fsb SUSTAINABILITY HUB

HOW TO GET STARTED WITH SUSTAINABILITY

The race to a net zero economy by 2050 has begun.
We're making sure small businesses aren't left out of the big picture.

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As governments and businesses across the globe work towards carbon neutrality and reducing greenhouse gas emissions, we're supporting small business owners and the self-employed to understand how they can play their part.

In this guide, we'll walk through how you can start your journey to net zero, from carbon footprints to supply chains, and you'll have space to start planning your next steps.

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GETTING STARTED

Reducing your energy consumption, water usage and waste

Your energy consumption, water usage and waste streams all contribute to your carbon footprint. Small steps can be taken to make them more sustainable.

ENERGY

Reducing your energy use is beneficial both financially and environmentally, allowing you to keep in line with energy legislation and face little risk of non-compliance. Sustainably generated electricity is much more beneficial for business use. Minimising electricity from high-carbon sources taking up a higher percentage of our national grid.

What can you do?

- Switching to energy saving LED light bulbs within your business is a good first step in reducing energy consumption
- Motion sensor lights are also beneficial in reducing consumption as these lights only switch on when triggered.
- Switch appliances off rather than leaving them on standby, as this can dramatically decrease your energy consumption

WHAT IS A GREEN TARIFF?

A green tariff enables a business to reduce their energy consumption. The tariff means that some, or even all, of the electricity you buy is 'matched' by a business' purchase of renewable energy sources that your supplier makes on your behalf. These renewable energy sources come in a vast variety, including wind farms, hydroelectric power stations and solar farms.

Choosing a green tariff also shows that the demand is there, sending a clear message to your supplier and the wider industry and supply chain that you favour renewable energy over fossil fuels.

Are green tariffs really green?

Some electricity suppliers provide electricity from a mixture of renewable and non-renewable sources. The green tariff from this will be backed up by the REGOs from their more low-carbon electricity sources. 'Greenwashing' is commonplace from electricity suppliers. Some who claim to supply 100% renewable energy do so by simply buying excess REGO certificates.

WATER

Tackling your water consumption is massively important. Reducing heavy consumption of a finite resource will also benefit you economically, as you will reduce your bills.

What can you do?

- Replacing your taps with spray taps can reduce the volume of water coming out of the tap without diminishing pressure quality
- Switching to duel-flush toilets can save thousands of litres of water a year and potentially save you money
- Get your team on board with saving water through awareness training to educate them on everyday habits
- If feasible, you could harvest rainwater

Did you know?

If you have old plumbing fixtures, you can lose up to 20 gallons of water daily due to a dripping tap.

WASTE

Less waste will mean a smaller carbon footprint, less requirement for landfill space and reduced impact on biodiversity loss. Addressing any waste problems allows you to comply with all the UK's current regulations and prepares you for any changes to the regulations in the future.

Completing a waste audit

To start the process of reducing your waste, you are advised to do a waste audit. A waste audit can be thought of as a 'dumpster dive'. A waste audit involves separating your waste into different categories (e.g., cardboard, glass etc.) and weighing how much you produce over a given time, often a week. You can hire a professional to conduct a waste audit for you, or if you produce a small amount of waste, you can do one yourself.

Once you have completed your waste audit you can then plan how to reduce your waste. The best way to do this is to follow the waste hierarchy.

What is the waste hierarchy?

1 Prevention

The most effective way of reducing waste is to stop it happening in the first place.

2 Reuse

The next step is to try and reuse anything that you are currently throwing away.

3 Recycle

The third step is to identify anything that is currently being thrown in the waste bin that could be recycled.

4 Recovery

Identifying any waste that could be used by others to generate a new product. An important step to reduce the pressure society puts on our natural resources.

5 Disposal

The final step is to process the rest for landfill or incineration.

What can you do?

- Work with your suppliers to remove unnecessary packaging from your products
- Make the switch from paper to digital in as many situations as you can
- Join a circular economy club that connects small businesses in your local area that might be interested in using and buying your waste
- Consult the government list of approved waste buyers to see if any of your waste can be sold
- More information and free resources can be found at WRAP and Zero Waste Scotland

How can your business take steps to reduce carbon emissions from energy, water and waste?

My business can reduce **water** use by...	My business can reduce **energy** use by...	My business can reduce **waste** by...

CALCULATING YOUR CARBON FOOTPRINT

Calculating your carbon footprint gives you an overview of how much greenhouse gas you are responsible for emitting. It's a vital step in becoming part of the solution.

Once you know your carbon footprint, you'll have an awareness of the level of carbon emissions you produce and can start to work towards net zero. Net zero is the situation where your carbon footprint is zero.

Your carbon footprint calculation can be considered carbon accounting, and like writing your balance sheet, there are rules that you must follow. The Greenhouse Gas Protocol splits your greenhouse gas emissions into three categories: scope one, scope two, and scope three.

What is the Greenhouse Gas Protocol?

The Greenhouse Gas Protocol sets the standards for measuring, managing and reporting carbon emissions. It categorises your emissions into three areas, known as scopes, to give you a complete picture of the carbon you produce. Each scope has 'conversion factors' that calculate emissions produced per the amount of business activity.

What do the scopes cover?

- **Scope one** includes direct emissions caused by any process or activity by your company. Often this is in the form of fuels burnt on site or by company owned vehicles. Other forms are leaks of refrigerant gases (for example from refrigerators or air conditioning) or any emissions from industrial processes (for example from making cement).
- **Scope two** includes indirect emissions caused by your company purchasing energy (from sources you do not own or control). This is usually in the form of electricity, heat, or steam.
- **Scope three** covers all the indirect emissions that occur because of your business activity, for example waste, business travel or goods and services purchased.

Measuring your scope one and two emissions

Calculating your scope one and scope two emissions should be relatively straightforward for most companies, if you have all your fuel expenses and utility bills for the period you are calculating your carbon footprint for (usually one year).

Scope one

What direct emissions does your business produce? For example, do you have company vehicles or make deliveries to customers? **Make a list here.**

Scope two

Where do you produce indirect emissions in your business? Think about the energy you consume, such as lighting, heat or powering equipment. **Make a list here.**

This will include information on electricity, gas, and water consumption, as well as fuel expenses that can all be converted to carbon emissions.

Calculating your scope three emissions is hard. It is almost always only optional by the Greenhouse Gas Protocol. If you're able to calculate scope three emissions, we highly encourage you to do so.

Work out your carbon footprint

Use a carbon calculator, such as Carbon Footprint Ltd, to calculate your footprint using conversion factors.

I'VE GOT MY CARBON FOOTPRINT – WHAT NEXT?

You're now ready to start putting a plan in place to reduce your carbon footprint over time.

Your plan can be linked to the SME Climate Hub commitment, which is backed by the UN Race to Zero campaign and the UK government.

The end goal of setting up your carbon reduction plan is for you to achieve net zero. Both your carbon reduction plan and your net zero achievement can be independently verified against international standards.

REDUCING YOUR CARBON FOOTPRINT

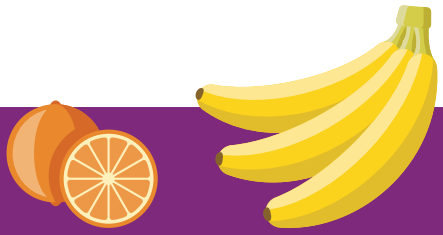
FOOD SUSTAINABILITY

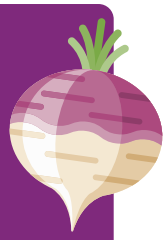
If your business is involved with the sale or production of food, you should have an interest in the growth of food sustainability. There is a growing trend of people wanting more sustainable food, which is a large incentive for your business.

What are the benefits of improving your food habits?

Buying locally produced food from nearby shops and farmers markets

Buying locally means that you're supporting your own community and its economy. This is more sustainable as it reduces the CO2 emissions from food transportation.





Buying fruit and vegetables according to their seasonality

Their seasonal lifestyle is taken advantage of due to the high demand for certain produces, and land has been taken over by companies growing out-of-season produce. This restricts those who live in these areas from growing the produce they need – which is wholly unsustainable. These farmers then must buy back the crops they grow so that they can survive.

Going meat free

Even if this is for one day a week, it can drastically reduce your personal carbon footprint. Eating less meat will lead to a reduction in greenhouse gas emissions.

Fairtrade

Fairtrade produce ensures that farmers are paid a fair price for their crops and work in better conditions. If your business buys Fairtrade products, you are acting in a more sustainable way.

Make a list of local suppliers that could help your business to be more sustainable when it comes to food.

GOING DIGITAL

Making the switch to digital records and processes can help reduce the amount of paper your business uses. Moving your business processes to computer-based systems will reduce the need to keep physical paper records and will streamline day-to-day operations.

Did you know?

Annually, 12.5 million tonnes of paper are used in the UK, with roughly two thirds recycled. Within the UK, the average household is said to dispose of six trees' worth of paper per year.

Where do you currently use paper in your business and are there opportunities to go paperless?

What can you do?

- Streamline your bookkeeping processes with HMRC approved accountancy software to digitise your invoices, expenses and more
- Sign paperwork digitally with apps
- Use online tools to transfer large files at the click of a button
- Use e-tickets for events instead of printed tickets

Don't forget that if you go digital with your company's documentation, take precautions to ensure that your digital ecosystem is secure to avoid cyber-attacks.

CUTTING VEHICLE USE

By changing your habits, road traffic and vehicle usage can be reduced on both an individual and business level. Cars and vans are important for business operations, and essential at times. However, avoiding unnecessary trips, shopping locally, and grouping deliveries together are all beneficial.

What are the alternatives to repeated vehicle use?

1. Walking is the cheapest option and promotes a healthy lifestyle.
2. Cycling and electric bikes could make your journey to work easier as journey times are increasingly reliable, whilst also being good for your health.
3. Public transport is a very common alternative that is readily available and convenient.
4. Whilst carpooling still involves vehicles on the road, it reduces the amount of cars on the road if you wish to share a journey with colleagues. Travel costs are reduced, congestion is lessened, and public transport issues can be avoided.

If you consider the distance travelled, miles per gallon, fuel price and how many passengers are in the car, you can calculate how much the journey cost per person in the vehicle. In doing so, you save money and reduce the number of cars on the road which is better for the environment.

Did you know?

Walking exposes you to one third of the fumes that driving would and has social benefits if you meet people on your journey

Did you know?

Cycle to work schemes are becoming increasingly common and can offer your employees incentives to travel to work by bike

Did you know?

Many train stations have car and bus link schemes for destinations away from the station

What alternatives can your business use?

What targets can you set yourself to make the transition?

SUPPLY CHAINS

Whether you're working alone or have over 200 employees, every business is part of a supply chain. The impact of climate change will be felt by everyone and therefore if you're part of a supply chain, no matter how small, you may be asked for information on your carbon footprint by companies further up the supply chain.

Attracting new customers and accessing new supply chains is fundamental to growing your business. With the increasing focus on net zero, it makes sense to embed this mindset within your organisation. The public and private sector are becoming increasingly keen to work with suppliers that have credible carbon management reduction plans in place.

Supply chain impacts are classed as scope three or indirect emissions as per the Greenhouse Gas Protocol. There are 15 categories within the scope three emissions guidance documents, ranging from business travel to purchased goods and services.

To start examining your place in the supply chain, think about what you do, who you supply to and who you purchase from. Make a list here.

I supply to...	I buy from...

SUSTAINABLE PROCUREMENT

The introduction of the UK government's Procurement Policy Note (PPN), whist only applicable to government contracts over £5 million per annum, may impact your small business if you're involved in the supply chain for the contract.

Bidders must now set out their environmental management measures, including certification schemes or specific carbon reduction measures adopted. An annually updated carbon reduction plan is a key requirement of this.

For the private sector, the application of similar criteria and requirements for the supply chain are in some cases already in effect. To be onboarded as supplier, and to pre-qualify, you can gain an advantage by sharing your carbon footprint data and carbon reduction plans.

Sustainable procurement allows you to unlock the financial, operational, and reputational benefits of developing and working with sustainable supply chains.

- Calculating your carbon footprint year-on-year means you will be able to access supply chains where this information will be required and could even be a prerequisite element of supplier onboarding
- Gain a competitive advantage by showing a verified carbon reduction plan, also known as a carbon management plan, to potential suppliers
- Make your business more attractive to larger corporates and for government contracts over the £5 million threshold

SUSTAINABLE PURCHASING

Sustainable products should use:

- Fewer natural resources
- Contain fewer hazardous materials
- Have a longer lifespan
- Consume less energy or water in production or use
- Be able to be reused or recycled upon disposal
- Generate less waste upon the end of their lifespan.

Sustainable purchasing is not just about the proxy of purchasing 'green products'. It's about minimising negative socio-economic effects of your purchasing decision and avoiding the depletion of natural resources.

What are the benefits?

- Minimise the indirect negative impacts of your organisation, its operations, and the services you deliver on the environment
- Reduced risk of non-compliance with environmental legislation, which can be costly
- Employee and customer loyalty increase because buyers and organisations are becoming increasingly environmentally aware
- Reduction of energy, waste, and travel costs which reduces your operational costs and increases profitability

How can you do this?

- Ethically sourced and traded products are key in sustainable procurement. Ethical sourcing ensures that minimum labour standards are met during the production of the product you are purchasing. Fairtrade simply refers to the ethical trading process.
- Purchasing goods from local suppliers is incredibly beneficial as local jobs and services are supported through sustainable purchasing, which is not only beneficial for your company but also your local economy.
- When consideration is given to utilising the community, goods are more deliverable and sustainable on social factors, such as skill development within the local community.

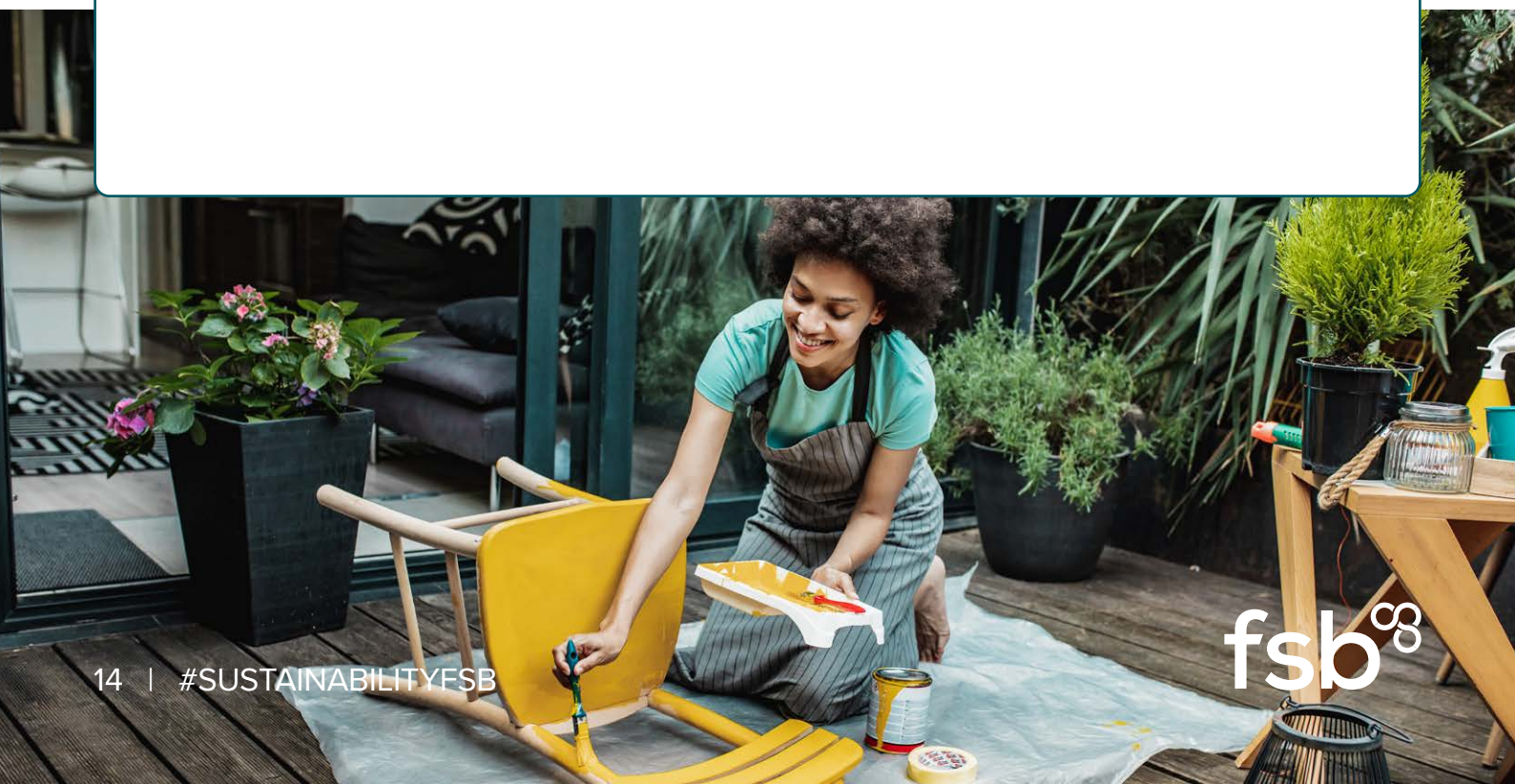
Look out for these labels

The Blue Angel mark, EU Ecolabel, and Forestry Stewardship Council to support reforestation shows that the products are sourced sustainably.

Think about your products and services. How can your business purchase more sustainably?

Has your business got a sustainable purchasing policy?

Is your business purchasing goods that support net zero?



What can you do to put this into effect?

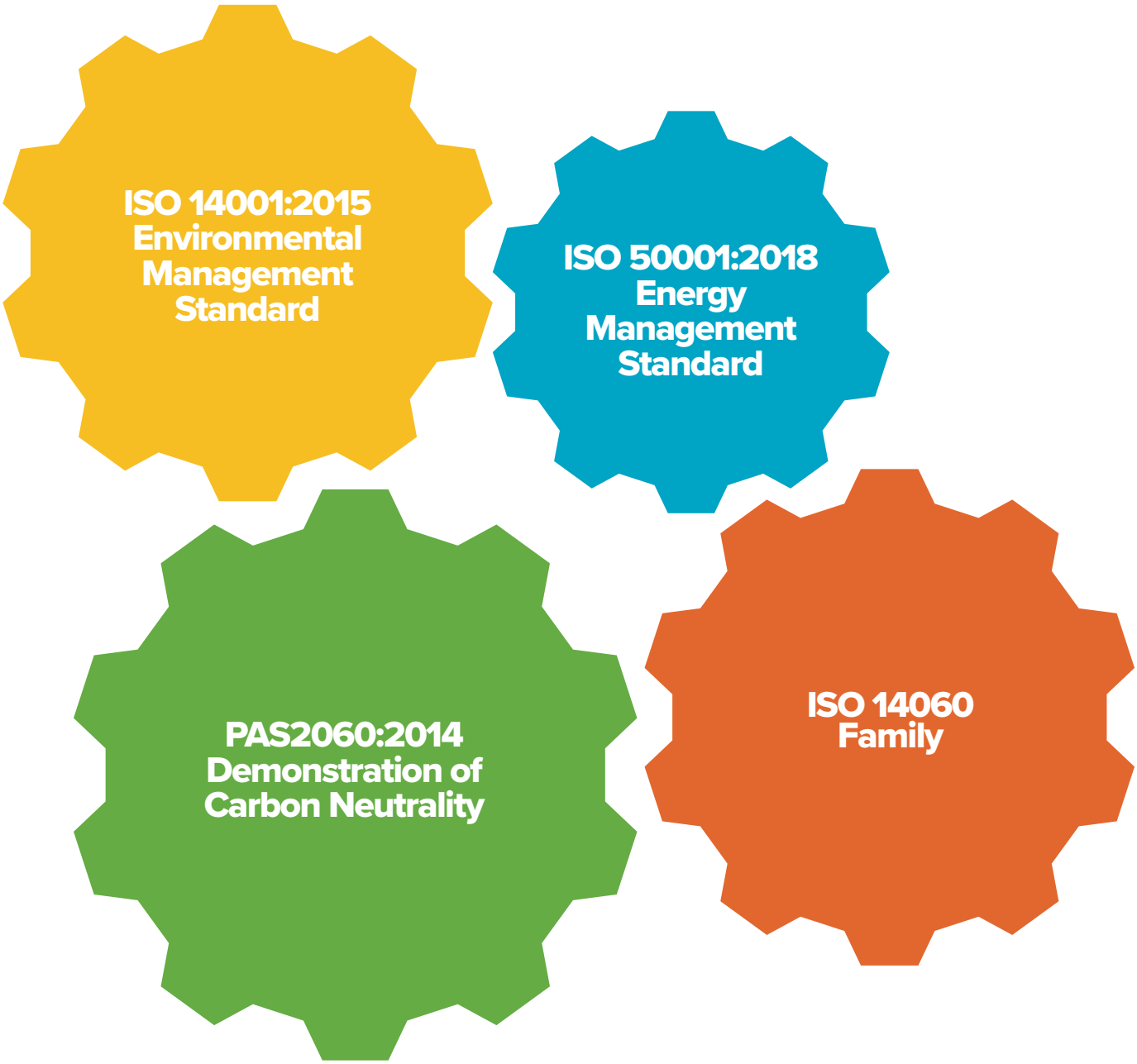
What external communication is needed to your supply chain to support this?

Can your products be considered environmentally friendly?

WHAT ARE THE INTERNATIONAL STANDARDS AND FRAMEWORKS THAT SUPPORT NET ZERO?

Let's focus on the practical standards and frameworks which can support your business to reduce your greenhouse gas emissions, show a reduction in your carbon footprint and offer an opportunity for independent audit and verification.

Taking on either an International Standard (ISO) or Publicly Available Specification (PAS) to support your carbon management journey will be a challenge, but as we have covered, there are many benefits for your business. You can learn more about these credentials with our dedicated resource, which includes information on how to start your journey to verification.



ISO 14001:2015

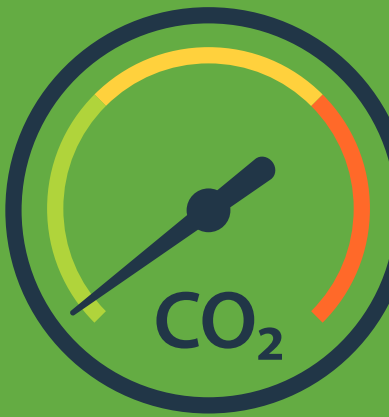
- Allows you to sort your key environmental impacts and aspects, then set objectives, targets and plans to mitigate and manage them.
- Requires key performance indicators to be set for all objectives so you can measure your level of success.
- Great way to get going with your carbon reduction journey as nearly all businesses are responsible for emission of greenhouse gases.
- Set a reduction target and report on them year on year.

ISO 14001:2015

- Focusses on how you can reduce consumption and at the same time improve energy efficiency.
- It's one of the shorter ISO standards that you can use – great for small businesses.
- Allows you to set year on year improvement targets for your energy sources such as gas, electricity, LPG, and other fuel oils.
- Additional focus on providing training to your team and subcontractors to ensure everyone can help you to reduce your energy demand.
- Reduce your energy bills, save carbon, and give your supply chain confidence that you have energy risk and opportunities under control.

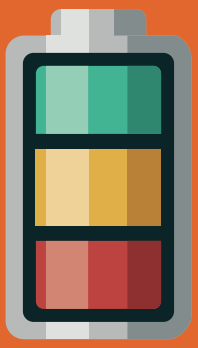
PAS2060:2014

- Requires a lot of input from any business to work through them, but leads to a carbon management plan, yearly carbon footprint and an independent validation that you are on track to reduce your greenhouse gases.
- The 2060 framework can be applied to organisations, events, activities, products, and services.
- Unlike an ISO, your business will be audited annually to this framework and all three emission scopes are included. This means you need to apply the Green House Gas Protocol to capture your scope one, two and three emissions.



ISO 14060 Family

- This group of technical standards independently verifies a company's measurement, reporting and removal of greenhouse gases.
- In doing so, it reduces greenwashing claims by introducing clarity and consistency.
- It also helps with spotting emission reduction opportunities, managing risks and tracking performance.



Does your business already have any of the above standards?

How would you integrate your standards?

NEXT STEPS

FSB's Sustainability Hub is home to resources and events for small businesses and the self-employed, to help you on your journey to net zero.

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