



environmental  
guide for  
small & medium  
businesses

Small and medium businesses (SMB) have one great advantage, when it comes to sustainability: they can make changes quickly. However, on the reverse side, they have to be more careful than larger organisations with the cost impact of such changes.

This guide is designed to indicate the changes that smaller businesses are required to make, but also the areas where, through adopting best practice, cost savings and efficiencies can be made. Aside from an obvious and genuine desire to protect the environment, these can include reducing the spiralling costs of waste disposal, presenting a greener brand image, securing institutional funding and generating competitive advantage.

Defining the term small and medium business is very difficult, especially as the range of their activity can be so diverse. To some extent, SMBs have not been subject to the same regulations as larger firms, but nowadays new environmental legislation is increasingly applicable to all businesses, no matter their individual size.

It's estimated that 99% of all businesses in the UK are classed as small (employing less than 50 people) <sup>1</sup>, so whilst they are individually smaller in size than bigger concerns, their collective influence is significant and cannot be ignored. So it follows that they can have a commensurate impact on the environment.

# how to use this guide small & medium businesses

this Sector Guide focuses on the key issues affecting the utilities sector.

For instance SMBs generate as much as 60% of commercial waste and 80% of pollution incidents in England and Wales. A survey conducted by Netregs in 2007 <sup>2</sup>, also showed that less than half of participating businesses (48%) had introduced practical measures to reduce environmental harm. The main reason was claimed as lack of awareness of the relevant issues.

The aim of this guide is to enable SMBs to become more aware of the various environmental legislation and key issues that have a direct impact on them, as well as hints and tips to help them reduce their impact on the environment

# relevant legislation

## ENVIRONMENTAL LEGISLATION

As much environmental advice is focused on specific industry types, it is often difficult to search for what is relevant to smaller businesses.

However a good starting point is the NetRegs website ([www.netregs.gov.uk](http://www.netregs.gov.uk)) which is a valuable source of guidance for SMBs and focuses on how any business could affect the environment, and how it might comply with environmental legislation.



The site includes useful information on current and proposed legislation.

Cross-over legislation relevant to a number of SMB sectors includes:

- The Directive on Eco-Design Requirements for Energy Using Products (EuP)
- The Environmental Liability Directive
- The EU Regulations concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)
- The Waste Electrical and Electronic Equipment (WEEE) Directive.
- The Battery and Accumulation Regulations 2008.

## VOLUNTARY ENVIRONMENTAL CERTIFICATION

Many SMB's will wish, either for commercial reasons or ethical commitments, to extend their sustainable activities beyond those required by law.

Various internationally recognised standards and certification schemes exist to allow this - many developed through the British Standards Institution (BSI) and the EU.

Two of the most commonly acknowledged environmental standards are ISO 14001 and EMAS.

ISO 14001 is the internationally accepted standard that defines how to develop an effective Environmental Management System (EMS), and how the delicate balance of maximising profitability whilst reducing environmental impact can be achieved.

EMAS, The Eco-Management and Audit Scheme is a voluntary EU initiative that asks that organisations of any size be legally compliant, have an EMS, and report their environmental performance through the publication of an independently verified environmental statement.<sup>3</sup>

Both standards require the implementation of an EMS so that environmental performance can be monitored, improved and controlled in a structured manner.

1. For the European Commission Directorate General, A comparative analysis of the Environmental Management Performance and Innovation of SMBs and Larger Firms, Final Report 31 August 2006.  
2. NegRegs, SMB – Environment 2007 England.

# key issues

Despite covering the broadest range of activities, all SMBs share certain common issues that transcend the specific.

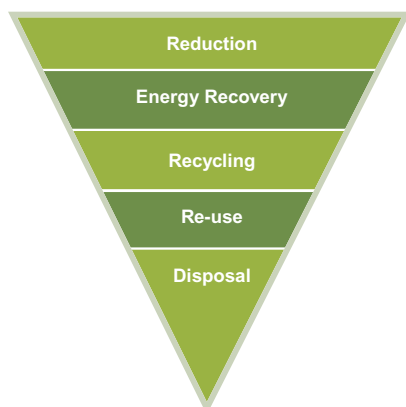
All businesses use energy and water and produce waste. Most businesses involve transportation of some kind, or produce goods that will ultimately require responsible disposal.

Certainly the impact of some business will be minimal – but all will have some impact.

## WASTE MANAGEMENT

Waste is expensive, typically costing more than 4% of business turnover, with the costs of disposal to landfill set to at least double by 2012. Reducing waste is, therefore, not simply an environmental concern but an economic one.

The concept of the waste hierarchy is central to any waste strategy by prioritising waste management activity:



For small and medium businesses reduction is an easier, more effective tactic than re-use; as it relates to the procurement and provision of environmentally sustainable products.

Recycling also takes on a much greater importance with the rapid increase in the costs of disposal of waste to landfill, and the increasing impact of Pre-Treatment legislation (Oct 2007)

Pre-sorting the waste streams in your workplace will help you comply with Pre-Treatment legislation, and significantly reduce the quantity of waste you send to landfill. It is straightforward to pre-sort paper, plastic and plastic cups, aluminium cans, cardboard, glass and toner cartridges.

Taking measures to reduce waste into a business or product at an early stage is perhaps most beneficial. For example, a product's design can be fundamentally affect the amount and type of waste produced during production – use and final disposal.

Where reduction is, obviously, a more effective tactic than re-use, and recycling preferable to disposal.

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Moreover there are many ways to optimise the volume of packaging used, its nature and its overall impact. Even if a business is not responsible for product or packaging design there remains a responsibility to ensure that waste is considered wherever it is generated in the supply chain.

A clear understanding between suppliers and client companies is, therefore essential or even the most efficient waste management strategy is liable to be undone.

For instance, poor planning at the procurement stage leading to over-ordering may well have hidden cost implications once the disposal of those surplus goods is taken into consideration. It is true that almost any recycling process requires energy, but in most cases this energy overhead is still lower than that required to extract and process new raw materials. More detailed discussions on this subject can be found at [www.yourenvironmentalguide.com/directives.aspx](http://www.yourenvironmentalguide.com/directives.aspx)

Hazardous waste has long been the subject of strict control – but many more SMBs are now finding their activities subject to legislation as the list of subjects considered hazardous continues to grow for instance electrical and electronic products, fluorescent tubes and batteries. Putting such hazardous materials in your general waste can result in a fine or penalty.

So it is no longer heavy industries alone that have responsibilities. It is wise to investigate all forms of waste for potential hazard – any reputable waste contractor will be able to advise on their safe disposal or re-cycling.

# key issues

## ENERGY AND CARBON

All SMBs require the use of energy and as UK energy supplies are predominately sourced from fossil fuels, this energy use inevitably results in the release of greenhouse gases (GHGs) and an associated carbon footprint.



Being aware of the carbon footprint associated with their business operations is the first practical step an SMB can take in formulating an effective carbon strategy.

Many sources of funding are also available for businesses looking to reduce their carbon impact. The Carbon Trust offers interest-free loans for SMBs in England and Scotland to be used for capital expenditure on energy efficient plant and equipment, whilst Tax incentives exist to encourage environmentally friendly practices.

Central government, through many international treaties, is committed to reducing the UK's carbon footprint as a whole and it now makes business sense for SMBs to use these schemes to the full. More information can be found on the Business Link website: [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

## WATER

Water, some say, will one day become as politically sensitive as oil. Whilst that stage may be some way off, the impacts of climate change have already become more apparent and large variations in the availability of water within the UK have been seen.

In recent years, the UK was affected by both floods in 2007 and drought in 2006 - with predictions showing that these fluctuations will become more pronounced as we continue to release more GHGs and the climate continues to warm.

With the effects of climate change, a growing population, and industrialisation all increasing the pressure on UK water supplies, the importance of minimising water waste and consumption has never been greater. SMBs will no doubt be expected to play their part.

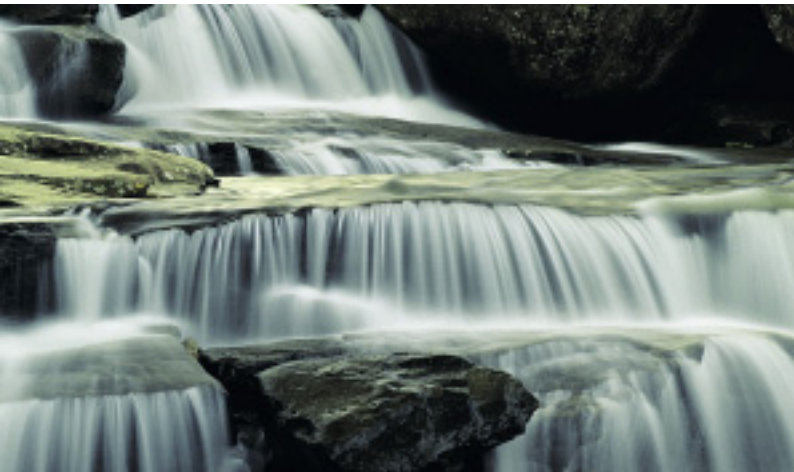
The Waterwise website is a useful source for obtaining advice and the following water saving tips along with other practical advice, can be found there <sup>5</sup>.

## WATER SAVING TIPS FOR BUSINESSES

- Educate employees on the importance and practices of water efficiency.
- Check meters at night, or when no water is being used, to monitor leakage.
- Make sure pipes are protected against cold weather.
- Determine where wastewater is going - and if it can be reused in other areas of the business.
- Where possible, harvest rainwater
- Set water usage targets.
- Install water efficient devices in bathrooms and canteens, such as controlled or waterless urinals and automatic or spray hand basins.
- Contact your water supplier to find out whether it offers water audits or personalised water management packages.

# key issues

Envirowise, a consultancy that delivers free independent environmental advice to UK businesses, has introduced the Rippleffect Initiative. This enables a business to understand its water usage, identify simple ways to start saving water and measure the water and cost savings made. More information can be found at: [www.envirowise.gov.uk/category.aspx?o=Rippleffect](http://www.envirowise.gov.uk/category.aspx?o=Rippleffect)



It should also be remembered that water is an integral part of most manufacturing processes, and is 'embedded' in many products.

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# conclusion

Substantial information and support is now available to SMBs who wish to improve their environmental performance and in many cases that advice contains information that can lead to reduced costs, increased efficiency and increased competitiveness.

In short, a business that is not sustainable is no longer the low-cost option it might once have been. Environmental concerns aside, economics and good business sense mean we should all be sustainable now.



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## USEFUL LINKS

**British Standards Institution (BSI)**

[www.bsi-global.com/en/Assessmbnt-and-certification-services/management-systems/](http://www.bsi-global.com/en/Assessmbnt-and-certification-services/management-systems/)

**Business Link (Environment and Efficiency)**

[www.businesslink.gov.uk/environment](http://www.businesslink.gov.uk/environment)

**Carbon Footprint**

[www.carbonfootprint.com/](http://www.carbonfootprint.com/)

**Carbon Trust**

[www.carbontrust.co.uk](http://www.carbontrust.co.uk)

**Carbon Trust (Carbon Footprint Calculator)**

[www.carbontrust.co.uk/solutions/CarbonFootprinting/FootprintCalculators.htm](http://www.carbontrust.co.uk/solutions/CarbonFootprinting/FootprintCalculators.htm)

**Energy Saving Trust**

[www.energysavingtrust.org.uk/business](http://www.energysavingtrust.org.uk/business)

**Envirowise**

[www.envirowise.gov.uk/](http://www.envirowise.gov.uk/)

**NetRegs**

[www.netregs.gov.uk/](http://www.netregs.gov.uk/)

**Pureworld Technologies**

[www.pureworldtec.com/](http://www.pureworldtec.com/)

**Regional Development Agencies Online**

[www.englishsrdas.com/](http://www.englishsrdas.com/)

**Waterwise**

[www.waterwise.org.uk/](http://www.waterwise.org.uk/)

**WRAP**

[www.wrap.org.uk/](http://www.wrap.org.uk/)



FOR MORE INFORMATION PLEASE  
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