

SME-nvironment 2005: Wales

A review of changing environmental attitudes and behaviours among small and medium-sized businesses in Wales

The SME-nvironment 2005 survey was undertaken for NetRegs, a unique website that guides small and medium – sized enterprises (SMEs) through their environmental obligations. The free site – www.netregs.gov.uk – includes specific advice for more than 100 industry sectors and general management guidelines that apply to most businesses. NetRegs is run by the Environment Agency, in partnership with the Scottish Environment Protection Agency and the Environment and Heritage Service in Northern Ireland.

INTRODUCTION

There is increasing pressure on businesses of all sizes to improve their environmental performance, driven by growing customer pressure, changing legislation and rising waste disposal costs. Many businesses are starting to take the steps that are needed to reduce their environmental impact but a significant proportion of small and medium-sized businesses have yet to take any action. This is a concern given that they make up more than 99% of businesses and are estimated to generate as much as 60% of commercial waste and 80% of pollution incidents in England and Wales.

In 2003, NetRegs conducted a survey of 8,604 SMEs across the UK to reveal their environmental attitudes and behaviours. Two years on, the SME-nvironment 2005 survey has been undertaken to assess what changes there have been. The survey comprised telephone interviews with 5,554 SMEs across the UK, including 1,237 businesses based in Wales.

Fifteen business sectors are represented in the survey: Agriculture; Construction; Electrical Equipment & Machinery Manufacture; Fabricated Metal Products; Food & Drink Manufacture; Hotels & Restaurants; Machinery Manufacture; Mining & Quarrying; Non-Metallic Mineral Products Manufacture; Printing and Publishing; Recycling; Sewage, Waste & Cleansing; Textiles & Clothing; Land Transport; and Wood & Wood Products.

KEY FINDINGS

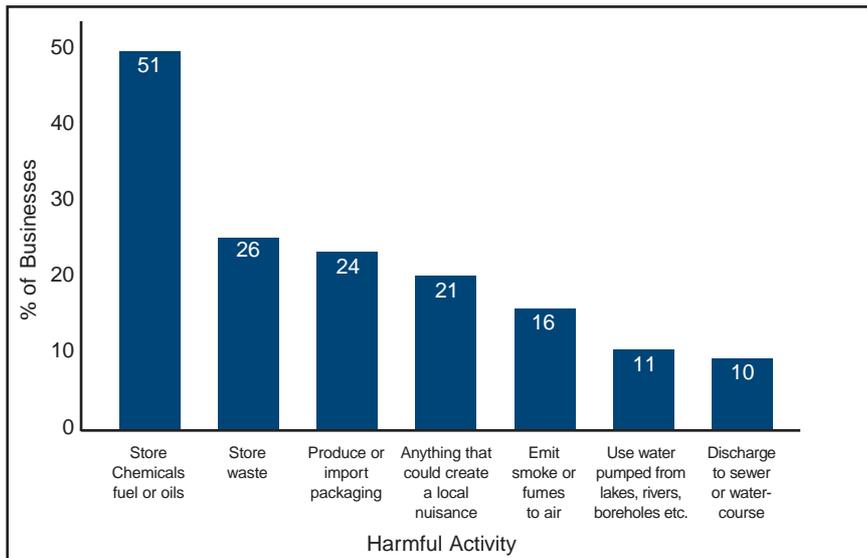
- Overall, 63% of businesses in Wales had implemented at least one practical measure to reduce their environmental impact. Recycling waste was the most common measure – mentioned by half of businesses asked.
- Only 8% of Welsh businesses thought that they undertook activities that could cause harm to the environment. This is a significant improvement on the 2% who thought so in 2003, but is still worryingly low given that 41% of businesses admitted to carrying out at least one potentially harmful activity when prompted with a list.
- Encouragingly, over two-thirds (67%) of Welsh businesses that had taken some environmental action were motivated by a general concern for the environment. Other key drivers for change were the need to comply with legislation (19%) and the need to reduce costs (10%).

ACTIVITIES HARMFUL TO THE ENVIRONMENT

Very few of the Welsh businesses surveyed (8%) thought that their activities had any potential environmental impact. However, this has increased four-fold since 2003 when just 2% of businesses acknowledged that they undertook activities that could cause harm to the environment.

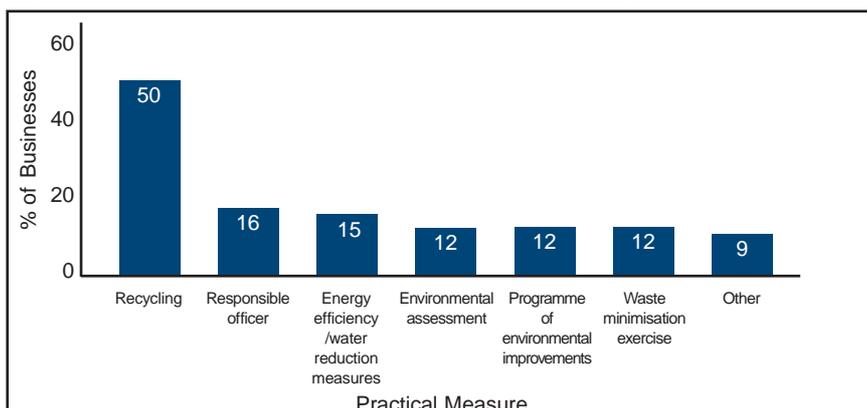
When prompted with a list of activities that are potentially harmful to the environment, 41% of Welsh businesses surveyed in 2005 said that they undertook at least one of them. This is the same as the UK average. The most common activities undertaken by businesses in Wales were storing chemicals, fuel or oils (51%), storing waste (26%) and producing or importing packaging (24%). Of those businesses that stored chemicals, fuels or oils, just 19% had ever banded an oil tank or chemical store to prevent harmful leaks and spills.

Figure 1 - Potentially harmful activity undertaken by businesses in Wales (Prompted)



N=533 Base: All respondents who conduct at least one potentially harmful activity. (Multiple responses allowed)

Figure 2 - Practical environmental measures undertaken by businesses in Wales



N=1,237 Base: All respondents (Multiple responses allowed)

REDUCING ENVIRONMENTAL IMPACT

Less than a third (29%) of Welsh businesses surveyed in 2005 thought they had introduced any practical measures to reduce their environmental impact when first asked (compared to 23% in 2003). However, the picture became rather more positive when businesses were presented with a list of environmental improvement measures and asked if they had undertaken any of these activities. Overall, 63% of businesses in Wales had implemented at least one practical measure to reduce their environmental impact. Recycling waste was the most common measure – mentioned by 50% of businesses. Just 16% of respondents had given a member of staff responsibility for environmental issues, while 15% had introduced energy efficiency or water reduction measures and 12% had implemented a programme of environmental improvements. Eleven percent of Welsh businesses were involved in a business forum that discussed environmental issues.



ENVIRONMENTAL POLICIES AND ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS)

Developing an environmental policy is an important first step towards reducing environmental impact. Almost a quarter (23%) of Welsh businesses asked had an environmental policy, an increase of just 1% since 2003.

An Environmental Management System identifies and quantifies the environmental impact a business has and introduces a structured approach for continuous improvement. Six percent of Welsh businesses surveyed in 2005 had an EMS in place, compared to just 1% in 2003, but only a further 1% planned to introduce one in the future.

AWARENESS OF LEGAL OBLIGATIONS

The 2005 survey found that there was still a generally low level of legislative awareness amongst businesses in Wales, with only 13% able to name any environmental legislation unprompted. (The Waste Management Licensing Regulations were most commonly mentioned.)

However, when prompted with a list of eight pieces of legislation and asked if they had heard of them, 65% of Welsh businesses recognised at least one. Most widely known were the Waste Management Licensing Regulations and the Pollution Prevention and Control Regulations, recognised by 39% and 33% of respondents respectively.

Table 1 - Level of awareness of legislation (Prompted)

Legislation	% of Respondents
Waste Management Licensing Regulations	39
Pollution Prevention and Control Regulations	33
Duty of Care Regulations	32
Draft Hazardous Waste Regulations	28
Water Resources Act 1991	24
Packaging Waste Regulations	22
End of Life Vehicles Regulations 2003	18
Environmental Liability Directive 2004	12

N=1,237 Base: All respondents (Multiple response allowed)

REASONS FOR MAKING ENVIRONMENTAL IMPROVEMENTS

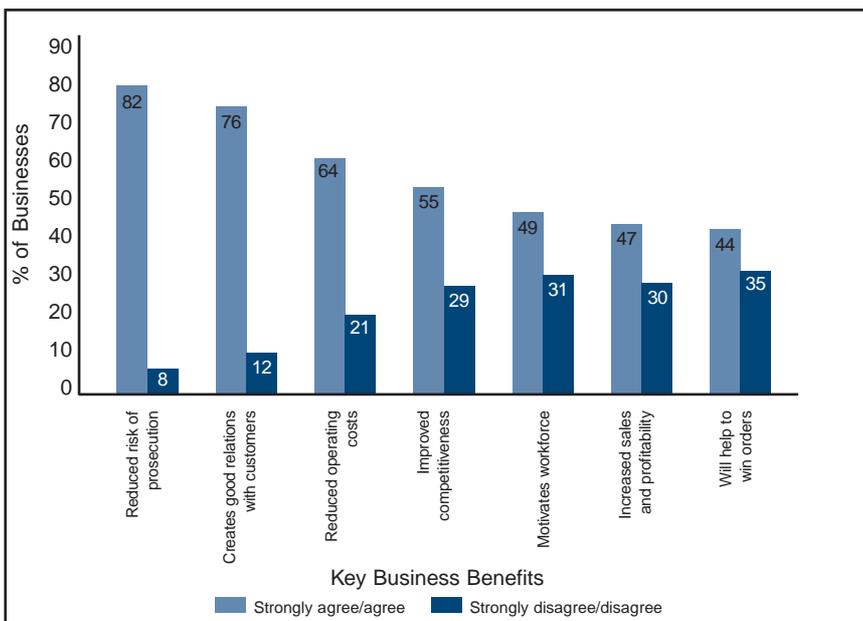
It is a common perception that businesses will only make environmental improvements if they can see a commercial benefit. However, two-thirds (67%) of the Welsh businesses surveyed that had taken some action to address their environmental performance said they did so out of a general concern for the environment, compared to just 43% in 2003. Far fewer environmentally active businesses were driven by the need to comply with legislation (19%) or to reduce costs (10%).



BENEFITS IN ADDRESSING ENVIRONMENTAL ISSUES

Businesses in Wales considered the main benefit of addressing environmental issues to be a reduced risk of prosecution - 82% of respondents agreed that this was a benefit, compared to just 67% in 2003. Three-quarters (76%) agreed that reducing environmental impact could help develop good customer relations (a 20% increase from 2003), 64% thought that it could reduce operating costs and 55% that it could improve competitiveness. The majority of businesses remained to be convinced that making environmental improvements could help motivate the workforce or increase sales.

Figure 3 - Perceived business benefits of good environmental practice



N=1,237 Base: All respondents.

ADVICE ON ENVIRONMENTAL ISSUES

Businesses in Wales are still most likely to contact their Local Authority for guidance on environmental issues - 62% of respondents would ask the council for help, compared to 50% who would ask their waste company and 40% who would ask the Environment Agency.

Thirty-nine percent of Welsh businesses asked thought that they received enough support from the Government and its agencies to deal with environmental issues, but almost half (48%) of businesses said that they wanted more help.



CONCLUSIONS

Overall, the environmental awareness and performance of small and medium-sized businesses in Wales has improved between 2003 and 2005 and it is encouraging that 63% of businesses surveyed had implemented at least one practical environmental measure. Things are definitely moving in the right direction, although not as fast as they could be.

Clearly there is still a significant perception gap that needs to be tackled in terms of businesses acknowledging their own environmental impact. If businesses do not think their behaviour makes any difference then they are not likely to change it. This may also explain to some degree why so many of the businesses surveyed are unaware of the environmental legislation affecting their activities.

Interestingly, the majority of businesses surveyed that had taken positive action said they had done so out of general concern for the environment rather than to comply with legislation or reduce costs. However, it seems likely that to take greater action, businesses need to be more directly motivated by commercial benefits. It is therefore important to convince more businesses that making environmental improvements can help increase sales, improve competitiveness and motivate staff.

Consistent information from a range of sources, combined with more effective government support and increased supply chain pressure is required to persuade businesses of the benefits of tackling environmental issues and help them to start making changes throughout their business. The NetRegs website (www.netregs.gov.uk) - which offers small businesses clear guidance on their environmental obligations and good practice advice - is a sensible starting point for businesses with limited time and resources that want to improve their environmental performance.