



EUROPEAN  
**COVENANT  
OF COMPANIES**  
FOR CLIMATE AND ENERGY

**No net zero without  
SMEs**

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# What was the Covenant of Companies?

- Pilot initiative led by the European Commission (DG Energy) to **encourage and support companies** to step up their contribution to a **clean energy transition** and increase private **investments** in clean energy **Research & Innovation** (R&I), technologies and solutions.
- **Pledging scheme** encouraging businesses, **in particular SMEs**, to commit to take action to reduce their carbon emissions. Companies could choose from different **levels of commitment** which reflected where they were on their journey to decarbonisation.
- Whatever the commitment, companies received practical, step-by-step **guidance and/or technical assistance** to help them take concrete actions resulting in the decarbonisation of their businesses.
- Recognition of the steps taken by companies with a **'Seal of Approval'** scheme.
- Duration: January 2022 – December 2023



## Why was it important?

- **24 million** small and medium enterprises (**SMEs**) in the EU make up **99,8%** of all **EU businesses**.
- **SMEs** contribute to **64% of industrial pollution** in Europe.
- **40-45% of SMEs** are considered to have a **large environmental impact**;
- By supporting and recognising the efforts of companies – no matter how big or small – to **induce bottom-up change**, the Covenant of Companies was expected to help reaching **the 55% emissions reduction targets by 2030**.

# How was it expected to achieve this?

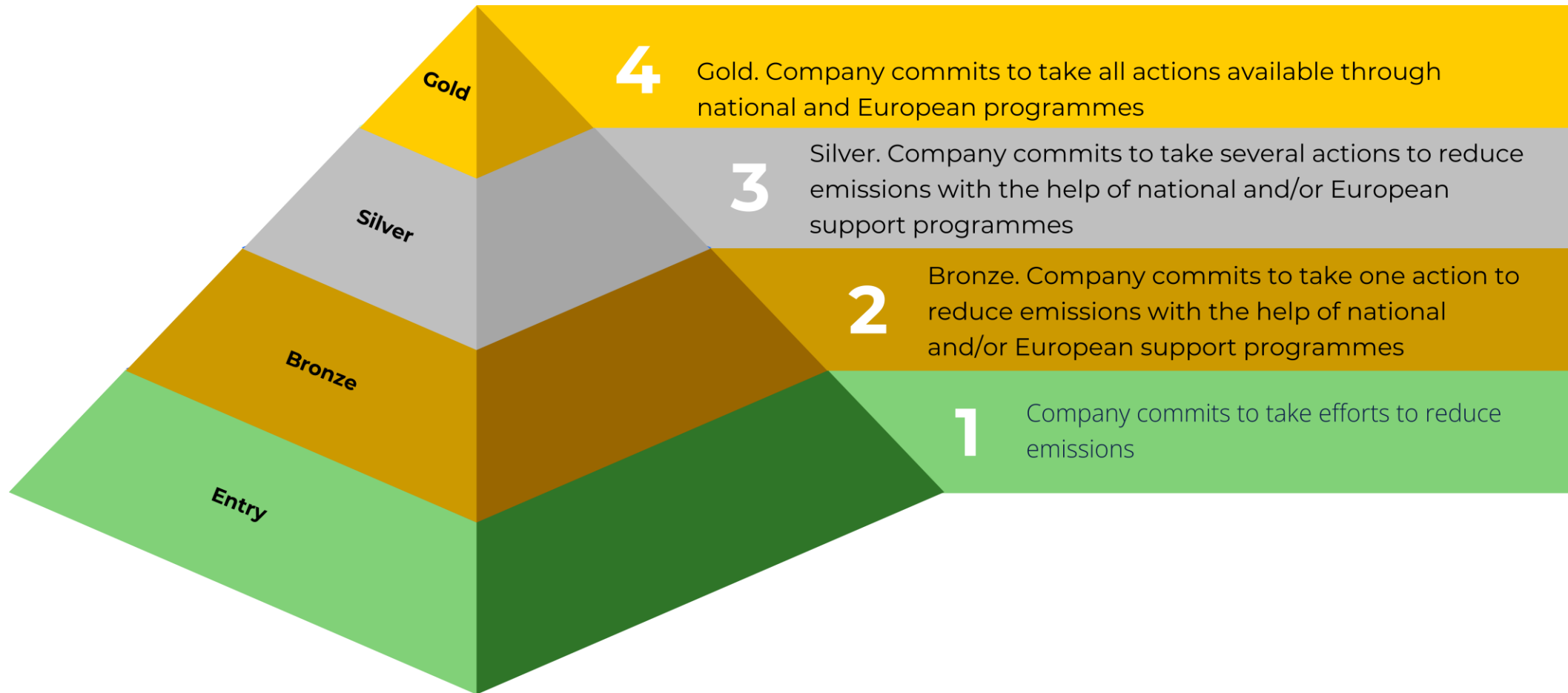
## PLEDGING AND RECOGNITION

- The initiative offered a pledging scheme with several levels of recognition (entry, bronze, silver and gold).
- The entry level of commitment looked at finding ways to trigger a company's awareness and understanding of which actions are crucial for business and planetary survival.
- Bronze, silver and gold encouraged and supported companies to take one or more concrete measures to reduce their GHG emissions.

## ADVISORY SERVICES/TECHNICAL ASSISTANCE

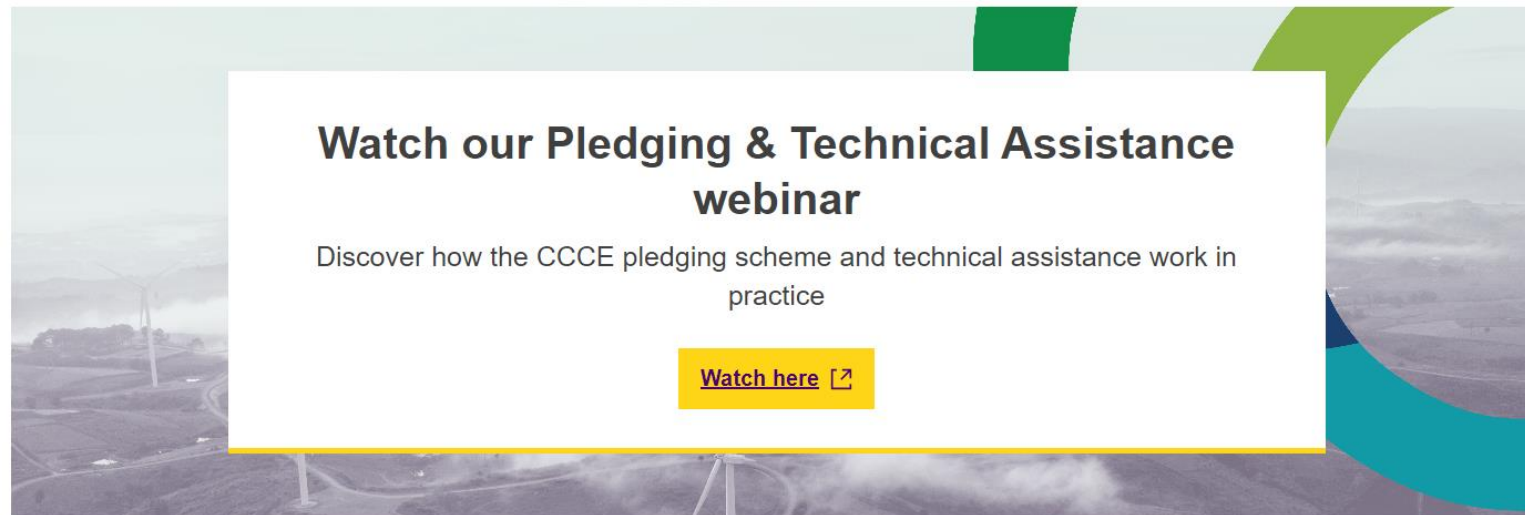
- Provision of practical advisory services to European companies to help them decarbonise.
- Two calls for technical assistance for companies: June 2022, May 2023.
- Guidance documents and other useful [resources](#) are still available online, and while the project was still running, also peer-to-peer learning and masterclasses.
- The project encouraged business investment in clean energy solutions/technologies to help mitigate climate change while also improving business performance.

# The CCCE pyramid approach



# Who could pledge and apply for assistance?

- The Pledging was open to **companies in all 27 EU Member States** (and groups of companies)
- **Technical Assistance** could be delivered in **Bulgarian, Dutch, English, French, German, Lithuanian, Romanian and Spanish.**



[For more information watch here!](#)

## And now?

- There's an evident **overlap between cities and towns** representing 75% of the EU's population and the **huge number of SMEs**, most of which do have 5 or less employees and most of which **operate locally**.
- **SMEs can therefore be local agents of change**, especially in small and mid-sized cities and towns (**70%** of the urban population), most of which suffer from a lack of capacity (budget, human resources, know-how, ...) and struggle to benefit from EU-level funding and financial tools.
- The idea of integrating the CCCE under the **EU Covenant of Mayors for Climate and Energy (EU CoM)** did not fly, but the Covenant runs a **dedicated action on involving local companies in fulfilling the signatories' commitments**.
- The **Smart Cities Marketplace**, collaborating very closely with the CoM, has recently established a **dedicated web page for solution providers**, so that companies offering specific services or products, can be recognised and contacted by interested municipalities.





# Thank you!

## EUROPEAN **COVENANT OF COMPANIES** FOR CLIMATE AND ENERGY



[www.covenant-of-companies.ec.europa.eu](http://www.covenant-of-companies.ec.europa.eu)

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