, and governance, and reflect a growing trend toward integrated, practical sustainability.



With the right support and recognition, SMEs can continue to lead by example and play a vital role in the transition to a low-carbon economy.

Technology Pathways For Low-Carbon Transport: Opportunities And Obstacles For SMEs

Transport remains a key area for emissions reduction in supply chains, and SMEs are exploring a range of technology pathways to decarbonise their operations.

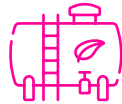
A recent survey explored perceptions of three major options: [biofuels](#), [battery-electric vehicles \(BEVs\)](#), and [hydrogen](#) and these are summarised below²⁴.

While each pathway offers promise, biofuels and battery-electric vehicles are the most feasible and accessible in the case of Ireland.

Hydrogen use is at exploratory phase and very nascent.

In addition, SMEs face practical constraints that must be addressed to unlock their full potential.

Technology Pathways: Perceptions And Practicality



Biofuels

Biofuels emerged as the most practical near-term solution.

They offer almost immediate emissions reductions using existing fleets and infrastructure, making them an attractive option for SMEs seeking quick wins without major capital investment.



BEVs

Battery-electric vehicles (BEVs) are increasingly seen as viable for urban and regional routes, especially where charging networks are available. Improvements in vehicle range and declining costs are raising expectations, but adoption remains uneven.



Hydrogen

Hydrogen is widely regarded as a longer-term solution, particularly for heavy-duty and long-haul transport. Its viability depends on the development of affordable green hydrogen, refueling infrastructure, and lower vehicle costs.

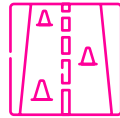


Actions SMEs Are Taking

In addition to exploring new technologies, SMEs are implementing practical measures to reduce transport emissions:

- **Switching fuel types to lower-emission alternatives.**
- **Adopting electric vehicles where feasible.**
- **Improving driving efficiency by reducing speed, avoiding idling, and optimising routes.**

These actions reflect a proactive approach to climate action, even in the face of limited resources.



Barriers To Adoption

Despite their commitment, SMEs face several persistent challenges:

- **Infrastructure gaps:**
Limited availability of EV charging stations, especially outside urban centres, restricts the practicality of battery-electric solutions.
- **High upfront costs:**
Transitioning to new technologies often requires significant investment, which can be prohibitive for smaller businesses.
- **Leasing limitations:**
Some leasing companies are reluctant to offer electric vehicles to SMEs, citing concerns about demand and residual value.
- **Range limitations:**
For businesses operating in rural or long-distance contexts, current EV ranges may not meet operational needs.

These barriers temper optimism and highlight the need for targeted support and policy intervention.



SMEs are actively pursuing transport decarbonisation through both behavioural changes and technological innovation.

Biofuels offer immediate potential, while battery-electric and hydrogen solutions represent longer-term opportunities.

However, without improvements in infrastructure, financing, and leasing options, many SMEs risk being left behind.

Addressing these barriers is essential to ensure that all businesses can contribute to a low-carbon transport future.



Supports

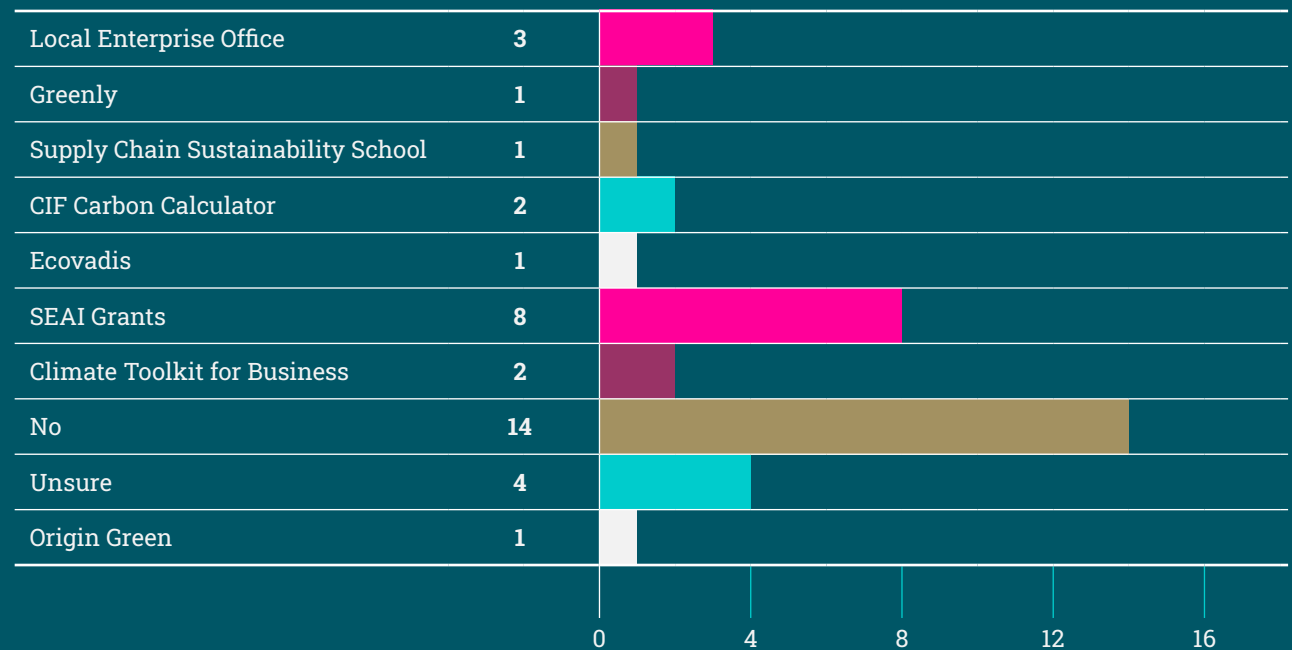
While there has been some uptake of available supports - particularly SEAI grants - the reality is that many of the SMEs surveyed have yet to access any assistance.

This low engagement is concerning because it slows progress toward national climate targets and leaves businesses exposed to rising energy costs and climate-related risks. Increasing awareness and improving the accessibility of these supports is critical.

Greater participation would not only accelerate emissions reductions but also strengthen SMEs' resilience, helping them future-proof operations against regulatory changes, supply chain pressures, and extreme weather events.

Importantly, availing of these supports also presents significant opportunities for businesses - such as reducing operating costs through energy efficiency, enhancing competitiveness, and attracting customers and investors who increasingly value sustainability.

Building momentum now is essential to ensure that SMEs, which form the backbone of the Irish economy, are equipped to thrive in a low-carbon future.





Making The Leap From Action To Strategy

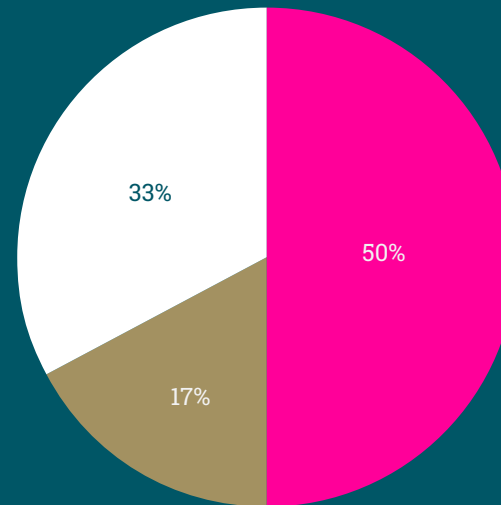
While we have seen that many SMEs have taken some action to reduce emissions, as can be seen from this question, many have yet to incorporate and build these actions into a coherent climate action plan.

This links with findings from research from the Department of Enterprise which found that while most businesses have a good understanding of sustainability, they also recognise they have some way to go before they have reached their ultimate sustainability goals and that [there is a need for greater integration of sustainable thinking into strategic planning](#)²⁵.

It should be acknowledged here that not all SMEs are starting from the same place when it comes to climate action. Many lack in-house sustainability expertise, time, or resources to tackle their carbon footprint, and may find it difficult to measure and reduce value-chain emissions in line with the 1.5°C goal.

For these businesses, the focus should be on building understanding, setting achievable interim targets, and prioritising straightforward, high-impact actions.

Has your business developed a climate action plan or CO2 reduction strategy?



- No - 18
- Not yet but in the process - 6
- Yes - 12

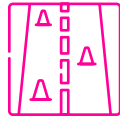


Suggested Steps for Getting Started



For SMEs just beginning their climate journey, the key is to start small, stay consistent, and build capacity over time.

By making a public commitment, understanding their emissions, and taking practical steps, even resource-constrained businesses can begin to make meaningful contributions to climate action.



What Are The Main Barriers And Where Can More Supports Be Provided?

Our survey revealed that the most significant barriers preventing SMEs from taking climate action are a lack of government policy and supports, coupled with insufficient knowledge and skills.

These challenges were followed by difficulties in accessing data on their own emissions and limited time to dedicate to sustainability efforts.

These are exactly the types of challenges this programme is designed to support SMEs with overcoming.

While issues such as insufficient funding and low return on investment were noted, they were considered less critical compared to the structural and informational gaps SMEs currently face.

What are the main barriers and/or main challenges that your business faces when attempting to address the climate emergency and reducing CO2 emissions?



07

Recommendations Based On Programme Insights and Research

These recommendations are intended for both larger businesses that work with SMEs within their value chains, as well as for government agencies and other organizations that engage SMEs on climate action.



1.



Recognise And Build On SME Maturity

SMEs are more engaged and mature in their sustainability journey than often assumed.

Larger businesses and policymakers should acknowledge this and design programmes that build on existing efforts rather than starting from scratch.

2.



Shift The Focus From Intent To Feasibility

The barrier for most SMEs is not ambition - it's feasibility.

Support should focus on overcoming economic constraints, information gaps, and capacity limitations through tailored guidance and interventions, funding, and simplified tools.

3.



Standardise With Flexibility

While standardisation can streamline reporting and improve comparability, it must be implemented with flexibility to avoid disadvantaging SMEs with fewer resources.

Frameworks should be scalable and adaptable to different levels of readiness.

4.



Provide Practical, Action-Oriented Support

There is a clear need for more training programmes that lay the foundations of climate action - explaining the "why" as well as diving into the "how." These programmes should build understanding, showcase practical actions, and signpost available supports, making sustainability more accessible to SMEs at all levels of maturity.

Larger companies and government bodies should offer:

- Policy templates and reporting frameworks
- Coaching and mentoring programmes
- Clear signposting to grants and financial supports
- Alternative procurement pathways that reward progress, not just perfection

5.



Engage SMEs In Scope 3 Conversations

Service providers and other SMEs need help understanding how they can influence value chain emissions.

Larger companies must take a more strategic and inclusive approach to engaging their SME suppliers.

Training and engagement should include Scope 3 education and practical examples of indirect impact.

This includes designing interventions that bring SMEs along on the decarbonisation journey, rather than expecting them to meet standards without support.

6.



Avoid Carbon Tunnel Vision

While reducing greenhouse gas emissions is critical, SMEs should be encouraged to take action across a broader spectrum of environmental and social issues.

Encourage SMEs to take action across a broader sustainability agenda - not just carbon.

Biodiversity, circularity, water, and social equity are all areas where SMEs can contribute meaningfully and often with fewer barriers.

7.



Foster Long-Term, Collaborative Relationships

Large businesses should move beyond transactional engagement and build long-term partnerships with their SME suppliers.

This includes co-developing decarbonisation strategies, sharing data, and aligning on goals.

Programmes like this demonstrate that collaboration works.

Larger companies, SMEs, and industry bodies should actively participate in joint initiatives to decarbonise supply chains.

Shared learning, aligned goals, and pooled resources can help achieve scale and impact far beyond what any single organisation could accomplish alone.

08

Conclusion

Decarbonising supply chains is a shared responsibility - and large businesses have a critical role to play in enabling small and medium-sized enterprises (SMEs) to succeed in this transition.

The evidence is clear:

SMEs are engaged, ambitious, and often more mature in their sustainability efforts than commonly perceived.

They are already taking meaningful actions, from electrifying fleets and investing in renewable energy to implementing circular practices and embedding sustainability into governance.

However, ambition alone is not enough. For many SMEs, the challenge lies in feasibility.

Economic constraints, information gaps, and limited capacity make it difficult to allocate scarce resources to decarbonisation without clear guidance, financial support, and collaborative frameworks.

Standardisation of reporting - such as the introduction of EFRAG's VSME standard - offers promise but must be implemented with flexibility to avoid disadvantaging less-resourced businesses.

The insights from this programme reinforce the fact that progress depends on partnership.

Large companies must move beyond transactional engagement and design interventions that bring SMEs along on the decarbonisation journey.

This includes offering practical supports such as policy templates, coaching, and alternative procurement pathways, as well as fostering industry-wide collaboration to streamline standards and expectations.



Finally, while carbon reduction is essential, we must avoid a "carbon tunnel vision."

SMEs can - and should - contribute to a broader sustainability agenda encompassing biodiversity, circularity, water stewardship, and social equity.

By embracing a holistic approach and working together, businesses of all sizes can build resilient, low-carbon supply chains that deliver environmental, social, and economic value.

The Call To Action is clear:

“

Collaborate, Support, and Empower SMEs to act”

With the right structures in place, the transition to a net-zero economy can be inclusive, scalable, and achievable.

09

Acknowledgements

BITCI wishes to acknowledge the significant contribution made by our partners

Partners

BITC NI

BITC NI for providing training support for the duration of the programme including sharing their learnings and materials as well as managing the Carbon Literacy assessment process.

BITCI Member Companies

BITCI member companies, Bank of Ireland, ESB and SSE Airtricity for their positive contribution and openness to collaboration.

Department of Enterprise, Tourism and Employment

Department of Enterprise, Tourism and Employment for their support through various stakeholder engagements such as the Climate Toolkit 4 Business.



Finally, we wish to thank the SMEs that took the time to participate in the programme, we wish them every success on their continued climate action journey.

Note: All research and development of insights and recommendations are original work of the author.

Microsoft Copilot was used to support structure, formatting and editing in the pre-design stages.

SME Participants

- Carten Controls Ltd
- Airconmech
- Belfast Harbour Commissioners
- Bernie's SuperValu, Roscrea
- Comsave Ireland
- Delmec Engineering Ltd
- Dermot Casey Group
- Energy Broker
- Exemplar Energy Solutions Ltd
- Integrity360
- Irish Food & Beverages Ltd
- Irish Pioneer Works (Fabricators) Limited
- KTL
- Linkenergy NI Ltd
- Lyons Excavations Ltd
- Mainline Group
- Millmount Healthcare Ltd
- Niaron Limited
- Poppies Cafe
- Power Booker Limited
- Powerhouse Energy Management Ltd t/a Radius Energy
- Quantum Energy Ltd
- Richard Nolan Civil Engineering
- tetralogy holdings limited t/a Le Patisserie
- The Galleon Restaurant
- Triangle Technology Services
- Watt Footprint
- Willows Ingredients Ltd
- WWT Castle Espie

10

Citations

- [1] [Home - The Carbon Literacy Project](#)
- [2] [The 2025 state of the climate report: a planet on the brink](#)
- [3] [State of the Climate 2025 Update COP30 \(31 oct\).pdf](#)
- [4] [10NICS-2025-Report_FINAL.pdf](#)
- [5] [Planetary boundaries - Stockholm Resilience Centre](#)
- [6] [Earth has hit its first climate tipping point, scientists warn | ScienceDaily](#)
- [7] [News | A Colossal Missed Opportunity - Ireland's climate action and the potential costs of missing targets | Climate Change Advisory Council](#)
- [8] [Small and Medium Enterprises Business in Ireland 2020 - Central Statistics Office](#)
- [9] [DETE - SME Sustainability Research](#)
- [10] [2025 Deloitte Global C-Suite Sustainability Report](#)
- [11] [World Energy Outlook 2025 – Analysis - IEA](#)
- [12] [\(32\) Activity | David Carlin | LinkedIn](#)
- [13] [2025 State of Supply Chain Sustainability Study - MIT Sustainable Supply Chain Lab](#)
- [14] [2025 State of Supply Chain Sustainability Study - MIT Sustainable Supply Chain Lab](#)
- [15] [From the Frontlines of Scope 3: Key Lessons from Supplier Engagement Initiatives | Blog | Sustainable Business Network and Advisory Services | BSR](#)
- [16] [2025 State of Supply Chain Sustainability Study - MIT Sustainable Supply Chain Lab](#)
- [17] [From the Frontlines of Scope 3: Key Lessons from Supplier Engagement Initiatives | Blog | Sustainable Business Network and Advisory Services | BSR](#)
- [18] [Liability to Advantage: Decarbonizing the Supply Chain | BCG](#)
- [19] [Liability to Advantage: Decarbonizing the Supply Chain | BCG](#)
- [20] [2025 State of Supply Chain Sustainability Study - MIT Sustainable Supply Chain Lab](#)
- [21] [Liability to Advantage: Decarbonizing the Supply Chain | BCG](#)
- [22] [Global SME Reporting Practices on ESG - We Mean Business Coalition](#)
- [23] <https://www.bsr.org/en/blog/from-the-frontlines-of-scope-3-key-lessons-from-supplier-engagement-initiatives>
- [24] [2025 State of Supply Chain Sustainability Study - MIT Sustainable Supply Chain Lab](#)
- [25] [DETE - SME Sustainability Research](#)

**BUSINESS
IN THE
COMMUNITY
IRELAND**



Business in the Community Ireland
3rd Floor Phibsborough Tower
Phibsborough Road
Dublin 7

www.bitc.ie
info@bitc.ie
01 874 7232

CHY No. 13968
Business in the Community Ireland
is a company limited by guarantee.

Leaders in sustainability and social inclusion



The Responsible
Business Network
Northern Ireland