

SME-nvironment Survey 2009: Wales

1. Background

NetRegs is an online tool designed for small and medium sized enterprises (SMEs) to obtain clear and concise information on legal compliance and environmental good practice. The NetRegs website is supported by a partnership between UK environmental regulators: the Environment Agency (in England and Wales), the Scottish Environment Protection Agency (SEPA) and the Northern Ireland Environment Agency (NIEA).

Since 2003, NetRegs has undertaken major, biennial telephone surveys to understand how SMEs consider they perform in relation to the environment. This knowledge is used to inform the regulators and to assist NetRegs in the provision of relevant and practical information.

In the 2009 survey, a total of 7,000 businesses were interviewed across the four UK countries and within 10 business sectors. The 10 industry sectors included in this research are shown in Table 1.1 with their Standard Industrial Classification codes.

The sampling regime was developed to ensure that a representative response was achieved by sector, country and across the three business size groups (0-9 employees, 10-49 employees and 50-249 employees). Sampling quotas set by country were approximately 3,500 surveys in England (83% of UK SMEs are in England), and circa 1,150 interviews each for Wales, Scotland and Northern Ireland.

Table 1.1 – Industry Sectors in 2009 research

| Group 1 | Group 2 |
|-------------------------------|--|
| Agriculture (SIC 1) | Printing, Publishing & Reproduction of Recorded Media (SIC 22) |
| Construction (SIC 45) | Electrical Equipment (SIC 31) & Machinery Manufacture (SIC 29) |
| Healthcare (SIC 85) | Fabricated Metal Products (SIC 28) |
| Transport by Land (SIC 60) | Food and Drink Manufacture (SIC 15) |
| Hotels & Restaurants (SIC 55) | Education (SIC 80) |

Of the 7000 interviews undertaken across the ten sectors and four UK countries, 1161 businesses surveyed in Wales (17% of the total). This report provides a summary of the responses obtained from businesses in Wales and a brief comparison with the other UK countries.

2. Measures to Address Environmental Issues

Respondents were asked whether they had introduced one or more practical measures to help reduce their impact on the environment and 64% of businesses in Wales stated that they had. This compares very favourably with a figure of 55% in England, Scotland and Northern Ireland. In particular, Wales businesses in the Hotels & Restaurants and the Healthcare sectors were very proactive. See Table 2.1.

Table 2.1 – Wales businesses that had introduced a practical measure, by Group 1 sector (unprompted)

| | Wales Businesses |
|----------------------|------------------|
| Agriculture | 48% |
| Construction | 50% |
| Hotels & Restaurants | 70% |
| Transport by Land | 37% |
| Healthcare | 70% |

N= 498 Base: All businesses in Group 1 sectors that had answered 'yes' to implanting a practical measure

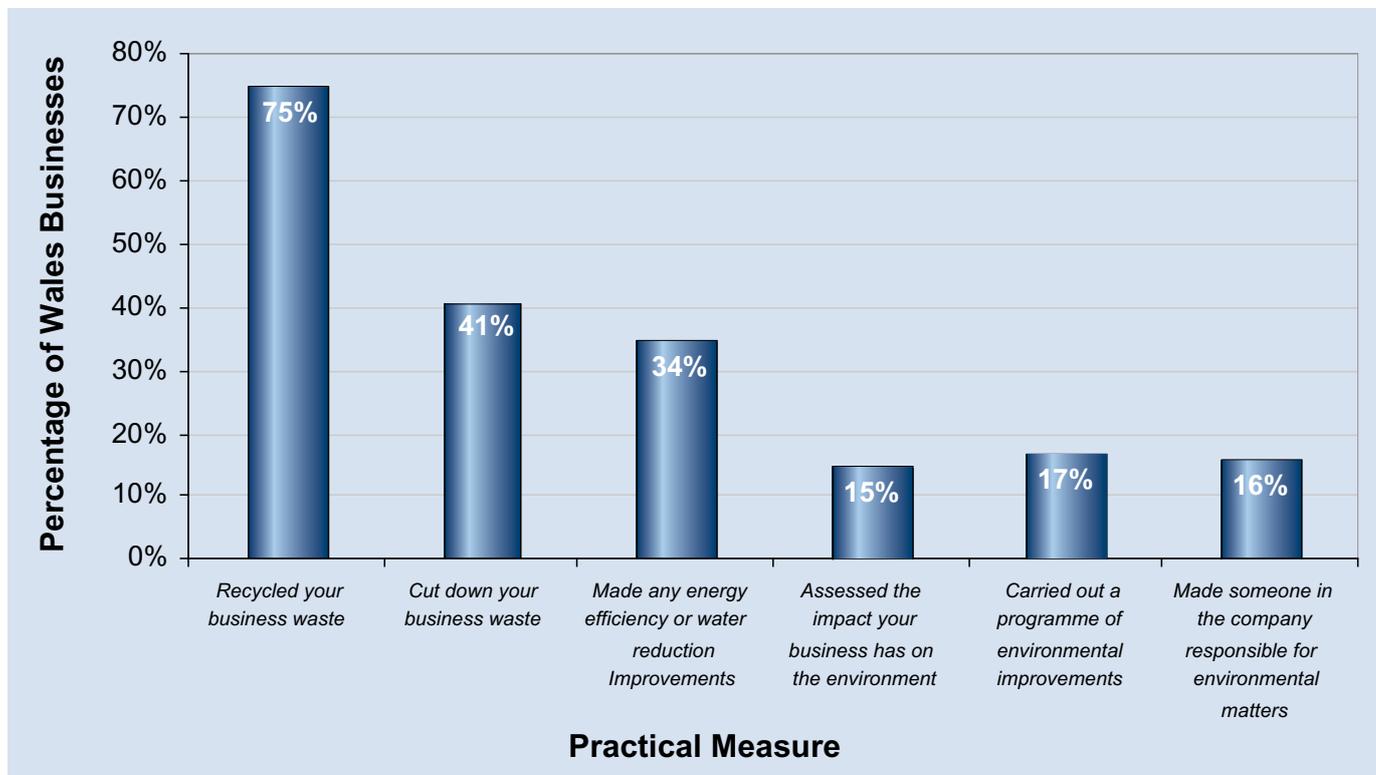
In common with the other three UK countries, the percentage of businesses in Wales that had introduced a practical measure to improve environmental performance increased with employee numbers.

Businesses were asked, prompted and unprompted, what environmental measures they had put in place. When these two responses were combined an overall summary of the measures that the Wales businesses had put into place could be obtained.

Over 75% of businesses in Wales stated that they recycle their waste, over a third of all businesses have made energy efficiency or water reduction improvements, 41% of businesses had cut down on their business waste and 34% had made energy efficiency or water reduction improvements. This is shown in Figure 2.1.



Figure 2.1 – The practical measures undertaken by Wales businesses (prompted and unprompted)



3. Implementation of Environmental Management System or Policy

All businesses were asked if they had an Environmental Management System in place. This management system could include systems like ISO 14001, BS 8555 or the Green Dragon Standard.

Ninety one percent of Wales based businesses surveyed in this research stated that they did not have an Environmental Management System in place, and around three quarters of these businesses did not have an Environmental Policy.

Table 3.1 - Percentage of Wales businesses within Group 1 sectors that have an Environmental Management System

| | Wales Businesses |
|----------------------|------------------|
| Agriculture | 6% |
| Construction | 6% |
| Hotels & Restaurants | 4% |
| Transport by Land | 3% |
| Healthcare | 3% |

N= 40 businesses with an Environmental Management System in place (out of 406 asked)

N= All Group 1 businesses that had an Environmental Management System in place

Within four of the five Group 1 sectors, Wales businesses were most likely to have implemented an Environmental Policy compared with the other three countries. However, in the case of the Healthcare sector, Wales and Northern Ireland businesses were the most likely (34% and 31% respectively) and the Scotland and England businesses the least likely (18% and 21% respectively) to have an Environmental Policy.



4. Benefits Found in Addressing Environmental Issues

Where Wales businesses had stated that they did not have an Environmental Management System or Policy in place, they were then asked how useful they thought the implementation of a policy or system would be to their business.

The majority of respondents in Wales (84%) considered an Environmental Policy or Management System to be of 'no use' or 'of little use' to their business. Sixteen percent of Wales businesses thought that an Environmental Management System would be 'quite useful' or 'very useful'.

Clearly the vast majority of Wales SMEs surveyed do not see the benefit of a formalised approach to environmental management. Whilst this is understandable for small, family run businesses such as in agriculture this is more surprising when considering the companies within the 50 to 249 size band. It is likely that the micro and small companies are faced with a very limited number of environmental issues and that good awareness and / or issue specific procedures are all that is required to ensure compliance. It is possible that the formality and potential complexity (and perceived cost) of a certifiable EMS puts off many businesses.

Thirty percent of businesses in Wales were found to be 'quite likely' or 'very likely' to invest in environmental performance over the next 12 months, but the majority of businesses were unlikely to do so. The percentage figures for potential investment by sector are shown in Table 4.1.

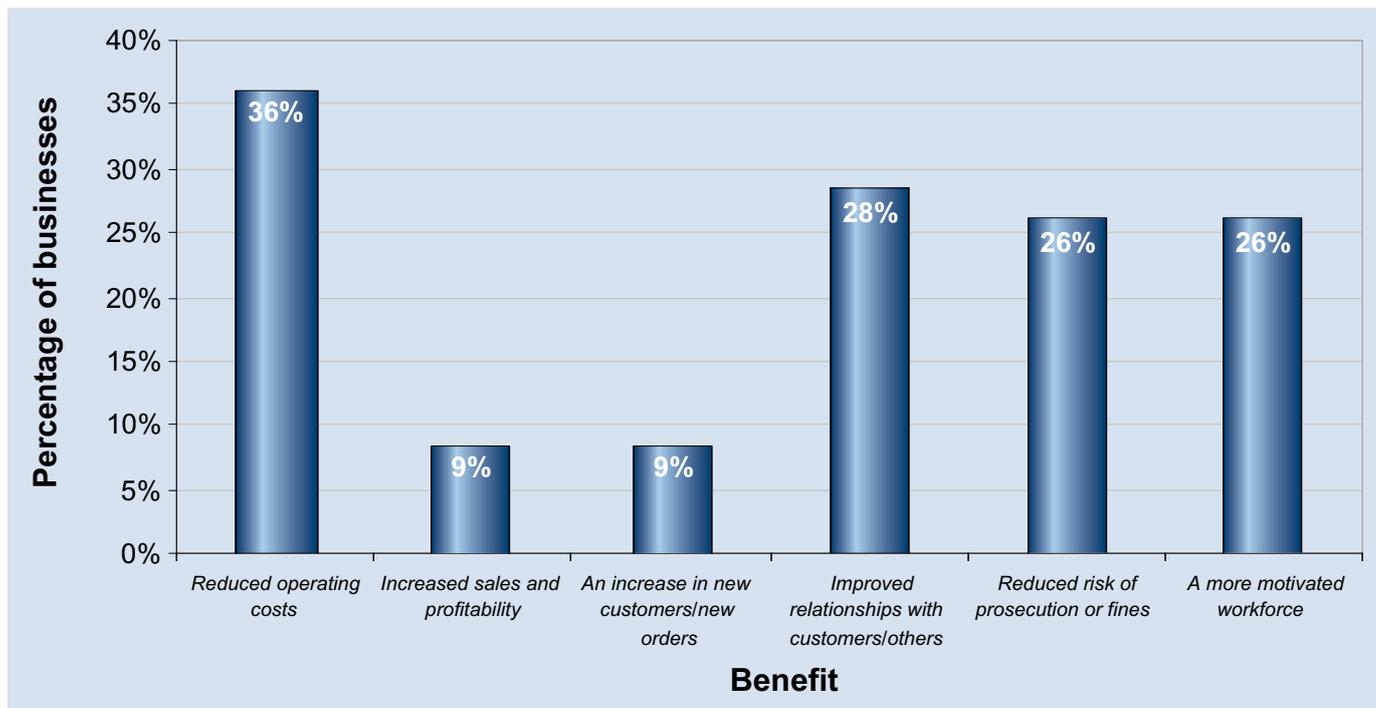
Table 4.1 - Percentage of Wales businesses that are 'Quite Likely' or 'Very Likely' to invest in environmental performance over the next 12 months, by sector

| | Wales Businesses |
|----------------------|------------------|
| Agriculture | 18% |
| Construction | 14% |
| Hotels & Restaurants | 34% |
| Transport by Land | 14% |
| Healthcare | 26% |

N=193 Base: All Group 1 businesses that are 'quite likely' or 'very likely' to invest in Environmental Performance

The most common benefits that businesses in Wales had achieved by improving environmental performance were 'reduced operating costs' (36% of businesses) and 'improved relationships with customers and others' (28%). See Figure 4.1.

Figure 4.1 – Stated benefits of improving environmental performance (Wales businesses)





5. Awareness of the Environment and Legislation

The majority of the Wales businesses surveyed believed strongly that they did not undertake any activities harmful to the environment, with just 7% stating that they did. The most common activities mentioned in this response were emitting smoke or fumes into the air (56%), storage of chemicals, fuels and oils (10%) and storage of waste (9%).

With prompting, more businesses admitted that they did carry out potentially harmful activities with the storage of waste and the storage of chemicals, fuels and oils being the most common in Wales. This change of position may indicate that there is a simple lack of awareness of the activities that could impact on the environment or possibly that the management of these issues is now normal practice.

Table 5.1 – Percentage of Wales businesses that consider their activities potentially harmful to the environment

| | Wales Businesses |
|----------------------|------------------|
| Agriculture | 4% |
| Construction | 11% |
| Hotels & Restaurants | 4% |
| Transport by Land | 21% |
| Healthcare | 2% |

N=78 businesses who considered their activities harmful, out of 904 asked

Base: All businesses that considered their activities harmful to the Environment

Businesses were then asked whether they were aware of specific items of environmental legislation. Sixty-two percent of Wales businesses could recognise a piece of legislation when read out. The percentages of businesses that could recognise a piece of legislation are shown below:

Table 5.2 – Percentage of Wales businesses (prompted) that have heard of a piece of legislation

| Legislation | Wales Businesses |
|--|------------------|
| Duty of Care Regulations | 36% |
| End of Life Vehicles Regulations | 17% |
| Environmental Permitting | 18% |
| Hazardous Waste Regulations | 40% |
| Packaging Waste Regulations | 24% |
| REACH Regulations | 10% |
| Site Waste Management Plans | 31% |
| Waste Electrical and Electronic Equipment Regulations (WEEE Regulations) | 18% |

N= 1385 responses; Base = all business surveyed in Wales

6. Sources of Help

The 'Local Authority' was rated to be the most used source of information about environmental issues in Wales (63%), with 'Waste companies' as the second most frequently contacted (40%) and the Environment Agency in Wales the third most frequently contacted source (20%).

Table 6.1 - Organisations that Business had contacted to discuss environmental issues

| Legislation | Wales Businesses |
|-------------------------------------|------------------|
| Your Local Authority | 63% |
| Waste companies | 40% |
| The Environment Agency in Wales | 20% |
| Consultants or Advisors | 8% |
| Trade or Professional organisations | 5% |
| NetRegs website | 2% |
| Business support organisation | 2% |
| Other | 3% |

N=505 Base: All businesses who had contacted at least one organisation to discuss environmental issues. Multiple responses allowed

Two percent of Wales based businesses had heard of the NetRegs site and of these 38% had used it. The vast majority (85%) of those that had used the NetRegs site rated it to be 'quite useful' or 'very useful'; and 50% of those that had not heard of it thought that it could be useful after hearing a description of the services and information it offers.

Businesses were also asked, more specifically, if they had contacted any trade associations or businesses support organisations for help. Seven percent of Wales based businesses stated that they used Trade Associations to obtain environmental information. The Federation of Small Businesses (7%) and Business Link (2%) were the next most commonly contacted business supported organisations. A very wide range of individual trade organisations were also contacted (5% in total), see Table 6.2 for the sector breakdown.

Table 6.2 – Wales businesses in touch with Trade Associations, by Group 1 sector

| | Wales Businesses |
|----------------------|------------------|
| Agriculture | 17% |
| Construction | 6% |
| Hotels & Restaurants | 9% |
| Transport by Land | 5% |
| Healthcare | 9% |

N=80 Base: All Group 1 sector businesses that had been in contact with a trade association to discuss environmental issues

When presented with a list of business support organisations, 25% of Wales businesses said they would contact their Local Authority for help, and 16% would contact a waste company about environmental issues.

7. Information Requirements

Around 61% of Wales businesses surveyed said they were, "quite satisfied" or "very satisfied" with the support they had received from Government; however 16% stated they were "very dissatisfied".

Thirteen percent of the businesses surveyed in Wales needed an Environmental Permit to carry out their activities, and of these very few had received conflicting advice from the Environment Agency.

To find out about environmental issues the vast majority of businesses (70%) would use the internet, but many would also use Trade Magazines or Business Journals or the Local Press. However, when receiving information from the government most Wales businesses (59%) would prefer to receive it through the post.

8. Conclusion

Overall, there remains a low level of environmental awareness with only 7% of Wales businesses believing, before prompting, that they undertake any activities that could harm the environment. Once prompted, forty six percent of the businesses surveyed stated that they carried out one or more of the mentioned activities.

Generally, the survey showed that the larger a business is, the more likely it is to be aware of its environmental impacts and the more likely it will be to take steps to improve these. Therefore, it is clear that there is a continuing need for NetRegs to be proactive in their provision of support to UK SMEs and in particular to the smallest businesses. The vast majority of businesses have access to the Internet but there is still a correlation between a lack of awareness of NetRegs and low levels of awareness of potential harm to the environment.

Protect your business.
Protect the environment.

Visit: www.netregs.gov.uk