



Arbenigwyr mewn Busnes
Experts in Business

Net Zero: Key themes

Small businesses are keen to play their part to achieve the Net Zero ambition, but often don't have the resources, deep pockets and dedicated specialists enjoyed by their larger counterparts, so can find identifying and taking the necessary steps a challenge. Fortunately, the data shows that SMEs in Wales [overwhelmingly believe that they have a responsibility to help achieve climate change targets](#) (73%). Small businesses will be a willing and fundamental part of this journey to reach the Net Zero target by 2050, but it is imperative that policy-makers understand the key barriers that stand in the way:

- **Lack of knowledge** – To succeed, it's clear that our ambition needs to go beyond the trailblazers and become the norm across the business community, helping those that feel left behind by the discussion on Net Zero. [Only 24% felt they 'know enough' about the Welsh Government policy on the environment](#), which indicates a substantial knowledge gap.
- **Difficulty measuring carbon footprint** – Only [9% of small businesses have measured their carbon footprint](#), with over two-thirds acknowledging that they do not know how to do so. Completing this exercise is complex and requires allocating extra time that most time-constrained small businesses don't have.
- **The role of roads** – It is unquestionable that roads continue to represent the only viable means of transportation of goods and people in some parts of Wales, and remain particularly essential in rural areas where transport alternatives are patchy, at best. It is not sufficient to simply discourage the use of roads; effective alternatives *must* be available to affect behaviour change and an active conversation with business needs to take place to help understand their needs.
- **Zero Emissions Vehicles** – Close to half of those surveyed for a [report launched last week by FSB UK](#) cite the extra expense of Zero Emissions Vehicles (ZEVs) as a barrier to change, a third (35%) say poor provision of charging points is holding them back, and one in six cite the lack of an established second-hand market for ZEVs.
- **Restrictive tenancy and lease arrangements** – One of the key barriers faced by small businesses are the restrictions found within their tenancy and lease agreements, which may restrict if and what they can install, also which energy provider the business can use. The concept of green leases has emerged in recent years, aligning incentives within a lease agreement. For example, a landlord and tenant can agree to share data on utility usage. These clauses have the potential to ensure landlords and tenants share incentives to invest in greener premises.
- **Expectations** – Engagement with some businesses has highlighted the need for an assurance of the longevity of interventions. Many businesses will reflect on recent experiences (such as the sudden change from recommending diesel to disincentives to its use) of diverted attention to various technological developments and shifting of expectations with caution.

FSB Wales published a [report in 2019](#) that outlined five key asks on policy-makers to help SMEs reduce their environmental impact, which included providing an advice line on environmental issues.