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Article

Building an environmental strategy, made easy

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Please note this content was curated for SME businesses in the UK

The term environmental strategy might sound scary, or like something that is best left to large corporations rather than small businesses, but in reality, environmental strategies can be important to businesses of all sizes in any industry.

This article brings together expert insights to break down the process of building your environmental strategy into helpful guidelines and suggested frameworks that you could use to build the environmental strategy that is the best fit for your business.

Why should small businesses have an environmental strategy?

There are a multitude of reasons why a small business might consider having an environmental strategy, but here are just three for you to consider:

Grants and Incentives: the UK government and a variety of organisations offer financial incentives, grants, or tax breaks for businesses implementing environmental initiatives **(1)**.

Climate Change Adaptation: preparing for climate-related risks could help to protect business operations and assets from future environmental challenges. However, only 19% of small businesses feel that their company is well prepared to tackle climate change **(2).**

Positive Public Relations: engaging in environmentally sustainable practices could generate positive media coverage and public relations opportunities, which could both strengthen your relationships in your local community and possibly drive more business.

A step-by-step approach to building your strategy

The hardest part of building an environmental strategy can often be knowing where to start. The four areas below break down the process and could help you to consider the different pieces that will go into building your strategy.

Understand where you're starting from: in order to build a sustainability strategy that will work best for your small business, it's important to understand where you're at in terms of environmental practices. One great place to start is with **understanding and measuring your carbon footprint.** However, while it's a great starting place, remember that your carbon footprint isn't the only area you can include in your strategy.

Set achievable goals: understanding where you're starting from could then help your business set goals. Remember, the goals you set should be achievable depending on your business size and industry. Our article **Understanding Your Carbon Footprint: What It Means and How to Measure It** contains some further information on setting your targets and goals.

Communicate your strategy: many businesses of different sizes choose to communicate their environmental strategy through an environmental policy. Read more about how you could write one for your business **here.**

Expand where necessary and when possible: as your business changes and progresses, your environmental goals that are achievable will also evolve. The best environmental strategies aren't static, so you might consider setting up a pattern of regular reviews for your environmental strategy.

Frameworks to support and shape your strategy

For small businesses, the choice of an environmental framework to use as the basis for your strategy should be practical, scalable and aligned with the resources and goals of your company. Below is a selection of frameworks that could be relevant to your business. Take a look and see which framework(s) might work best for you to integrate into the

four steps mentioned above and mix and match parts of the frameworks to best suit your business.

- **ISO 14001:** **ISO 14001** is a versatile framework that can be scaled to fit the needs of small businesses. It provides a structured approach to environmental management that could help to systematically address environmental impacts. You could also find value in ISO 14001 certification, especially if you have clients or partners that prioritise environmental responsibility.

- **Triple Bottom Line (TBL):** the **TBL framework** can be particularly useful for small businesses because it emphasises the connection between ‘people’ (social sustainability), ‘planet’ (environmental sustainability) and business profits. As a small business, you often have a closer connection to your local communities, so it may be helpful to consider ‘planet’ alongside ‘people’ and ‘profit’ when building an environmental strategy.

- **Sustainable Development Goals (SDGs):** the United Nations has introduced **17 Sustainable Development Goals.** While these goals have a wider focus around sustainability, a number of them do focus on the environment. You might start by selecting a few specific SDGs that align with your industry, mission, and impacts. Focusing on a few key SDGs that are most relevant to your operations could help to provide direction for sustainability efforts.

- **Circular Economy Framework:** many small businesses could benefit from adopting **circular economy** principles to minimise waste and reduce resource consumption. Simple steps like reusing materials, repairing products, or recycling can be implemented by small businesses to align with the circular economy concept.

- **GRI (Global Reporting Initiative):** while **GRI reporting** can be resource-intensive, small businesses could use simplified GRI guidelines or industry-specific sustainability reporting frameworks based on GRI to more effectively communicate their environmental and social performance to stakeholders.

Ultimately, how you structure your environmental strategy will depend on your specific industry, goals, and resources. Consider beginning with a pragmatic approach, focusing on initiatives that align with your core business and that could lead to immediate improvements, such as energy efficiency, waste reduction, or sustainable sourcing. As your business becomes more comfortable with sustainability practices, you can consider revising your strategy with more ambitious goals in mind. For now, consider starting small, setting achievable goals, and gradually expanding your environmental strategy as you gain experience and resources.

Back to the resource centre

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1 Sustainable business grants and loans: Financial support for your company to access: https://www.sage.com/en-gb/blog/sustainable-business-grants-and-loans/
2 Ecologi Climate Commitments Report 2023: https://cms-assets.offset.earth/app/uploads/20230328090053/Ecologi_BBB_Report_V6.pdf
3 Understanding Your Carbon Footprint: What It Means and How to Measure It: Understanding Your Carbon Footprint: What It Means and How to Measure It
4 Environmental policy: confirming your green credentials: https://www.british-assessment.co.uk/insights/writing-an-environmental-policy/
5 ISO 14001 and related standards: https://www.iso.org/iso-14001-environmental-management.html
6 The Triple Bottom Line Framework: https://online.hbs.edu/blog/post/what-is-the-triple-bottom-line
7 UN Sustainable Development Goals: https://sdgs.un.org/goals
8 Circular Economy Frameworks: https://www.circle-economy.com/frameworks
9 GRI (Global Reporting Initiative): https://www.globalreporting.org/

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