SUCCEEDING INBUSINESS NEEDN'T COST THE EARTH

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A getting started guide to sustainability for micro, small and medium sized enterprises.



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Based in the West Midlands, Business Net Zero works with SMEs and organisations in the private, public and voluntary sectors.

We provide jargon-free sustainability training, coaching and consultancy that is practical and fun, and puts you in charge of your sustainability journey.

The climate & environmental emergencies

Since the start of the industrial revolution over 200 years ago, humans have pumped greenhouse gases into the atmosphere, causing average global temperatures to rise by more than 1°C. This global warming has in turn caused sea level rises, increased likelihood of extreme weather events and melting sea ice and permafrost. All of this has led to land loss, increased severity and occurrence of wildfires, drought, flooding, difficulties producing food and much more.

In addition, since about 1900, there have been huge declines in global biodiversity, with the average abundance of native species in most major land habitats falling by 20% or more, with the quality of those habitats reducing by about 30% due to reduction in area, fragmentation and general deterioration. The devastation of the natural world in this way is due to changes in land and sea use, direct exploitation of organisms (animals, plants, insects, funguses, etc), climate change, pollution and invasive alien species.

We therefore find ourselves in the midst of global climate and environmental emergencies, both of which have been caused by human activity. To tackle these emergencies, which we must if the world is to continue to thrive, we have to change our ways. We have to stop burning fossil fuels (oil, coal and gas), which are the source of a lot of our greenhouse gases, stop cutting down forests for timber and agriculture, stop polluting the environment with toxic waste and indestructible plastic, basically, stop a lot of the things we have been doing our entire lives.

Benefits to business of taking action

The good news is we still have the time and know-how to do something about these major challenges. As a business, therefore, you not only have to continue to make money, you now have to do it without damaging the planet. Fortunately, there are a number of business benefits to becoming more sustainable, which include:

- Greater readiness for new regulation and legislation
- Enhanced image and improved competitive advantage
- Increased productivity and reduced costs
- Improved recruitment and retention of the best employees

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• Better investment opportunities

Of course, the other side of the coin is that those businesses that fail to become more sustainable will find it harder and harder to be successful. But where do you start with reducing your emissions and having less of a negative impact on the environment?

We've put together this guide for small and bigger businesses to help you.

It can be confusing trying to understand what people are saying when it comes to the climate and environmental emergencies. Learning the terminology is therefore a good place to start.

Key terms used in this guide

-	
Biodiversity	The amount and mix of everything living, including plants, animals, fish, funguses, micro-organisms, in a given place.
Carbon footprint	A carbon footprint is the total greenhouse gas emissions caused by an individual, event, organization, service, place or product, expressed as
	carbon dioxide equivalent (see CO ₂ e below).
Circular economy	Involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.
Climate change	The long-term alteration of temperature and typical weather patterns in a specific location, nationally or globally.
CO ₂ e	CO_2 equivalent or carbon dioxide equivalent. Carbon dioxide (CO_2) is
	the main greenhouse gas but there are others (see greenhouse gases),
	which have differing effects. The idea of using CO ₂ e is to express the
	impact of each different greenhouse gas in terms of the amount of CO ₂
	that would create the same amount of warming.
Emissions	Greenhouse gas emitted into the atmosphere (see also scopes 1, 2, 3).
Environment	The natural world, as a whole or in a particular geographical area,
	especially as affected by human activity, or the surroundings or
	conditions in which a person, animal or plant lives or operates.
GHG	Abbreviation for greenhouse gas or greenhouse gases.
Global warming	The result of our emitting greenhouse gases into the atmosphere which
C C	create a blanket around the earth that prevents energy from the sun
	escaping back into space, causing to the planet getting hotter.
Greenhouse gas	Greenhouse gases, also called warming gases, create a blanket around
(GHG)	the earth that prevents energy from the sun escaping back into space,
	leading to global warming. Carbon dioxide (CO ₂) is the main GHG.
	Others include methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons
	(HFCs), sulphur hexafluoride (SF ₆), perfluorocarbons (PFCs).
Reduce, Reuse,	Reduce what you buy or use, reuse what you might otherwise throw
Recycle	away and recycle if you can't reuse. Whatever you do, don't create
	waste that goes to landfill or is incinerated (see circular economy).
Rewilding	Rewilding is about restoring and protecting natural processes and
	wilderness areas, whether a verge outside your home or an enormous
	forest. It can include providing connectivity between wild areas and
	protecting or reintroducing apex predators and keystone species.
Scope 1 emissions	Greenhouse gas emissions from resources owned/controlled by a
•	business e.g. Fuel for machinery or company vehicles (see emissions).
Scope 2 emissions	Greenhouse gas emissions from the generation of purchased electricity
F	heat and steam used by a business e.g. Electricity for lighting and
	computers or gas used for heating (see emissions).
Scope 3 emissions	Greenhouse gas emissions that occur in a business value chain e.g
	Purchased goods & services, travel not using a business vehicle, such as
	via taxi, train or plane, employee commuting, waste disposal, leased
	assets and business bank accounts and pensions (see emissions).
Warming gases	Also called greenhouse gases.
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Nine steps to sustainability

Finish reading this guide.

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12 to learn a bit more about the climate and environmental emergencies.

Perhaps after that you could follow a few of the links provided at Useful links on page

You might even want to sign up for a short course to improve your understanding. There are loads out there. <u>Business Sustainability: Carbon Literacy for SMEs</u> is specifically for sole-traders, very small, small and medium sized businesses. It's delivered via 3 X 2.5 hour online sessions and will give you a thorough understanding of the climate and environmental emergencies, what governments, businesses and others are doing about them, and an opportunity to plan for business sustainability.

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The other advantage of taking a short course is that it includes this step 4, which is to meet and speak to other people in business and share your concerns and ideas. Knowing you are not alone and that there are people out there in a similar situation can give you a real boost, as well as practical ideas you can implement in your business. You might even want to join a <u>Sustainability Peer Mentoring group</u>, where you can meet other business people regularly and compare notes and share successes.

The starts

On successful completion of <u>Business Sustainability: Carbon Literacy for SMEs</u> and the post-course task you will be certified as Carbon Literate by the Carbon Literacy Project and can promote that fact on your website along with any other actions you have taken. Perhaps you will by this stage have signed up to one of the many carbon reduction pledges for small businesses, such as Zero Carbon Shropshire or an equivalent wherever you are in the world. Signing a pledge commits you to taking further action to reduce your carbon footprint, which can spur you on, help you spread the word and give you something you can promote on your website, saying you care about people and the planet as well as your business profit. Remember, more and more of your customers will want you to be demonstrating your sustainability as a business.

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Having learned about the climate and environmental emergencies, you'll probably have been told important early steps are to identify your business carbon footprint and develop a plan to reduce it. This makes sense and there are an awful lot of free and paid for online tools out there to help you.

No brainers!

However, before you start down this route there are some actions you can take that we've called 'No brainers!'. The **No brainers!** are listed on pages 7 & 8 and will give you quick wins that are relatively easy to do. Check these out before you do anything else.

OK, so now is the time you might consider **Carbon footprinting** your business. However, despite the free and paid for online tools out there to help you, this is not easy even for a very small business – see **Carbon footprinting** on page 9 for some of the tools and guidance. You might, therefore, choose to skip the footprinting step until you're a bit clearer on what the challenges to your business actually are.

Not forgetting that the footprinting tool you use may focus only on CO₂ and other warming gas emissions. This won't help so much in identifying business activities that damage the environment in other ways, such as noise pollution that can scare off breeding animals, cutting back vegetation which destroys habitat and using weed killer which kills a lot more than just weeds.

You're now at the stage where you need to start planning how you're going to make your business more sustainable. Having educated yourself and others in your business on the climate and environmental emergencies, the next step is to gather information about your business and its impact on the natural world. Take a look at the **Creating a sustainability plan** at page 10 and the **Sustainability planning tool** at page 11.

You'll see just how complicated planning to be sustainable is but, by working through the guidance and tool and discussing with others, you'll be much better informed about actions your business can take.

And don't forget about trade and business networking bodies at this stage, all of which will have information on how to make your business more sustainable, as well as being able to connect you with other businesses like yours facing similar challenges.

Getting business to take action to reduce their greenhouse gas emissions and lessen their impact on the natural world is what this guide is all about. Hopefully, you've come up with a workable plan tailored specifically to your business. Keep networking with other businesses, both in your sector and outside, measure your results, share your ideas, promote your successes, continue to learn and follow your plan.

The **Useful links** section at page 12 contains information on books, websites, guides and carbon footprinting tools to help you.

And if, having read through this guide, you're still not sure where to start you could book a <u>FREE 30 minute 121 session</u> with Sue or Kev at Business Net Zero to help you move forward.

Good luck!

No brainers! Actions to get you started

Sign the pledge! Signing a pledge to cut carbon emissions and/or work with nature can be a powerful and liberating first step. It gives you focus and direction, connects you with others who are doing the same and helps get the message out there that things need to change. And don't just stop at one pledge, sign two or three for more connections and greater reach with messaging.

Ease: Simple Impact: It's a start! Cost: Zero

Tell people what your business is doing. The benefits of promoting the sustainability actions your business is taking will enhance your brand/image, helping you retain existing customers, win new business and attract new employees. It will also get the message out to your supply chain, other businesses and customers, encouraging them to reduce their carbon footprints and work with nature too – imagine how much more of an impact that will have.

Ease: Simple Impact: Moderate/High Cost: Low

Educate employees/colleagues on the climate and environmental emergencies. If you have employees, consider getting them to attend the <u>Business Sustainability: Carbon Literacy for SMEs</u> course or similar. The more people that understand the challenges, the more people there will be to identify and implement actions to tackle them. If you have quite a number of employees you could consider setting up a sustainability group to identify, plan and implement actions.

Ease: Moderate Impact: Moderate/High Cost: Moderate

Check out your electricity supplier. If they're 100% renewable, great! If not, meaning the electricity they sell is generated by fossil fuels, consider switching to a more sustainable provider. Obviously, you need to check out the price but there is the added bonus that by switching you are bringing market forces to bear on electricity providers to stop using fossil fuels.

Ease: Simple Impact: High Cost: Low

Check out your business bank account. If your bank invests in fossil fuels you could write to them asking them to stop or switch to a bank that doesn't. Clearly, switching banks can be daunting, given that you will have automatic payments and stuff set up, however, when we did this it happened with zero disruption. Again, an added bonus is that by switching you are bringing market forces to bear on banks to stop investing in fossil fuel industries.

Ease: Simple (although can be a bit scary!) Impact: High Cost: Zero

Cycle to work and encourage your employees to do so. There's no denying the health benefits of cycling (or walking), it causes zero pollution, which is better for the environment, very low emissions, which combats global warming, and saves money for all who participate. Oh, and this is only relevant to some small businesses, it can save a lot of wrangling over parking spaces :)

Ease: Simple (where possible) Impact: Moderate/High Cost: Zero

Think of alternatives for business travel. If a business trip involves driving, are there alternatives, such as walking, cycling, train or virtual meeting? If a trip involves flying, is the train a possible alternative? If in the UK or Europe, the train may not be much slower than the plane door to door, possibly quicker. Not forgetting, carbon emissions and pollution caused by going by train are far less than by plane, you can get more work done en route and some people find it more relaxing.

Ease: Simple Impact: High Cost: Moderate

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Rewild areas where possible. Rewilding is restoring and protecting natural processes and wilderness areas, whether a verge outside your home or a tract of rainforest. It could simply be letting stuff grow instead of cutting it back or a more managed approach. The point is humans compulsively keep verges tidy, cut hedgerows, clear up leaves, which pumps out CO₂ and pollutants via equipment used. This costs time and money, reduces biodiversity and damages nature's ability to capture carbon/pollutants and keep humans happy and healthy.

Ease: Moderate Impact: Moderate/High Cost: Moderate

Turn off electrical items when not in use. Leaving things switched on or on standby is sometimes necessary (a fridge isn't much use if not permanently on), sometimes convenient (printers and photocopiers) and sometimes for no good reason (computers, lights and heating at home and in the workplace). Switching electrical items off can reduce CO2 emissions and save you money.

Ease: Simple Impact: Moderate/High Cost: Low

Reduce plastic use and waste. Plastic is fantastically useful and even life-saving when used for sterile items in medicine. The trouble is we use it where we needn't or use it only once before throwing it away. This is madness, given that producing it emits CO₂, disposing of it emits more, particularly if via incineration, and even recycling it can add to emissions. Plus, plastic is so durable it can cause serious problems in the environment. Clearly, it's better to recycle rather than burn but it's even better to reduce the amount we use in the first place.

Ease: Simple/Quite a challenge Impact: High Cost: Zero to prohibitively expensive

Eat less meat and dairy. This could be a tough one, hence the suggestion to eat less rather than give them up altogether, perhaps via a 'meat free Monday' or 'cheese free Tuesday'. The upside is it's healthier and cheaper and, of course, it reduces your emissions. Growing food for/rearing animals to produce meat and dairy needs space, which often comes by clearing forests that would otherwise capture CO₂. Plus, cows and sheep are ruminants, belching up methane when digesting, which is a more potent greenhouse gas than CO₂.

Ease: Simple (although it may not feel it) Impact: High Cost: Low

Change all your lightbulbs to eco-friendly LED. Surely, most businesses have already done this – if yours has, you can high-five the nearest person. For those that haven't, LED bulbs use less energy than traditional ones, can reduce your carbon footprint and save you money.

Ease: Simple/Quite complicated Impact: Moderate Cost: Low/Moderate

Don't waste paper. Whether it's in the photocopier or the loos, most businesses use a fair bit of paper, despite the idea of a 'paperless office' having been around forever. Paper is made from trees, which capture CO_2 until they're cut down. Making paper emits CO_2 so it makes sense to reduce use, use recycled if possible and recycle rather than throw away. You'll save money!

Ease: Moderate Impact: Moderate Cost: Low/Moderate

Check out your pension. Check your pension provider makes only non-fossil fuel investments. If you have an online account, you might be able to simply tick a box indicating the type of investments you want the provider to make on your behalf – so called ethical funds have performed very well in recent years. Again, the added bonus is that by switching market forces will encourage pension providers to stop investing in fossil fuel industries.

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Ease: Simple (or possibly Moderate or Complicated) Impact: High Cost: Zero

Carbon footprinting

It's important to note there are tools that help with carbon footprinting, measuring your CO₂e emissions, those that help with other environmental impacts, such as pollution, toxic waste and land use, and others that help with a mix of these areas. Whatever tool you go for, remember someone has to input all the required data about your business up front, which can be complicated, time-consuming and require a certain amount of expertise in the different areas and knowledge about the business.

Businesses that want to measure their carbon footprint or, at least, measure the footprint of a part of their business, such as energy emissions or those for transport, could check out the Zero Carbon Shropshire site which has identified some of the most helpful, although there are many more – copy and paste the link below or go to **Taking action!** on page 12: https://zerocarbonshropshire.org/calculate-your-carbon-footprint-b/

Larger SMEs are legally required to report emissions. This is where you measure and report the amount of greenhouse gases (GHGs) emitted as a result of your company's activities – basically, your business carbon footprint.

Emission reporting will help identify the biggest impacts your business has and where you need to take action to reduce or eliminate them. There are also benefits, such as identifying risks to your business from climate change, improved reputation management and possible cost savings.

The World Wildlife Fund (WWF) has produced Emission Possible, a very helpful guide for SME emission reporting, which explains reporting requirements depending on your company size and type, and also identifies online carbon footprinting tools for different sectors – copy and paste the link below or go to **Taking action!** at page 12: https://www.wwf.org.uk/sites/default/files/2021-05/WWF-UK%20Emission%20Possible_05.pdf

Environmental Management Systems (EMS)

Environmental Management Systems such as ISO 14001 and BS 8555 are voluntary and are, again, really intended for bigger companies. This is simply because of the time, resources and expertise you need to be able to become accredited.

There are also other related standards which focus on specific areas, such as ISO 14006 for eco-design, and 14040 for life cycle assessment.

Whether or not your business is going for full accreditation, the standards within these tools may be helpful for planning purposes. Unfortunately, you have to pay for a description of the standards and the accreditation criteria, so it may not be worth your while checking them out unless your business is committed to gaining accreditation.

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Creating a sustainability plan

Having made a start with making your business more sustainable you can get on with detailed planning – your plan should include where you are now with your emissions/other environmental impacts, where you want to get to and how you're going to get there.

There's no getting away from it, detailed planning requires that you sit down on your own or get in a room with a few colleagues and work through the different aspects of sustainability in relation to your business – doing this takes time but is hugely helpful in gaining a deeper understanding of the issues, what you can actually do in the short and longer-term, and what your priorities should be. The Sustainability planning tool on page 12 below is intended to help with this.

Then, of course, you'll need to actually write your sustainability plan. For smaller businesses this could be on a side of A4. For bigger businesses, particularly those that are subject to environmental regulation, your sustainability plan will be longer and more complicated.

Break it into chunks

Focus on one area/part of your business at a time using the headings in the Sustainability planning tool below. If these areas are too broad you can break things down into an element of an area, such as heating as part of the Energy, insulation as part of Buildings & Landscape or regulation as part of Business Resilience. Depending on the nature of your business, you may find it helpful to break things down even further, perhaps focusing on the gas boiler as part of heating as part of Energy. Whatever you do you need to focus on what makes sense to you/the team and what helps you identify actions you can take to reduce the emissions and impact on the environment of that part of your business.

The area you focus on first is down to you or your planning team – pick what you think is most important or where you think you'll have most impact or is easiest or even just the place you want to start. Your plan for each area as a minimum should include:

A brief description of the current situation in the area of focus

Measurement of emissions in the area of focus if known Targets to which you intend to reduce your emissions

OR

Quantitative & qualitative measurements of other non-emission related areas of focus Targets for the other non-emission related areas of focus

Anything else you think you should add

Learn by doing

If you've completed one or a handful of areas and you're flagging, leave it at that and get on with implementing what you've nailed down and return to further planning later. This approach can be particularly helpful because it enables you to gain momentum through taking action, prevents you getting bogged down and is also a great way of 'learning by doing', which in turn means that when you return to the planning process you'll be that little bit better informed and more confident about the whole thing.

Sustainability planning tool

Before writing a plan you need to identify and understand what to include and why. Choose one of the eleven elements in the diagram below and on your own think about or as a team discuss it in relation to your business. When completed, repeat the process for another of the elements.

What stands out?

Where do think you can reduce the impact your business has on the climate and environment?

Are there any cost savings?

Is there anything else worth noting?



Useful links

Guides

Emission Possible (WWF) – a beginner's guide to emission reporting for larger SMEs https://www.wwf.org.uk/sites/default/files/2021-05/WWF-UK%20Emission%20Possible_05.pdf

Books

How Bad Are Bananas? (Mike Berners-Lee) - the carbon footprint of everyday items/activities

Doughnut Economics (Kate Raworth) - a new economic model for a sustainable world

Videos

The Truth About Climate Change – David Attenborough's BBC documentary on YouTube (59m07s) https://www.youtube.com/watch?v=HK47Pnx46rM

Websites

UK Government – detailed information about environmental management <u>https://www.gov.uk/topic/environmental-management</u>

UK Business Climate Hub – for small and medium sized businesses in the UK <u>https://businessclimatehub.org/uk/</u>

Centre for Alternative Technology (CAT) – responding to the climate and biodiversity emergency https://cat.org.uk/

The Carbon Literacy Project – raising awareness of the cost of greenhouse gas emissions https://carbonliteracy.com/

Ellen MacArthur Foundation – accelerating the transition to a circular economy https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy

Carbon footprinting

https://smeclimatehub.org/start-measuring

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