



Perseus

Steering Group
27 March 2023

B4NZ is the UK country chapter of the NZBA, which is part of UNEP FI and GFANZ

Steering Group & observers



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Observers



Represent stakeholders from across the value chain including the banks, lenders, SMEs, financial and professional services, accounting, solutions vendors, national and international policy.

Perseus vision and mission

VISION

Unlock financial support for SMEs to address up to 50% of UK emissions

MISSION

Enable banks and industry to unlock incentives and reduce risks with open standards and assurable data

Success criteria for 2023

Do one thing well: build a demonstrator for COP28

Enable assurable data to flow **automatically**
from the **real** economy (energy companies)
to the **financial** economy (banks)
with the permission of the **customer** (SME)

while improving the **quality** and **impact** of outcomes for stakeholders

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Go far together: build the process with Advisory Groups (AGs)

AG1 Enable prioritisation of actions that **link disclosure to measurable impact**

AG2, AG3 Address the technical and legal implementation challenges

AG4 Agree on cohesive communications

AG5 Identify potential policy interventions

Advisory Groups — collaborative, whole system design

Steering Group

Provide governance, strategic and tactical leadership, and oversee market-wide communications. Appoint and direct Advisory Groups. Discuss, review and ratify plans.

| AG1 User Needs, Materiality & Impact | AG2 Data Publishing (technical standards & systems) | AG3 Data Licensing (legal definitions & contracts) | AG4 Engagement & Communications | A5 Policy (regulation, policies) |
|---|--|--|---|--|
| <p>Explore, prioritise and work through use cases (identifying users, their needs, mapping the data value chain).</p> <p>Agree the data needs that represent materiality and that can be linked to market incentives. Identify the underlying framework/reporting standards (eg. with PCAF, CDP).</p> <p>Develop the business, value and impact cases for the programme and its impact on the UK policy targets, banks, SMEs, and financial instruments.</p> | <p>Agree technical data and metadata standards for publishing data, including machine-readable standards and data access (e.g. APIs).</p> <p>Operational technical systems that enable data sharing (trust framework) and processing (e.g. calculation).</p> | <p>Develop standard legal data licences that allow Shared Data to flow securely across the market, with consent, in alignment with Data Sensitivity Classes.</p> <p>This will include key policies, such as conditions for participation, roles and responsibilities.</p> <p>Outputs of this group will address the necessary licences and requirements for a functioning access control.</p> | <p>Address the user experience, signposting and inspiring behavioural change.</p> <p>Raise awareness, create engagement and impact with stakeholders.</p> | <p>Address potential policy interventions.</p> <p>This includes corporate policy such as potential in loan conditions, procurement and/or, Government or regulatory intervention.</p> |

Outcomes: design elements towards implementation of a market-wide solution

Automate assurable data supply

Data quality is poor; data provision doesn't scale; burdensome for everyone

Address risk for the banks

Liability sits on loan books; continuity of access to capital is critical

Build an onramp for trusted Net Zero engagement

Trust around net zero initiative, incentives, and data usage are low

Create cohesion of approach across the market

Align banks, analytics providers, auditors, reporting frameworks: everyone is doing things differently; raise the bar on pre-competitive activities

Unlock financial incentives across the economy

SMEs need easy ways to engage in tangible impact

Steps towards long-term, cohesive development

Step 1 (2023)

Work out the business case(s) to unlock financial incentives and reduce risk for GHG reporting (AG1).

Lay foundations for automating assurable, primary data flow to reflect energy usage on a geographic and temporal basis.

Step 2 (2023)

Address the legal, policy and technical challenges (AG2, AG3, AG5) to enable the process to scale to the whole economy.

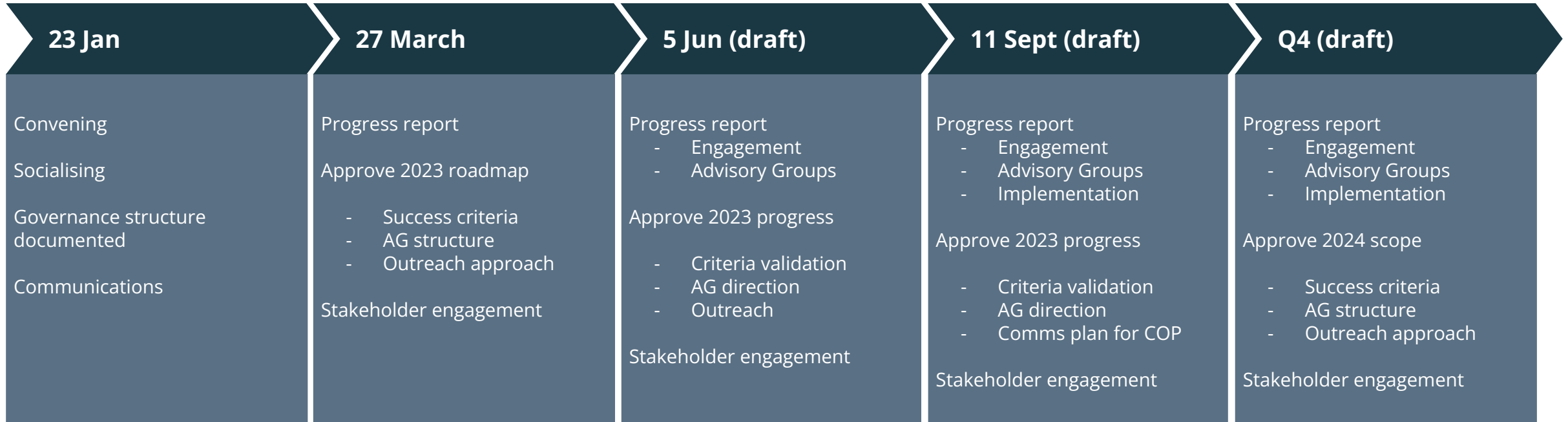
Test market engagement and incentives through clear, cohesive communication around a demonstrator (AG4)

Step 3 (2024)

Based on the needs identified:

- 1) improve the temporal and geographic tracking (e.g. to monthly, hourly)
- 2) increase the scope of data to other impact categories (e.g. water, transport)

Overview roadmap for Steering Group in 2023



High-level roadmap for implementation

To go far we need to go together. To go quickly we need to laser-focus on a narrow scope to deliver a minimum viable implementation.

| | Q1 | Q2 | Q3 | Q4 |
|-------------------------------|--|---|--|---|
| Outcomes & outputs | <ul style="list-style-type: none"> Secure funding Onboarding Stakeholder outreach Scoping and planning Hold first Steering Group meetings | <ul style="list-style-type: none"> Steering Group leadership Advisory Groups operating Implementation team formed for Demonstrator Communications | <ul style="list-style-type: none"> Steering Group checkpoints Advisory Groups operating Implementation team building Pilot and roll out planning Communications | <ul style="list-style-type: none"> Steering Group sign-off Advisory Groups report Demonstrator launch at COP28, Dubai 2024+ planning Communications |
| Narrative | <p>Initial scope is unlocking access to <u>energy data only</u> and how the (technical, legal, policy, operational) 'plumbing' can be implemented.</p> <p>This is relevant to Scope 1 and 2 GHG emissions, and must be aligned with reporting standards.</p> | <p>Throughout the Advisory Group process additional programme scope will be identified (ie. beyond energy) that represents materiality for the financial community and reporting standards.</p> | <p>Additional scope will be considered in the design phase for addition into year two, and beyond, implementation plans.</p> <p>This includes how automating elements of Scope 1 and 2 can support Scope 3.</p> | <p>Planning for 2024 and beyond will be based on lessons learned from addressing this one, narrow scope (energy data), the value and business cases identified throughout the 2023 processes.</p> <p>Future plans will include automated, standardised reporting and reduction-linked incentives.</p> |

Roles: a strong coalition to deliver commercial and public impact

A coalition of government, non-profit and commercial members can deliver this ambitious programme

| Group | B4NZ | Icebreaker One | Steering Group | Members & Sponsors |
|------------------|---|---|---|---|
| Role(s) | <p>Leadership and direction</p> <p>Political engagement</p> <p>High-level convening and engagement</p> <p>Liaison with GFANZ, UN, and international liaison</p> <p>Communications</p> | <p>Co-chairs Steering Group</p> <p>Runs Advisory Group process</p> <p>Operates Secretariat</p> <p>Runs implementation team and delivery with Members</p> <p>Resources delivery (research, reports, implementation)</p> <p>Manages contracts</p> | <p>Leadership</p> <p>Governance</p> <p>Convening</p> <p>Communication</p> <p>Ratification of plans</p> | <p>Bring their use-cases that can benefit from collaboration</p> <p>Provide domain expertise to Advisory Groups</p> <p>Engage in implementation (where appropriate)</p> <p>Contribute to programme funding as a Member or Sponsor in cash and in-kind</p> |
| Narrative | <p>B4NZ has been created as the catalyst for the Net Zero Banking Alliance, as part of the GFANZ alliance, to implement the UN Principles for Responsible Banking and the Collective Commitment to Climate Action</p> | <p>Icebreaker One is an independent, neutral non-profit organisation dedicated to unlocking finance for the net zero economy and making data work harder to deliver our net zero future.</p> <p>It works at the intersection of government and industry to bridge the gaps between theory and implementation.</p> | <p>The Steering Groups represents stakeholders from across the value chain including the banks, SMEs, financial and professional services, accounting, national and international policy.</p> | <p>Members co-design, co-develop and co-fund development of the solutions within the scope of this programme, and implement resultant standards and processes in their own organisations.</p> |

Values — we enable

Openness

1. share our views and plans, and share knowledge as widely as possible;
2. solicit and listen to views from end users and stakeholders;
3. make our outputs available under an open licence (e.g. CC-BY, OGL).

Expertise

1. bring our expertise to the discussion as individuals;
2. use our expertise to synthesise the views of others in constructive and forward-thinking proposals;
3. use good judgement to respect privacy and confidentiality.

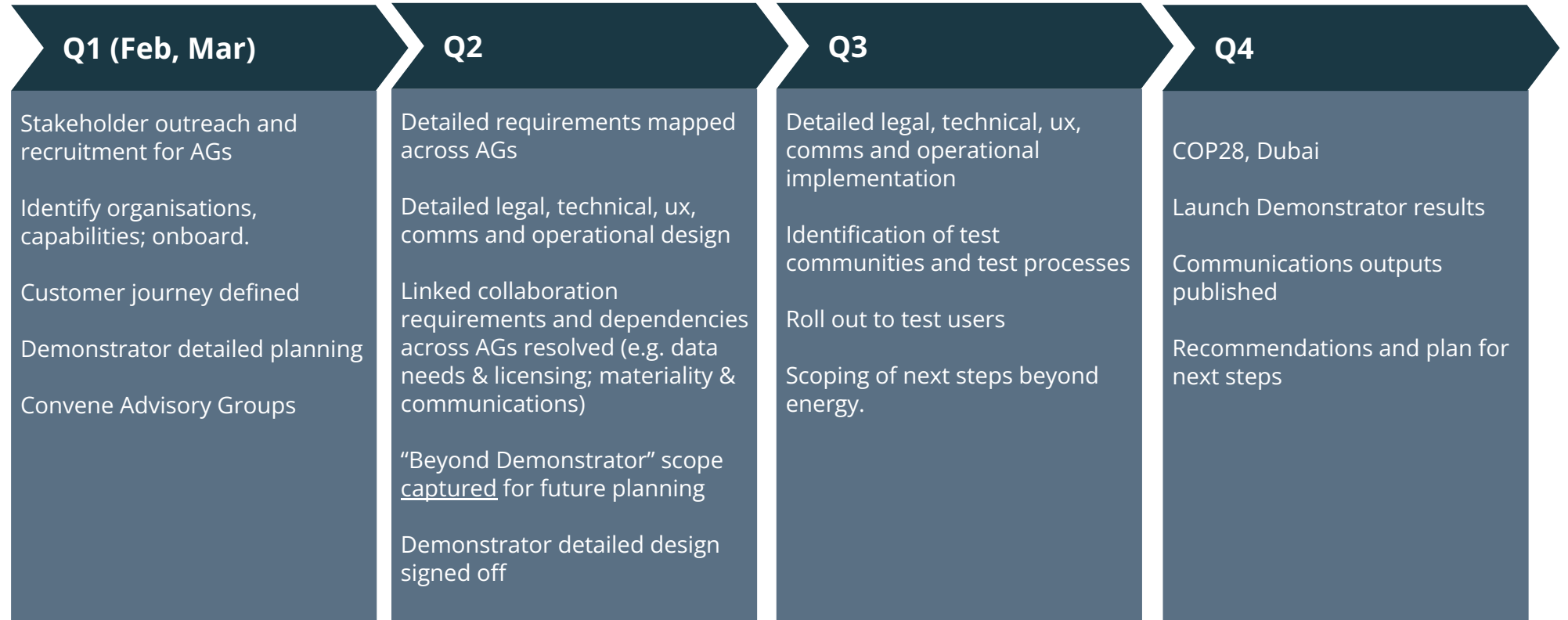
Collaboration

1. support each other in discussion, in decisions, and in delivery;
2. constructively hold each other to account on our commitments;
3. ensure all voices are heard and considered carefully.

Appendix

Programme development roadmap — Advisory Groups & Implementation

| Advisory Groups |
|--------------------------------------|
| AG1: User Needs, Materiality, Impact |
| AG2: Data Publishing |
| AG3: Data Licensing |
| AG4: Engagement & Communications |
| AG5: Policy |



Recap — creating value across the economy

For the UK

1. Lead the world in unlocking open markets for net zero innovation and implementation in the race to zero
2. Help catalyse the financial sector deliver incentives aimed at addressing up to 50% of UK business emissions
3. Create the underlying data infrastructure that enables cross-industry, assurable data sharing while maintaining security and user control
4. Align with Skidmore Net Zero Review and Penrose Competition Review

For UK SMEs

1. Help unlock access to capital that will reduce SME emissions
2. Make it easy to engage (by automating GHG reporting at market-wide scale)
3. Simplify the process of engaging in, and financing, a net zero future
4. Maintain control over their data (aligned with Open Banking)
5. Create strong reputational value with their customers

For banks, the financial sector, asset managers and beyond

1. Better manage climate risk and audit on their loan books
2. Build better relationships with, and incentives (e.g. lending requirements) for, their customers on the race to zero
3. Improve reporting and data quality (by automating delivery of assurable data from their customers) across all three scopes
4. Deliver savings by driving standardisation of approaches, addressing comparability, market cohesion and maintaining customer agency
5. Create strong reputational value with their customers

For energy companies, low carbon technology solutions, carbon accounting applications and auditors

1. Automate access to assurable data at market-scale
2. Enable predictive modelling and analysis at regional, sectoral and granular levels
3. Match financial incentives and low carbon technologies with those who need them
4. Create strong reputational value with their customers

To go far we need to go together

We need to work together to develop a **foundational process** that can scale for the whole system (all banks and all SMEs, with cohesive reporting)

Governance, design and scope

1. **Steering Group**
Represents public sector, finance, SME and private sector stakeholders
Strategic and tactical leadership
2. **Advisory Groups** (led by industry members)
Convenes domain experts, stakeholders and users; defines scope & needs

Implementation Team — build a demonstrator by COP28 (2023-Dec)

1. Build a demonstrator with stakeholders that can scale to market needs
2. Lay foundations for scalability in both reach and scope
3. Ensure alignment with reporting standards

Industry Advisory Council

Fully represent the voices of the commercial partners and membership.