



Voluntary Sustainability Practices For Small And Medium-Sized Businesses

As environmental and climate conditions continue to change at an alarming rate, the European Union is taking proactive measures to address these challenges by offering strategic plans to small and medium-sized businesses, enabling them to manage their environmental footprint more effectively.

Addressing Air Pollutant Emissions

Air pollutants in the private sector primarily stem from electricity generation, fuel combustion, transportation, industrial processes, agricultural activities, and waste disposal. For example, electricity derived from fossil fuels or biomass is a significant contributor to emissions, as are stationary fuel combustion activities like industrial operations and machinery use. Additionally, transportation—including road, rail, shipping, and aviation—amplifies the carbon footprint, making emission reductions a pressing concern.

To mitigate these emissions, companies can adopt sustainable practices such as switching to renewable energy sources, upgrading machinery to energy-efficient alternatives, and investing in electric vehicle fleets. Governments in countries like Australia and South Africa provide estimation tools to help companies calculate their emissions and identify reduction strategies, offering methods like direct measurement, mass balance, and engineering calculations.

Soil Pollution and Waste Management

Soil contamination is another critical issue tied to industrial processes, accidental spills, agricultural practices, and untreated wastewater use. SMEs involved in activities such as textile manufacturing, chemical production, or metal processing should take proactive measures to minimize soil pollution. Regular maintenance of equipment, proper waste management, and circular economy principles can significantly reduce the environmental impact.

Incorporating circular economy strategies allows businesses to redesign products with usability, reusability, and recyclability in mind. Emphasizing waste elimination, product repairability, and material circulation at their highest value ensures sustainable resource management while reducing long-term operational costs.

Tackling Greenhouse Gas (GHG) Emissions

Reducing GHG emissions is both a challenge and an opportunity for SMEs. Decarbonization efforts often require significant investment in new technologies, process innovation, and product redesign. For instance, transitioning from fossil fuel-powered vehicles to an electric fleet or developing low-carbon products demands upfront resources but can lead to substantial savings in energy costs, access to new markets, and increased financing opportunities.

The Science Based Targets initiative (SBTi) provides a roadmap for GHG emission reduction, recommending a cross-sector target of a 42% reduction by 2030 and 90% by 2050, using 2020 as the base year. Companies can adopt strategies such as electrification, renewable energy integration, and sustainable product development to meet these targets systematically.

Practical Steps for Immediate Results

Encouraging employees to use bicycles, public transport, or carpooling for commutes can further support decarbonization efforts. Similarly, improving energy management within the business—such as upgrading to energy-efficient equipment like boilers, air conditioning systems, or telecommunications tools—can lead to significant cost and energy savings.

Regular maintenance of machinery and replacing outdated equipment with sustainable alternatives not only reduces energy consumption but also minimizes wear, tear, and waste. By integrating these practices into daily operations, SMEs can achieve their sustainability goals more effectively while enhancing their bottom line.

The Role of Disclosure and Accountability

Transparent reporting of emissions and sustainability practices is essential for SMEs aiming to build trust with stakeholders. Setting clear targets for GHG emissions reduction and disclosing Scope 1 (direct emissions) and Scope 2 (indirect emissions) targets help businesses manage their sustainability transitions systematically.

Additionally, scientific evidence, such as the Stockholm Resilience Centre's "carbon law," provides businesses with actionable guidance for achieving decarbonization, including halving emissions every decade and exponentially increasing renewable energy adoption.

Embracing Sustainability as a Strategic Opportunity

While sustainability may initially pose challenges, it ultimately serves as a strategic opportunity for growth and innovation. By adopting low-carbon solutions and aligning operations with circular economy principles, SMEs can reduce costs, create new jobs, and attract financing.

Through practical actions, transparent reporting, and a commitment to continuous improvement, SMEs can not only meet their sustainability goals but also secure a competitive edge in an increasingly eco-conscious market.

Reference: EFRAG. (n.d.). *Europe's voice in corporate reporting*. <https://www.efrag.org/en>