

Barriers
& Bridges

SME Climate Hub
2023 Survey

Small Business Climate Action



In partnership with

EXPONENTIAL
ROADMAP
INITIATIVE

Normative

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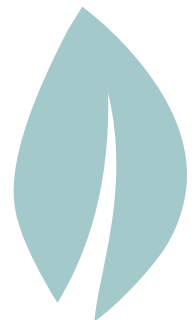
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METHODOLOGY

The SME Climate Hub is an initiative of the We Mean Business Coalition, the Exponential Roadmap Initiative, and the United Nations Race to Zero campaign. In collaboration with Normative and the Net Zero team at Oxford University, the SME Climate Hub provides tools and resources to enable small and medium-sized enterprises (SMEs) to make a climate commitment, take action and measure their progress towards emissions reductions in line with the latest science..

To better understand the motivators and barriers of small business climate action, the SME Climate Hub conducted a survey of its 5,200 committed signatories. Businesses committed to the SME Climate Hub represent a sample of companies from around the world, with the survey distributed to SMEs from 107 countries, across industry, size and valuation. As signatories of the SME Climate Commitment, survey respondents are amongst the first movers on climate action. The survey received responses from 344 businesses across 40 countries and 25 industries. The SME Climate Hub defines SMEs as businesses with under 500 employees.

The findings from this survey will be used to improve and refine the tools and resources available to the SME Climate Hub community.



FOREWORD

Small and medium-sized enterprises (SMEs) are the backbone of communities and economies around the world. They make up 90% of business globally, employ 70% of the world's workforce and contribute over 50% of global GDP. However, despite their collective impact, small businesses are often amongst the most vulnerable to change and disruption.

Rising global temperatures and weather-related disasters compound risks for businesses of all sizes. Yet, they particularly impact SMEs given their localized supply chains, centralized infrastructure, and dependence on the communities in which they operate. At the same time, SMEs have been the least equipped to mitigate their role in the climate crisis. Small businesses are facing greater risk while also potentially missing out on the benefits of building more resilient businesses and cutting costs.



Pamela Jouven
Director
SME Climate Hub

The SME Climate Hub annual survey hopes to bridge this gap – helping the initiative, the We Mean Business Coalition and the broader climate and business communities understand where small business currently stands on their climate action journey. That includes the barriers that are holding up progress and the drivers that are keeping SMEs on track to cut emissions in half by 2030. It's clear that SMEs have the will to create a better future for their business and for the planet, but reaching these goals isn't easy. The SME Climate Hub is here to help drive progress and scale solutions.

Though any one company's impact may seem small, together small businesses are essential in driving change. Thank you to the SME leaders and all those who are passionately advocating climate action within small businesses. For those just embarking on their climate action journey, there is no better time than today to join the thousands of companies from over 100 countries in making the SME Climate Commitment. Together small businesses will transform the world.

Participant Map

Businesses across region, industry, size and valuation are represented in the data.

- Countries participating in survey
- Countries not participating in survey

344

BUSINESS LEADERS

40

COUNTRIES

8/10

AVERAGE RATING FOR CLIMATE PRIORITIZATION



Small businesses are driving change in their communities. 60% of respondents have encouraged other businesses to make the SME Climate Commitment.

18%

CONSULTING

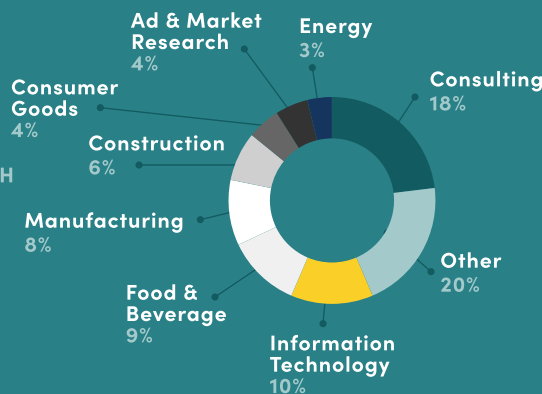
10%

INFORMATION TECH

9%

FOOD & BEVERAGE

Over 20 industries shared their climate insights.



Participants ranged from microbusinesses to mid-sized companies.

66%

≤ 25 EMPLOYEES

22%

26-100 EMPLOYEES

12%

≥ 100 EMPLOYEES

SME Community Survey 2022: Results & Analysis

Barriers to Action



Funds & Costs



Motivators & Benefits



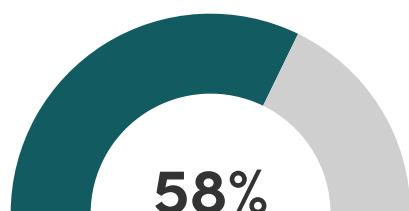
Tactics & Progress



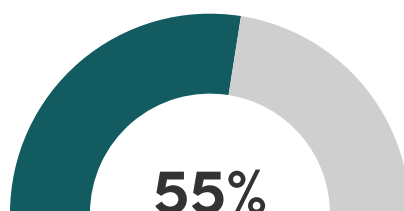
Barriers to Action



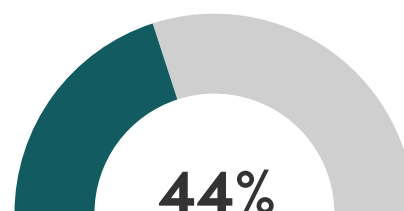
Top reasons preventing SMEs from taking action on climate change:



Skills and knowledge

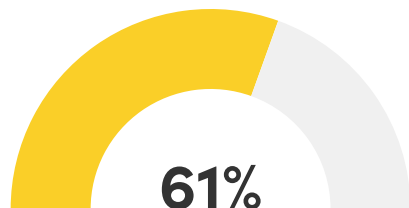


Lack of funds

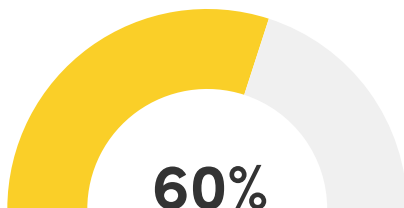


Lack of time

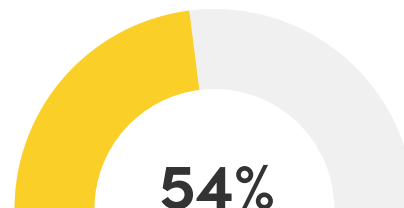
To take greater climate action, SMEs need:



Tools for measuring and monitoring emissions



Financial support



Network of peer companies to reach out to and learn from

Most business have not been asked to reduce emissions by their customers



“As a startup, we have to deliver attractive products at a fast pace to have consistent strong growth. Adding climate action is not an easy challenge to achieve, especially with a large list of priorities and exponential team growth.”

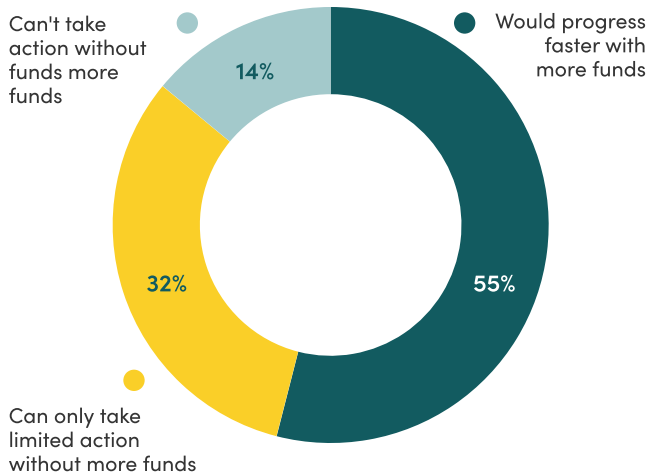
– GORDON SMITH, SOFTWARE ENGINEER,
LUKO, FRANCE

Funding & Costs

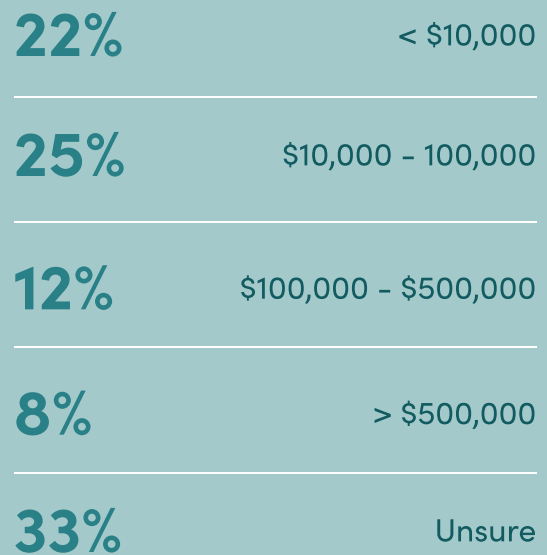


Nearly **70%** of respondents need funds to take action or speed up progress of their emissions reduction efforts.

Respondents in need of additional funds indicated a range of impacts



How much do small business owners believe it will cost to achieve net-zero?



All amounts in USD.



“As our industry grows and matures, so should our collective sense of responsibility. It’s now broadly accepted that being good and being profitable are not mutually exclusive.

– LINA RUIZ, HEAD OF CORPORATE SOCIAL RESPONSIBILITY, WETRANSFER, NETHERLANDS

Motivators & Benefits



Top incentives for SME action



**Public
Recognition**



**Access
to Funds**



**Customer
Requirements**

SMEs are making the SME Climate Commitment to access tools & resources for climate action.

Other reasons include:

- Desire to join the United Nations Race to Zero campaign
- Industry momentum
- Marketing opportunities
- Shareholder pressure or owner interest

Reasons to take action

80% IT'S THE RIGHT THING TO DO

73% ENHANCE THE REPUTATION OF MY BUSINESS

65% DIFFERENTIATE MY BUSINESS FROM COMPETITORS



“Reducing emissions will save us money in the long term. It will help to generate new business, keep us ahead of the curve and regulation, and force us to think more innovatively about how we do business.”

– JJ RYAN, DIRECTOR
WOODFASHIONS, UK



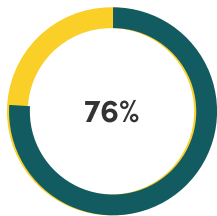
“Taking a sustainable approach has helped increase our customer base and sales figures by an average of 10% year on year since 2013. People are now actively looking for businesses with sustainable products and services.”

– KEITH MELLON & ANNE VECK, DIRECTOR
ANNE VECK LIMITED, UK

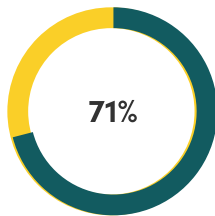
Tactics & Progress



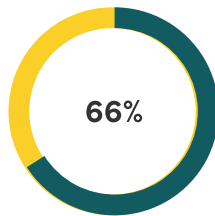
The top 3 actions already taken by SMEs to reduce their emissions are:



Reducing waste



Reducing energy consumption



Educating employees so they can provide solutions & change their behaviors

60%

HAVE AN EMISSIONS REDUCTION PLAN IN PLACE

79%

USE A CALCULATOR TO MEASURE EMISSIONS

32%

HAVE REDUCED EMISSIONS

When SMEs join the SME Climate Hub, they commit to:

Halve emissions before 2030

Reach net zero before 2050

Share progress on a yearly basis



“This climate emergency requires all of us to rethink the design and operation of our businesses. As part of our commitment to a low carbon future, we’re focusing on transforming our business to be digital-first.

This includes encouraging – and in some cases incentivizing – customers to use electronic versions of our products and reducing paper use and shipping needs. Currently, our electricity is sourced from renewable sources, we’ve limited travel to essential needs, and are working to further reduce our carbon emissions to reach Net Zero by 2030.”

– JEFF HAYES, PRESIDENT & CEO
THE MYERS-BRIGGS COMPANY, USA

Tactics & Progress



Reaching net zero requires action across an entire business. SMEs rank their existing skills:

HIGHEST

Creating and implementing a strategy to reduce emissions

Lowering transport-related emissions

Reducing emissions of offices, buildings and/or equipment

MODERATE

Establishing and tracking emissions reductions

Designing products or services with a lower emissions footprint

LOWEST

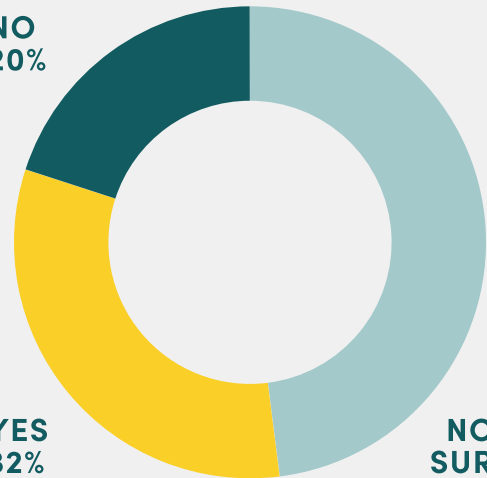
Securing the funds to reduce emissions

Respondents report whether they have seen emissions reduction:

NO
20%

YES
32%

NOT SURE
48%



“To reduce the built environment’s impact on the climate crisis, we need to understand the carbon impacts of our designs. Our focus is on lowering carbon through efficient design to reduce the amount of materials needed and increase the use of alternative sustainable materials such as timber and earth.”

– ALICE WACHERA, GRADUATE STRUCTURAL & CIVIL ENGINEER AND CLIMATE CHAMPION, BUILDX, KENYA

THANK YOU

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