

CONCEPT NOTE

Supporting the Sustainability Journeys of SME Clients

Client engagement worktrack | October 2026

Why this workstream

SMEs make up a large part of most banks' client base, and they are where sustainability engagement is hardest. Client data is thin, capacity is limited, and relationship managers rarely have tools built for these conversations. Banks that get this right will need their sustainability teams and their SME business teams at the same table.

SMEs touch every PRB impact area. They represent 90% of businesses globally and account for 40 to 60% of business-sector greenhouse gas emissions.¹ Self-employment and micro and small enterprises provide 70% of employment in the 99 countries studied by the ILO.² How banks engage SMEs therefore matters for climate and nature, and equally for decent work, inclusion and the financial health of the businesses and households that depend on them.

Offering finance is not enough on its own. 73% of financial institutions offer green finance to SMEs, yet only 2.8% of SMEs surveyed in 13 countries had applied for it in the previous three years.³ SMEs often need help to identify what to do, prepare a plan and evidence it, and the bank needs ways to support many small clients at once.

What the workstream is

The Supporting the Sustainability Journeys of SME Clients workstream (the SME client engagement workstream) is one of four workstreams under the PRB Worktrack on Engaging Clients on Sustainability Impacts, Risks and Opportunities. It looks at how banks engage SME clients on sustainability, covering both the bank's internal set-up and the client relationship. It takes a holistic view, covering environmental and social dimensions together.

¹ World Economic Forum (2025), [Sustainability Meets Growth: A Roadmap for SMEs and Mid-Sized Manufacturers](#), in collaboration with Schneider Electric.

² ILO (2019), Small Matters, covering 99 countries. See the [ILO announcement](#).

³ International Chamber of Commerce and Sage (2024), [Unlocking sustainable finance for SMEs](#), citing OECD data.

In scope	Not in scope
How banks set themselves up internally to engage SME clients	A single global SME definition
How banks integrate sustainability into existing SME client relationships	A single prescribed operating model
Both financing and non-financial support	New SME reporting standards
Environmental and social dimensions, proportionate to client size	

The first three in-scope items and the exclusions were tested with members on 7 October. The fourth makes explicit the holistic approach described above.

What we heard at the kick-off

About 35 participants from member banks across Europe, Africa, North America and Latin America joined the first session on 7 October. Three findings shape this note.

15 of 24

ranked missing data as the most material bottleneck⁴

16 of 23

placed a data and proxies checklist in their top three priorities

25 of 35

said their SME clients are aware of sustainability but take no structured action

- **Data comes first.** Missing SME data was ranked the clearest barrier, followed by engagement that does not scale. Members see data as the foundation: without it, information cannot reach credit or product decisions, and a business case cannot be built.
- **Members want practical outputs.** After the data checklist, members prioritised an SME engagement toolkit (10 of 23 in their top three) and financing pathways (9 of 23).
- **Conversations start from climate, energy and costs.** Social topics came up less often. This is where a holistic approach can add most value.

⁴ Session 1 live polls, 7 October 2026. Polls were anonymous. Ranking polls exclude responses submitted in the original order, which were treated as unranked.

A framework for the discussion

Five areas organise members' experience. They are elements banks need in place, not steps in a sequence, and not a solution proposed by UNEP FI.

Area	The question it answers
Governance	Who owns SME sustainability, with what mandate and targets?
Internal process	Who does what between relationship managers, credit, risk and specialists?
Data and portfolio	What information is needed, and which clients and sectors to prioritise?
Client engagement and products	How do common SME needs lead to suitable products, financing or practical support?
Capacity building	What skills, time and tools do bank staff and SME owners need?

The business case runs across all five areas. For the bank, it is about risk, revenue, strategy, balance sheet and cost efficiencies. For the SME client, reasons to act include lower energy and input costs, buyer and export requirements, resilience and insurability, and access to finance.

Proposed roadmap: from data to engagement to finance

The sequence follows members' ranking and the dependency they described. Each output builds on the one before: the data checklist informs what the toolkit asks relationship managers to collect, and both shape which financing pathways are workable.

When	Focus	What members get
7 October 2026 Session 1, held	Kick-off: test the challenge and scope, rank bottlenecks and priorities.	Session summary and poll results
5 November 2026 Session 2	The data gap: what banks ask SMEs for today, what they actually use, and where it breaks down, for environmental and social information. A short introduction to UNEP FI's client engagement business case work.	Shared picture of current practice, input to the checklist
9 December 2026 Session 3	Test a draft data checklist, prepared by UNEP FI from Session 2 and the one-to-one interviews.	Draft checklist for comment, final version in early 2027
First half of 2027	SME engagement toolkit: what relationship managers and SME owners each need to know, delivered at volume.	Toolkit
Second half of 2027	Financing pathways: how products, blended finance and risk-sharing fit into the client journey. Revisit bottlenecks and priorities.	Pathways and an updated view of priorities

Dates beyond Session 2 may change in response to members' feedback.

The first output: a proportionate data checklist

The checklist will set out what sustainability information to request from SME clients, proportionate to their size, and what counts as credible evidence. It will cover environmental and social data together: for example energy use and emissions alongside workforce and working conditions, health and safety, ownership, and the client's financial health. It will distinguish what is reasonable to ask a micro-enterprise from what to ask a medium-sized company, and will build on existing references such as EFRAG's voluntary sustainability reporting standard for SMEs (VSME) rather than create a new standard.

How the workstream runs

- **Format.** 6 to 8 sessions of up to 75 minutes, roughly every six weeks to begin with.
- **Ground rules.** Chatham House Rule and competition-law guidelines apply. Materials stay in the group.
- **Member-led.** Priorities and outputs are shaped by members. UNEP FI, as secretariat, convenes, advises, synthesises and connects.
- **Who should join.** Colleagues from group sustainability, sustainable finance and SME portfolios, and ideally the bank's head of SME or business banking. Banks are welcome to involve different colleagues depending on the topic.

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