

Green Tech and Small Businesses in the UK

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

The impact of climate change,, such as disrupted supply chains and rising insurance costs, increasingly affects small businesses. Meanwhile, small and medium-sized enterprises are responsible for 32% of the UK's total greenhouse gas emissions.(1) However, adopting green technology (or green tech) can help reduce your carbon footprint, save money, and give your business a competitive edge.

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What is 'green tech' and what could it mean for your business?

Green tech refers to environmentally friendly technologies designed to reduce our impact on the planet through sustainable practices and innovation.**(2)** It covers many aspects of sustainability, including energy consumption, biodiversity, and climate-related technologies.**(3)**

For small businesses, implementing green tech could mean using energy-efficient appliances, renewable energy sources, or eco-friendly packaging. In doing so, you could contribute to a healthier planet, improve business operations, and appeal to increasingly environmentally aware customers.

Benefits of green tech to small businesses include:

- **Reduced operational costs**

One of the most immediate benefits of green technology is lower energy bills. For example, switching to energy-efficient lighting or installing solar panels could reduce monthly utility bills. According to one estimate, switching to energy-efficient LED lighting can lower your energy costs by up to 90%.**(4)**

- **Enhanced reputation**

Today's customers are increasingly likely to trust businesses that demonstrate a commitment to sustainability.**(5)** By adopting green tech, you could enhance your brand image, improve customer loyalty, and also become a more attractive proposition for investors.**(6)**

- **Future-proofing for regulation changes**

Along with countries around the world, the UK is imposing increasingly strict regulations on companies' carbon emissions and energy usage – and that includes small businesses.**(7)** For example, the International Sustainability Standards Board and Corporate Sustainability Reporting Directive is looking more closely at small and medium-sized enterprises.**(8)** By investing in green tech today, you'll likely be better prepared for future regulations and avoid potential fines or operational disruptions.

- **Access to grants and incentives**

National and local government and other sources offer a range of financial incentives to businesses that invest in green technology. **(9)** Often, a commitment to sustainability can open up more opportunities for small business finance, and there is a range of funding opportunities designed for businesses in particular regions. It's a good idea to keep checking sites like [this one](#) to stay abreast of the latest funding available.

Five affordable green tech solutions to meet your needs

Small and micro-businesses often operate on tight margins. However, many low-cost green tech solutions can make a significant environmental impact without breaking the bank.

1. Energy-efficient lighting

Switching from incandescent to LED bulbs (see above) could be a highly cost-effective solution that dramatically reduces your electricity usage.

2. Smart meters

Installing a smart meter enables you to monitor your business's energy in real time, improve the accuracy of your bills, and could increase your efficiency by highlighting the energy you waste. If your business has fewer than 10 employees, you may be eligible to have one fitted for free. **(10)**

3. Water-saving devices

Technologies such as tap aerators and toilet cistern attachments could save you money while helping protect the environment. Simple water-saving taps, whether self-closing or battery-operated touch taps, could save as much as 90 litres of water a week. **(11)**

4. Energy-efficient heating, ventilation and air conditioning (HVAC) systems

Upgrading to energy-efficient heating, ventilation, and air conditioning systems could lead to significant cost savings over the long term. But it's not only about the money; greener systems can also help maintain comfortable working spaces while positively impacting the wider environment. **(12)**

5. Eco-friendly packaging

Eco-friendly packaging, such as recycled cardboard and plant-based materials are better for the planet and can be more appealing to customers. Switching to biodegradable or recycled packaging could help you reduce waste, adhere to regulations, and visibly show customers your commitment to sustainability. **(13)**

Your step-by-step guide to becoming a greener business

Becoming a more environmentally friendly business might feel daunting at first, but a systemic approach can ease the transition and help you feel confident and committed to going green.

Step 1: Evaluate Current Energy Use

Start by assessing your business's current energy consumption and carbon footprint.

Digital environmental impact evaluation tools, such as smart appliances and metres, can help assess the improvements you need to make. **(14)**

Step 2: Prioritise Areas for Improvement

It is unlikely that you'll be able to make all your green adjustments at once. You might want to begin by addressing the areas with the highest energy usage – often lighting and heating systems.

Step 3: Research Affordable Green Tech Solutions

Look for cost-effective green tech options that meet your business's needs. Consider your company's positive effect on the environment and the savings you could make, and think pragmatically about the effort required to make changes.

Step 4: Explore Funding Options

There's a good chance that adopting green tech will save you money over time. However, some new systems and practices might require initial investment. As we mentioned above, it could be wise to regularly check which incentives you might be eligible for.

Step 5: Make Incremental Changes

Making changes incrementally could help minimise disruption to your business and spread any initial cost outlay. For example, you could upgrade the lighting in one room at a time and stagger improvements by month, quarter or year.

Step 6: Monitor Progress and Adjust

Once you've implemented your green tech, try to continue monitoring your business's energy usage and costs. Use the data to fine-tune your energy-saving strategies, ensuring the new technologies consistently deliver the benefits you're looking for.

From cost savings and customer loyalty to regulatory protection, there are many great reasons to adopt green tech. By starting with affordable, accessible solutions and making incremental changes, even the smallest businesses can join the global push towards protecting our planet.

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- 1 Oecdcoigito: <https://oecdcoigito.blog/2024/06/25/can-smes-be-the-unsung-heroes-of-the-green-transition/>
- 2 Investopedia: https://www.investopedia.com/terms/g/green_tech.asp
- 3 Catapult Digital: <https://www.digicatapult.org.uk/blogs/post/climate-tech-clean-tech-envirotech-green-tech-whats-the-difference/>
- 4 Inspired PLC: <https://inspiredplc.co.uk/insights/industry-news/energy/saving-energy-costs-led-lighting/>
- 5 Deloitte: <https://www.deloitte.com/uk/en/Industries/consumer/perspectives/the-sustainable-consumer.html>
- 6 Investopedia: https://www.investopedia.com/terms/g/green_tech.asp
- 7 BBH COP 28: <https://www.beazley.com/en-GB/esg-centre/articles/cop28-implications-and-opportunities-for-small-businesses>
- 8 Saffery: <https://www.saffery.com/insights/articles/cop28-what-does-it-mean-for-businesses/>
- 9 Find Government Grants Service: <https://www.find-government-grants.service.gov.uk/grants>
- 10 Smart Meters: <https://www.smartenergygb.org/faqs/smart-meters-for-small-businesses>
- 11 Business Stream: <https://www.business-stream.co.uk/ways-to-save/water-efficiency-old/water-saving-devices-tips/>
- 12 Compac Services: <https://www.compac.co.uk/latest-news/a-guide-to-going-green-using-renewable-energy-hvac-systems>
- 13 B&P Wholesale: <https://www.bandpwholesale.co.uk/blogs/ecofriendly-packaging-for-small-business-uk-in-2024>
- 14 Oecdcoigito: <https://oecdcoigito.blog/2024/06/25/can-smes-be-the-unsung-heroes-of-the-green-transition>

