

Perseus: unlocking financial support for SMEs by automating greenhouse gas reporting

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Perseus will help SMEs decarbonise by improving access to capital, help banks manage climate risk and help unlock investment in our net zero future.

In its first phase, Perseus will automate access to assurable energy data on business customers through a trusted process, based on Open Banking.

Better data will help banks, working with solutions vendors, can manage financial incentives (e.g. lower rates) and better manage climate risk and audit on their loan books. This will make energy efficiency more rewarding for small businesses (which are up to 50% of all UK business emissions¹).

Why is this needed?

Despite over 5.9 million SMEs in the UK (employing 16.8 million and delivering £2.3 trillion to the economy), there is not yet a dominant standard for SMEs to report GHG emissions.

In the absence of specific standards, SME responses to environmental regulation have been ad hoc, uncoordinated, and disconnected from emerging ESG standards. There is a need to align and standardise the approach for SME reporting.

Access to both industry and consumer data is at the heart of the UK's journey to a healthy, growing net-zero economy. A functional web of energy data is an essential piece of national data infrastructure: as important as our roads, rail, water and broadband networks².

What is needed?

SME's need material support: they lack access to capital, time and resources to effectively engage in the race to zero. Banks need access to assurable data to manage risks and create incentives. Utilities need to engage with customers to help them navigate. Ledger and software providers can help report, provide insights and match challenges with low carbon solutions.

¹ <https://bit.ly/BBB-2021-10-20>

² Lord Maude of Horsham, COP26 keynote

What are the benefits to the UK?

- Lead the world in unlocking open markets for net zero innovation & implementation in the race to zero
- Help catalyse the financial sector to deliver incentives aimed at national scale
- Create the underlying data infrastructure to enables cross-industry, assurable data sharing while maintaining security and user control
- Develop in alignment with the Skidmore Net Zero Review and Penrose Competition Review

Making this a success will require a mix of interventions: **policy** leadership, **convening** industry and **implementation**.

How will risk be managed?

The Steering Group represents a coalition of representatives from public and private sectors.

The success of Open Banking proves it's possible to create scalable data-sharing infrastructure with financial-grade security. Businesses will be able to maintain control over their data. For banks, data quality will be assured because it will be received directly from energy companies.

Who is involved?

Bankers for Net Zero is the UK country chapter of the Net Zero Banking Alliance, which is part of UNEP FI and GFANZ.

It is convening and will represents actors from across the market that will pilot a UK-wide programme to support SMEs.

The 'ignition phase' will gather experts representing banking, ledger, energy and SME communities. Its primary function is to help provide leadership and market signalling.

The Steering Group includes the Federation of Small Businesses, TheCityUK, Innovate UK, We Mean Business Coalition, Department for Business, Energy and Industrial Strategy, the Institute of Directors, ICAEW, UK Finance. OECD is an observer.