

Business Health and Digital Monitor

Environmental awareness and action

Annual Report
August 2024



ABOUT

The research

This is the fourth in a series of four reports published by Better for Business (B4B), generated from its annual Business Health and Digital Monitor.

1. Business health and wellbeing
2. Digital capability trends
3. Business motivations and development goals
4. **Environmental awareness and trends**

Research New Zealand surveyed 2,356 businesses on behalf of B4B between November 2023 and January 2024, both online and over the phone. Answers have been weighted to be representative of industry category and business size (by number of staff). Respondents are predominantly business owners or managers.

Better for Business

B4B makes it easier and more seamless for businesses to deal with government. We do this by understanding small businesses' diverse needs, and sharing that information to inform the development of policy, tools and resources to support New Zealand businesses.

Our long-term research seeks to capture changes across the business landscape. This helps government agencies identify areas where they can better support businesses to thrive and prosper.



2,356

businesses

Surveyed between:

Late November 2023



January 2024

IN THIS REPORT

New Zealand business' environmental awareness and action

This report introduces several new topics to the Business Health and Digital Monitor, such as:

- Consideration of environmental impact
- Adoption of sustainable business practices
- The extent and types of support businesses require for environmental initiatives

Additionally, it examines:

- Regional and sector differences in environmental awareness and activities
- Motivations to become more environmentally friendly



**B4B has been
monitoring
business health and
digital capability
since 2020.**

Each year, a set of core questions is consistently monitored, supplemented by new inquiries that address emerging areas of interest.

KEY INSIGHTS

Most businesses are mindful of their environmental impact

75% of businesses report that they consider the impact of their business on the environment.

Businesses are taking action

The businesses that are taking environmental action are primarily focused on ways to reduce waste and carbon emissions.

Businesses want better solutions

Businesses say what they need most is access to solutions to reduce their environmental impact.

ENVIRONMENTAL AWARENESS AND ACTION

Do businesses think about the environment?

To understand the level of concern and interest that business owners have towards the environment, respondents were asked how often they consider the environmental impacts of their businesses.

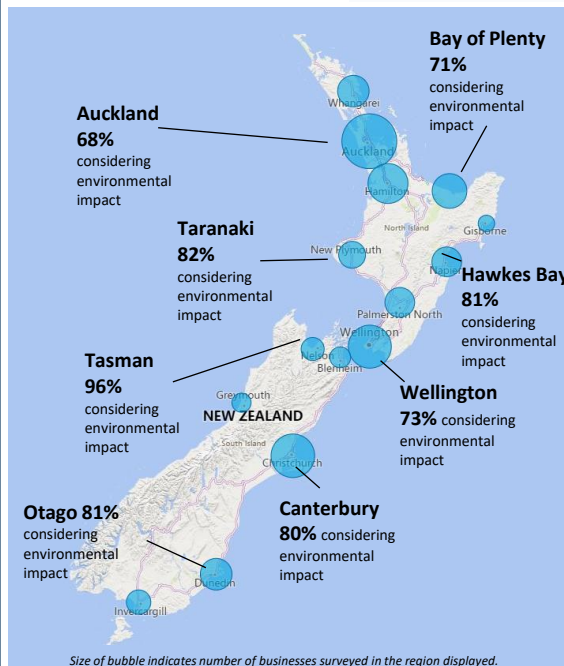
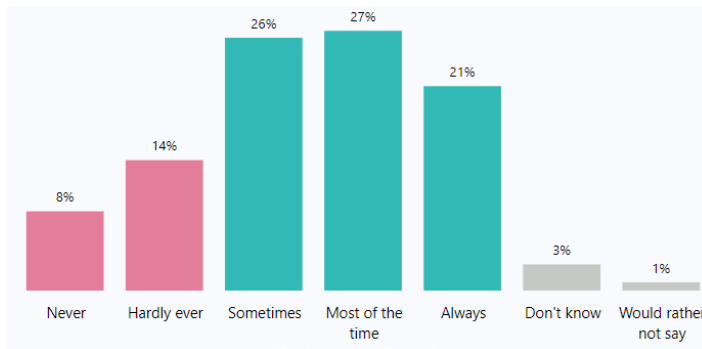
Three out of every four businesses (75%) consider, to some extent, the impact their business has on the environment.

The primary and manufacturing sectors have particularly high levels of environmental awareness (84% and 83%, respectively). Businesses in more rural regions (Tasman, Taranaki and Hawkes Bay) are also more likely to consider their environmental impact, compared to more urban areas (Auckland, Bay of Plenty and Wellington).

These differences in reported concern for environmental impact could be attributed to several factors:

- Different regulatory conditions across sectors
- The importance of natural resources to different sectors
- Differences in expectations from customers, suppliers, investors and the community

To what extent is your business considering its impact on the environment?



Sector	Percentage of businesses considering environmental impact
Agriculture, Forestry and Fishing	84%
Manufacturing	83%
Other Services	81%
Accommodation and Food Services	81%
Wholesale Trade	81%
Construction	80%
Retail Trade	78%
Transport, Postal and Warehousing	76%
Health Care and Social Assistance	75%
Arts and Recreation Services	75%
Administrative and Support Services	73%
Professional, Scientific and Technical Services	72%
Education and Training	68%
Information Media and Telecommunications	67%
Rental, Hiring and Real Estate Services	67%
Financial and Insurance Services	65%

BETTER FOR BUSINESS

Are sustainable actions being taken?

Businesses that are considering their impact on the environment were asked 'which actions is this business taking to improve their environmental impact?'

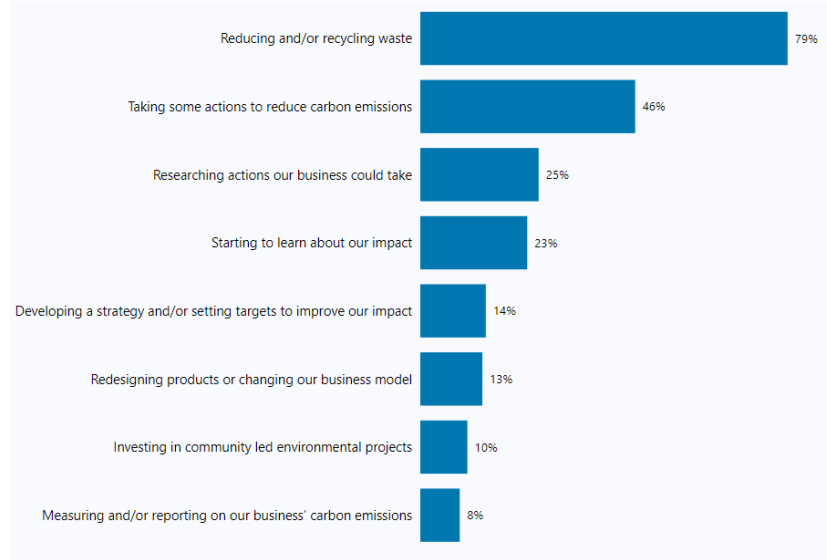
Of the 75% of businesses that are mindful of their impact, all indicated they are currently implementing measures to help the environment.

These businesses are primarily focused on reducing waste and carbon emissions, with 85% engaged in at least one of these sustainable practices.

A smaller number of businesses are taking further steps, such as redesigning their products (13%), investing in environmental projects (10%), or setting targets to report on their carbon emissions (8%).

Some businesses (n=132) chose to express the actions they are taking in their own words. These comments reflect the diversity of environmental initiatives across sectors – from improving soil health to minimising travel and switching to more sustainable vehicles.

What actions are businesses taking to improve their environmental impact?



Attained our B Corp certification, first scaffolding company in the world to get it!

As gardeners - we focus on the environment - removing invasive weeds, improving soil health thru compost and mulch...

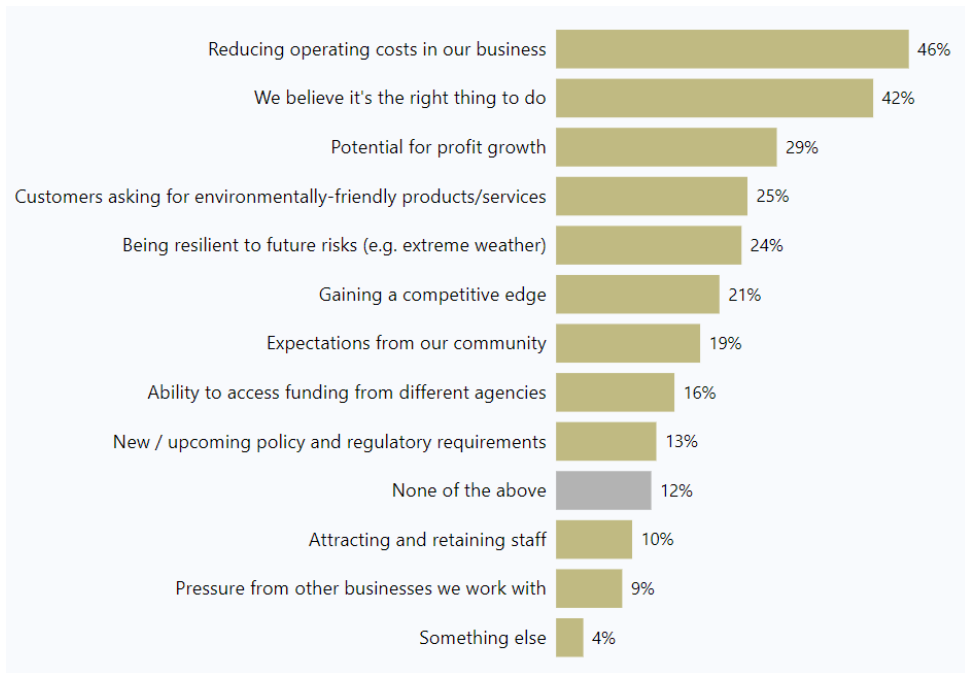
Looking into more efficient freight methods.

Change to CCA free treated timber.

I continue to minimise the time used traveling and now work 99% from home with little or no use of transportation.

ENVIRONMENTAL SUPPORT AND MOTIVATION

What is most likely to motivate businesses to improve their impact on the environment?



Almost all business (92%) that are actively considering their impact on the environment are motivated to do more.

Businesses without a socially-oriented purpose are twice as likely to be unmotivated to do more for the environment (*compared to those who have a social purpose*).

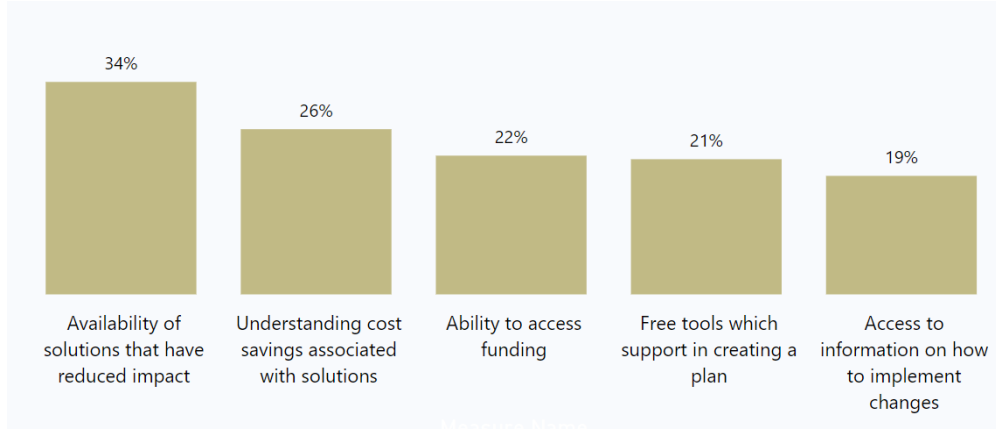
Most New Zealand businesses are motivated to become more environmentally-friendly, with 88% expressing interest in at least one of the potential benefits highlighted here.

Businesses that understand how their actions affect the environment are far more likely to be inspired to enhance their sustainability practices. This motivation often stems from the desire to reduce operating costs and a belief that it's the right thing to do.

Businesses with a purpose tied to positive social outcomes are also more inclined to improve their environmental impact. Most of these businesses are driven by their belief that sustainable action is the right thing to do.

There are several reasons that motivate a business to become more environmentally-friendly. The primary factors include reducing costs, increasing profit and believing it's the right thing to do. These drivers are particularly strong for businesses that consider their environmental footprint and those that support wider social outcomes. This suggests that businesses already engaged in environmental or social impact initiatives are more aware of and interested in the benefits of sustainable actions.

What types of support do businesses want?



What support businesses want depending on their sustainable action

Understanding impact and reducing waste

#1 Availability of solutions that have reduced impact (35%)

#2 Understanding cost savings associated with solutions (27%)

#3 Free tools which support in creating a plan (22%)

Implementing business strategy, investment and monitoring

#1 Availability of solutions that have reduced impact (40%)

#2 Ability to access funding (30%)

#3 Having support from network to share resources and solutions (19%)

This year, business owners were asked, ‘*which of the following would be most useful for your business to improve its impact on the environment?*’.

The vast majority (84%) of businesses have identified at least one type of support need – indicating a considerable level of demand for assistance in achieving business sustainability.

Businesses seeking to improve their environmental impact report a preference for a variety of support options.

When it comes to support, having ‘available solutions that reduce environmental impact’ tops the list, regardless of the sustainable actions a business is already undertaking. Businesses focused on understanding their impact and reducing waste seek support through free tools and information on cost savings. In contrast, businesses implementing an environmental strategy, investment, and/or monitoring are more likely to seek access to funding and opportunities for network-based sharing.

Below are some comments that emerged when businesses were asked to express, in their own words, what support would be most valuable:

- “Provide recycling collection services at business level”
- “Face to face mentor”
- “Access to tools to show how a small business can make a real environmental impact”
- “Funding for scientific research to help create better outcomes”

In summary

Awareness of environmental impact is high, and most prevalent in the primary sector

The majority of businesses (75%) have some level of awareness for the environmental impact of their operations. Almost half (48%) of the businesses surveyed frequently reflect on their environmental impact.

Specific sectors, such as primary and manufacturing, along with businesses in more rural regions, tend to exhibit higher levels of environmental concern compared to other sectors and urban areas.

Many businesses are focused on understanding their impact and reducing waste

Nearly all businesses (90%) are taking sustainable action through reducing their waste and carbon emissions or developing an understanding of their impact and the actions they could take.

A smaller number of businesses are going a step further by redesigning their products, investing in environmental projects, or setting targets to report on their carbon emissions and environmental impact. This indicates that there is further potential for businesses to grow their sustainable capability to further reduce their environmental impact.

Most businesses are motivated to become more environmentally-friendly

88% of businesses are motivated by at least one potential benefit of further environmental action.

There are various reasons that could motivate a business to become more environmentally-friendly. For most, primary factors include reducing costs, increasing profits, and a belief that it is the right thing to do. These drivers are particularly strong for businesses that consider their environmental footprint and those that look beyond their business to support wider social outcomes.

This suggests that businesses already engaged in environmental or social impact initiatives are more aware of and interested in the benefits of sustainable actions.

Businesses are looking for better access to sustainable solutions

The vast majority (84%) of businesses were able to identify at least one type of support need, indicating a considerable level of demand for some form of help towards business sustainability.

The most requested type of support is having 'available solutions that reduce environmental impact'. For businesses focused on understanding their impact and reducing waste, support through free tools and information on cost savings is in high demand.

Therefore, various forms of business support should be considered based on the specific stage a business is at in its sustainability journey.