



# Environmental, Social and Governance Disclosure:

## Small and Medium-sized Enterprises and the Transition to Net Zero



# Partners



The Diversity Institute conducts and coordinates multi-disciplinary, multi-stakeholder research to address the needs of diverse Canadians, the changing nature of skills and competencies, and the policies, processes and tools that advance economic inclusion and success. Our action-oriented, evidence-based approach is advancing knowledge of the complex barriers faced by under-represented groups, leading practices to effect change, and producing concrete results. The Diversity Institute is a research lead for the Future Skills Centre.



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Founded in 2017 by Professor Tania Saba, BMO Chair in Diversity and Governance at the University of Montreal is an interdisciplinary centre of excellence for research and training on the theme of “living together.” The objective of the chair is to stimulate reflection on issues of equity and governance by studying the effects of changes in a constantly evolving world on work relations, individuals and organizations. The chair’s publications and media interventions reflect its commitment to improving working conditions and organizational practices and to influencing public policy. The chair is associated with research centres such as Obvia, CRIMT, CERIU, the Diversity Institute at Toronto Metropolitan University, and the Future Skills Centre. It represents the Quebec pole and Francophone communities in the federal government’s Women Entrepreneurship Knowledge Hub (WEKH) project.

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# Executive Summary

Most Canadian businesses are small and medium-sized enterprises (SMEs). They produce more than one-half of country's greenhouse gases, yet are insufficiently supported to engage in environmental, social and governance (ESG) issues. These include accurately accounting for emissions across the value chain, fostering strong community relations, upholding human rights across the supply chain and integrating equity, diversity and inclusion (EDI) into their operations.

Canada's SMEs face all these intersectional ESG issues. This report, however, explicitly focuses on environmental dimensions, most often measured, reported, and regulated through carbon-dioxide emission equivalents.

Standards and reporting requirements can support a transition to net-zero emissions—and are increasingly demanded by investors and stakeholders. Such disclosure provides more than just a proactive approach to comply with forthcoming regulations, such as those proposed by the Canadian Sustainability Standards Board. Disclosure enhances financial credibility, improves access to investment and procurement opportunities, strengthen relationships, and helps enterprise gain market advantage throughout the value chain.

Making Canada's net-zero commitment a reality requires explicit support for SMEs. Existing emissions reduction and reporting strategies target large organizations, which often have greater resources, skills and specialized training to support the transition. Although SMEs demonstrate an interest in sustainability, they lack the skills and face adverse financial barriers to translate innovations into practice. Skills-based supports are essential to ensure these enterprises develop foundational competencies in sustainability concepts and can continually upskill for emissions monitoring and reporting, ESG compliance, and the integration of sustainable innovations throughout their operations.

Regulatory mechanisms are thought of as the most effective way to support a net-zero transition. However, this doesn't consider the reality of operating an SME, where limited skills training impairs the enterprise's ability to compute their emissions, and report in compliance with a complex regulatory system.

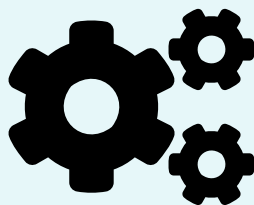
Effective social and governance sustainability in ESG also depends on environmental compliance in sustainable production. Environmental sustainability in enterprise



## Current frameworks and standards

Growing demands for environmental disclosures, which are integral to assessing a business's sustainability risks and opportunities, have led to the development of numerous ESG frameworks and standards.

However, navigating the current emissions and environmental disclosure landscape is a challenge for SMEs. This is especially the case for disclosure requirements falling under sustainability frameworks, which provide a conceptual guide, and sustainability standards, which include reporting metrics. For SMEs, effective emissions reporting requires purpose-built frameworks and standards that consider their limited know-how, financial capacities, and operational flexibility.



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Skills-based training for SMEs can occur in tandem with voluntary and scalable approaches toward proactive emissions calculation and environmental reporting through ESG standards. The International Financial Reporting Standards Foundation (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2) provide SMEs an opportunity here. Voluntary frameworks, such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the universal guidance of the UN Sustainable Development Goals, also offer SMEs tools to identify risks to operations throughout their value chains, track performance, and articulate societal contributions. Moving beyond understanding environmental outcomes, while progressively building internal resources, is important to help SMEs meet their evolving regulatory demands for emissions disclosure.

## Role of standards institutions

Large institutions play an essential role in developing emissions calculation methods and streamlining environmental reporting. These entities ensure coherence and global compatibility across regulatory frameworks and mechanisms, while operating as a platform for local regulators. Understanding the jurisdiction of different regulators is especially important for emissions accounting across the value chain for SMEs.

Across jurisdictions, the International Organization for Standardization (ISO) is a key regulator. ISO governs general ESG regulation standards, including ISO 14001 and

ISO IWA 48, in addition to sector-specific ISO documents. The IFRS provides enumeration, accounting, and industry-specific guidance through the International Sustainability Standards Board (ISSB) and the Sustainability Accounting Standards Board (IFRS S1 and S2).

Locally, the Canadian Sustainability Standards Board develops voluntary standards for emissions regulatory reporting. These standards aim to align disclosure of Canadian enterprises' domestic emissions with global emissions scopes. As defined by the GHG Protocol, these global scopes are emissions that directly relate to a business's operations (Scope 1), indirectly related emissions (Scope 2) and those across the value chain (Scope 3).

## Disclosure in Canada

Integrating environmental and emissions accounting principles and ESG reporting standards into SME operations is essential to gain market competitiveness and secure financing. This is especially the case as capital markets are looking at how best to manage sustainability risks. Canadian SMEs continue to focus on going green, despite some large financial institutions eliminating voluntary agreements. Large institutions are bound to ESG principles indirectly through binding agreements to Canada's net-zero emissions by 2030, and by their fiduciary responsibility of corporate boards and officers.

Even if few Canadian disclosure standards currently apply directly to SMEs, the lack of skills to support adoption needs to be



addressed. Without these skills, the hopeful mandatory disclosure may exacerbate inequities across industries. Compliance can be eased when ESG standards allow flexibility for first-time adopters, provide transitional relief through the greening of operations across the value chain, and support proportionate application of standards and requirements across industries and environmental impact allocations.

Canadian financial institutions provide support for SMEs that engage in sustainability performance and capacity building, predominantly through emissions accounting. Several innovative financial products, such as green loans and impact-linked financing, as well as sustainability-linked loans and bond programs, incentivize SMEs to strategically position emissions and ESG broadly into corporate mandates and operations. However, explicit supports are needed to ensure equity-deserving groups, which often lack resources, are not unintentionally left out.

Although Canadian SMEs can take advantage of financing opportunities to build capacity, many continue to face challenges, especially in calculating and reporting on their emissions across the GHG Protocol's Scopes 1-3. Calculating emissions requires specialized knowledge; with insufficient skills, many SMEs are limited to then voluntarily adopt and apply reporting standards in their enterprise. Further, knowledge gaps persist in the use of carbon and environmental impact accounting tools, the integration of complex data sources, and the forecasting of emissions. SMEs must

also contend with high costs in training and computation, as well as competing operational demands. They also lack staff to navigate complex sustainability principles, build knowledge to support emissions and general ESG compliance, and later innovate in their sectors.

Computing Scope 3 emissions is particularly difficult for SMEs. Data on emissions across the value chain (as Scope 3) is large, and inconsistently formatted, and in metrics according to varying regulations: unifying data across jurisdictions for reporting creates an unreasonable burden for underequipped SMEs. Where the enterprises are a part of upstream or downstream value chains and emissions standards are mandated, such as in the European Union, SMEs risk losing out on important capital earnings if they cannot meet emissions compliance obligations. Effective transition will require continued skills-based education to account for emissions and understand nested social and governance values of ESG reporting. A holistic understanding of sustainability compliance brings SMEs access to preferential financing and builds stakeholder trust and market representation. It also provides an opportunity for innovation, market resilience, industry growth and innovation.

An SME can integrate ESG standards into their business strategy in a variety of ways. However, green-skills education among employees is crucial to support a transition. Building skills toward proactive compliance now, rather than reactive compliance later,

also ensures equity-deserving groups are not systematically excluded from market advantage for ESG adoption.

First, a comprehensive strategy is needed to identify emissions and environmental compliance reporting requirements and common issues. This is true across industries and enterprises of all sizes. It is imperative to foster organizational awareness of environmental regulations and build environmental literacy. It is also essential to support businesses in developing tailored action plans that align their operations with wider voluntary and mandatory ESG standards.

Canadian SMEs can also leverage existing standards, from the IFRS and others, to ensure that organizational governance and finances adhere to reporting expectations.



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While the IFRS does not include emissions reporting guidelines tailored to SMEs, it has a structure that these enterprises can readily adapt. This helps smaller businesses gain financial credibility and access to funds, while supporting them in building operational capacity to integrate ESG principles across their business incrementally.

While the IFRS and other institutional frameworks can provide guidance, SMEs need targeted frameworks that consider their unique operational context. This will ensure enterprises can create emissions reductions and meet compliance.

## Conclusions and implications

The Canadian government has signalled a transition toward a unified, mandatory ESG disclosure framework, based on existing ISSB standards. However, policy agendas, not binding agreements, currently guide Canada's plans to reach net-zero emissions by 2050.

In the absence of mandatory regulations, proactive compliance provides an opportunity for Canadian SMEs to seize market advantage.

The federal government has signalled ISSB guidelines should form the basis for regulations. This is one of the only instruments to provide sector-specific guidance and reporting metrics, but they are not, yet, tailored to SMEs. Consequently, some enterprises may not be adequately supported. For example: A small gardening operation and a medium-sized manufacturer would be expected to meet similar compliance standards. Sectoral guidelines, as

well as skills pathing, are needed to help guide diverse enterprises toward net-zero emissions.

The federal government believes that, as mandatory emissions compliance begins with large enterprises, the effect will trickle down to SMEs. As theory goes, a bigger business will help SMEs in its value chain adopt ESG standards to ensure its own compliance. Concurrent skills training now would support proactive adoption by SMEs, and a phased approach to compliance reporting can spread and reduce cost and skills barriers.

Instead of waiting, Canadian SMEs should prioritize proactive ESG engagement now to ensure they remain market-competitive as they build institutional capacity to support full

regulatory compliance. This, however, requires support with the necessary skills. Skills training is needed to ensure the enterprises can access these financial opportunities and comply with environmental and emissions ESG standards. Policymakers and institutions need to accelerate the development of financial incentives for SMEs.

Critically, there is also a need for federal regulators to implement more scalable, inclusive, and context-sensitive ESG disclosure practices for SMEs. This would ensure flexibility for sectors and enterprises that may be ill-prepared without sufficient resources, capital, and knowledge to act upon sustainability goals.





# Context

In Canada, small and medium-sized enterprises (SMEs) produce more than one-half of the country's greenhouse gases. Yet, there is not enough support for SMEs to improve operational sustainability and reduce emissions, respond with resilience to threats from climate change, and ensure accurate emissions reporting throughout their value chains.

Canada has committed to achieving a net-zero economy, where the total amount of greenhouse gas emissions is either eliminated or fully offset, by 2050<sup>1</sup>. To do so, the federal government plans to align with sector-specific guidance and reporting metrics for emissions monitoring and reporting. Additionally, it has signalled that mandatory compliance will start with large businesses, in hopes that these enterprises will be forced to mobilize expertise to SMEs, and thus support their own compliance.

While top-down regulatory pressures may aid enterprises to adopting net-zero practices, further bottom-up supports are needed to help SMEs build their capacity to put them into practice. Many of the existing strategies lean toward supporting large organizations, which have greater resources, skills, and specialized training to support this transition.<sup>2, 3</sup>

This report focuses solely on the environment dimensions of disclosure. However, it acknowledges that environmental emissions are a key part of environmental, social and governance (ESG) measures, which include alignment to human rights, and equity, diversity and inclusion (EDI) principles. A truly sustainable approach to emissions compliance means enterprises must address broader social and governance factors that impact all stakeholders. However, many regulatory standards for ESG focus on environmental impacts and emissions targets, as social and governance mechanisms require less technical green skills to develop and implement.

There is value for smaller enterprises to realize social and governance dimensions of sustainability. Many quantify social value and impact, and strive for fair pay and job conditions, as well as ethical sourcing, well-being, and EDI.<sup>4, 5</sup> Businesses and consumers are increasingly valuing integrity, transparency and accountability, which implies that sustainability is not delegated to one sustainability office (or one practitioner, in the case of most SMEs) but is instead thoroughly integrated throughout business operations.<sup>6</sup>

Effective social and governance sustainability in ESG depends on environmental compliance: sustainable and environmentally-friendly production is often linked with fair pay and work conditions and ethical sourcing. Similarly, integration of sustainable innovations across operations, such as energy and waste efficiency in enterprise locations, puts environmental sustainability throughout an enterprise's practice and in proximity with most employees effectively. As a first step in compliance, this report looks at environmental and emissions compliance for SMEs.

## Enterprises and environmental disclosure

In the global economy, SMEs play a critical role. These enterprises represent about 90% of all businesses worldwide, generate two out of every three jobs, and support the livelihoods of more than two billion people. They are also integral to the functioning of global supply chains.<sup>7</sup> SMEs are responsible for about 40% of European Union greenhouse gas emissions and about 45% of Canadian emissions. Globally, SMEs account for roughly one-half.<sup>8</sup>

Disclosure around ESG has become a central mechanism for aligning business practices with the United Nations Sustainable Development Goals. Although indicators for each category (environmental, social, governance) may vary across sustainability frameworks and standards, common threads can be observed and stem from environmental and emissions reporting compliance. For

instance, predominant environmental key performance indicators include greenhouse gas emissions, energy and water usage, waste management and biodiversity. Social category indicators include EDI, human rights, workforce engagement and community engagement, while governance indicators include board composition, executive compensation, and ethical practices.

Many SMEs participating in ESG disclosure see improved market competitiveness, contract procurement, funding and investment opportunities,<sup>9</sup> in addition to reduced risk through proactive compliance with regulatory mechanisms.<sup>10</sup> ESG disclosure can also bring operational changes. The enterprises can attract and retain higher-quality workers, improve their brand image, better manage risks and build resilience to climate and market shocks.<sup>11, 12</sup>



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While SMEs account for most Canadian businesses, they only represent about 10% of ESG disclosures to the Global Reporting Initiative (GRI) Sustainability Standards.<sup>13</sup> This will likely increase, as large institutions, investors and stakeholders impose mandatory ESG compliance to their value chains as part of their own Scope 3 emissions preparedness. For example, as many as 97% of S&P 500 firms report their emissions to the GHG Protocol,<sup>14</sup> and Business Development Organization (BDO) Canada attributes extensive market advantage to sustainability reporting.<sup>15</sup> Morgan Stanley reports about 85% of individual investors are interested in impact and sustainability, as

sustainable funds exhibit lower risk profiles and comparable economic gains.<sup>16</sup> Similarly, PricewaterhouseCoopers reports that nearly 27% of surveyed Canadian businesses across sectors and enterprise size report generating revenue from participating in climate investments and disclosure since 2020.<sup>17</sup>

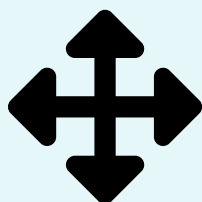
Realizing a potential market advantage, many SMEs are prioritizing sustainability and beginning to think about ESG compliance. In 2023, Business Development Corporation (BDC) surveyed businesses and found that 68% of firms have acted, or intend to act, on sustainability.<sup>18</sup> Among firms that have acted, 55% reported increased business reputation and 30% realized competitor differentiation, customer approval, branding benefits, and preferential status with consumers and business-to-business relationships. Despite recent pushback against climate change adaptation and mitigation initiatives,<sup>19</sup> ESG disclosure continues to enhance financial credibility, improve access to investment and procurement opportunities, strengthen relationships with stakeholders, and make SMEs competitive. It is therefore unsurprising that ESG adoption has become one of the most important priorities for CEOs across businesses and sectors.<sup>20</sup>

Actualizing net-zero goals requires organizational transition plans for businesses that focus on green skills. Green skills are defined as the knowledge, values and technical abilities required to support a sustainable business operation.<sup>21</sup> Actualizing net-zero goals requires organizational



transition plans for businesses that focus in these areas. The Smart Prosperity Institute predicts Canada’s clean economy could create up to 300,000 jobs within the next seven years.<sup>22</sup> The challenge for SMEs is in developing a skilled technical workforce that can create and deploy low-carbon innovation throughout the value chain, while ensuring strategy, management, sector outreach, communications, and social innovation are also implemented.<sup>23</sup>

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equity-deserving groups lead in conceptual alignment with ESG but require skills and capacity to translate that to a capacity to innovate across sectors. Upskilling is incremental, and to bring about green innovations across sectors, operators need foundational environmental competencies to build upon.<sup>24</sup> Research shows many founders and leaders of SMEs, particularly women and Indigenous entrepreneurs, prioritize social and environmental goals over pure profit.<sup>25, 26</sup> Young people are more likely to prioritize working and purchasing from companies that align to their environmental and social values, as evidenced by a recent Harvard Business Review report that shows that about 70% of consumers declare ethical behaviours and sustainability influence their purchasing.<sup>27</sup>

As SME employees often take on multiple roles, with breadth rather than depth in technical skills, continued education and skills development are needed to retain staff belonging to equity-deserving groups. Skills training ensures diverse employees can also perform the necessary range of technical functions for ESG compliance.<sup>28</sup>

The Green Skills Competency Framework, developed by the Diversity Institute, PricewaterhouseCoopers and Oxford University, suggests successive competency development has three levels from “foundational skills and basic green literacy” to “transformational skills” to “deep green skills.”<sup>29</sup>

Foundational skills include basic knowledge of environmental and climate systems and are the basis upon which specialized skills for ESG can be built. These include:

- > Understanding basic green literacy and terminology (sustainability, climate change, emissions), basic net-zero and emissions regulatory requirements in direct operations,
- > Relating basic concepts of the green transition to one's direct operations, indirect operations, and business operations across the value chain
- > Positioning one's operations to Canada-specific net-zero goals and policies, ensuring general net-zero policy compliance, and gaining an educational background in green skills.



Transformational skills involve a deeper understanding of how green transitioning interconnects with existing primary business functions and supports activities across the value chain. They support SMEs in converting baseline sustainability and tacit enterprise knowledge into applicable ESG strategies. Transformational skills move beyond identifying opportunities in fundamental skills to implementing operational and technical solutions. They include:

- > Monitoring emissions in carbon dioxide equivalents (CO<sub>2</sub>-e) for different operations throughout the value chain
- > Establishing data infrastructure for continued monitoring and data collection across emission scopes
- > Conducting scenario analysis to understand what SME assets are vulnerable to different environmental, climate and geopolitical hazards to support resilient value chains
- > Analyzing cost savings and impacts of implementing sustainable new enterprise operations (i.e., energy efficient procurement, low-emissions transport, ethical production)
- > Identifying and participating in carbon markets and sustainable investment opportunities
- > Developing strategies for reporting SME operations and emissions to global standards
- > Being able to articulate their SME's position in reference to the industry and their countries sustainability and emissions goals.

Deep green skills use specialized knowledge to go beyond implementation of existing innovative practices. Practitioners with deep green skills can invent across sectors. These include innovations in environmental and energy systems engineering, biotechnologies, and product formulation in materials science—such as mycelium packaging now used extensively across sectors in logistics.<sup>30</sup> Other areas include waste management, computer and data science—such as new artificial intelligence integrations for emissions monitoring and prediction.<sup>31</sup>

Despite the importance of ESG issues, many SMEs have yet to fully engage with them.<sup>32</sup> Many employees of smaller enterprises are stuck at the foundational knowledge level and require upskilling. And while many SMEs are aware of sustainability principles, action through ESG lags. PricewaterhouseCoopers reports that as many as 34% of SMEs have not assessed the materiality and impact of operations, about 21% have not described their corporate structure for managing sustainability issues, and nearly 58% do not detail how sustainability affects their business.<sup>33</sup>

The lack of proactive disclosure, analysis, and determination of enterprise sustainability leaves many SMEs vulnerable to climate-related changes in regulatory compliance.<sup>34, 35, 36</sup> The hesitation for ESG adoption is understandable given their operational limits. To tackle this, the United Nations Global Compact has generated a workflow to help SMEs in all sectors

understand compliance to ESG reporting standards and disclose the risks related to their impacts on nature, as well as understand and respond to the impact of natural forces such as storms, flooding and wildfires on business continuity.<sup>37</sup>

While the definition of SME varies between Canada and the EU,<sup>38, 39</sup> organizational capacity is a similarly restraining to realizing ESG compliance. Owners and managers of many SMEs operate under significant constraints, including limited time, financial capacity, or technical knowledge to address complex sustainability challenges such as climate change or social inequality. Knowledge gaps hinder proactive adoption, as well as



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compliance when new regulations are enacted. Further, SMEs may not be aware of new requirements or adaptation methods.<sup>40</sup> This is particularly a problem for businesses led by women or young people that tend to be smaller and have fewer resources,<sup>41</sup> causing inadvertent regulatory breaches and an inability to take advantage of new financing incentives, market competitiveness through operational changes, and value-chain optimization for cost-reduction.<sup>42, 43, 44, 45</sup> SMEs owned and operated by equity-deserving groups, while more aligned with sustainability values than traditional enterprise, require skills training to address their disproportionate capacity and actualize ESG within their operations.

In many cases, SMEs may not know how or where to start in approaching ESG compliance. Nevertheless, it is imperative that SMEs take action to advance sustainability and equity through ESG. Advancing these values not within formal regulatory measures provides net collective benefit to society, but through ESG frameworks, they can ensure their own long-term viability and competitiveness.<sup>46</sup>

This report reviews the basic purpose and concepts of ESG frameworks and standards, and the international organizations that shape them. It also examines the main ESG disclosure tools, from the voluntary to most binding, outlining their objectives, legal status and scope. We discuss their relevance to Canadian SMEs and the implications for skills and employment.

The final section focuses on the barriers SMEs face in adopting environmental disclosures,

and explores recent developments designed to support them, such as the International Financial Reporting Standard (IFRS) for SMEs and the Canadian Sustainability Disclosure Standards. It highlights how environmental and emissions disclosures to ESG frameworks can enhance resilience, access to finance opportunities, and integration into sustainable value chains. This reinforces the need for a more inclusive and proportionate disclosure system.

## Emergence of reporting

Corporate Social Responsibility (CSR) emerged in the 1950s as a voluntary, ethics-driven approach recognizing the social role of business. Over time, it has evolved in response to changing regulatory and stakeholder demands. The emergence and institutionalization of ESG frameworks have been largely driven by pressure from investors who increasingly demand consistent, reliable information on corporate sustainability.

As ESG factors are integrated into investment strategies, companies are expected to adopt disclosure practices and governance mechanisms aligned with long-term value creation. In Canada, institutional investors and capital markets play an influential role in encouraging directors and executives to consider ESG issues in corporate decision-making. Consumers, employees, and civil society actors also exert significant influence. They leverage campaigns, boycotts, and other actions to promote socio-environmental responsibility.<sup>47</sup>

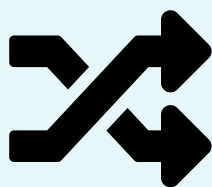
Alignment with international commitments, such as the Paris Agreement and the United Nations Sustainable Development Goals, has strengthened the global legitimacy of ESG frameworks. The intensification of environmental, social, political and ethical crises—including climate change, inequality and governance failures—has underscored the urgency of developing systematic approaches to sustainability. As Canadian SMEs are thoroughly integrated into the global market, they will require support for compliance across their value chain, as evidenced by intellectual property (IP) ownership. Statistics Canada reports that nearly one in five (about 18%) of Canadian enterprises owned at least one piece of IP in or outside of Canada in 2019. This includes almost one-half of medium-sized corporations (48.9%) with 100 to 499 employees, 20.7% of those with 20

to 99 employees, and 13.5% of those with one to four employees.<sup>48</sup> As Canada seeks opportunities to enter new markets following depreciating trade agreements with the United States (through diversification to the EU market), SMEs urgently need to become compliant with international standards.

While environmental issues are pressing, about 91% of North American sector experts believe ESG principles face significant backlash,<sup>49</sup> and many graduated timelines toward required reporting have been delayed. For instance, Canadian accounting of indirect emissions for federally regulated financial institutions and disclosure of industry-based metrics has been delayed by three years (2025 to 2028).<sup>50</sup> Indirect emissions disclosure for asset management activities has been pushed back by four years (from 2025 to 2029).<sup>51</sup>



Many firms, while aware of industrial emissions issues, are not yet linking ESG goals to practices. The lack of action is occurring despite acknowledgement from management, as well as external consumer and investor pressures. For example, many major Canadian financial institutions—including BMO, National Bank, TD Bank Group, CIBC, and Scotiabank—have left the Net-Zero Banking Alliance. This alliance aligned operations toward net-zero greenhouse gas emissions by 2050.<sup>52</sup> However, these institutions still require emissions compliance through emissions accounting protocols, Canada’s net-zero strategy, and their board of directors’ responsibilities to forward-thinking investment management,<sup>53</sup> which is increasingly being guided by climate and environmental externalities.<sup>54</sup> Indeed, corporations of all sizes



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are expected to increase voluntary emissions disclosure participation, despite temporary pushbacks or delays.<sup>55</sup>

At the same time, many SMEs are facing challenges on multiple fronts and lack the internal capacity to take on additional work, unless it is directly tied to the bottom line. This may limit proactive, or even regulated, adoption, as they simply cannot dedicate resources toward compliance. Understanding how ESG standards can support organizational objectives without causing undue burden is critical to improving adoption. That’s why mandated compliance, without supports to encourage compliance, may not be the most effective tool to encourage ESG compliance.<sup>56</sup>

A recent OECD report identified that, while frameworks may help improve understanding, big firms lack the data on SMEs to understand how they can integrate environmental and emissions compliance within operations.<sup>57</sup> There is a potential mismatch here with the perceived benefit of asserting regulatory compliance on big firms, which the federal government believes will encourage SME adoption through knowledge-sharing.<sup>58, 59, 60</sup> These SMEs need skills training to effectively use the help from large institutions and enterprise value chains in emissions reporting.

The Sustainability Standards Board develops voluntary Canadian emissions reporting benchmarks that aim to align disclosures for domestic enterprises with a set of global scopes. As defined by the GHG Protocol,

these are emissions that are directly related to a business's operations (Scope 1), indirectly related emissions (Scope 2) and those across the value chain (Scope 3). For example, Scope 1 emissions for a Canadian farmer would include emissions related to direct operations on farm, such as running agricultural equipment. Scope 2 emissions would include emissions related to electrical infrastructure which powers operations. Scope 3 would align to emissions associated with bringing food to domestic and international markets, in transportation and logistics to the end consumer. Easily, the complexity of emissions can increase when thinking about, for instance, the energy expenditure for refrigeration of goods once they arrive at a food retailer, as well as the operational emissions from their direct (Scope 1) operations, given the interconnectedness of global markets.

It is not surprising many SMEs cannot calculate and monitor these emissions, nor do they have knowledge of these requirements. Direct implications of a lack of knowledge typically pertain to direct Scope 1 activities. Further, more advanced skills are needed for SMEs to quantify emissions from Scopes 2 and 3, as these are increasingly difficult to quantify.<sup>61</sup>

## Skills training for small and medium-sized enterprises

Skills underpin the ability of SMEs to work towards ESG compliance. However, many Canadian SMEs do not feel they have the

required knowledge to ensure compliance. Prioritization of green skills educational offerings to new learners and existing employees is essential to ensure SMEs can calculate emissions across scopes, collate complex data products, and report in compliance across the jurisdictions of their value chains.

In Canada, significant investment has been made to support environmental upskilling, though a focus on emissions compliance is not always explicit. For example, the interim Sustainable Jobs Plan,<sup>62, 63</sup> supports the creation and green transition of existing jobs through \$25 million annually to union sustainability and green upskilling programs.<sup>64</sup> An additional \$960 million is allocated over three years for programming on upskilling, rural and remote community-led approaches to education,<sup>65</sup> \$250 million has been allocated to industry-led upskilling efforts,<sup>66</sup> and \$272 million has been dedicated over five years toward engaging persons with disabilities in the labour market.<sup>67</sup> Collectively, these programs aim to support a talented, diverse and green-skilled workforce across key Canadian industries. Though, targeted education for ESG compliance lags behind the growing number of frameworks and institutions administering frameworks and standards.

Post-secondary institutions are crucial in preparing future graduates, SME employees, and SME owners with the requisite skills for a green economy. Research by the Conference Board of Canada and Vicinity Jobs shows that

about 44% of Canadian green jobs require a college diploma or certificate, and 38% require a bachelor's degree.<sup>68</sup> However, the post-secondary sector extensively underinvests in this area. For example, less than 1% of the entries in a database of 7,862 college and polytechnic programs and 13,670 university programs include green skills training.<sup>69</sup>

Formal post-secondary educational programs may also not be flexible to active workforce members, particularly Indigenous Peoples and members of equity-deserving groups who require additional wraparound supports to participate in upskilling. For example, women encounter gender biases, caregiving responsibilities and adverse wage gaps, which restrict their ability to participate in the sector as well as additional skills training initiatives.<sup>70</sup> Immigrants and refugees—important economic drivers for Canadian SMEs workforce—struggle with credential recognition, language barriers and trauma, leading to underemployment and limited access to upskilling opportunities. For instance, many foreign-born workers feel undervalued given prior industry experience and express a need for rapid upskilling and credential recognition to fill labour gaps in green sectors.<sup>71</sup> Further, Black youth face systemic racism in educational institutions and workforces, as well as a lack of professional networks. This reduces their opportunities for professional growth and skills acquisition.

Wraparound supports like career coaching, flexible training and mentoring, and subsidized program costs can help address these



issues. Skills training that offers flexible participation may also help reduce access barriers. This includes workplace-integrated learning, immigration pathways for work alongside upskilling and reskilling programs,<sup>72</sup> self-directed studies, and sequential micro-credentialling. For instance, the European Climate Pact offers free, self-paced courses to active workers. These courses offer transferable foundational skills, including policy, climate communication and project management, in addition to more technical green skills.<sup>73</sup> However, such programs are rarely tailored explicitly for SMEs.

In Canada, collaboration between the Future Skills Centre, Magnet, Diversity Institute, la Fédération des Chambres de Commerce du Québec, and the Ontario Chamber of Commerce supported the Skills Bridge Program. Skills Bridge offers online training to SMEs, and has engaged more than 800

businesses from 80 chambers of commerce across Canada in several foundational and technical skills programs. It has supported SMEs in establishing the business case for climate adaptation, participating in sustainable finance and investment, and taking advantage of several digital and technological training programs that are essential to ESG emissions data compilation, management and reporting.<sup>74</sup> There are also micro-credential programs led by post-secondary institutions<sup>75, 76, 77</sup> as well as by boards of trade.<sup>78</sup>

ESG education programs do exist, but only a few are explicitly developed for SMEs. For example, University of Victoria delivers an ESG and Impact Fundamentals micro-credential, with sector-specific sectoral cohorts. It offers hybrid participation and asynchronous participation, and free participation.<sup>79</sup> UBC Sauder, in partnership with BMO, offers a program to support SMEs in accounting carbon dioxide equivalents. It partners new students with an SME to support carbon footprint calculations. However, this is more of a skills training opportunity for the students and does not provide ongoing capacity to employees and leaders of SMEs—as existing workforce participants—to engage in ESG reporting.<sup>80</sup>

Given how SME employees often occupy a diverse set of roles, micro-credential programs can balance that breadth of responsibility with the necessary technical expertise and specialization. Micro-credentials are also flexible enough to change following new domestic and international reporting

requirements. Similarly, partnership initiatives need to ensure longstanding capacity to support ESG reporting beyond the duration of engagement for a given program or clinic.

Ultimately, a diversity of different training programs is necessary to train new workers and upskill existing SME employees to meet green skill requirements across sectors. Conference Board of Canada projections show that six months of training achieves a potential 20.2% of net-zero career transitions, while one year realizes about 57.7%, and three years (equivalent to formal Post secondary educational institutional programs) reaches about 79.5%.

Continued and diverse training opportunities, as well as explicit wraparound supports are therefore necessary to improve proactive and forthcoming mandatory ESG compliance for SMEs.



***A diversity of different training programs is necessary to train new workers and upskill existing SME employees to meet green skill requirements across sectors.***



# Current Frameworks and Standards

Growing demands for emissions reporting accountability have led to the development of numerous frameworks and standards. For SMEs, understanding the structure, content and applicability of these instruments is essential for effective emissions reporting and broad ESG integration. Operationalizing environmental commitments—implementing waste and energy reduction strategies and improving value chain resilience, as well as emissions monitoring—requires specific skills training.

This section presents an overview of major ESG tools to support SMEs in navigating emissions disclosure expectations and building enterprise sustainability strategies. It focuses on their scope, metrics and regulatory status.

## Environmental, social and governance frameworks and standards

There are numerous ESG frameworks and standards available today, each serving different objectives and stakeholder needs. For SMEs, navigating this complex and evolving landscape can be challenging. There are important differences among these instruments, ESG frameworks offer

conceptual guidance and define materiality principles, while standards specify what data must be reported and how. For instance, the Task Force on Climate-Related Financial Disclosures (TCFD) provides a framework, while the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards provide detailed, topic-specific metrics.

A variety of different instruments mandate emissions reporting and environmental production compliance, but all remain voluntary for SMEs, except for economic activities funded through the United Nations Environmental Program.<sup>81</sup> Table 1 provides a comparative overview of key ESG instruments, highlighting their scope, objectives and level of enforceability. SMEs are generally unaware of ESG regulations, so understanding distinctions is essential. This is especially true if they seek to align with investor expectations, integrate into sustainable value chains, and work towards ESG disclosure.

Small and medium-sized enterprises may be able to look to voluntary practices to progressively adopt ESG. These align with skills-based learning to support ESG disclosure and ensure business preparedness

if different standards become required. While the timing of regulatory changes will depend on proactive and or reactive environmental policy regimes, BDC reports nearly one-third of SMEs believe they will have to comply within five years.<sup>82</sup>

Compliance requirements and timelines vary globally. In Europe, SMEs with securities listed in EU-regulated markets must comply to the Corporate Sustainability Reporting Directive (CSRD) by 2026. The first sustainability reports are expected in 2027 and non-EU companies that conduct business in the EU above certain thresholds must report in 2029 for financial year 2028.<sup>83</sup> In Canada, mandatory adoption was paused in April 2025 by the Canadian Sustainability Standards Board (CSSB), but is subject to renewal.<sup>84</sup> Proactive adoption now, as opposed to reactive adoption following regulation, ensures market competitiveness

and compliance, and is especially important to ensure that SMEs owned by equity-deserving groups can thrive.

Existing binding instruments to large and listed public companies is causing indirect requirements for SMEs. For instance, the European Sustainability Reporting Standards (ESRS) indirectly affect smaller enterprises by shaping the expectations of supply chain partners. In Canada, the Canadian Sustainability Disclosure Standards (CSDS) are mandatory for publicly accountable companies, thus encouraging SMEs to adopt before mandated. The CSDS is not yet mandatory for SMEs, but provides flexibility for smaller firms, encouraging proportionate reporting based on capacity and available resources.<sup>85</sup>

Flexibility in standards and implementation timelines should allow Canadian SMEs to align with international norms while maintaining feasibility. Without skills supports and offsetting capital costs of computing and reporting emissions, it is unclear what pathway exists for many Canadian SMEs to implement ESG into businesses, beyond conceptual alignment with its principles. SMES should look to forthcoming standards to understand how investors and client expectations are changing, as well as voluntary frameworks, to understand the procedures of disclosure that are adaptable to smaller businesses. Concomitant with skills self-driven education is important to ensure SMEs can identify relevant ESG topics, assess risks, and communicate performance.



**Table 1**  
**Overview of key instruments**

Name	Scope	Objectives	Applicability
<b>UNEP Environmental and Social Sustainability Framework (ESSF)</b>	UNEP-funded projects and programmes	Integrate environmental and social safeguards into UNEP operations	Mandatory for all UNEP-funded activities
<b>European Sustainability Reporting Standards (ESRS)</b>	Mandatory disclosures for EU	Ensure consistent, reliable ESG reporting within the EU	<p>Mandatory for large and listed EU companies (if more than 250 employees, €40 million in net turnover, or €20 million in total assets)</p> <p>Listed SMEs on regulated EU markets (they will benefit from proportionate standards and a longer phase-in period) Non-European companies (more than €150 million in turnover) within the EU and operate at least one significant subsidiary or branch in the region</p>
<b>Canadian Sustainability Disclosure Standards (CSDS 1 and 2)</b>	National sustainability and climate disclosures in Canada	Align Canadian disclosures with global frameworks while considering local needs	Voluntary but promoted as tools to enhance transparency, comparability, and alignment with global disclosure expectations
<b>IFRS Sustainability Standards (IFRS S1 and S2)</b>	Global sustainability and climate disclosures	Provide investor-focused, decision-useful sustainability information	Adopted by national regulators, targeting listed companies
<b>Transition Plan Taskforce</b>	Corporate transition planning	Provide a disclosure framework for credible transition plans	Voluntary, with expected regulatory adoption in the U.K.
<b>Global Reporting Initiative (GRI)</b>	Sustainability reporting standards across ESG topics	Promote transparency and accountability on ESG impacts	Voluntary, widely used across sectors

Name	Scope	Objectives	Applicability
<b>United Nations Sustainable Development Goals (SDGs)</b>	Global goals across public and private sectors	Framework to guide global action for sustainable development by 2030	Voluntary, encouraged for all sectors and governments
<b>ESG Data Convergence Initiative (EDCI)</b>	Private markets, especially private equity and credit	Framework to harmonize ESG data collection across private markets	Voluntary for general and limited partners in private markets
<b>International Integrated Reporting Framework</b>	Integrated corporate reporting	Link financial and non-financial information in corporate reports	Voluntary, applicable to all sectors and organization types
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	Climate-related financial disclosures	Framework to enhance transparency of climate risks and opportunities	Voluntary, increasingly mandatory in several jurisdictions
<b>Stakeholder Capitalism Metrics</b>	Standardized ESG metrics for corporations	Enable comparability of ESG disclosures globally	Voluntary, adopted by multinational corporations

References: ESG Data Convergence Initiative EDCI, 2025; European Union EU, 2023; FRAS Sustainability 2025; Global Reporting Initiative GRI, 2024; IFRS Foundation nd-a, nd-b; International Integrated Reporting Council IIRC, 2013; Task Force on Climate-related Financial Disclosures TCFD, 2017; Transition Plan Taskforce TPT, 2023; UN Environment Programme UNEP, 2020; United Nations UN, 2015; World Economic Forum WEF, 2020.

These frameworks and standards offer a graduated pathway for SMEs to engage in ESG disclosure. Businesses may begin with voluntary and scalable tools to build internal capacity, address material issues, and respond to stakeholder expectations. Over time, this approach supports gradual convergence with more comprehensive disclosure requirements. This strengthens SME competitiveness, resilience, and strategic positioning in an evolving regulatory and market landscape.

## Role of standards institutions

A small number of key organizations play a role in shaping the global landscape of ESG reporting by issuing high-level frameworks and reporting standards. These institutions contribute significantly to the coherence, comparability, and global alignment of disclosure practices.<sup>86</sup> However, instruments are typically not tailored to sectors, enterprise size, and remain voluntary— leading to disproportionate adoption among sectors and enterprise sizes.

Institutions cover multiple jurisdictions and create a complex regulatory landscape for SMEs seeking ESG compliance. Internationally, the International Organization for Standardization (ISO) maintains several standards for ESG compliance. For instance:

- > ISO 14001 provides requirements for environmental management strategies for Scope 1 emissions, including calculating operational energy consumption, waste generation, and opportunities for more efficient resource use
- > ISO 50001 targets social and governance elements of ESG, including enterprise policies for energy planning, and established baseline performance and targets for energy use, as well as clear evaluation methods and timeline to periodically assess energy use, consumption, and waste generation

The ISO standards are sector-agnostic and apply across jurisdictions, though adoption is voluntary.<sup>87</sup> The lack of sector specificity has been flagged as a major deterrent of adoption, as SMEs do not feel reflected within international guidelines.<sup>88, 89</sup>

Nationally, the IFRS S1 and IFRS S2 standards articulate sustainability-related financial disclosure principles. The S1 standard requires enterprises to identify and report how environmental factors would affect business strategy in the same currency and timeframes as existing business financial disclosure statements and reporting. For instance, an SME that engages in value-added food processing would need to disclose how

water and environmental scarcity, labour demands, and or supply chain considerations affect financial performance, including estimates of realized or lost revenues. These calculations are often cost-intensive and require more technical skills than the foundational environmental knowledge held among SME enterprise owners and employees. A tailored guide for SMEs exists, omitting some accounting guidelines and including substantially fewer disclosures. It is written in plain language for non-specialized audiences.<sup>90</sup> While there are substantial revisions to the standard, supporting documentation is still in preparation and unavailable to SMEs as of 2025. There is also a lack of data on the adoption success of the revised IFRS S1 for SMEs.<sup>91</sup>



***The ISO standards are sector-agnostic and apply across jurisdictions, though adoption is voluntary. The lack of sector specificity has been flagged as a major deterrent of adoption, as SMEs do not feel reflected within international guidelines.***



Some standards provide sector-specific guidelines. For instance, the Sustainability Accounting Standards Board (SASB) metrics offer industry-specific guidance across 77 sectors. Now maintained by the International Sustainability Standards Board (ISSB), this is one of the only instruments to provide sector-specific guidance and reporting metrics.<sup>92</sup> For instance, SMEs operating in the health-care sector have to account for fewer environmental indicators (air quality monitoring, water and wastewater management) compared to metals and mining sectors.<sup>93</sup> Adoption is voluntary but increasingly supported by regulatory mandates for Canadian businesses.<sup>94</sup> Larger corporations' SASB adoption has been assessed, but this has not been the case for SMEs. Instead, research suggests SMEs' adoption is limited by common barriers,

including resource limitations, limited expertise, reporting complexity, and time constraints.<sup>95, 96</sup>

In Canada, the CSSB provides national standards aligned with the above international frameworks, while reflecting domestic regulatory, legal and economic realities of Canadians. Standards are not mandatory though are endorsed by market regulators; institutional buy-in and alignment of Canadian firms with global disclosure norms does create some pressure for compliance.<sup>97</sup> Alignment to the Canadian market is important for domestic SMEs, though does not address the concern that international value chains confuse compliance requirements. Canadian Economic Development for Quebec Regions is committed to developing more harmonized ESG guidelines for SMEs to encourage better adoption of the CSSB reporting requirements. Its guidelines have not yet been published, however.<sup>98</sup>

Overall, while many institutions maintain standards, many are not applicable to SMEs. Where tailored supports are available or provide guidance to targeted sectors and locations, adoption rates and challenges among SMEs have not been assessed. Additionally, opportunities to proactively increase ESG adoption will hopefully improve sector participation. Combined with micro-credential and post-secondary training opportunities, and applicable wraparound supports, this will provide the necessary upskilling for SMEs to evaluate environmental impacts across value chains and enter compliance with sustainability standards.



# Disclosure in Canada

However, even in the current state, SMEs that do not align with evolving sustainability requirements may find themselves excluded from supply chains, unable to access preferential financing, or at risk of losing trust from clients, investors, and regulators.<sup>99</sup> It is optimistic to position ESG compliance as an opportunity for innovation, resilience and growth, but it is likely unattainable for many without effective skills to support emissions accounting across scopes, as well as financial resources to reduce the barrier to entry. For SMEs, significant supports are needed to offer a more effective path forward for emissions reporting and reductions.<sup>100</sup>

Empirical evidence confirms that SMEs with stronger ESG performance have reduced economic costs from pollution abatement, as well as in social and labour domains, where they demonstrate greater resilience during economic downturns.<sup>101</sup> A study of Spanish SMEs over the period 2012 to 2022 finds that emissions disclosure is positively associated with firm performance. The positive effect is further amplified by institutional pressures, and sustainability practices appear to protect SMEs against failure, supporting the “doing well by doing good” perspective.<sup>102</sup>

## Improving preparedness and reporting

The integration of ESG into business strategy is frequently described in the literature as a gradual and context-specific process, especially for SMEs.<sup>103</sup> However, explicit skills-based and financial supports are needed to facilitate the transition. While there is no universally applicable pathway, several foundational steps are commonly recommended in policy and practitioner guides. These include identifying ESG issues relevant to managers, employees and other internal stakeholders, as well as external stakeholders, such as clients, suppliers, competitors, and community members.<sup>104, 105</sup> According to this view, businesses first need to build organizational awareness of core ESG and sustainable development concepts, such as materiality, circular economy principles, EDI, and carbon-neutrality scenarios. This is then followed by an assessment of existing emissions generating and reporting practices and maturity levels, leading to action plans tailored to the firm’s location, industry, scale, and position in value chains.<sup>106</sup> This is directly in line with the sequential Green Skills

competency framework, but again requires substantial efforts dedicated to education and skills development to ensure existing sector employees can effectively upskill.<sup>107</sup>

In parallel, it is suggested that SMEs may rely on existing accounting frameworks to ensure credible and comparable financial reporting.<sup>108</sup> However, this requires sufficient knowledge of the standards and institutions regulating emissions. The IFRS for SMEs, issued by the International Accounting Standards Board in 2025, is presented as a simplified and self-contained framework tailored to entities without public accountability. Its primary stated objective is to provide SMEs with a cost-effective and practical structure for preparing general-purpose financial statements that meet the needs of external users such as lenders, investors and other creditors.<sup>109</sup> While the standard allows for scalability, to support exemptions based on “undue cost or effort,” it does not include ESG-specific or forward-looking disclosure obligations for SMEs.<sup>110</sup> It remains to be seen how this phased program will improve ESG adoption among SMEs, as there is not attendant skills training outside of self-directed information on terms and concepts within the IFRS guidelines.

Proponents in favour of the IFRS for SMEs argue for modularity and accessible structure support capacity-building within small firms. It is believed guidance on financial statement content, format, and explanatory notes is sufficient to allow entities to apply only the sections relevant to their operations. While

these features are often highlighted as making the framework more accessible to smaller firms, it is important to note that the IFRS for SMEs focuses exclusively on financial reporting and does not directly support ESG-related disclosure or integration.<sup>111</sup> Furthermore, Section 35 of the standard includes transitional guidance for first-time adopters, offering procedures for retrospective adjustments and disclosure requirements. These are intended to assist firms transitioning from local accounting systems or informal financial practices.<sup>112</sup>

It is also claimed that the IFRS for SMEs serves as an internal capacity-building tool. Its accessible language and modular format are said to enable entrepreneurs, junior staff and other non-specialist users to understand essential reporting principles. In this perspective, the standard could help firms build structured and compliant accounting systems, and support employee self-directed education. While these assertions reflect the official rationale of the IASB, they should be considering the diverse realities and constraints faced by SMEs in various sectors and regions.<sup>113, 114</sup> In tandem with self-directed explanations through the standard, skills-based supports training may be needed for businesses to perform emissions accounting effectively and accurately for their business.

# Conclusion

The institutionalization of ESG frameworks and standards has transformed sustainability from a voluntary aspiration into a core expectation of corporate governance and financial reporting. As ESG considerations become increasingly embedded in global value chains, regulatory regimes, and investment criteria, SMEs must be adequately supported to engage proactively in this transformation.

Small and medium-sized enterprises are critical to achieving inclusive and sustainable economic transitions, given their contributions to GDP and their extensive employment of Canadians. However, they also require deep green skills training to engage with the growing guidance, forthcoming mandatory compliance, and institutional network of ESG reporting. Extensive upskilling support is needed to allow SMEs to understand their emissions generation, account for it, and report to the guidelines for their jurisdiction and emissions scope.

A variety of policy and financial mechanisms may help facilitate a transition toward ESG compliance, but smaller enterprises still require the skills to engage. For example, the federal government expects that forcing compliance from large enterprises will yield

downstream benefits. However, many bigger businesses do not have sufficient insight into SME processes, and many SMEs are not equipped to provide emissions data.

Institutional frameworks offer promising entry points for SMEs, but require staggered implementation, as well as flexibility depending on resource capacity. They also need a segmented application that is sensitive to the SME's region and sector, and a deep understanding of SMEs' resources and capacities.

Additional financial incentives, third-party certifications, and value-chain partnerships can facilitate emissions reporting and compliance integration, while enhancing SMEs' competitiveness and resilience. However, they still require explicit support to ensure distribution of funds is equitable. Many SMEs may not be aware of funding opportunities, and SMEs owned or operated by members of equity-deserving groups may not have the skills or organizational capacity to apply for funding.

Work must also be done to improve ESG disclosure mechanisms' relevance, credibility, clarity and scalability to SMEs and their

sectors. This will require continued alignment between standards setters, policymakers, investors, and support institutions, and improved data collection on SMEs' efforts. In this evolving landscape, the balance between standardization and flexibility will be key to enabling SMEs to contribute meaningfully to sustainability objectives while securing their long-term viability without undue stress from compliance requirements.

It is important to emphasize that ESG frameworks and standards for SMEs are still under development. Although some instruments discuss proportionality, sector-specific needs, and realize barriers for different equity-deserving groups, there is no model that is effective and usable for smaller firms. Nor is it clear how changes to climate agreements in Canada will affect

mandatory compliance timelines, and the kinds of resources provided to SMEs. Current debates focus on the calibration of materiality, reporting thresholds, and the administrative feasibility of disclosure given limited internal capacity. Underlying skills shortages are not prioritized and thus require concerted and consistent intervention to ensure SMEs are equipped to innovate sustainable practices into their businesses.

As the regulatory and voluntary landscape continues to evolve, new methodologies, tools, and support structures are likely to emerge. This ongoing process presents a strategic opportunity for SMEs, regulators, and industry stakeholders to contribute to the design of scalable, inclusive and context-sensitive ESG disclosure practices, as well as training programs.



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