

MAKING A DIFFERENCE

Climate change is a serious problem affecting all of us, and small firms can have a big impact by addressing their own activities. **Alex Wright** reports on how FSB members are doing their bit

The UK Government is committed to reaching net-zero carbon emissions by 2050, and small firms are also increasingly taking steps to transition to net zero and reduce their environmental impact. According to a recent Novuna Business Finance study, 85 per cent of SMEs are putting green issues higher up the agenda, which involves everything from installing LED lighting to using microgenerators to become more self-sufficient.

An FSB survey has found that 67 per cent of firms have acted to address their

energy usage, including via smart meter and energy-efficient appliance installations. A further 64 per cent have increased their recycling, while 47 per cent are avoiding using plastic where an alternative is available.

However, small businesses still encounter a host of barriers to adoption, including the initial upfront expense and lack of infrastructure. Indeed, 22 per cent of respondents cited a lack of capital as a reason why they can't invest in energy efficiency.

To achieve net zero, FSB believes the Government must help small businesses to meet their net-zero ambition. That will require supporting green initiatives by providing the necessary incentives,

introducing a scrappage scheme, and enabling SMEs to invest in environmental and economic improvements.

FSB has called on the Government to introduce a £5,000 Help to Green voucher for firms to spend on eco-friendly products and services – for example, an audit that measures energy consumption and provides advice on how to reduce it.

As well as the obvious environmental benefit of reducing businesses' carbon footprint, it can also provide a financial boost in terms of energy savings and from a reputational standpoint, as seen in some of the examples from FSB members.

ALEX WRIGHT is a freelance business journalist

RUNNING ON ELECTRIC

When Fraser MacLean, Managing Director of family-owned business M H Carriers, learned that Inverness' main thoroughfare Academy Street was one of the most polluted streets in Scotland, he knew he had to do something.

M H Carriers distributes goods across Scotland's Highlands and islands through its network of 300 workers and 200 vehicles, regularly delivering to places such as Inverness. "I realised that we were part of the problem," says Mr MacLean, whose company has depots in Aberdeen, Argyll, Dundee and Inverness, as well as in the Highlands and islands. "As a carrier's carrier, we deliver on their behalf across the north of Scotland. When I heard about the pollution in Academy Street I was horrified. So I thought, as a transportation company, we needed to be doing our bit to help reduce it."

After looking into electric vehicles (EVs) and researching the best types available, in June 2021, Mr MacLean spent £500,000 on 10 MEN eTGE vans and charging points for the Inverness depot. The vans, which represent five per cent of the fleet, have a range of 100 miles on one charge and have reduced



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carbon emissions by 31,012 kilograms per year since they went into service.

Mr MacLean says that, while the upfront cost of EVs is significantly higher than petrol and diesel equivalents, the running costs are cheaper on a pence-per-mile basis. That means they will start paying for themselves after two or three years, he adds.

SHARING GREEN ENERGY BENEFITS

With energy bills skyrocketing, businesses are grateful for any saving. That's why The Electric Storage Company launched Project Girona – a £4.5 million smart energy scheme that has helped users in Northern Ireland to slash electricity bills.

The occupants of 60 properties in Ballysally, Coleraine, including small businesses, houses and charities, signed up to the initiative, which provided solar panels and storage batteries essentially for free – the Government funded just under half and The Electric Storage Company the balance. Occupants were then given an app that shows them what power is being generated, how much they are using and what's being stored.

As a result of having the equipment installed and being able to monitor their

usage, participants saved an average of 55 per cent on their electric bills in the first year. They have also saved 40 tonnes of carbon dioxide (CO₂) emissions: equivalent

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to running 19 internal combustion engine family cars for one year.

While the installation cost was around £10,000 per property, the savings mean the equipment pays for itself after six to seven years, says Jamie Rea, Programme Manager at the company. In total, he says, the project has generated 171 megawatts (MW) of renewable energy and exported 30MW in its first year, with the exported electricity generating income for users.

"By putting renewable electricity into the network, users have been able to not only reduce their costs and consumption of CO₂, but also get paid for generating energy," says Mr Rea. "Project Girona has benefited us hugely as a business: we're growing rapidly and plan to roll out across Ireland, Great Britain and Europe."

REDUCED CARBON FOOTPRINT

The environment is close to the hearts of Laura Waters and Kelli Aspland, owners of Solar Buddies, a producer of refillable sunscreen applicators in Cwmbran, south Wales. That's why they decided to remove all the plastic from their products to make them fully recyclable, and to look at moving their shipping method from boat to train.

The pair also signed Solar Buddies up to carbonfootprint.com, which enables businesses to monitor and reduce carbon emissions. By working with the Chinese manufacturer, the carbon management firm can help them to offset their carbon output.

The first step was to remove plastic from the packaging and label it with laser printing, using natural ink from local supplier

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Lexon. They are also trialling train as an alternative transport method to boat.

"As well as the environmental benefits, removing plastic has enabled us to reduce packaging costs," says Ms Waters. "And while train may be more expensive than boat, it's a more efficient way to get the product to us."

The company has sent newsletters about the changes to its customers, and plans to move production to the UK in the next two years to reduce its carbon footprint further.



Every little counts

Five steps small businesses can take to reduce their energy usage:

- 1 Install a smart meter smartenergygb.org
- 2 Carry out regular operations and maintenance checks bit.ly/3Wqe9H2
- 3 Insulate and draught-proof buildings bit.ly/3D84wWD
- 4 Switch to energy-efficient bulbs bit.ly/3kCn8HW
- 5 Seek out green business grants and schemes charisgrants.com/businesses

ALTERNATIVE TO SINGLE-USE PLASTIC

The benefits of Solinatra's alternative to single-use plastic are two-fold. Not only does it help reduce the use of environmentally harmful products, but it also enables manufacturers to overcome the regulatory hurdle of using plastics.

Launched in 2020, Solinatra, which won the environmental/sustainability award at the 2022 FSB Celebrating Small Business Awards, has developed the product at its research and development centre in Norwich. It's made using 100 per cent natural and plant-based agricultural waste and is fully biodegradable and compostable, leaving no microplastics behind after it has broken down.

The material is produced at scale by Solinatra's UK manufacturing partners and then sold to brands and producers

globally. And because the material can be moulded in the same way as plastic, they don't have to change any of their existing machinery and tools.

"We're basically using an existing resource that otherwise would never be used," says Georgie Oatley, Communications Officer at Solinatra. "It not only benefits everyone environmentally, but from a sustainability perspective, we're also contributing to a wider circular economy."

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If the 4.25 billion pieces of single-use cutlery used each year in England were made of Solinatra's material, it would equate to at least 1.5 million kilograms of CO₂ saved. Also, producing a kilogram of polypropylene results in 30 per cent higher carbon emissions than making the same quantity of Solinatra material.

The material is being used in a host of applications, from single-use coffee capsules, cutlery, food and cosmetic packaging to plant pots and bird feeders. Next up for Solinatra is straws.

While the material is currently more expensive than plastic, Ms Oatley says the price will decrease as it is produced at a greater scale. On the flipside, she says the cost of plastic will increase, as will the regulatory burden governing its use.