DETE

SME Sustainability Research

November 2024

amárach
25 years of research

S24-161

An Roinn Fiontar, Trádála agus Fostaíochta
Department of Enterprise, Trade and Employment

Background

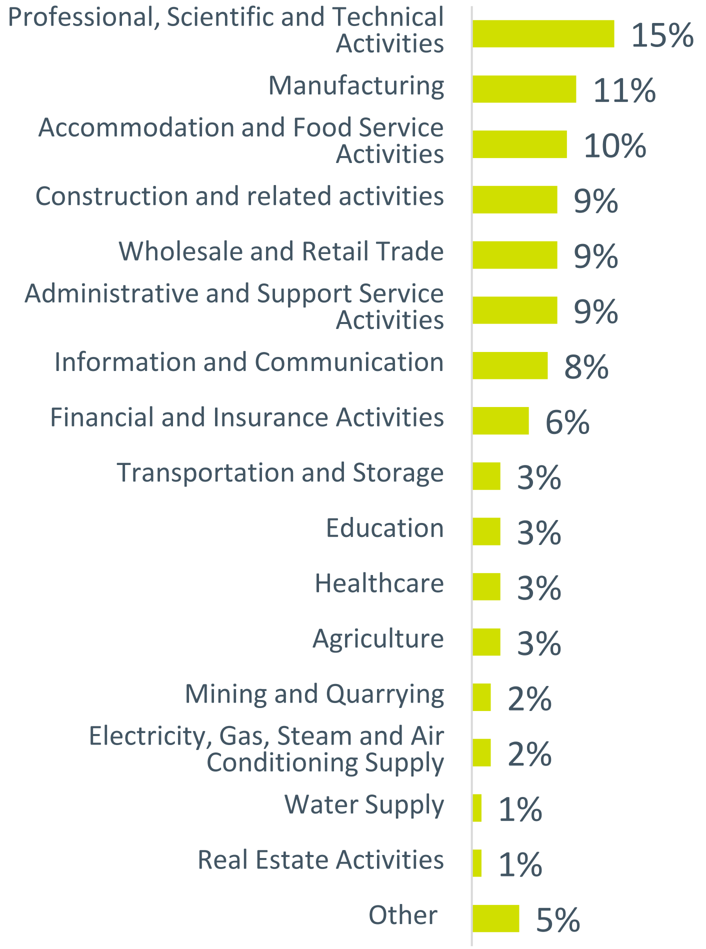
- The Department of Enterprise, Trade & Employment commissioned Amárach to conduct research among Irish SMEs in relation to sustainability and wider trends.
- The purpose of the research is to identify what factors motivate/demotivate SMEs and micro companies to become more sustainable; as well as what language resonates with SMEs about sustainability; and to establish a set of indicators for the current level of sustainability among SMEs, which can be used to measure their progress in this area.
- The Department wants to use the findings to determine how best to motivate SMEs to become sustainable and intends launching a communications campaign based upon the market research findings, the impact of which could potentially be measured in a repeat of the quantitative research six months after the benchmark research.
- Amárach surveyed decision-makers in 310 businesses (mainly SMEs) in November 2024, representing a wide cross-section of the business population.
- This report summarises the key findings and their implications ahead of the next phase of qualitative research among SMEs.

Sample Profile

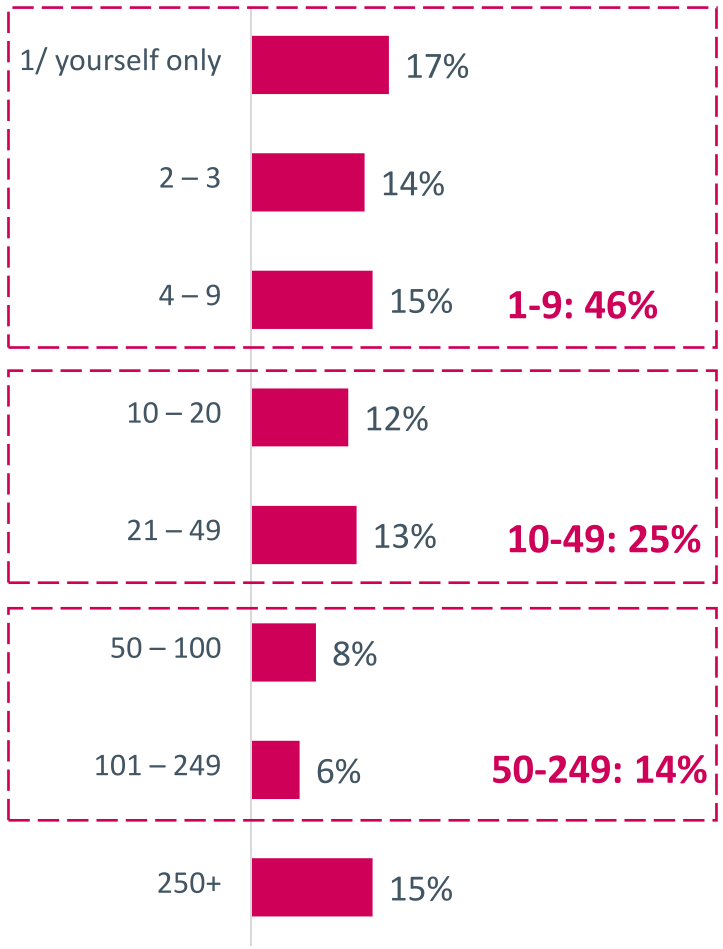
amárach
25 years of research

Sample profile - I

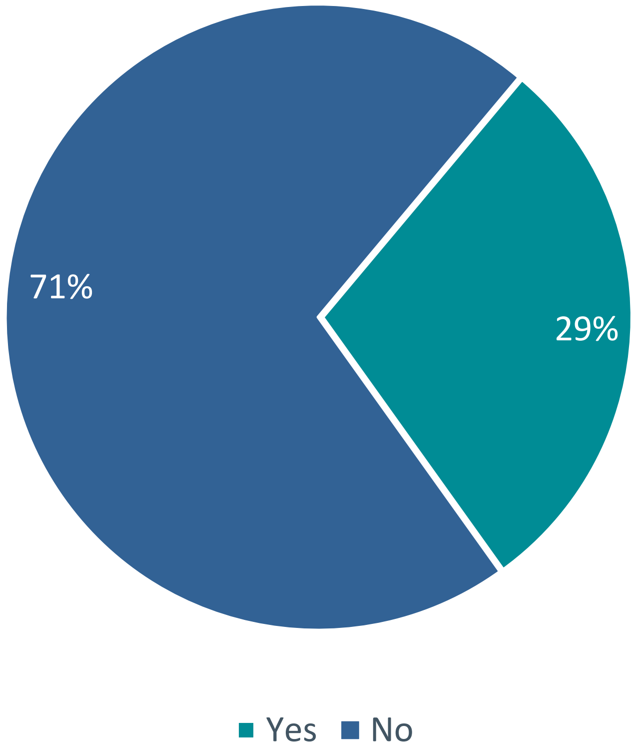
Sector



Employees

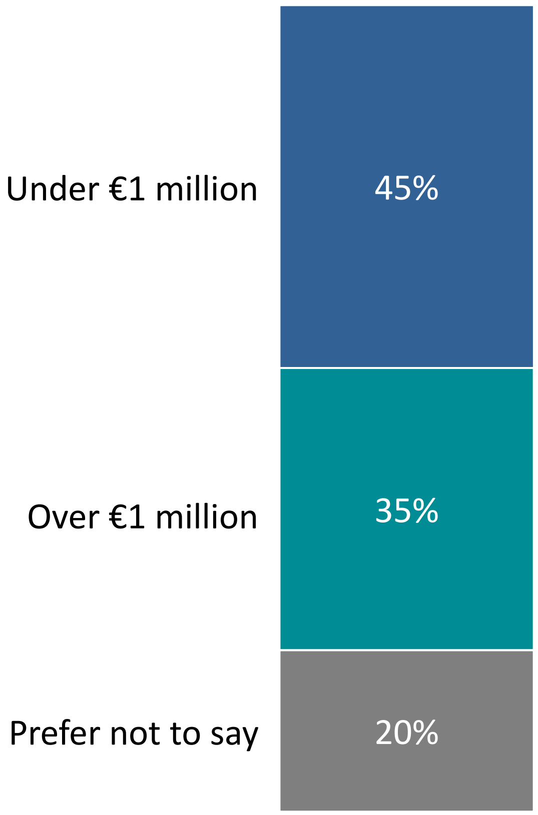


Export Outside Ireland

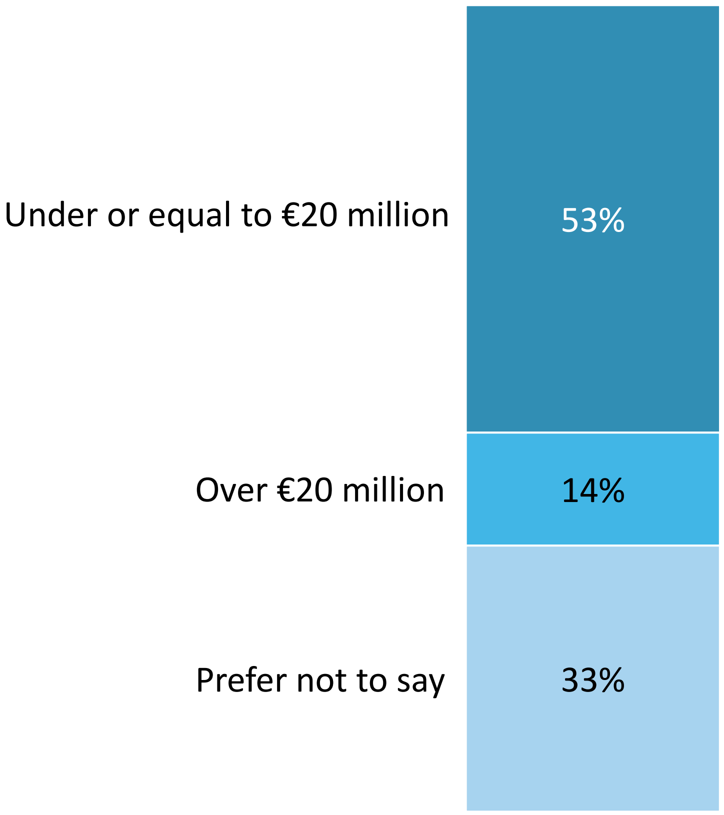


Sample profile - II

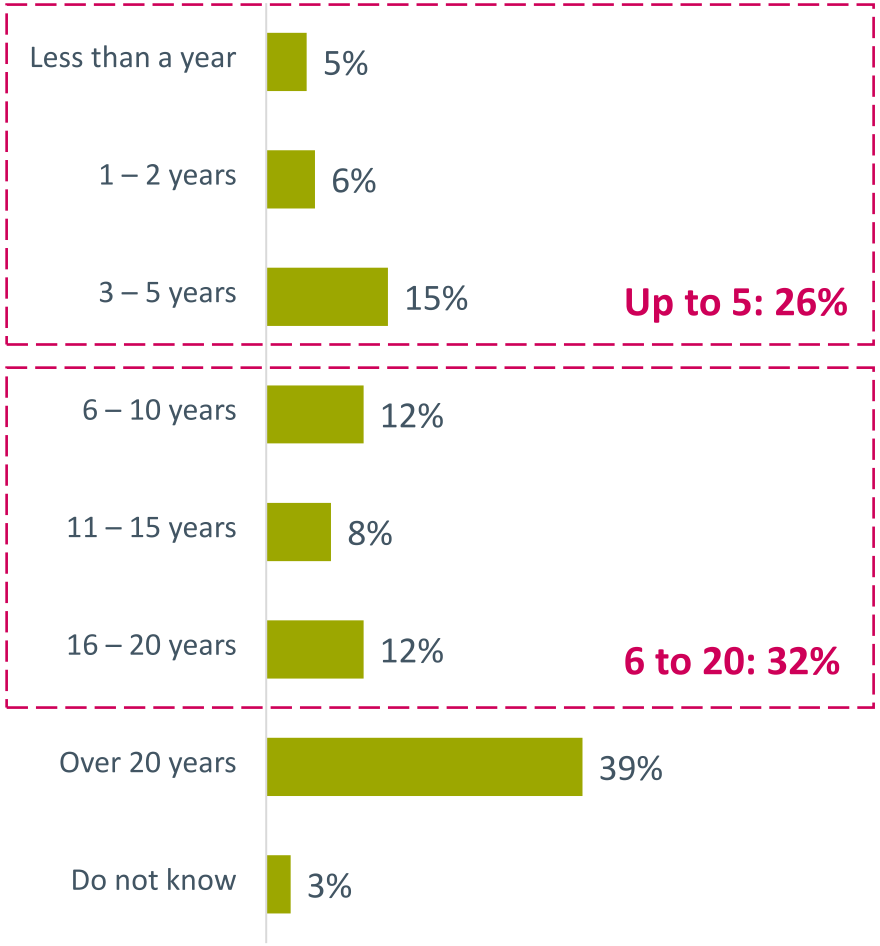
Annual Turnover



Balance sheet



Length of time business running



MAIN FINDINGS

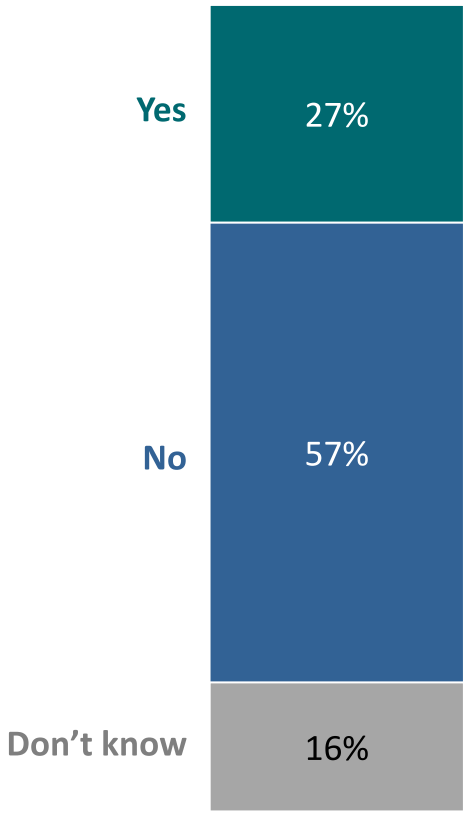
Strategic Context

Strategic Context

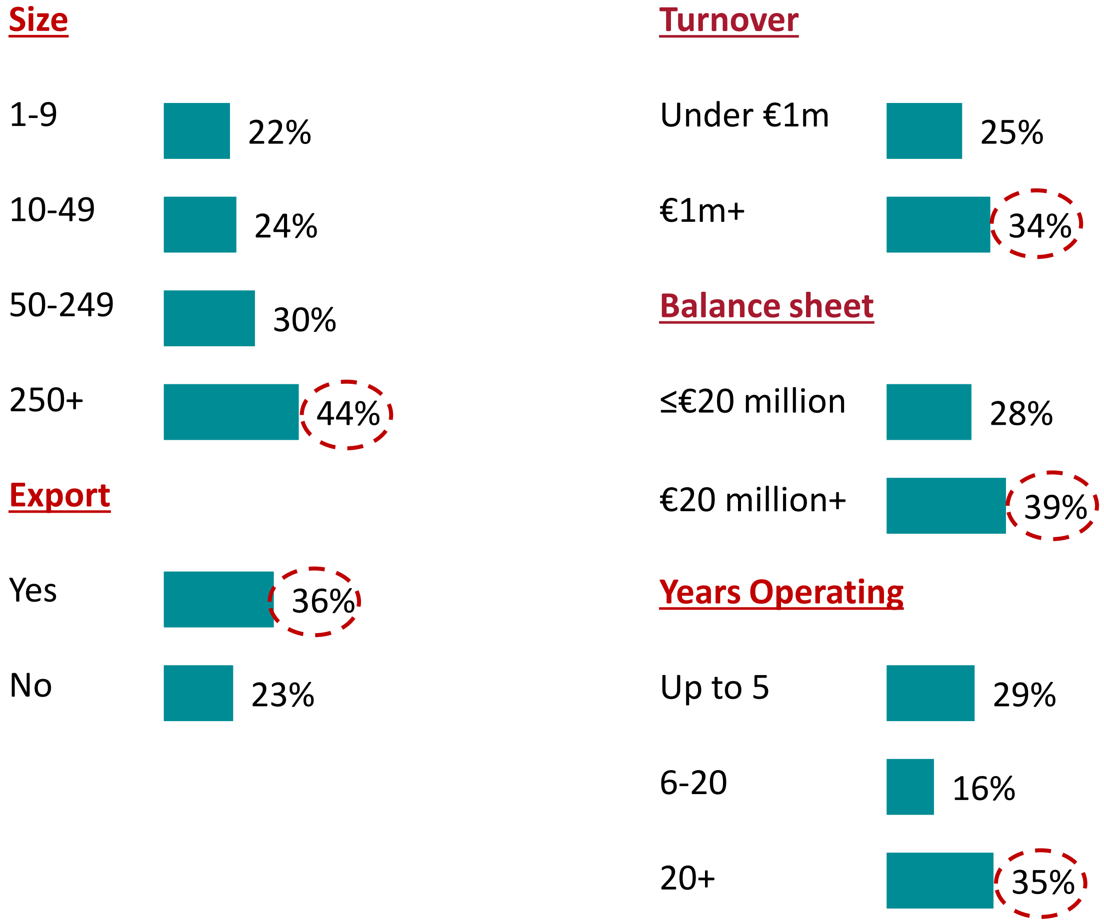
- About one in four businesses say climate change is affecting them now, especially larger firms: so it is a pressing rather than a hypothetical issue for many.
- Most businesses have a good understanding of sustainability but also recognise they have some way to go before they have ‘reached’ their ultimate sustainability goals.
- Motivations in relation to sustainability combine both financial (efficiency) and social (wider impact), suggesting that the topic isn’t simply seen through an economic lense.
- A big driver is regulatory compliance, but the impact on brand reputation, employees and customers are also important factors.
- Despite such considerations, only a third have a sustainability plan in place, suggesting a need for greater integration of sustainable thinking into strategic planning.

Overall, less than 3 in 10 (27%) say their business is being affected by climate change at present. However, this rises significantly for larger sized organisations (44%), exporters (44%), turnover of €1+ (34%) and balance sheet of €20m+ (39%), and those in operation for 20+ years (35%)

(BASE : All respondents – 310)



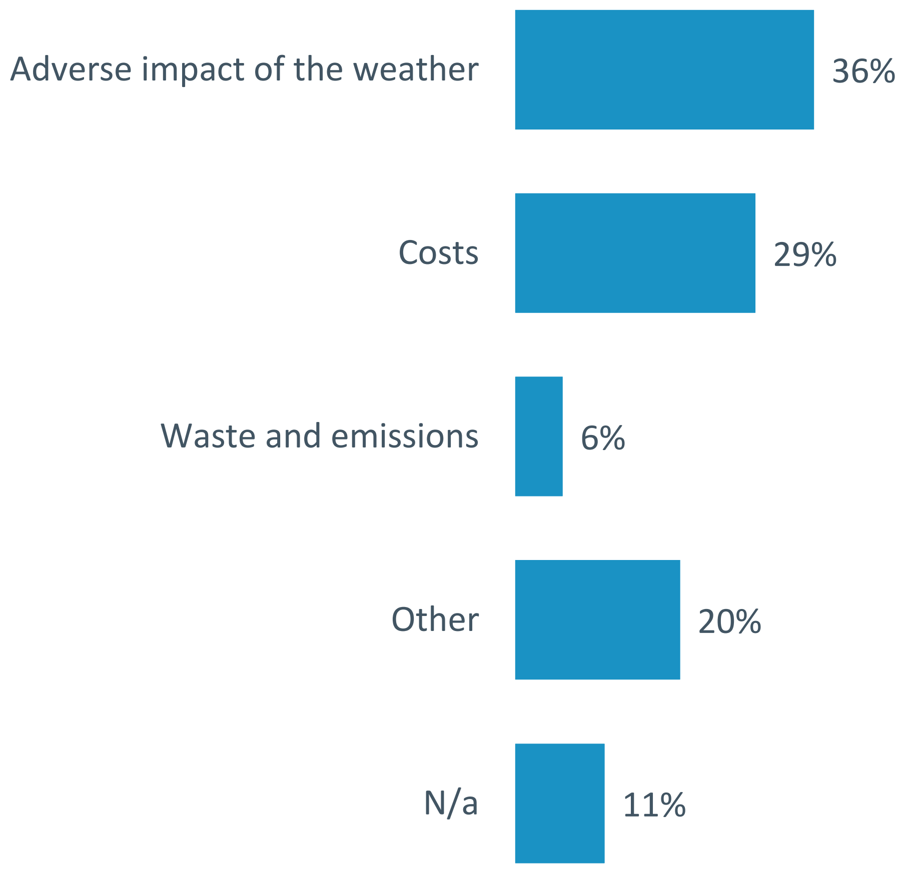
DEMOGRAPHICS FOR YES



Q6a. Would you say your business is being affected by climate change at present?

Among those who reported their business is being affected by climate change at present, adverse impacts of weather and costs are most common

(BASE : All respondents – 84)

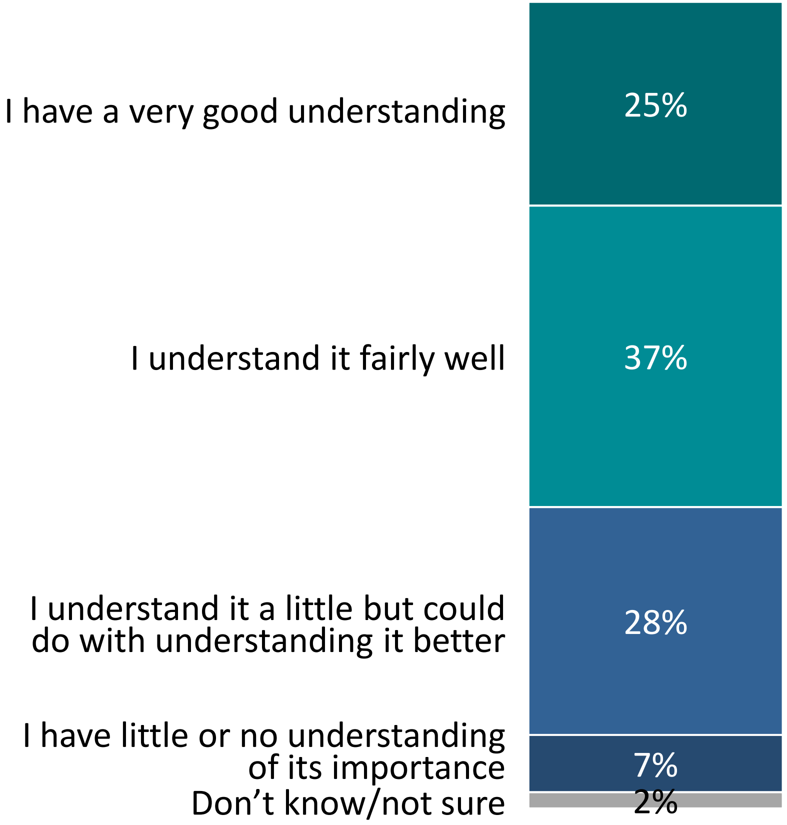


Q6b. In what ways is your business being affected? Please answer as fully as you can.

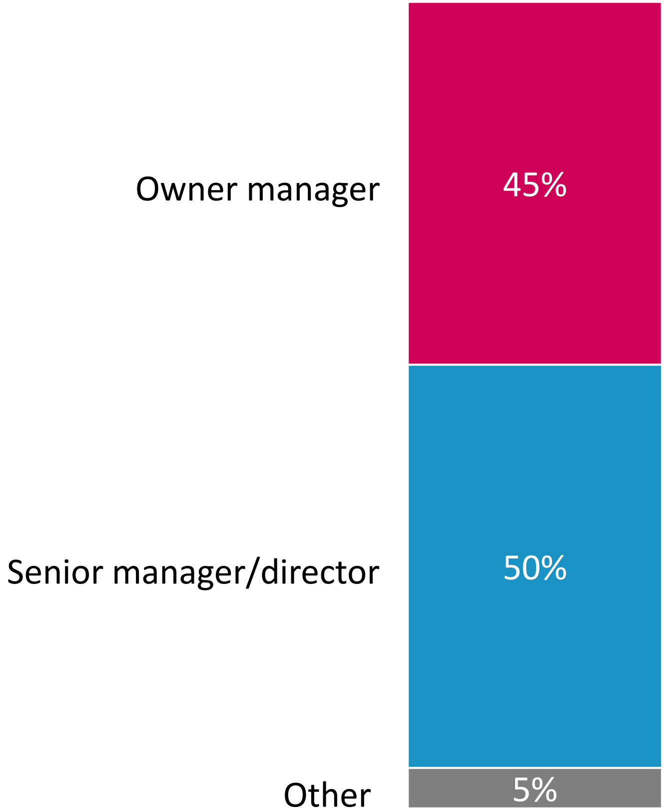
Three-fifths (62%) report they understand the importance of sustainability to their business *fairly well* or *have a very good understanding.* Responsibility for sustainability issues is quite evenly split between owners and senior management.

(BASE : All respondents – 310)

Understanding of the Importance of Sustainability to your Business



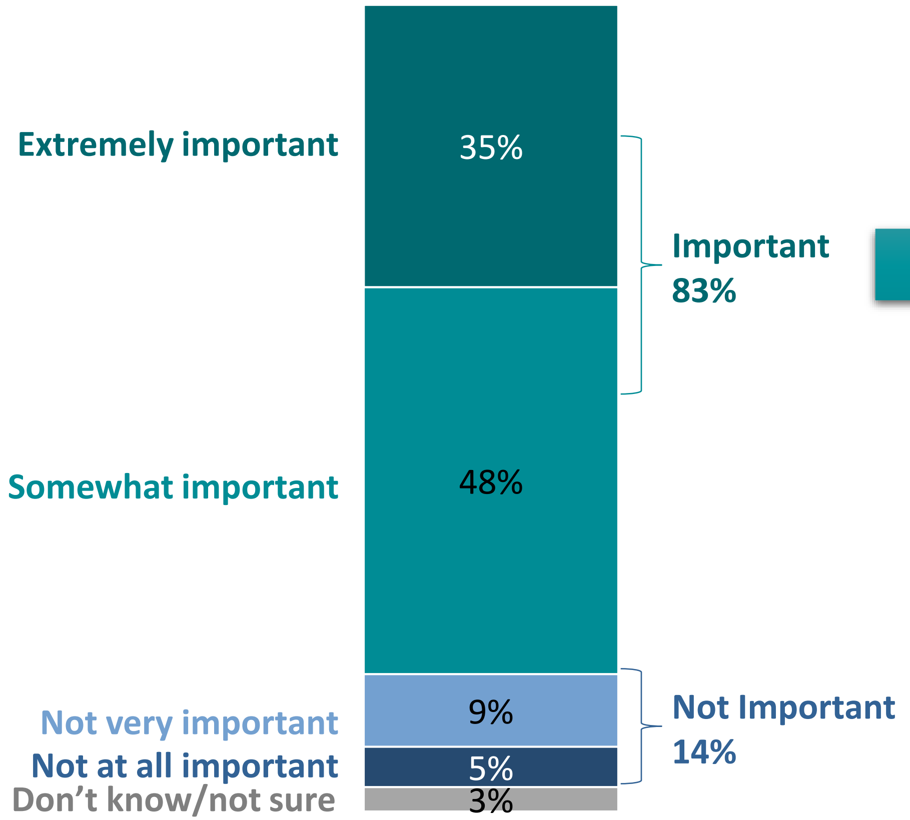
Where responsibility for sustainability issues primarily lie within your organisation

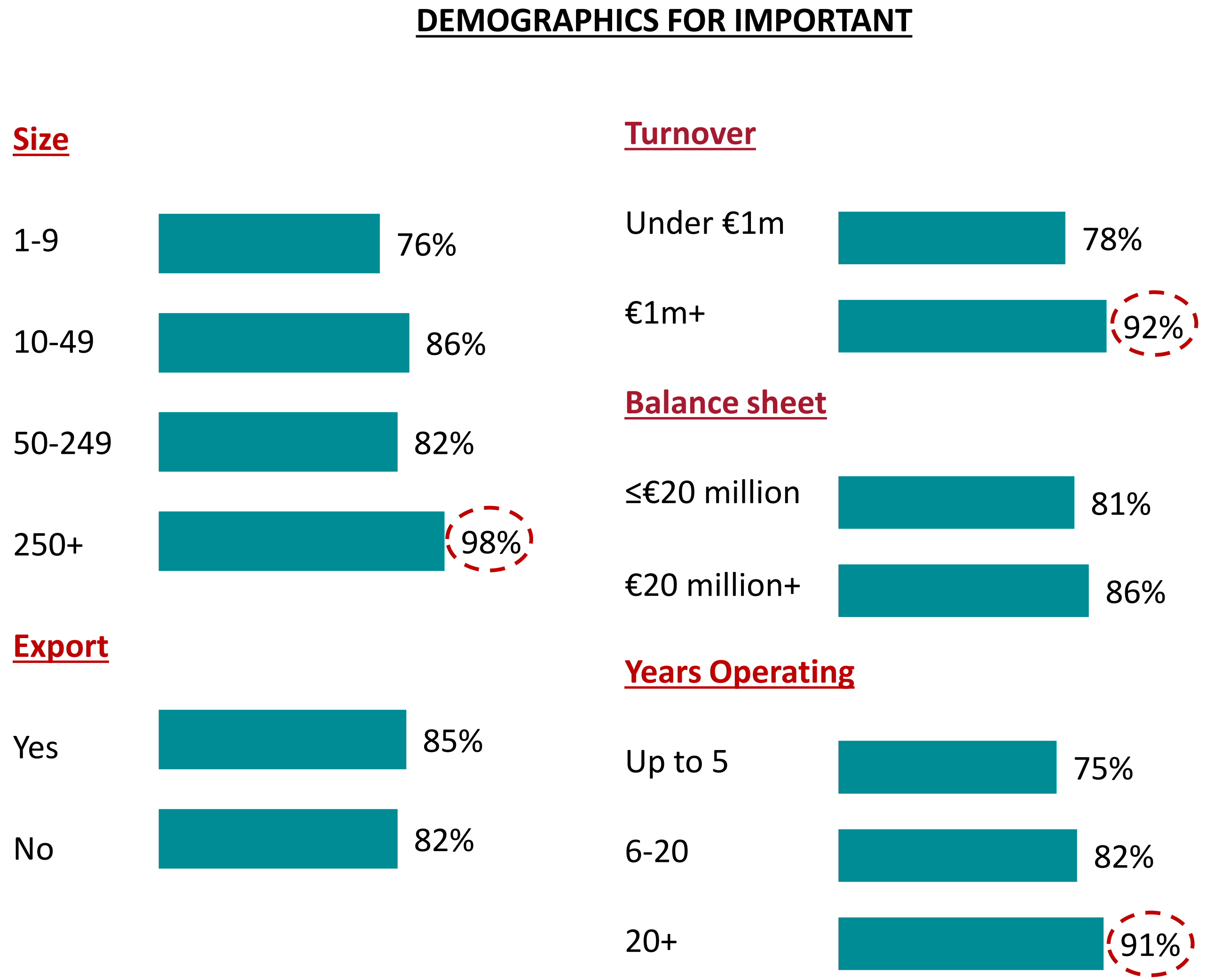


Q1a To what extent would you say you understand the importance of sustainability to your business?
Q2 At what level does responsibility for sustainability issues primarily lie within your organisation?

Four-fifths (83%) describe sustainability as being important to their business on a day-to-day basis. Larger organisations, those with a higher turnover, and operating for 20+ years over index.

(BASE : All respondents – 310)

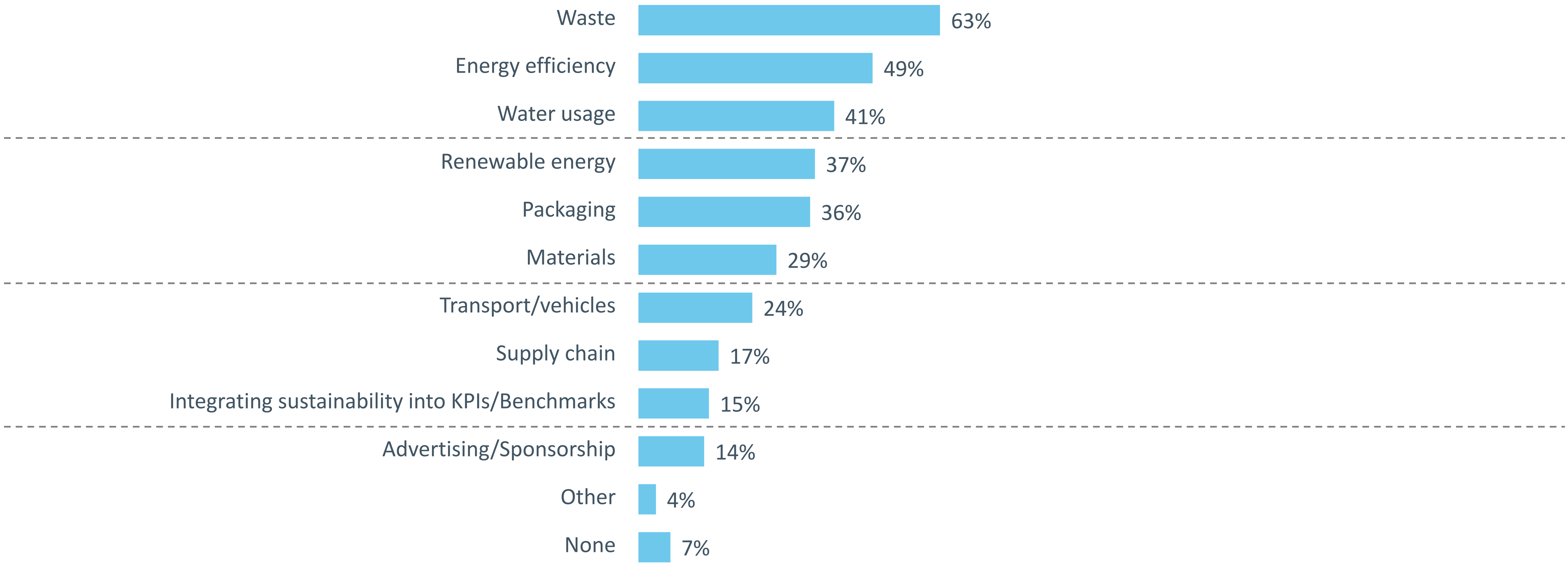




Q1b How important is sustainability to your business on a day-to-day basis?

Waste, energy efficiency, and water usage are the areas most businesses have taken steps to be more sustainable, with renewable energy and packaging also featuring prominently

(BASE : All respondents – 310)

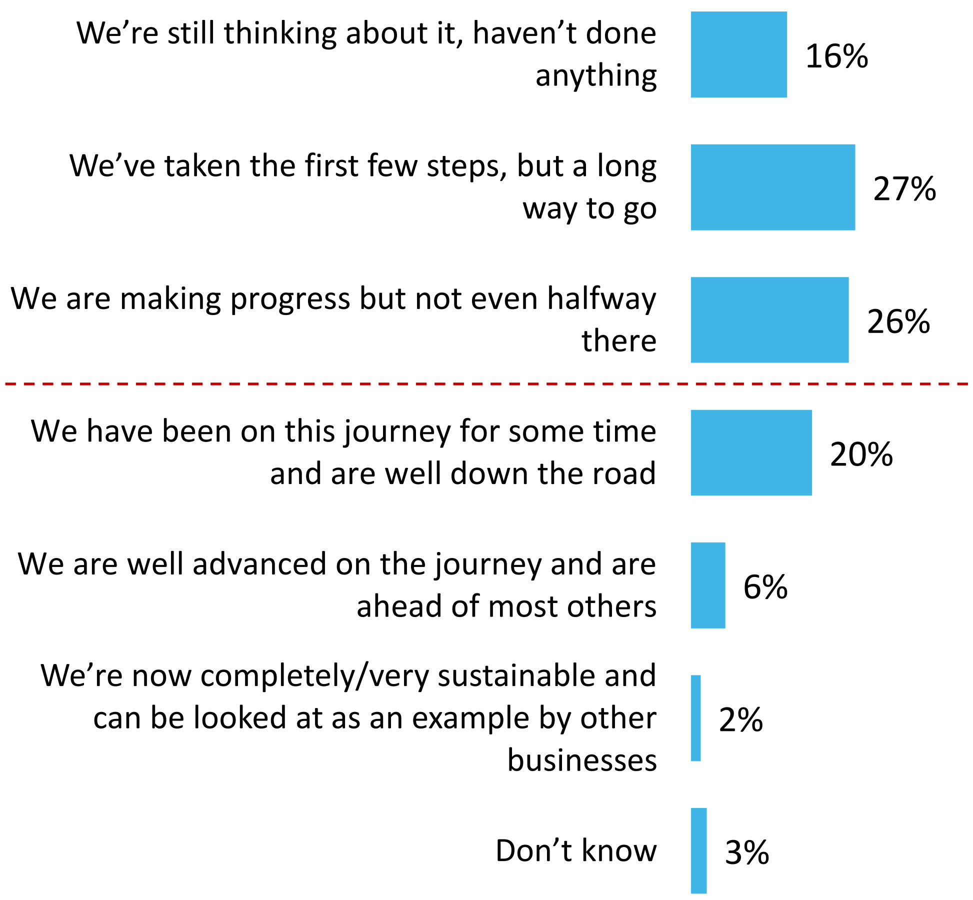


Q8 In which business areas, if any, has your business already taken steps to be more sustainable?

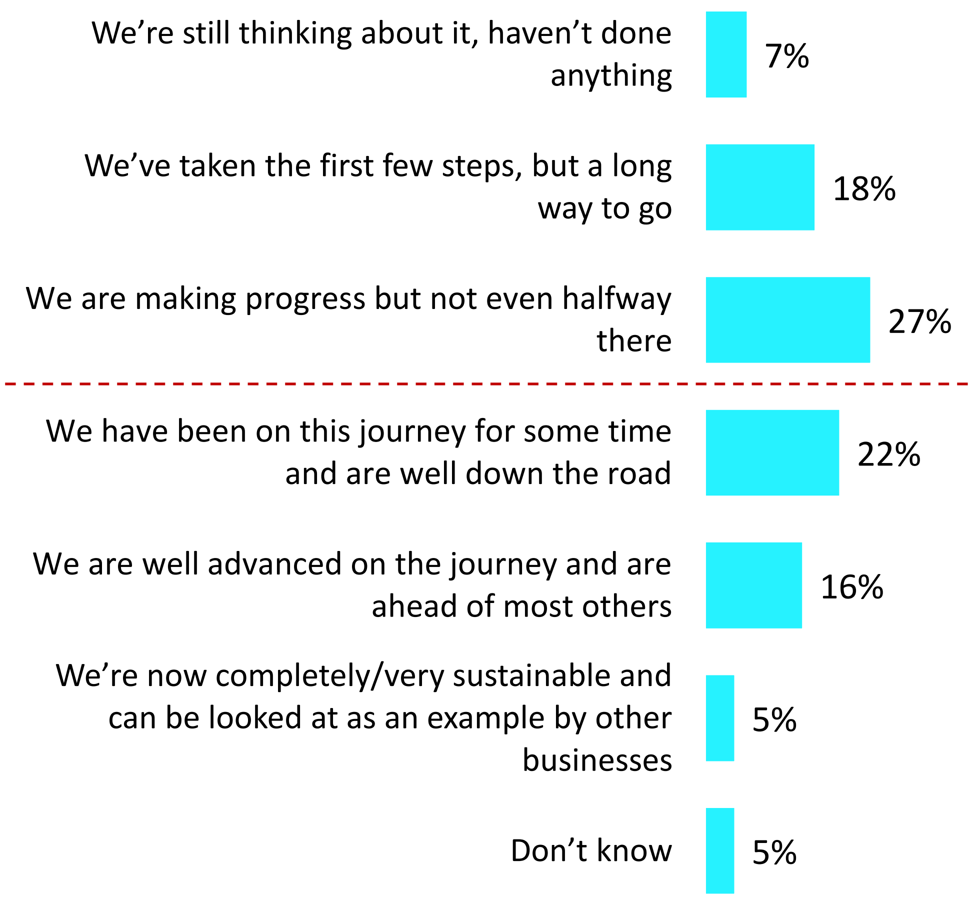
7 in 10 (69%) report they are less than halfway into their journey towards sustainability. When looking forward three years, this drops to 52%, indicating positive intentions for many businesses.

(BASE : All respondents – 310)

Where would you say you are?



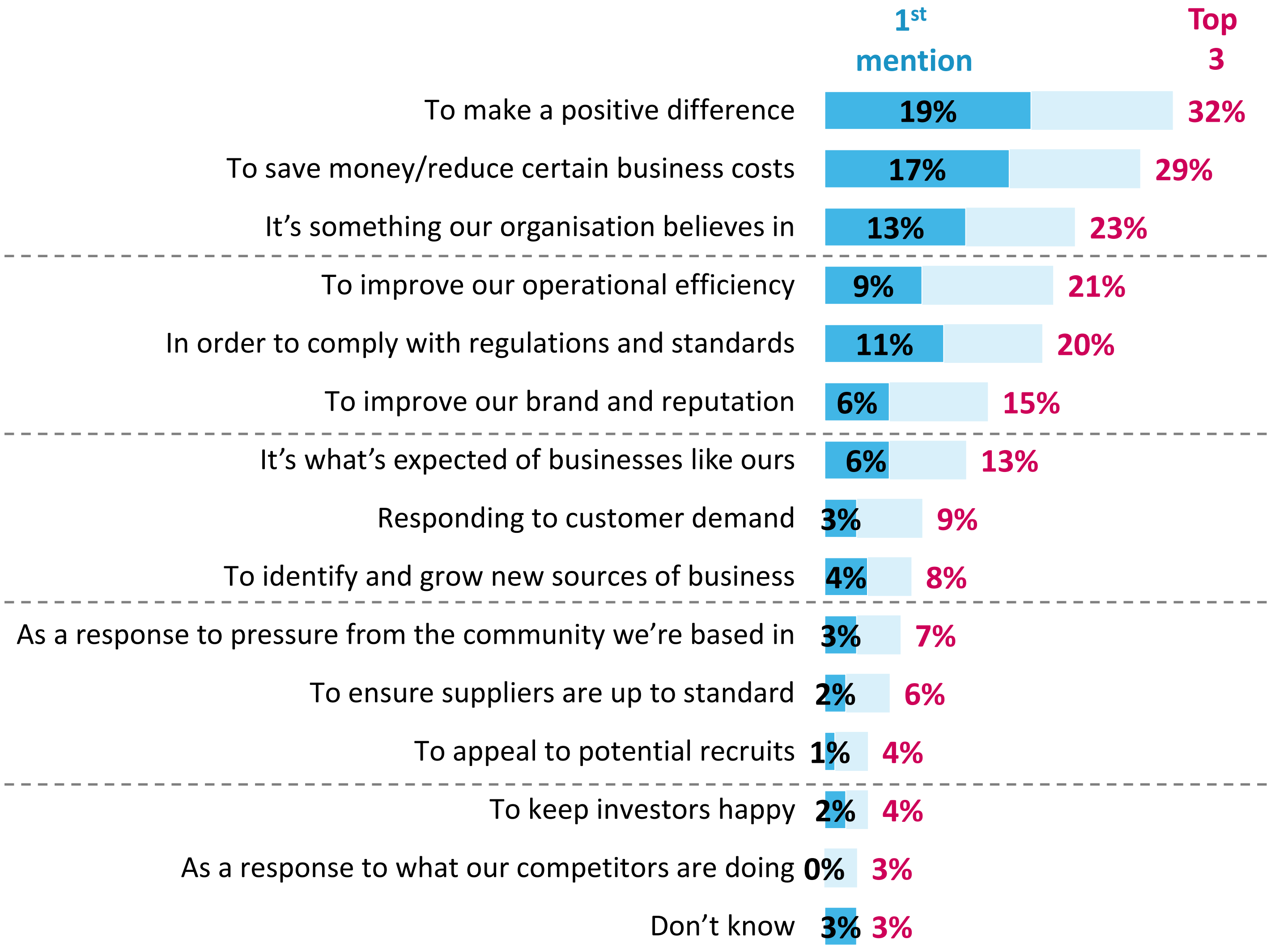
Where will you be in 3 years' time?



Q3a Thinking of your organisation's journey towards sustainability, where would you say you are on the journey?
Q3b And where will you be in 3 years' time?

The main reasons stated for undertaking sustainability initiatives are *to make a positive difference* (32%), *to save money* (29%), and *it's something our organisation believes in* (23%). *Operational efficiency* (21%) and *regulatory compliance* (20%) also feature highly.

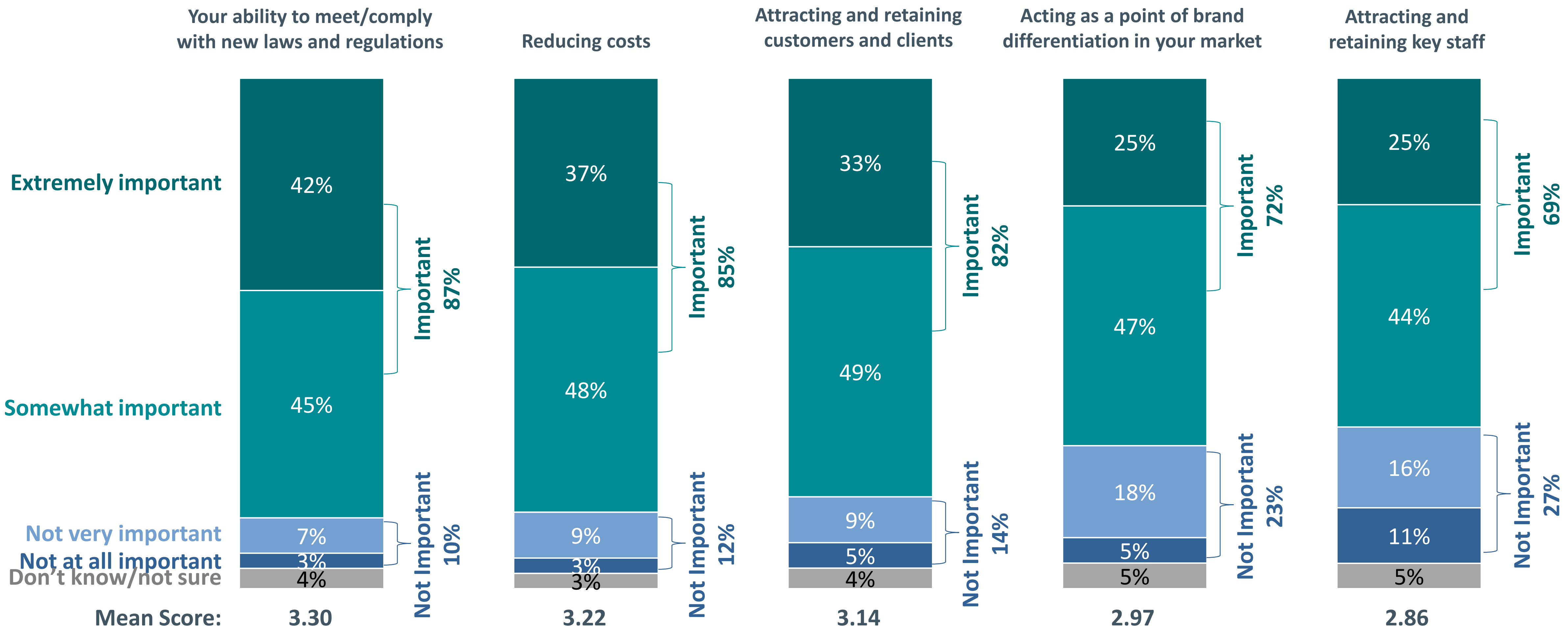
(BASE : All respondents – 310)



Q4 What are the main reasons for your organisation undertaking sustainability initiatives?

Over the next three years, a clear majority believe strong compliance with sustainability requirements will be important for all statements listed. Over 8 in 10 report compliance with sustainability requirements will be important for regulatory compliance, costs, and attracting and retaining clients.

(BASE : All respondents – 310)



Q5 Thinking about the next 3 years, how unimportant or important do you believe strong compliance with sustainability requirements will be for the following?

Importance of strong compliance with sustainability requirements
Firmographics

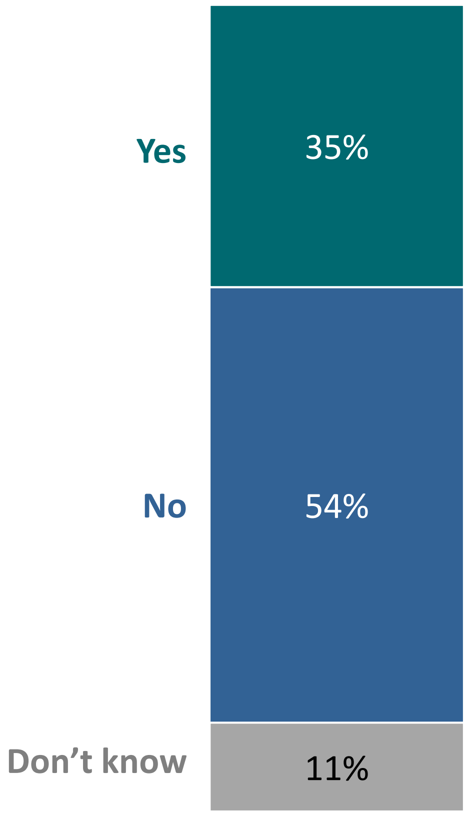
- Larger organisations, those with turnovers of €1m+, and in operation for 20+ years are among the most likely to report strong compliance with sustainability requirements will be important for their ability to meet new laws and regulations
- Larger sized organisations also over index for stating compliance will be important for cost reduction
- For attracting and retaining clients, larger sized organisations and exporters stand out for reporting this will be important for their organisation
- Medium and large sized organisations, exporters, and those with turnovers of €1m+ are among the most likely to report compliance will be important for brand differentiation
- For attracting and retaining key staff, medium and large sized organisations, exporters, and those with turnovers of €1m+ also over index

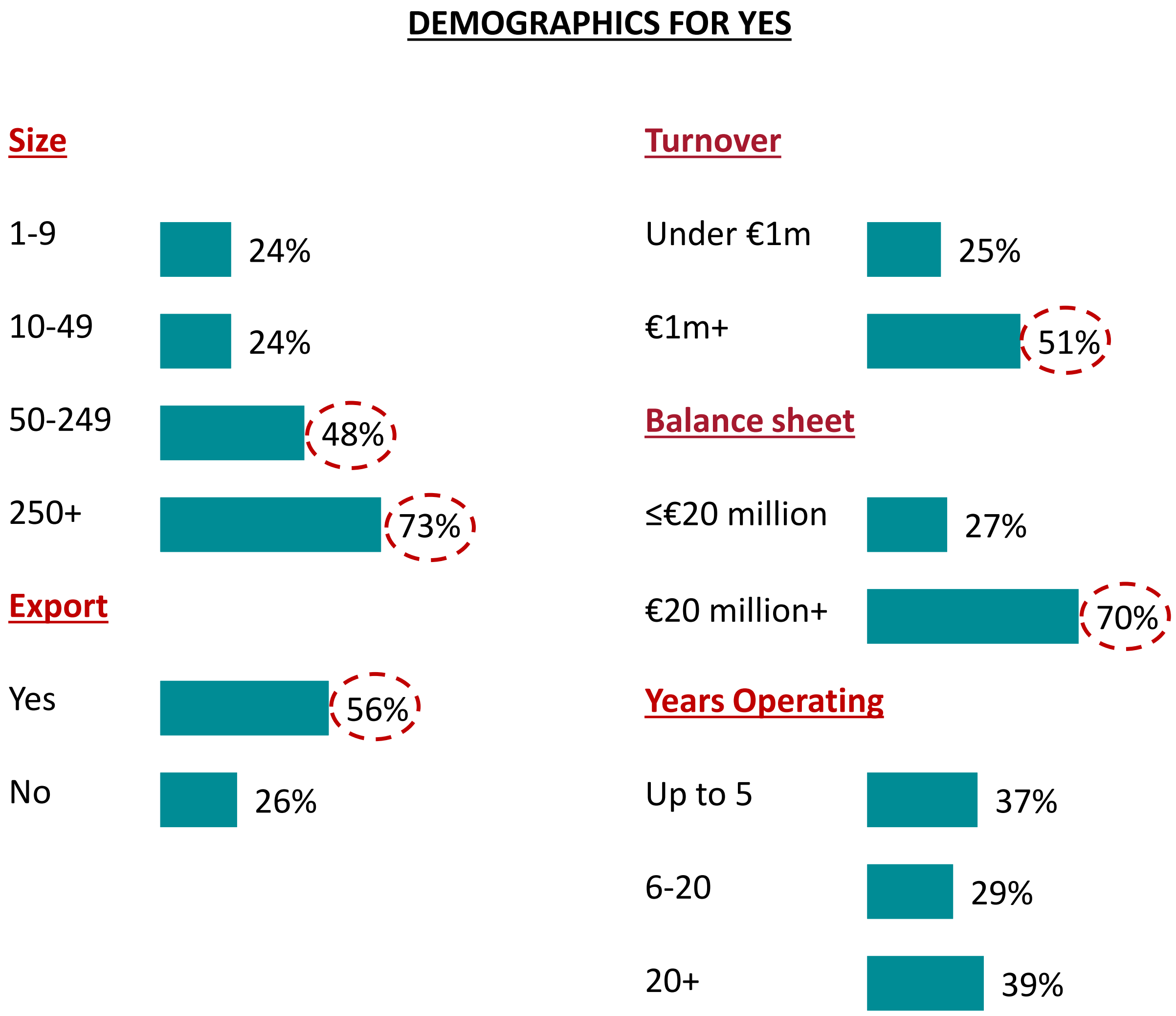
		SIZE				EXPORT		TURNOVER		BALANCE SHEET		YEARS OPERATING		
Important (4+5)	TOTAL	1-9	10-49	50-249	250+	Yes	No	Under €1m	€1m+	≤€20 million	€20 million+	Up to 5	6 to 20	20+
N=	*310*	*139*	*79*	*44*	*48*	*91*	*219*	*138*	*110*	*163*	*44*	*79*	*99*	*122*
Your ability to meet/comply with new laws and regulations	86%	81%	89%	84%	98%	90%	84%	83%	92%	85%	84%	82%	86%	91%
Reducing costs	85%	84%	84%	82%	90%	86%	84%	85%	85%	85%	82%	82%	86%	86%
Attracting and retaining customers and clients	82%	81%	78%	86%	88%	89%	79%	81%	85%	82%	82%	82%	83%	83%
Acting as a point of brand differentiation in your market	73%	68%	75%	84%	73%	81%	69%	70%	79%	69%	77%	76%	75%	70%
Attracting and retaining key staff	68%	61%	65%	84%	79%	76%	65%	62%	77%	65%	68%	71%	66%	69%

Q5 Thinking about the next 3 years, how unimportant or important do you believe strong compliance with sustainability requirements will be for the following?

Just over one-third (35%) of organisations have a written sustainability strategy in place. This over indexes among medium (48%) and large (73%) sized organisations, exporters (56%), turnovers of €1m+ (51%) and balance sheets of €20m+ (70%). Micro and small firms both under index significantly (24%).

(BASE : All respondents – 310)





Q7 Does your organisation have a written sustainability strategy/plan in place?

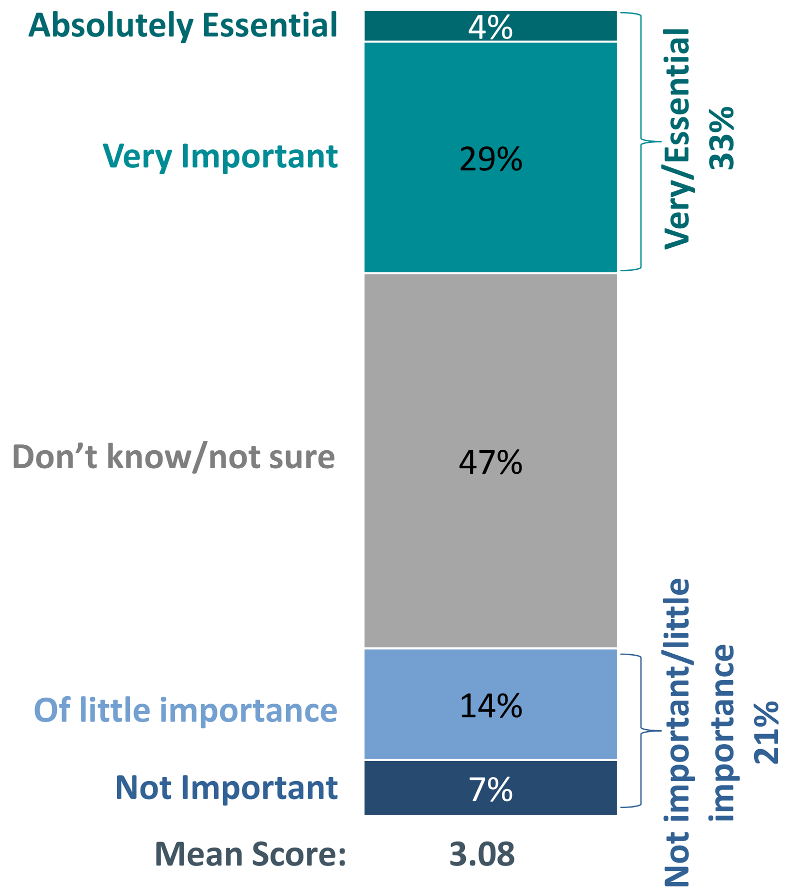
Policy & Practice

Policy & Practice

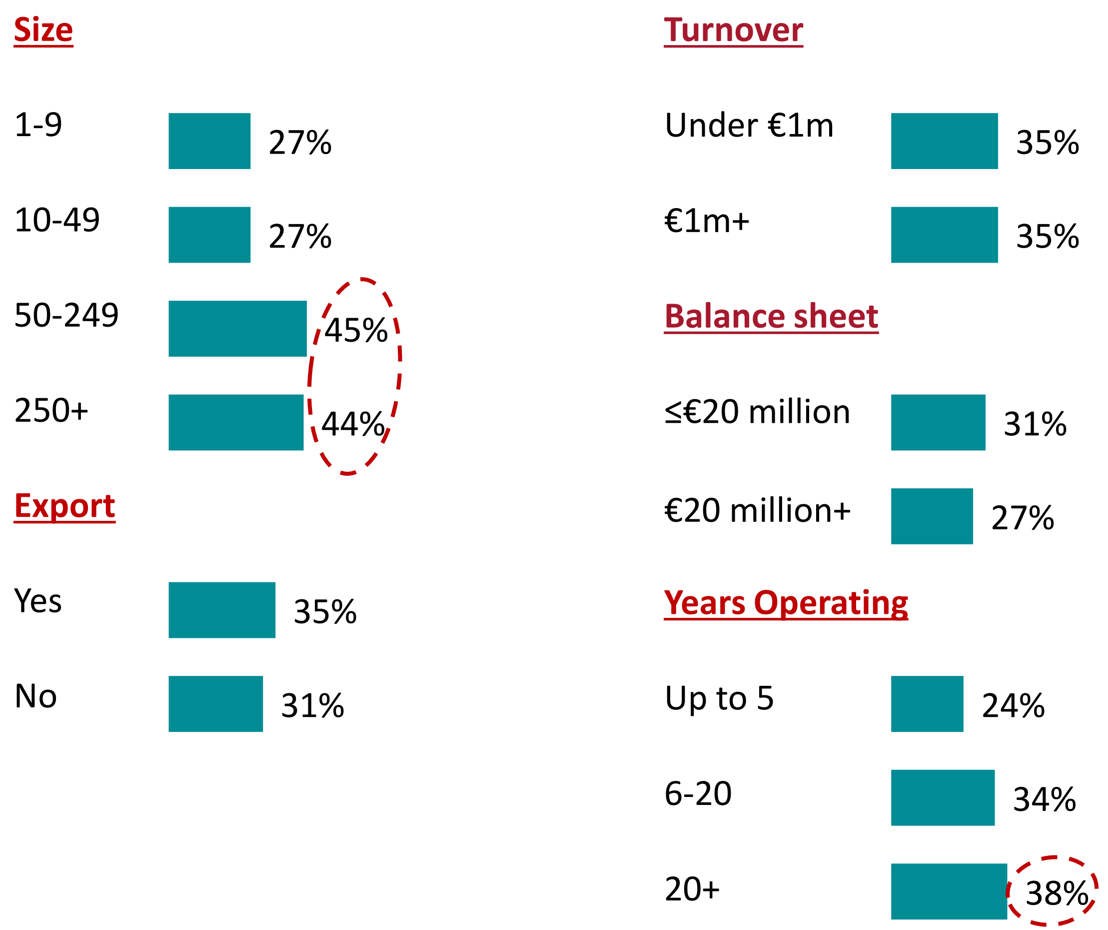
- Looking outside of firms, a large minority consider sustainability credentials for suppliers to be important, as well as something their customers are considering.
- Issues like the circular economy have growing saliency with business people as consumer side issues percolate through to their business activities (e.g.: the Re-Turn scheme).
- Other policy driven trends – such as CSRD – do not have the same saliency, and some have quite low levels of awareness.
- However, among those aware of sustainability policies affecting businesses, a majority or a large minority say they are being (or will be) affected by the policies.

One-third state sustainability credentials are an important criteria in procurement decision making, with rates of importance increasing for medium (45%) and large (44%) sized organisations and those in operation for 20+ years (38%). Micro and small organisations both under index for reporting importance (27%).

(BASE : All respondents – 310)



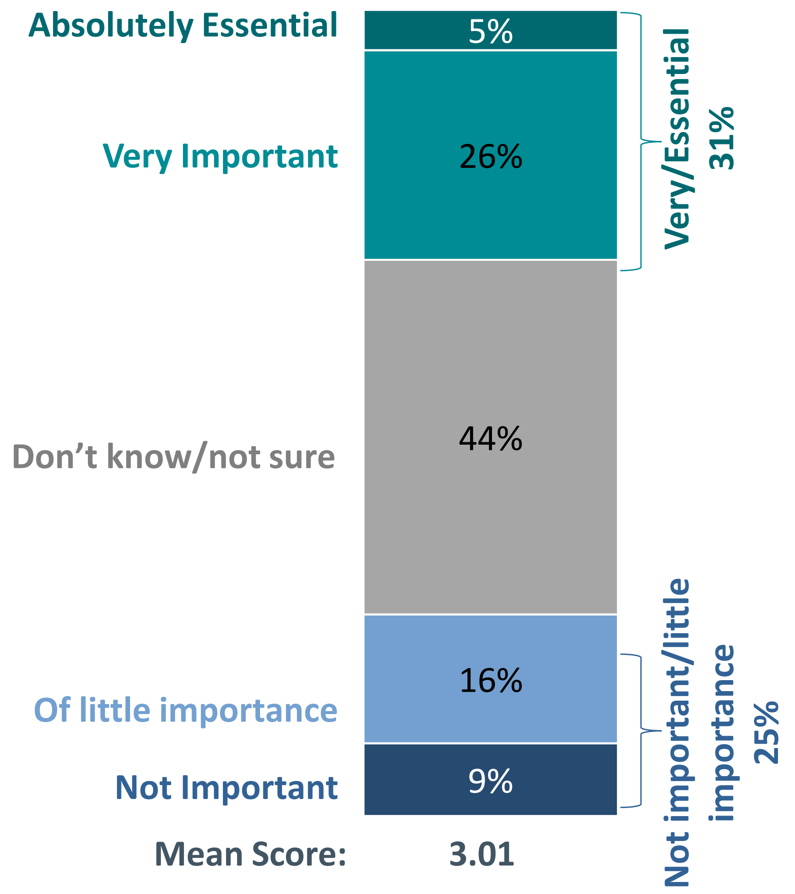
DEMOGRAPHICS FOR VERY/ESSENTIAL



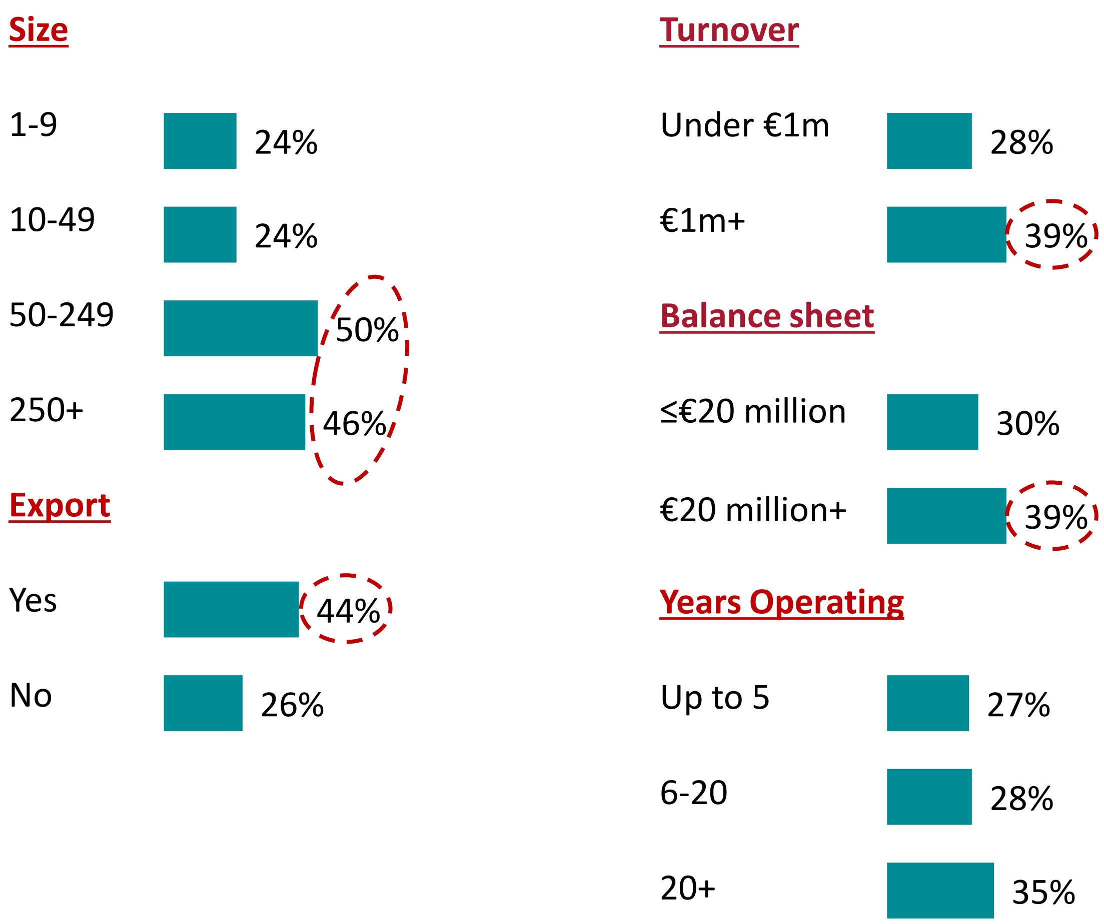
Q9 Thinking of your current procurement decision making criteria, what level of importance, if any, do you place on sustainability credentials when selecting a supplier?

Rates are quite similar for customer decision making criteria, with 31% stating sustainability credentials are important for customers when selecting businesses like theirs. Again, smaller sized organisation under index for reporting importance.

(BASE : All respondents – 310)



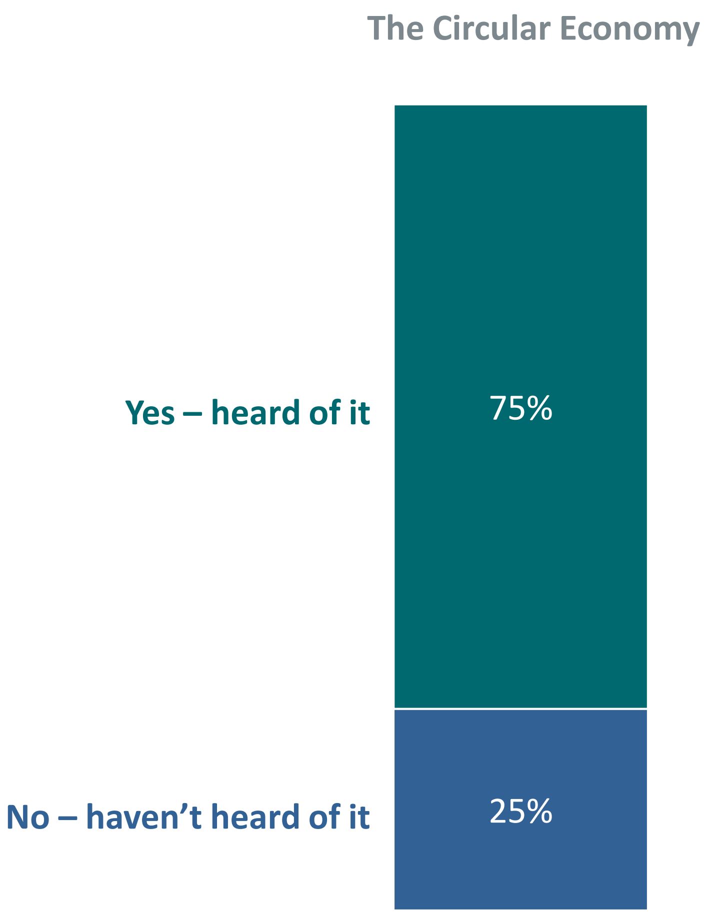
DEMOGRAPHICS FOR VERY/ESSENTIAL

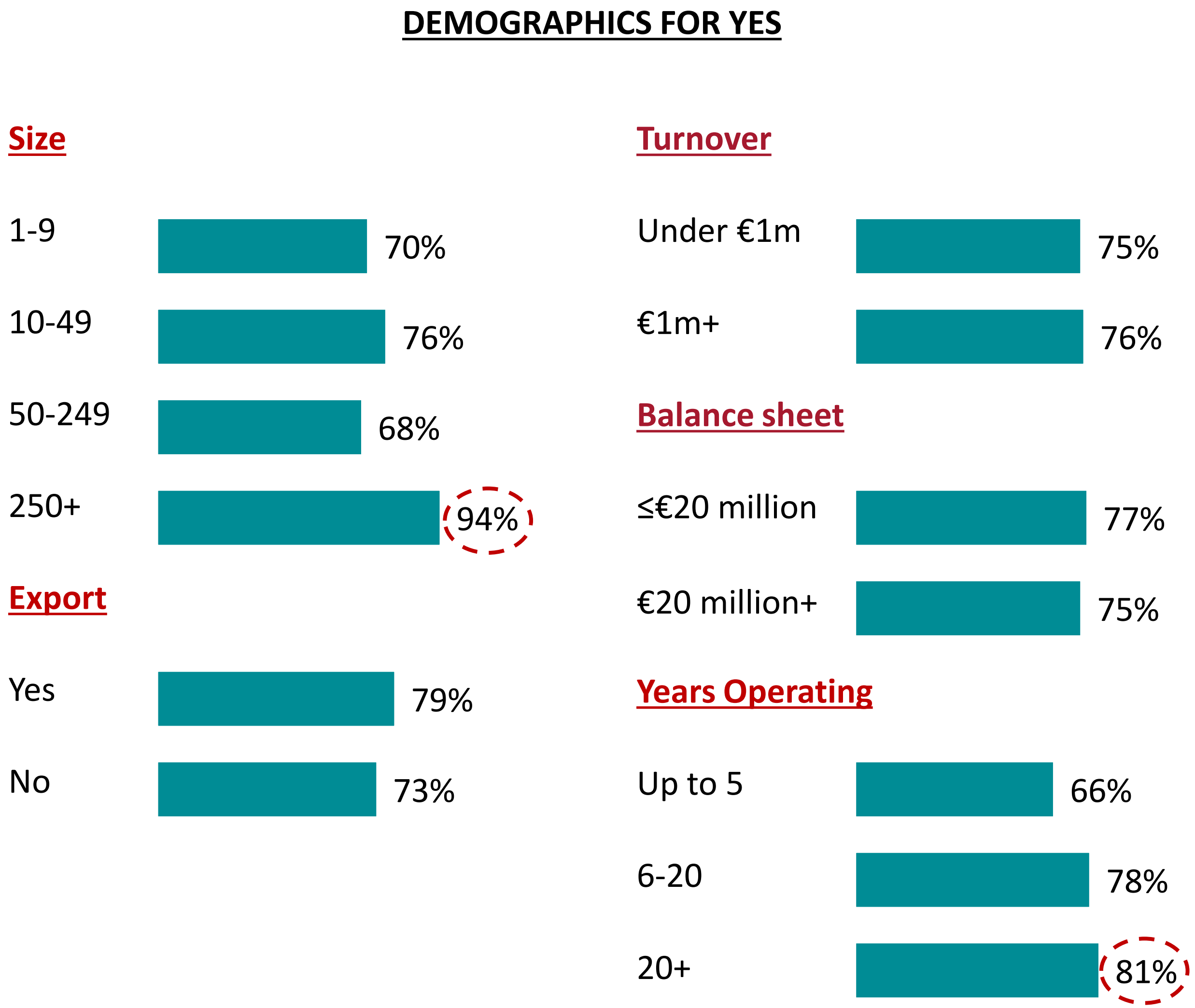


Q10 Thinking of your customers' decision making criteria, what level of importance, if any, do you believe they place on sustainability credentials when selecting suppliers/businesses like you?

A clear majority (75%) have heard of *The Circular Economy,* with larger organisations (94%) and those in operation for 20+ years among the most likely to report awareness

(BASE : All respondents – 310)

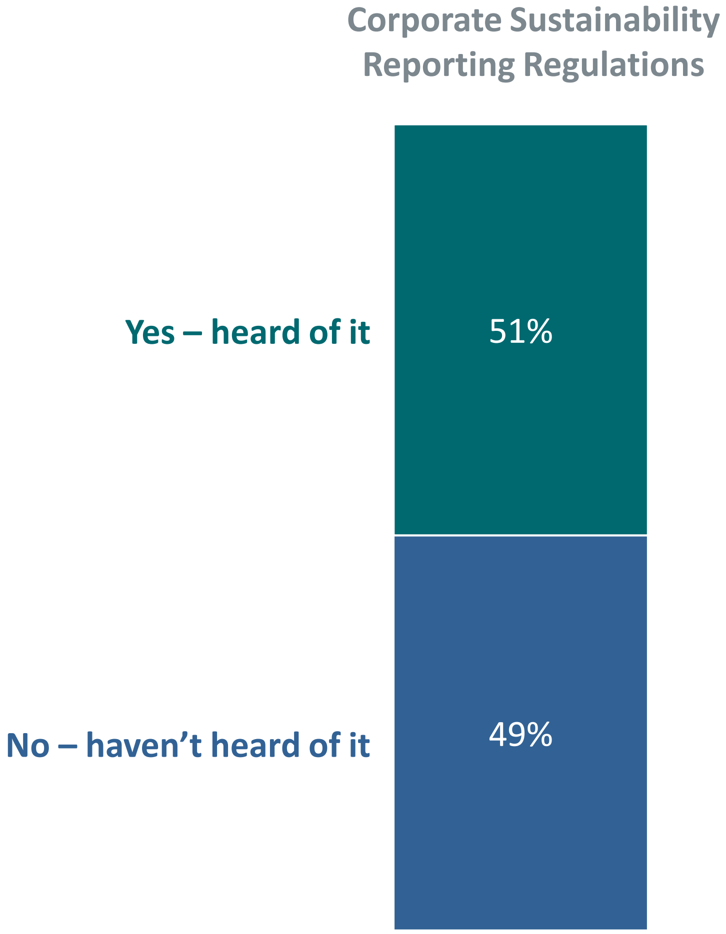




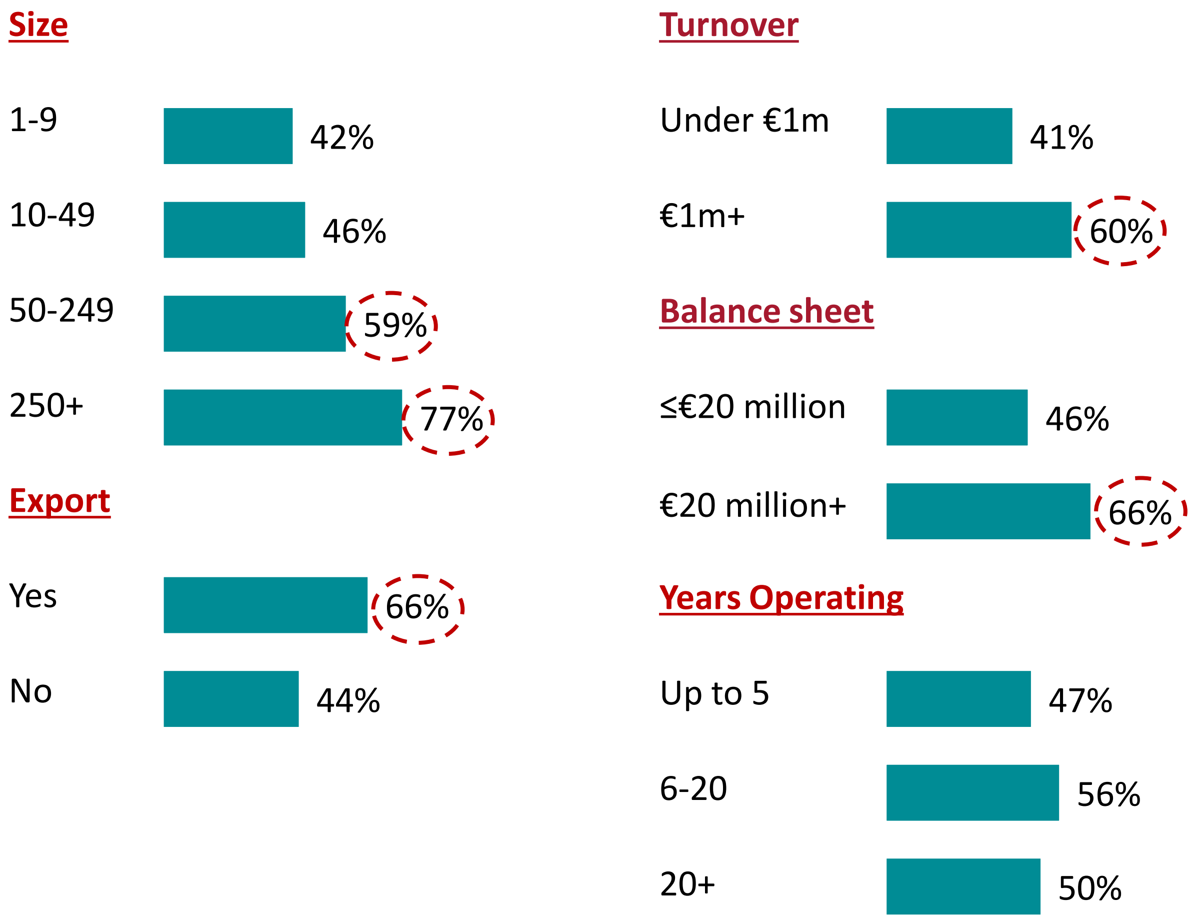
Q11a Have you heard of the following

Half (51%) of organisations have heard of *Corporate Sustainability Reporting Regulations*, with larger firms, exporters, those with €1m+ in turnover and balance sheets of €20m+ over indexing

(BASE : All respondents – 310)



DEMOGRAPHICS FOR YES

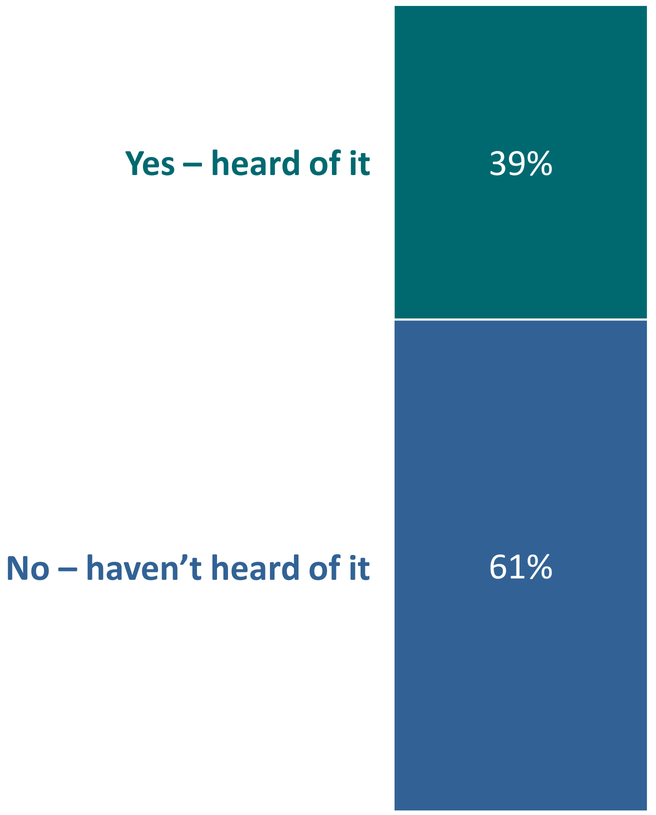


Q11a Have you heard of the following

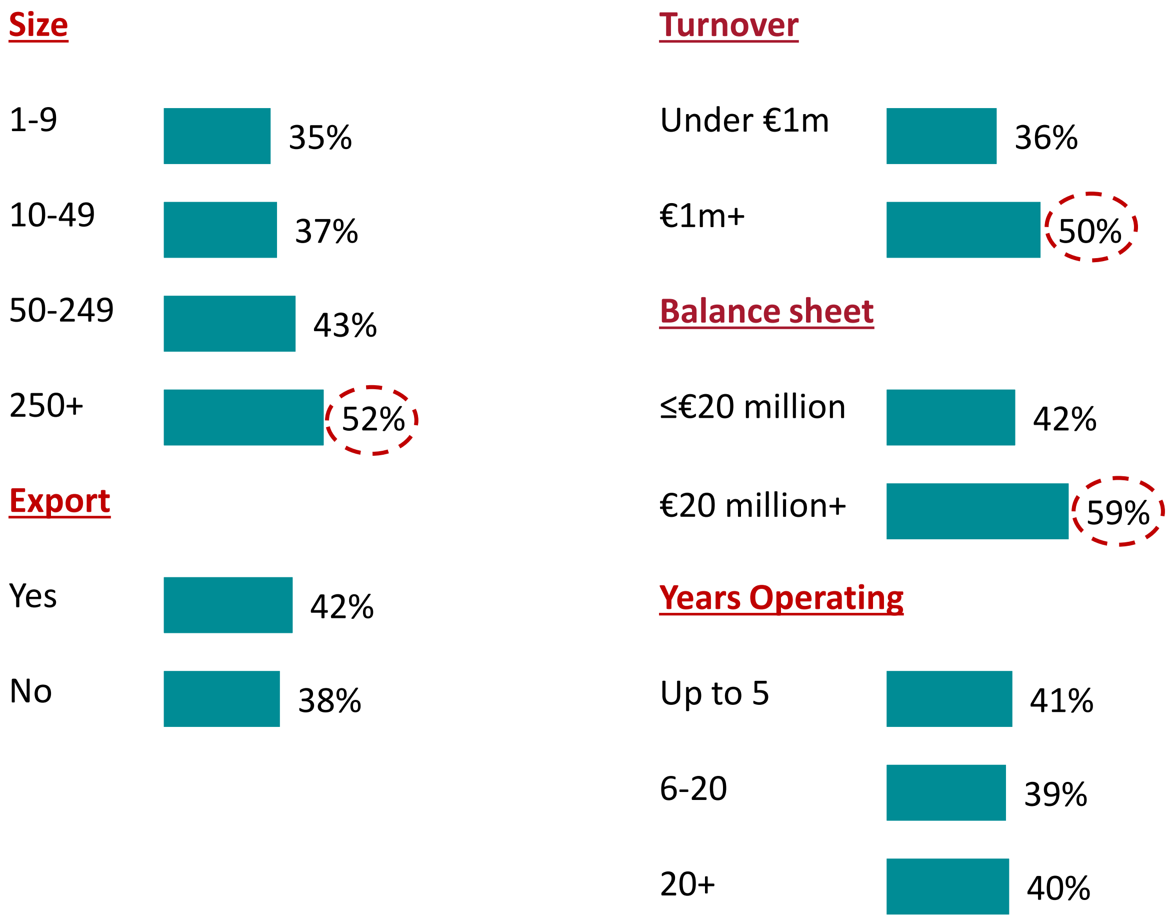
Only a minority (39%) report being aware of *Ireland's 4th National Biodiversity Action Plan*, again, rates rise among larger organisations, and those with greater turnover and balance sheets

(BASE : All respondents – 310)

Ireland's 4th National Biodiversity Action Plan



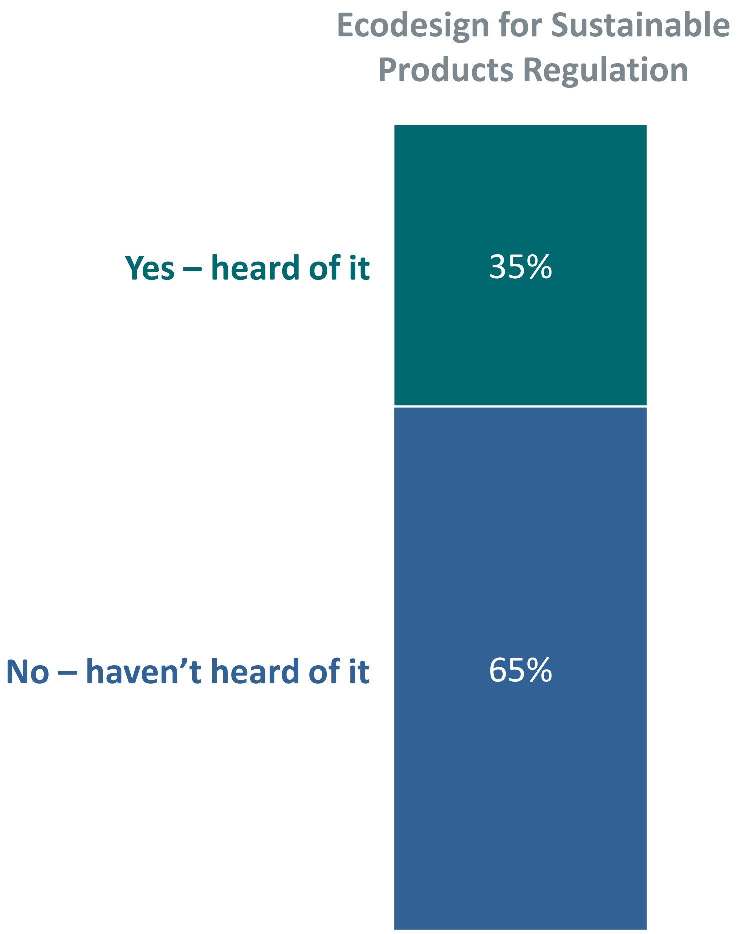
DEMOGRAPHICS FOR YES

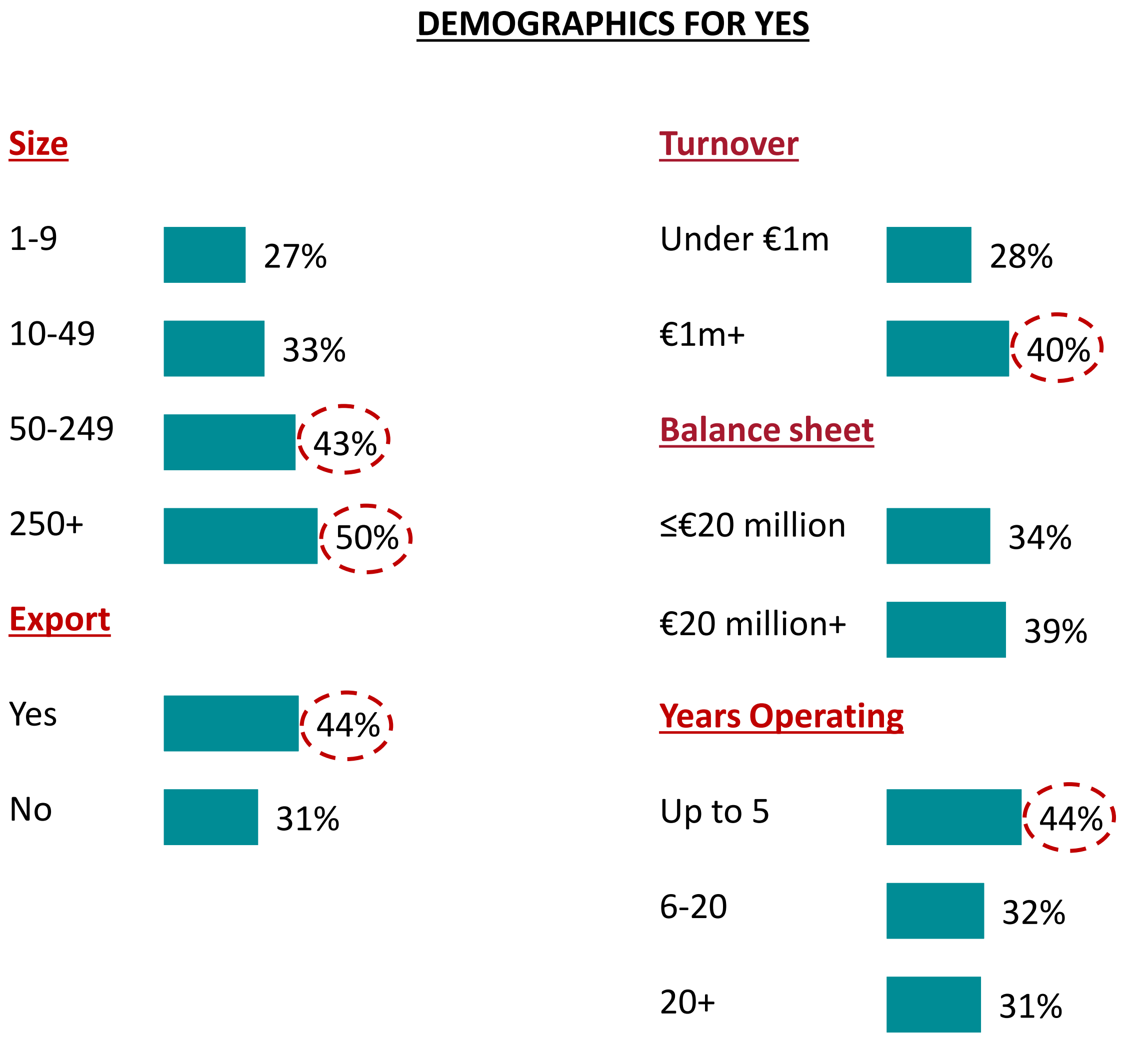


Q11a Have you heard of the following

Just 35% have heard of *Ecodesign for Sustainable Products Regulation,* with rates of awareness higher among larger organisations, exporters, and those with greater turnovers and balance sheets

(BASE : All respondents – 310)

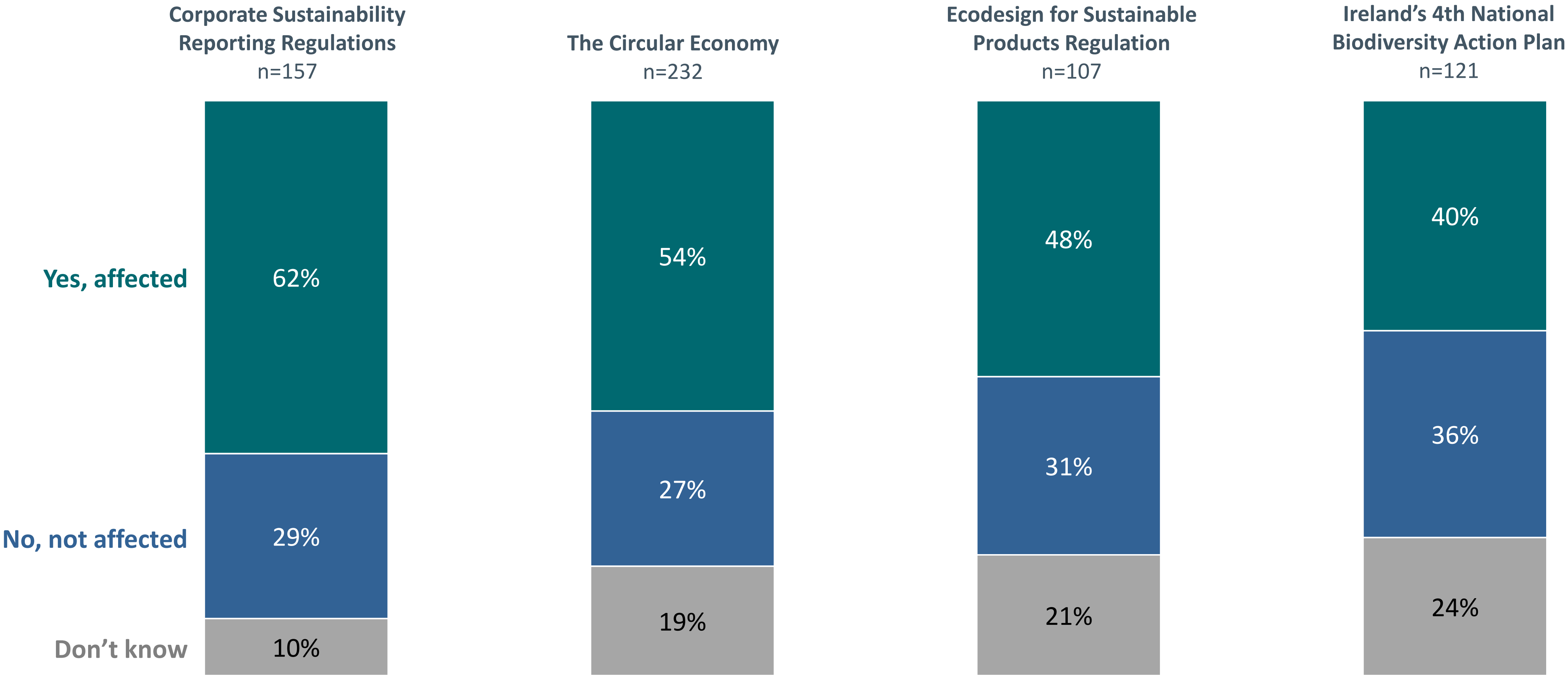




Q11a Have you heard of the following

Of those who are aware, a majority report they expect their business is or will be affected by CSRR (62%) and The Circular Economy (54%) in the next few years, while a significant minority state the same for Ecodesign for Sustainable Products Regulation and Ireland's 4th National Biodiversity Action Plan

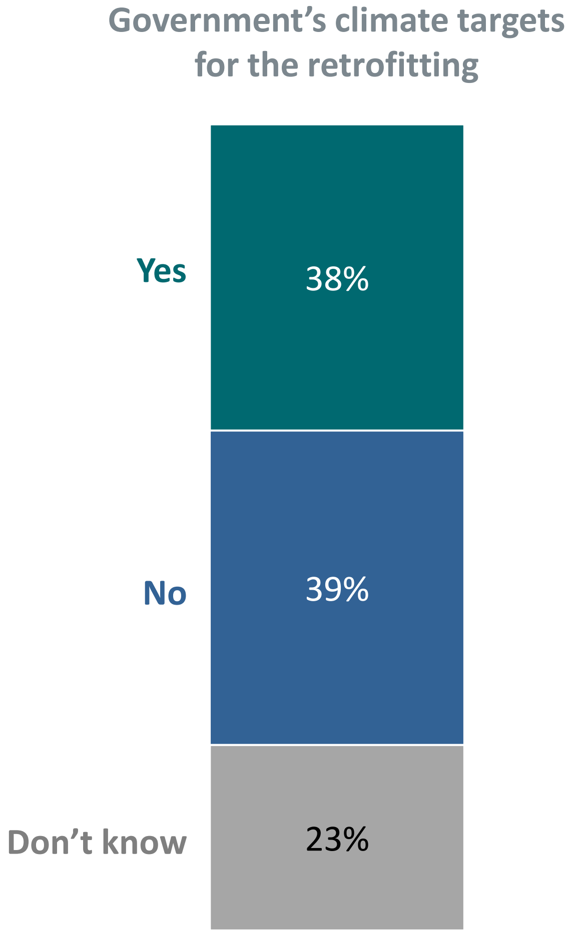
(BASE : Heard of)

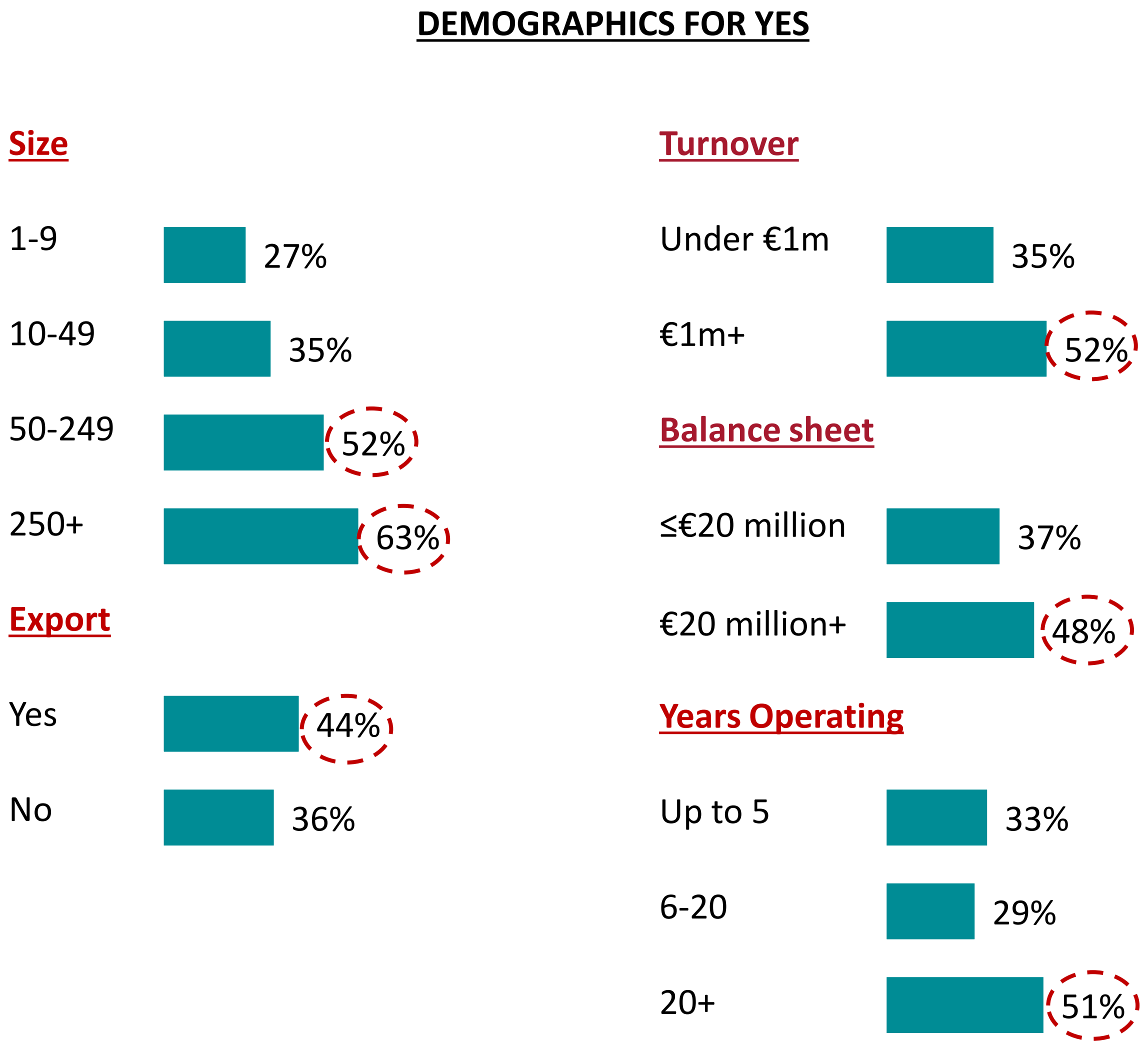


Q11b do you expect your business is or will be affected by [each item] in the next few years?

Two-fifths (38%) of organisations believe their business will be affected by the Government's climate targets for the retrofitting of commercial buildings and reduced carbon emissions. Smaller sized organisations are among the least likely to report they will be affected.

(BASE : All respondents – 310)





Q12 Will your business be affected by the Government's climate targets for the retrofitting of commercial buildings and reduced carbon emissions?

Partners & Support

Partners & Support

- Businesses avail of advice from a wide range of sources, with organisations like SEAI among the most common, though auditors play a significant role as well.

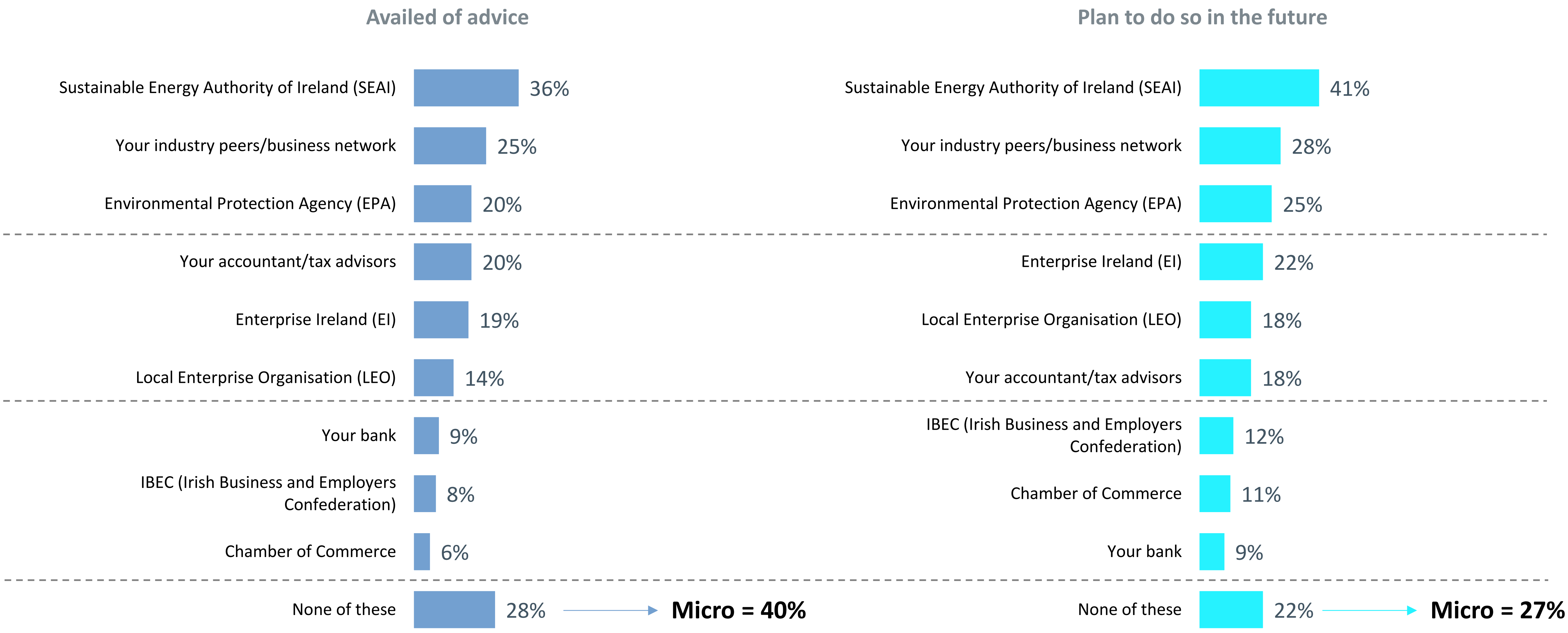
- The type of advice firms seek is entirely driven by the sector they are in and the issues they face – so not surprisingly there is considerable variation in the information needs for sustainability planning and practices.

- Given the imminence of regulatory requirements in relation to sustainability reporting for many firms, only a minority are ready to meet such requirements (e.g.: carbon footprint calculations), though slightly more are preparing for such tasks.

- There is reasonable awareness of various supports available to businesses to progress their sustainability activities and investments, however there is clearly a need for higher levels of awareness given the reported ambitions for sustainability-related expenditures in the coming years.

The most popular sources to have availed of advice to help a business be more sustainable are the SEAI, peers, EPA, and accountants. These top 3 remain the same when looking to the future. However, 28% report they have not availed of advice from any group listed and 22% do not plan to avail of advice in the future. Micro firms over index for *None of these*.

(BASE : All respondents – 310)

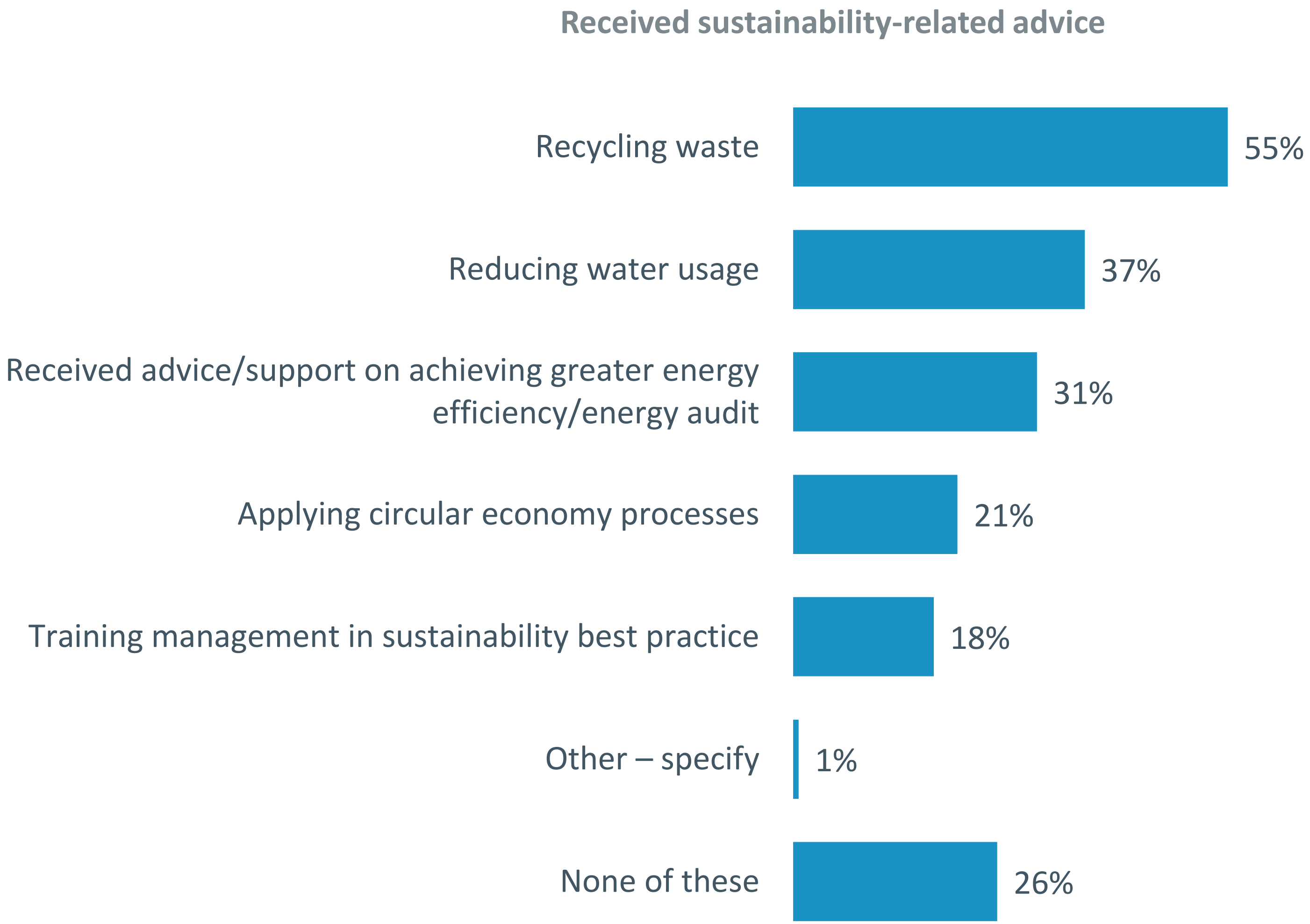


Q13a From which of the following, if any, have you availed of advice to help your business be more sustainable?

Q13b From which of the following, if any, do you plan to avail of advice to help your business be more sustainable in the future?

***Recycling waste*, followed by *reducing water usage*, and *greater energy efficiency* are the most common areas of advice that organisations have received. Again, there is a significant minority (26%) who have not received advice on any area listed.**

(BASE : All respondents – 310)



Q14 Have you received sustainability-related advice on any of the following in your organisation?

Received sustainability-related advice
Firmographics

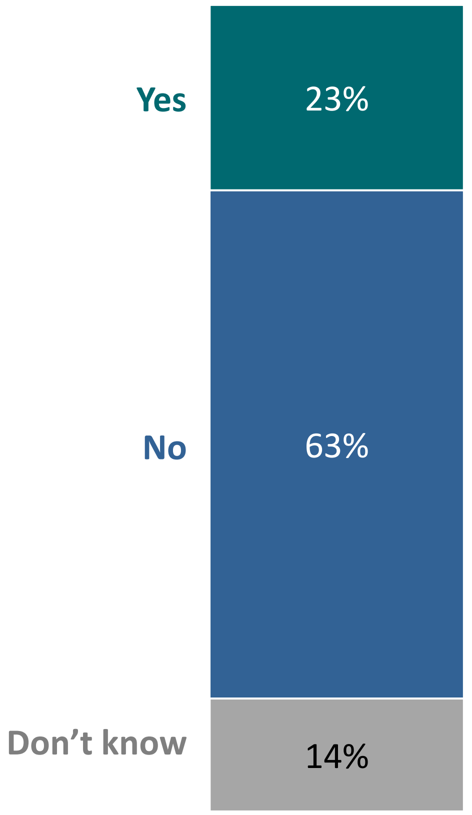
- Larger sized organisations, those with €1m+ in turnover, a balance sheet of €20m+, and in operation for 6 to 20 years are among the most likely to have received advice for *recycling waste*
- *Reducing water usage* over indexes among larger organisations and those in operations for 20+ years
- Larger organisations, exporters, those with €1m+ in turnover, a balance sheet of €20m+, and those in operations for 20+ years over index for *support on achieving greater energy efficiency advice*
- Again, it is larger organisations, exporters, those with €1m+ in turnover, a balance sheet of €20m+, and those in operations for 20+ years that are among the most likely to report receiving sustainability-related advice on *applying circular economy processes* and *training management in sustainability best practice*
- Micro sized organisations under index across a range of areas

		SIZE				EXPORT		TURNOVER		BALANCE SHEET		YEARS OPERATING		
	TOTAL	1-9	10-49	50-249	250+	Yes	No	Under €1m	€1m+	≤€20 million	€20 million+	Up to 5	6 to 20	20+
N=	*310*	*139*	*79*	*44*	*48*	*91*	*219*	*138*	*110*	*163*	*44*	*79*	*99*	*122*
Recycling waste	55%	50%	52%	57%	69%	57%	53%	53%	60%	53%	66%	46%	62%	55%
Reducing water usage	37%	34%	37%	39%	44%	35%	37%	36%	39%	33%	39%	27%	39%	43%
Received advice/support on achieving greater energy efficiency/energy audit	31%	24%	29%	34%	52%	36%	29%	27%	37%	29%	45%	20%	29%	40%
Applying circular economy processes	21%	22%	16%	11%	33%	25%	19%	20%	25%	22%	23%	22%	21%	21%
Training management in sustainability best practice	18%	9%	23%	20%	31%	24%	15%	15%	25%	16%	30%	15%	14%	24%
None of these	26%	35%	25%	18%	13%	19%	30%	29%	21%	31%	11%	28%	25%	25%

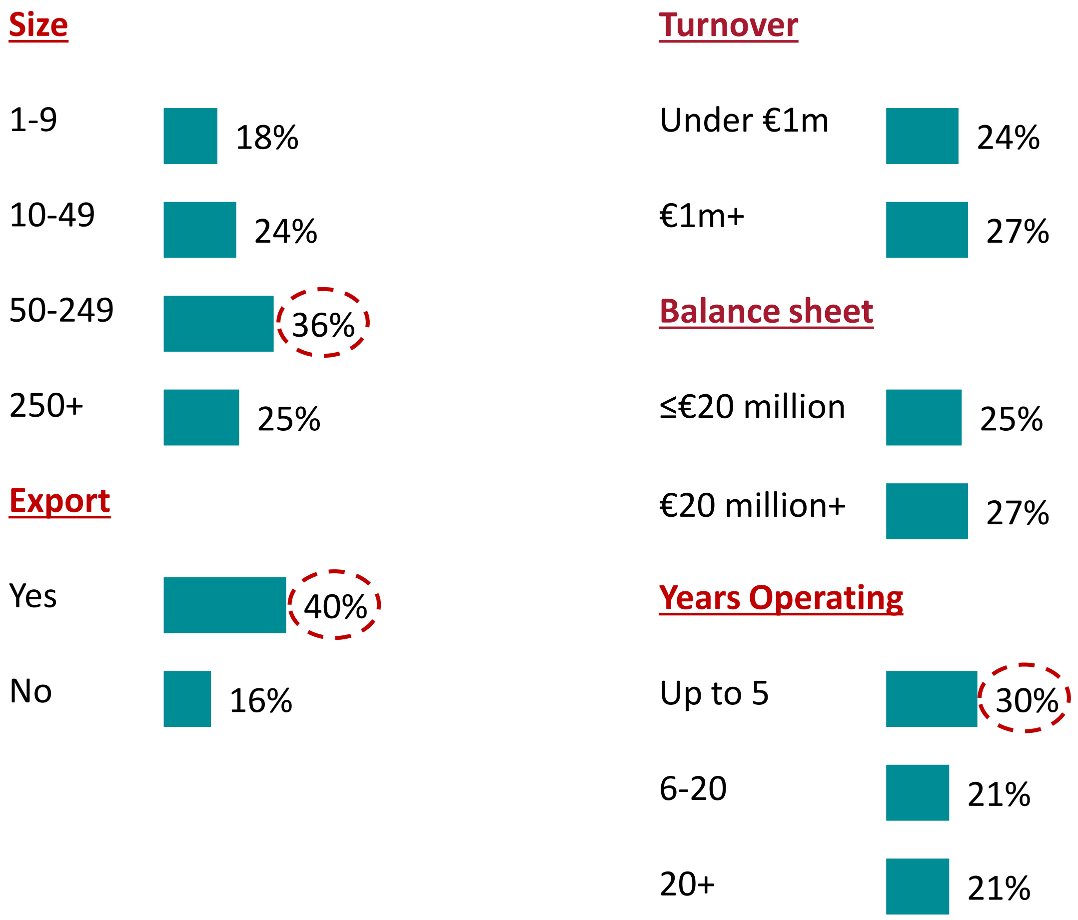
Q14 Have you received sustainability-related advice on any of the following in your organisation?

Just 23% of organisations know the carbon footprint of their business, with rates increasing for medium sized organisations (36%), exporters (40%), and those in operation for less than 6 years (30%)

(BASE : All respondents – 310)



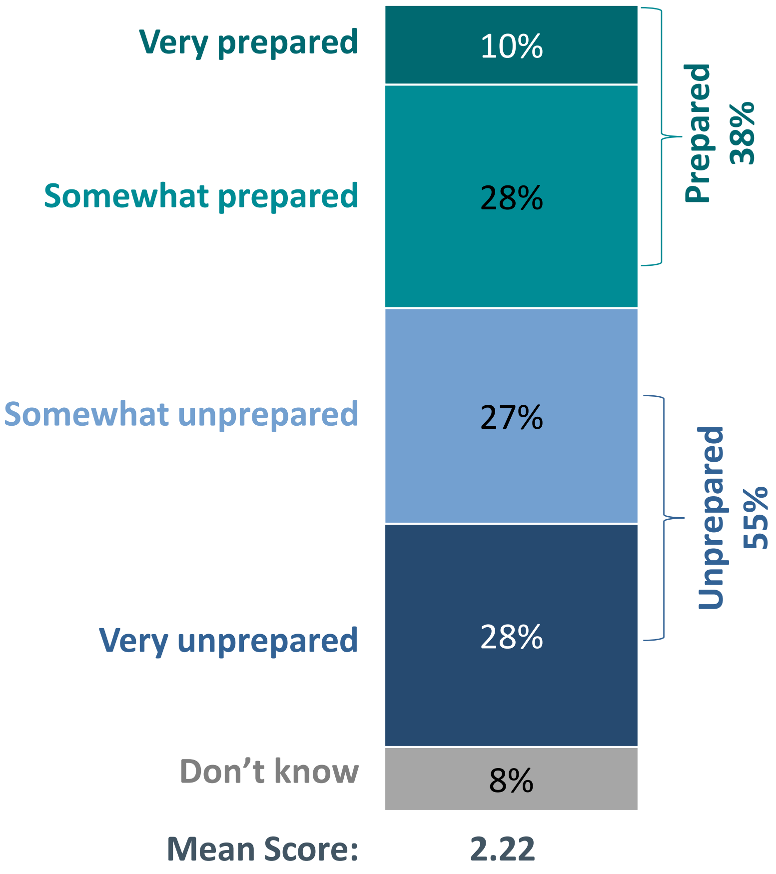
DEMOGRAPHICS FOR YES

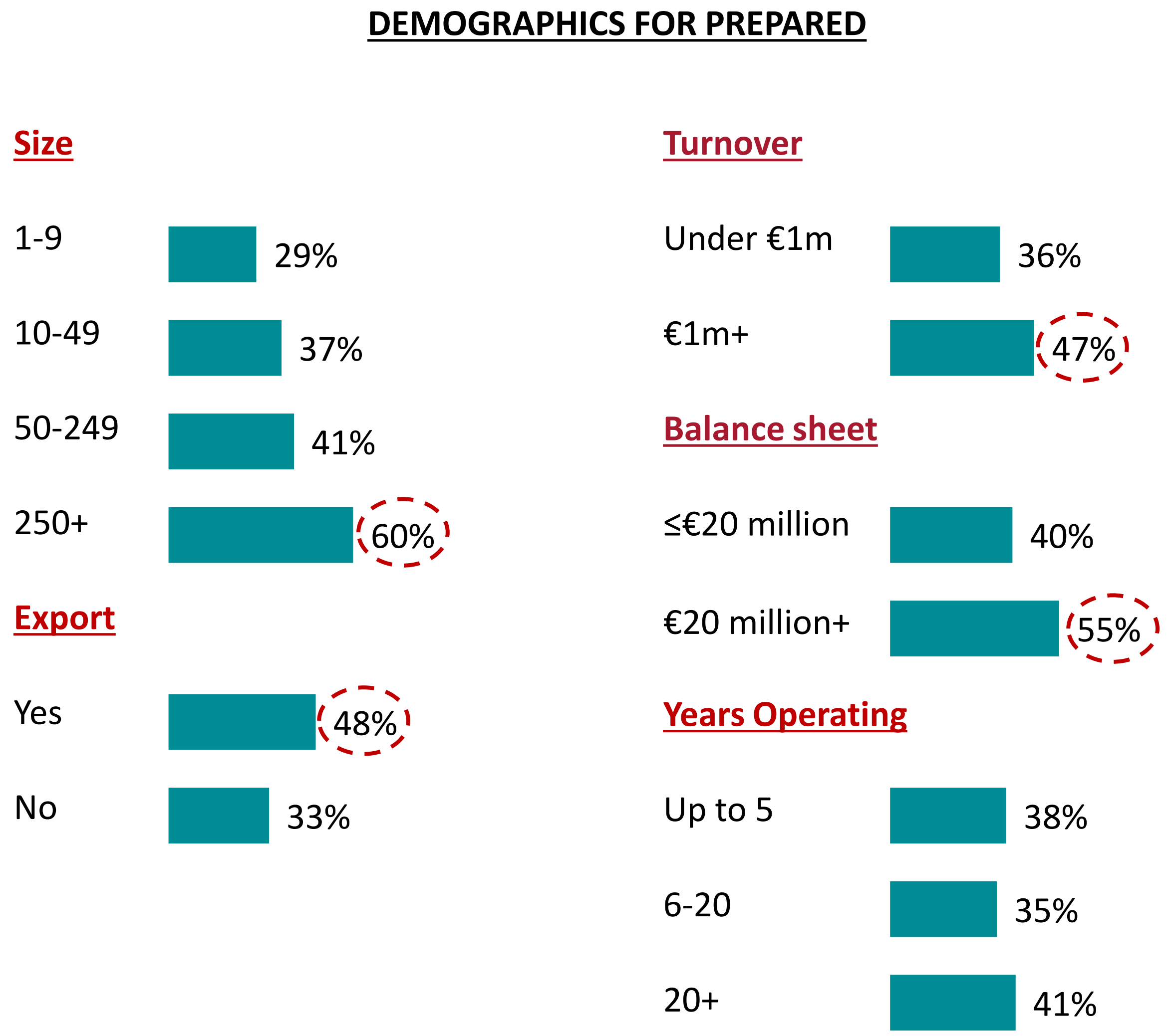


Q15 Do you know the carbon footprint of your business?

Just 38% of organisations report being prepared to start measuring and reporting their own carbon emissions, with 55% unprepared. Micro organisations under index for preparedness.

(BASE : All respondents – 310)

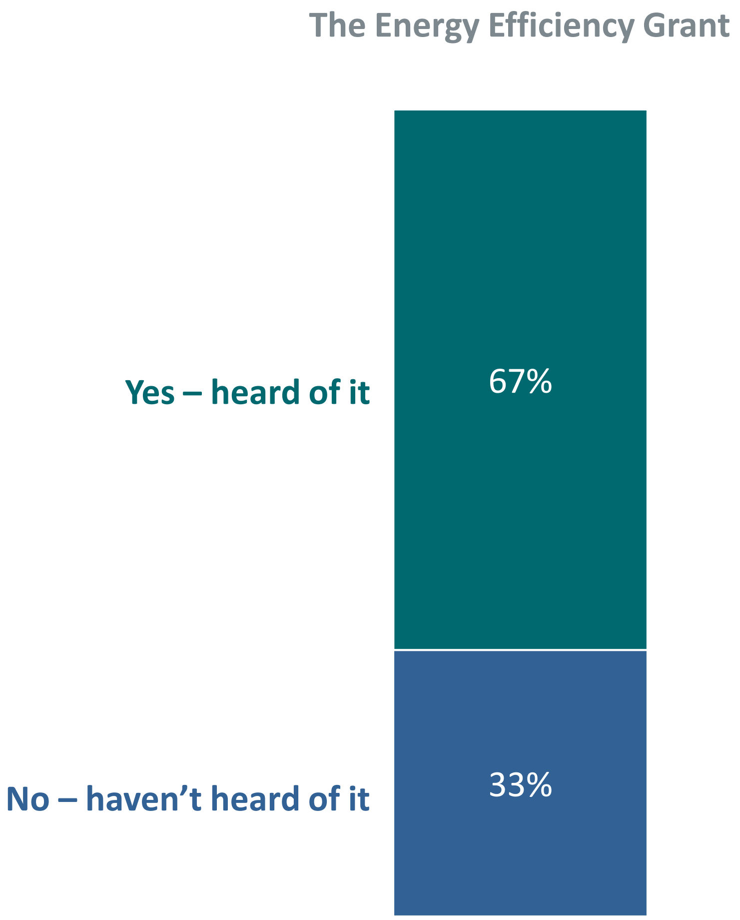


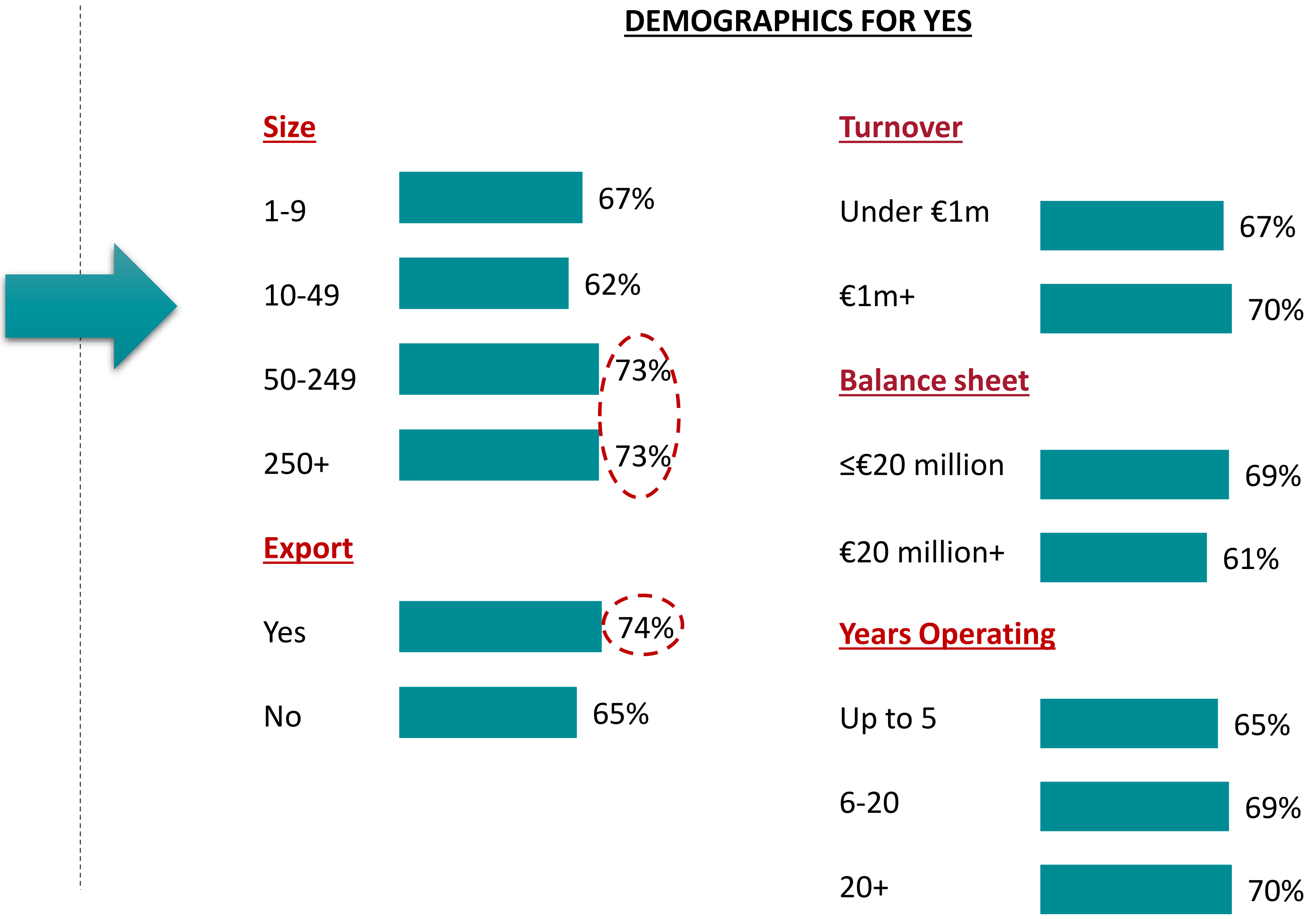


Q16 How prepared would you be if you had to start measuring and reporting your own carbon emissions?

Two-thirds (67%) state they have heard of the *Energy Efficiency Grant,* with medium and large organisations (73%) and exporters (74%) over indexing

(BASE : All respondents – 310)

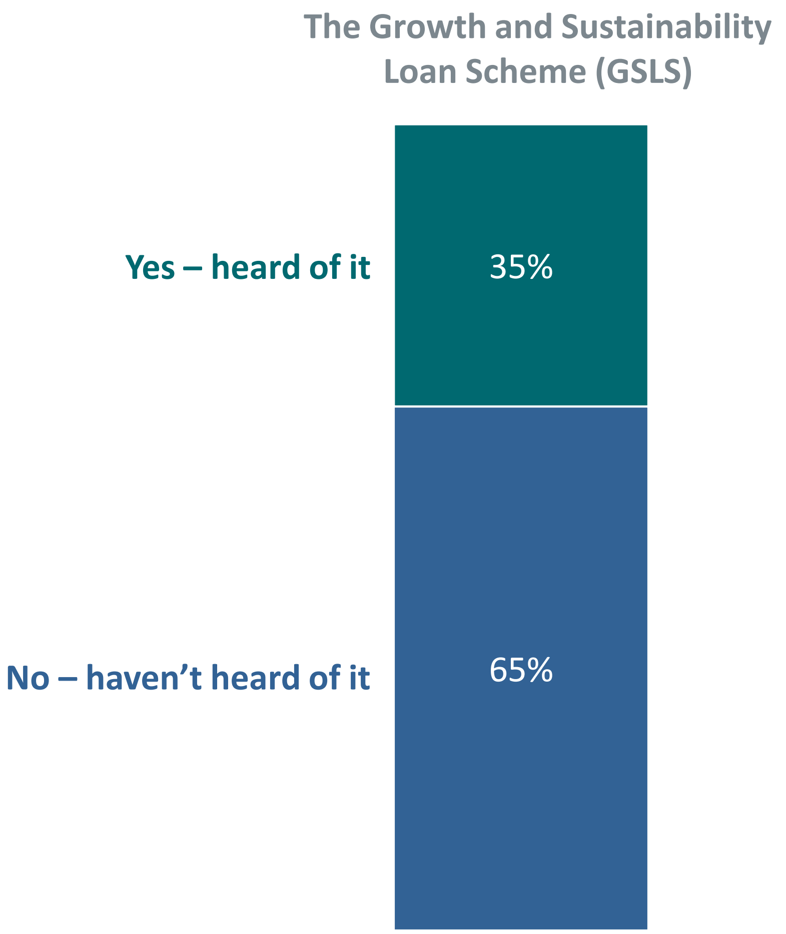




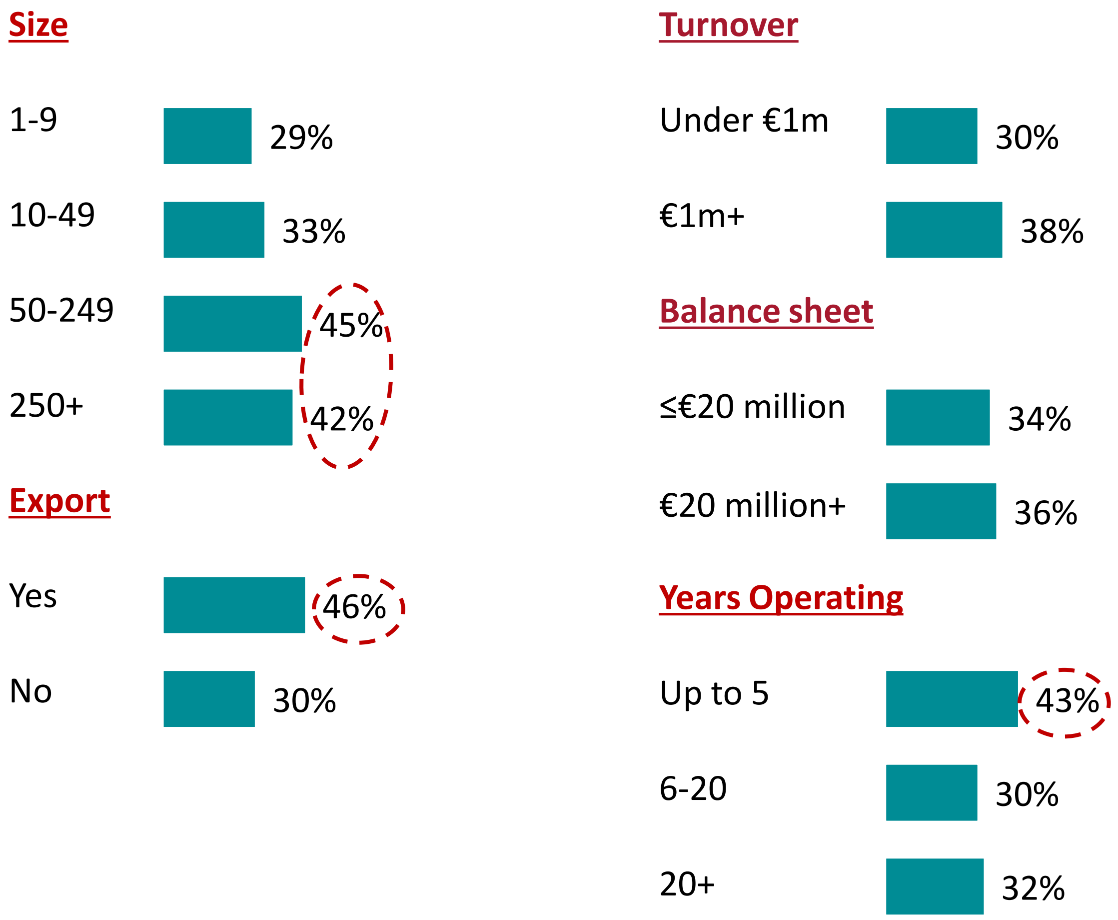
Q17a Have you heard of any of the following financial supports for businesses?

Just over one-third (35%) have heard of The Growth and Sustainability Loan Scheme (GSLS), rising for medium (45%) and large organisations (42%) and those in operation for less than 6 years (43%). Micro organisations under index for awareness.

(BASE : All respondents – 310)



DEMOGRAPHICS FOR YES

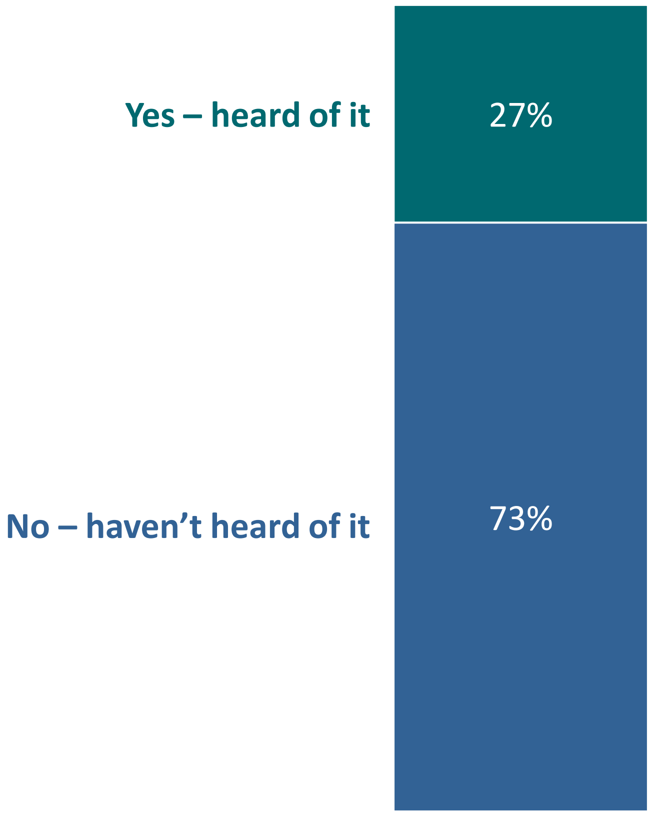


Q17a Have you heard of any of the following financial supports for businesses?

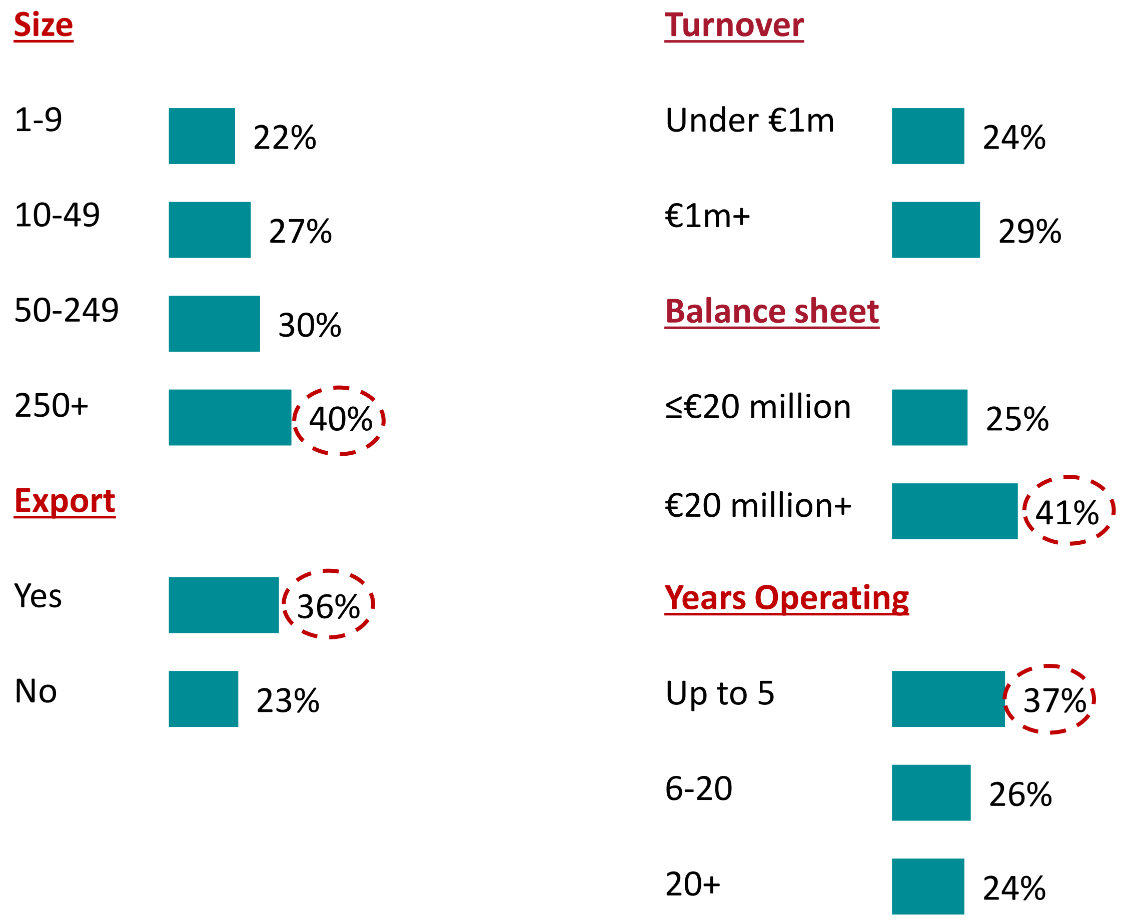
Less than one-quarter (27%) have heard of the Climate Toolkit 4 Business, with micro organisations under indexing once again. Larger organisations and those in operation for 5 years or less are among the most likely to report awareness.

(BASE : All respondents – 310)

The Climate Toolkit 4 Business



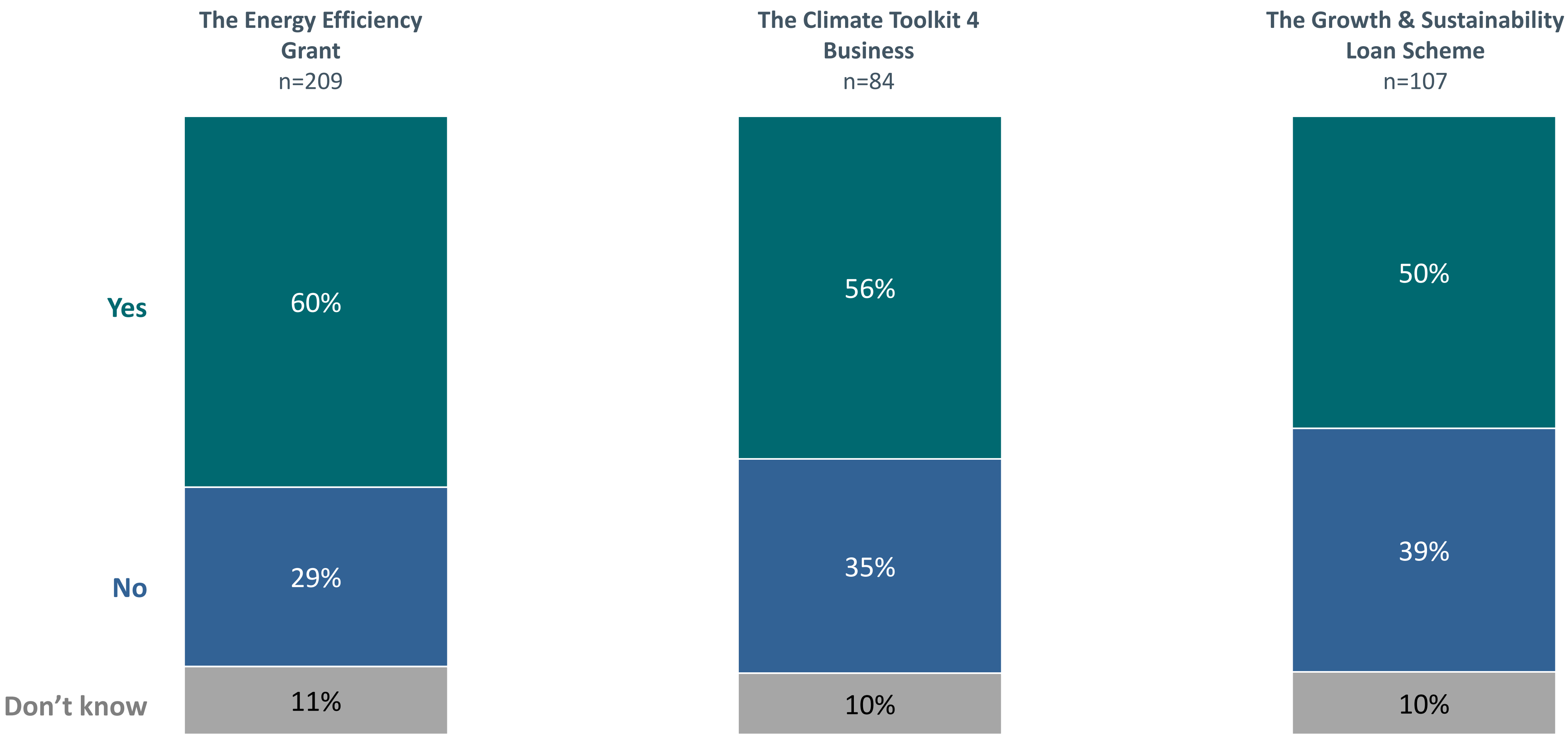
DEMOGRAPHICS FOR YES



Q17a Have you heard of any of the following financial supports for businesses?

Among those who have heard of the financial supports for business, a majority state The Energy Efficiency Grant (60%) and The Climate Toolkit 4 Business (56%) are relevant to their business, with half feeling The Growth & Sustainability Loan Scheme supports are relevant to them

(BASE : Heard of financial supports for businesses)

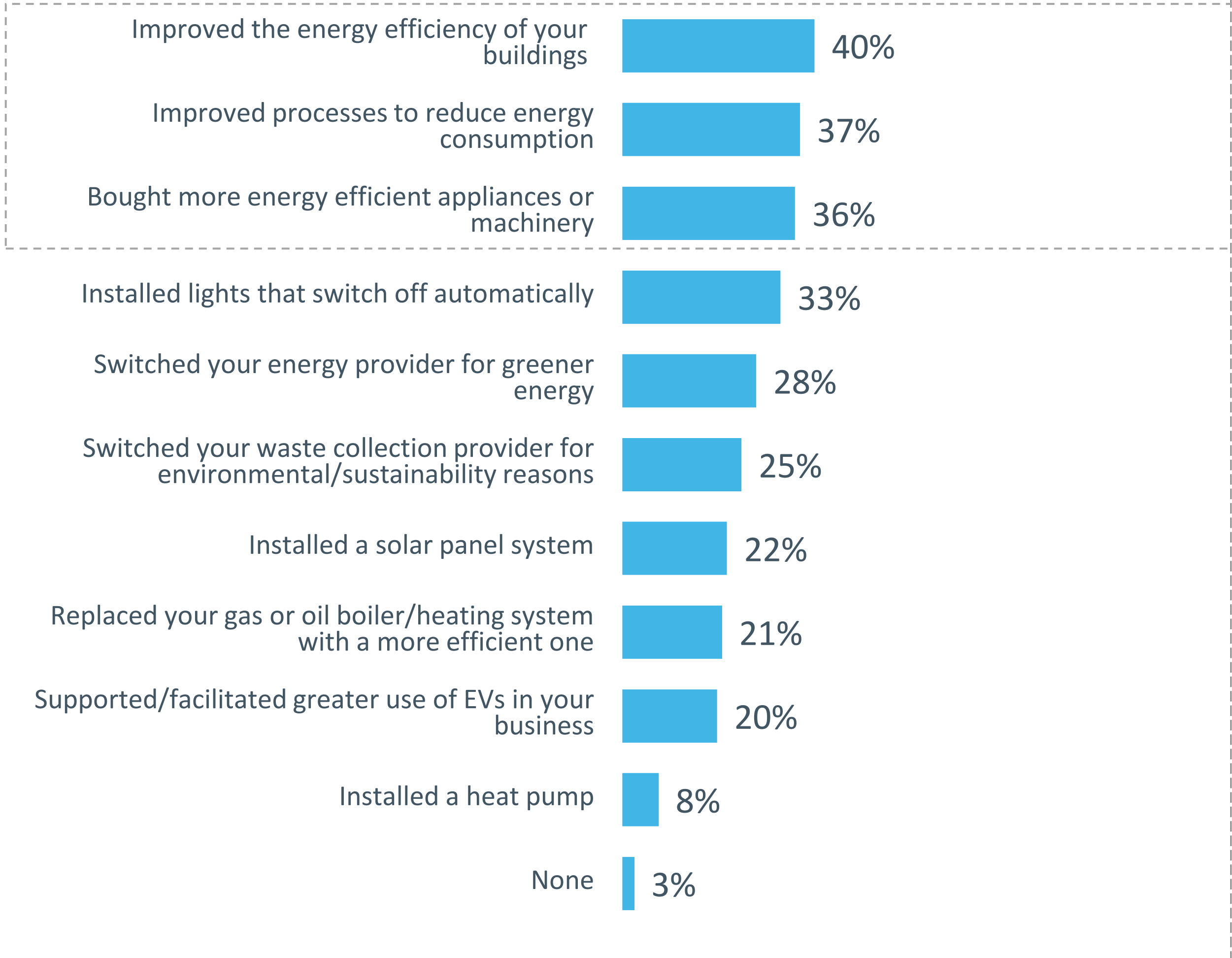


Q17b Is the support relevant to your business?

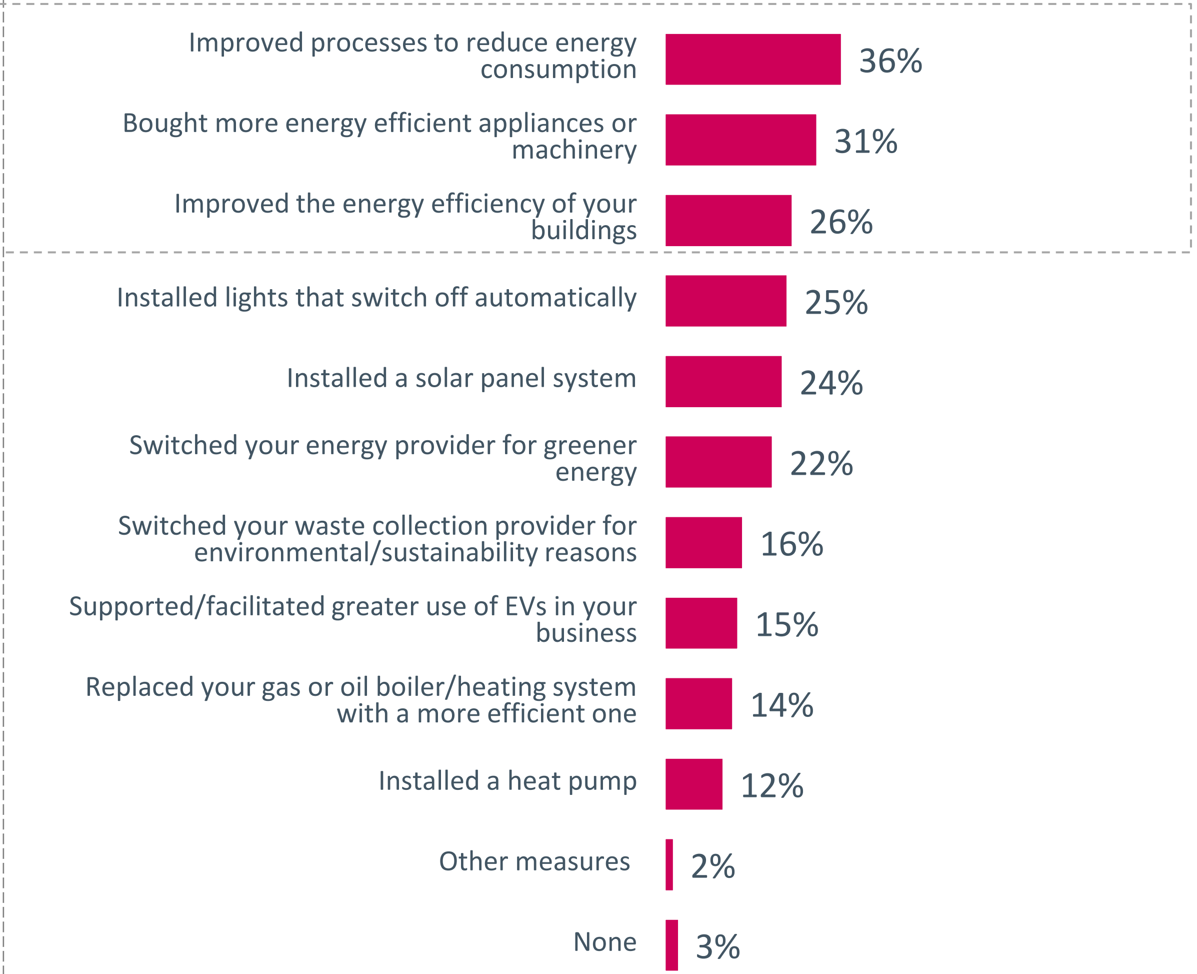
The most popular energy consumption actions taken over the past 2 years are *improved the energy efficiency of your buildings*, *reduce energy consumption*, and *bought more energy efficient appliances or machinery.* Looking ahead, these will remain the most popular actions over the next 2 years.

(BASE : All respondents – 310)

Past Two Years



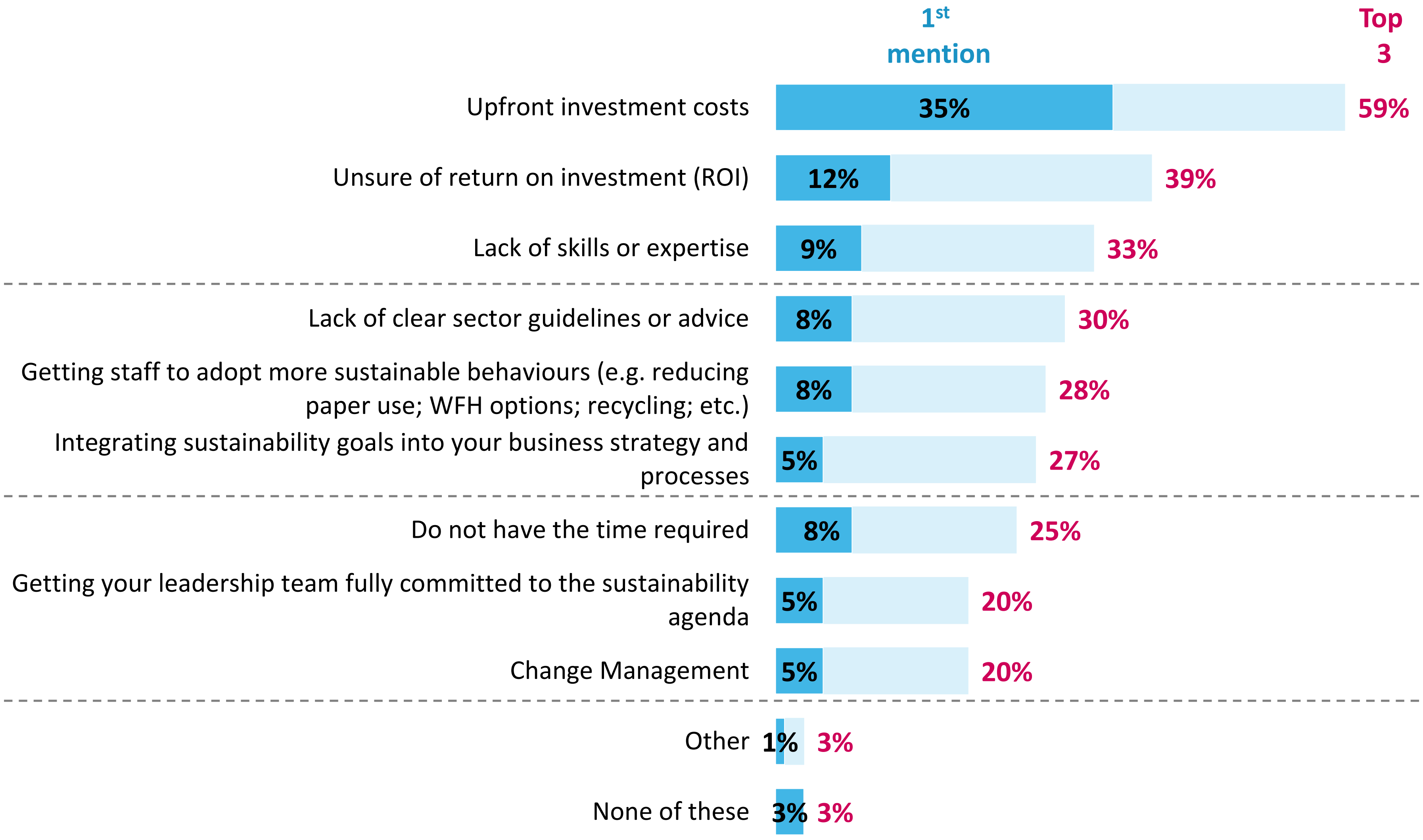
Next Two Years



Q18a Thinking about energy consumption in your organisation, which of the following have you done in the past 2 years?
Q18b And which will you do in the next 2 years?

The main barrier for organisation to act more sustainably are *upfront investment costs,* followed by *unsure of return on investment,* and *lack of skills or expertise*

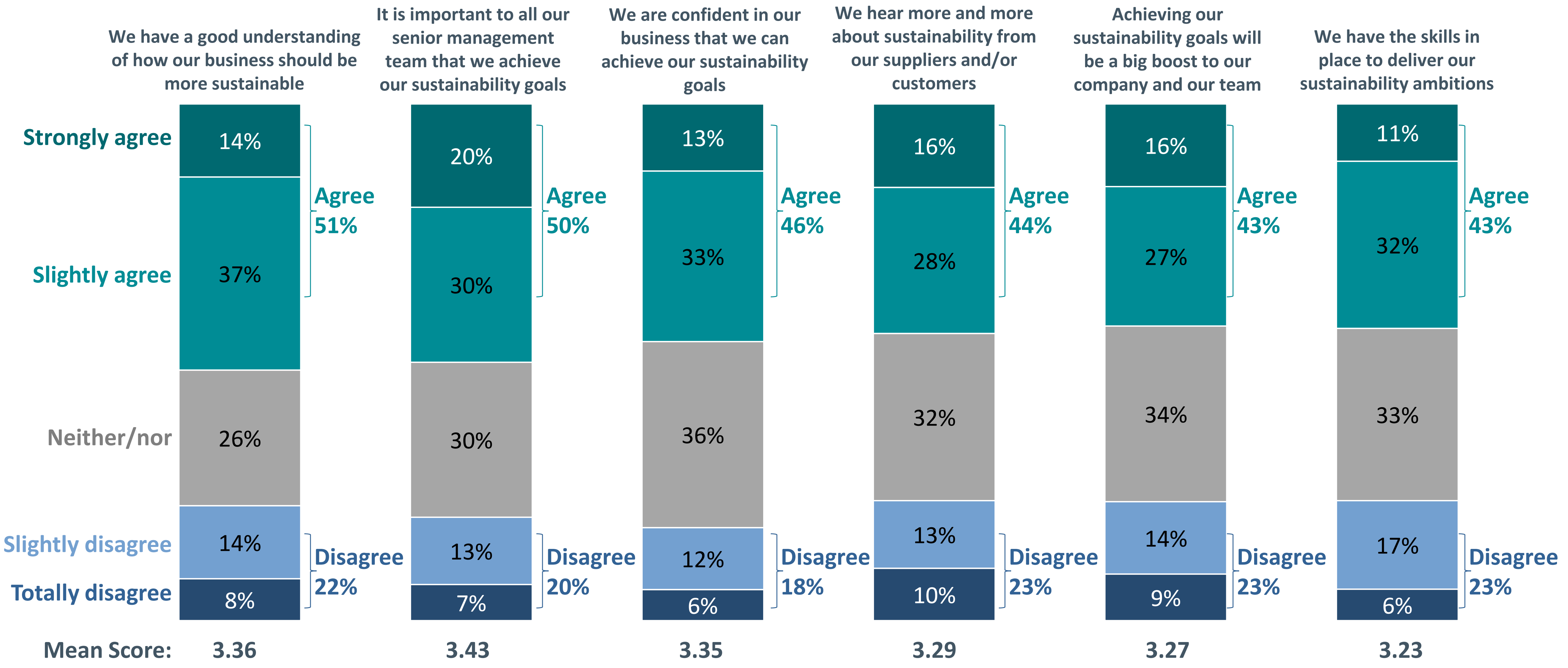
(BASE : All respondents – 310)



Q19 What do you consider to be the main barriers for your organisation to act (more) sustainably? Please rank your top 3, with 1 being the most important

A slight majority report they have a good understanding of how to be more sustainable, while half state they have buy-in on sustainability from all their senior management team.

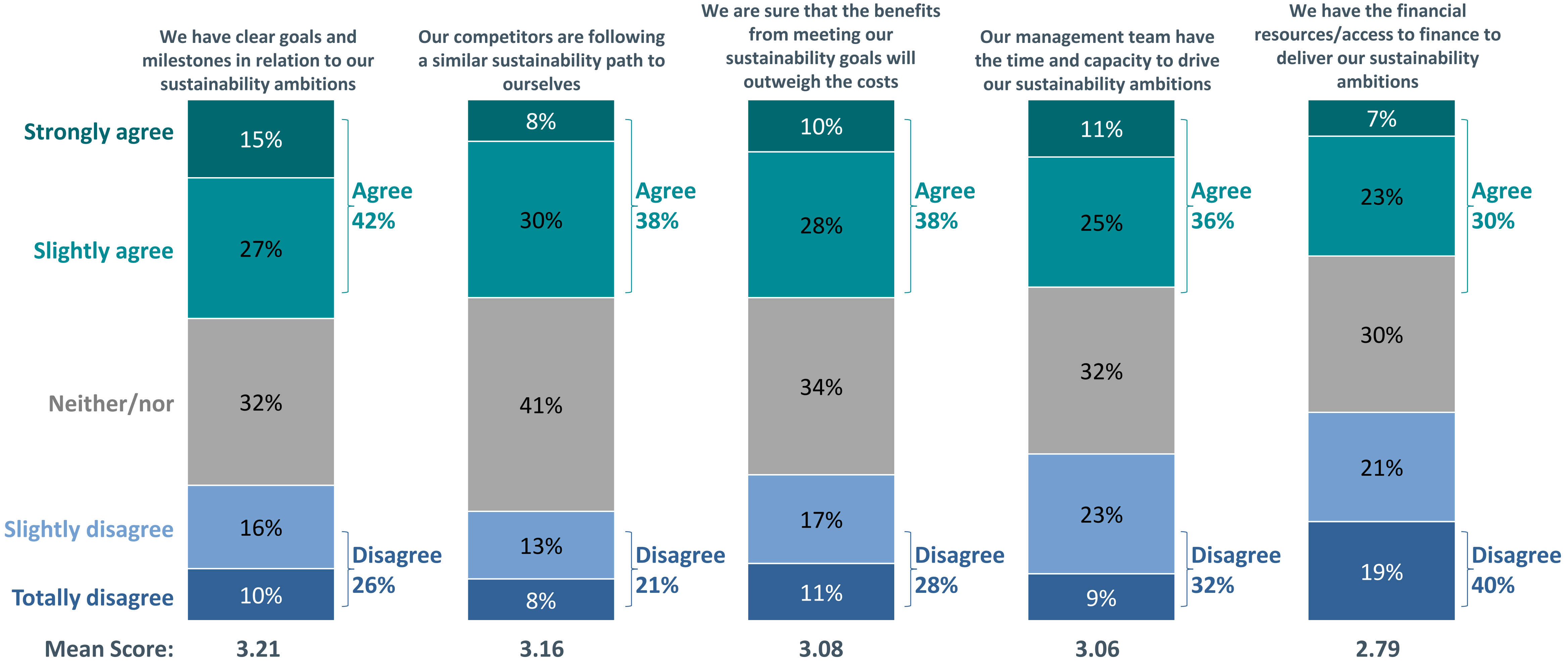
(BASE : All respondents – 310)



Q20. To what extent do you agree or disagree with the following statements about your business.

However, 40% disagree they have the financial resources to deliver sustainability ambitions and 32% disagree management have the time or capacity to drive sustainability

(BASE : All respondents – 310)



Q20. To what extent do you agree or disagree with the following statements about your business.

Overall, in terms of outlook and confidence, there is a clear divide between micro/small and medium/large organisations. With smaller sized firms far more likely to under index for agreement across a range of statements

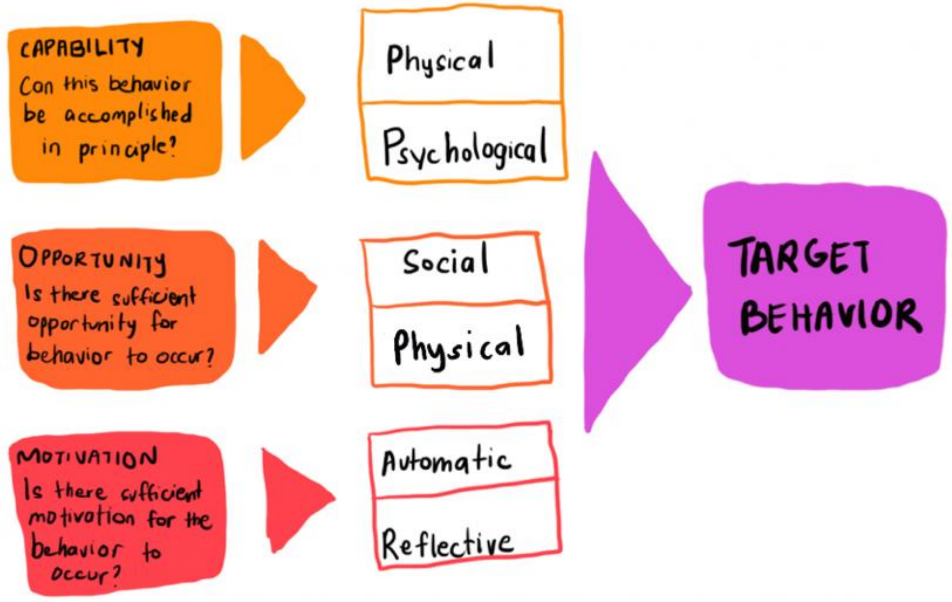
Important (4+5)		SIZE				EXPORT		TURNOVER		BALANCE SHEET		YEARS OPERATING		
	TOTAL	1-9	10-49	50-249	250+	Yes	No	Under €1m	€1m+	≤€20 million	€20 million+	Up to 5	6 to 20	20+
N=	*310*	*139*	*79*	*44*	*48*	*91*	*219*	*138*	*110*	*163*	*44*	*79*	*99*	*122*
We have a good understanding of how our business should be more sustainable	52%	48%	51%	48%	67%	54%	51%	54%	55%	53%	50%	49%	49%	57%
It is important to all our senior management team that we achieve our sustainability goals	50%	46%	49%	57%	56%	52%	49%	51%	59%	53%	48%	46%	51%	54%
We are confident in our business that we can achieve our sustainability goals	46%	44%	39%	48%	63%	46%	46%	50%	50%	50%	57%	46%	47%	49%
We hear more and more about sustainability from our suppliers and/or customers	45%	35%	46%	59%	60%	46%	44%	36%	59%	45%	50%	32%	49%	50%
Achieving our sustainability goals will be a big boost to our company and our team	43%	41%	37%	50%	54%	48%	41%	44%	47%	44%	48%	37%	45%	47%
We have the skills in place to deliver our sustainability ambitions	43%	38%	38%	50%	58%	52%	39%	43%	48%	45%	41%	39%	43%	47%
We have clear goals and milestones in relation to our sustainability ambitions	42%	41%	33%	48%	56%	42%	42%	39%	46%	40%	50%	39%	43%	46%
Our competitors are following a similar sustainability path to ourselves	38%	30%	39%	39%	56%	42%	36%	36%	45%	36%	45%	33%	35%	42%
We are sure that the benefits from meeting our sustainability goals will outweigh the costs	38%	35%	35%	41%	48%	47%	34%	41%	47%	36%	50%	39%	38%	37%
Our management team have the time and capacity to drive our sustainability ambitions	36%	35%	38%	34%	38%	41%	34%	41%	37%	42%	25%	42%	35%	36%
We have the financial resources/access to finance to deliver our sustainability ambitions	30%	20%	34%	45%	40%	31%	30%	24%	44%	31%	43%	29%	29%	34%

Q20. To what extent do you agree or disagree with the following statements about your business.

EV COM-B Analysis

amárach
25 years of research

The COM-B Model of Behavioural Change – I



- It is important to explore the role of behavioural psychology in influencing business decision-maker behaviour in relation to sustainability plans and activities.
- The model we have used in this research is known as COM-B.
- The COM-B model (Capability, Opportunity, Motivation, and Behaviour) provides a useful framework for understanding and influencing behaviour.
- By applying the COM-B model to the DETE survey about sustainability plans, preferences and intentions, we can identify key factors driving behavioural change.

The COM-B Model of Behavioural Change – II

- The COM-B model in this research uses answers to other questions to measure what drives responses to the question: **'Q3a. Thinking of your organisation's journey towards sustainability, where would you say you are on the journey?'**

- The response options were as follows (respondents had to select one):

- We're still thinking about it, haven't done anything
- We've taken the first few steps, but a long way to go
- We are making progress but not even halfway there
- We have been on this journey for some time and are well down the road
- We are well advanced on the journey and are ahead of most others
- We're now completely/very sustainable and can be looked at as an example by other businesses

- We excluded a small number of respondents who answered 'don't know' for statistical analysis purposes.

The COM-B Model of Behavioural Change – III

- The COM-B model then uses answers to a series of ‘agree/disagree’ questions (Q20) to measure what drives responses to **‘Q3a. Thinking of your organisation’s journey towards sustainability, where would you say you are on the journey?’:**

Capability:

- We have a good understanding of how our business should be more sustainable
- We have the skills in place to deliver our sustainability ambitions

Opportunity:

- Our management team have the time and capacity to drive our sustainability ambitions
- We have the financial resources/access to finance to deliver our sustainability ambitions

Motivation:

- Our competitors are following a similar sustainability path to ourselves
- We hear more and more about sustainability from our suppliers and/or customers
- We are sure that the benefits from meeting our sustainability goals will outweigh the costs
- We have clear goals and milestones in relation to our sustainability ambitions
- We are confident in our business that we can achieve our sustainability goals
- It is important to all our senior management team that we achieve our sustainability goals
- Achieving our sustainability goals will be a big boost to our company and our team

Stepwise Regression Analysis

- We ran a correlation analysis to measure the significance of the relationship between Q3a and answers to Q20, which established that there are significant correlations between several variables.

- Then we used stepwise regression analysis to establish which of the Q20 variables (the ‘COM’ in the model) best explained differences in response to Q3a (the ‘B’ in the COM-B model).

- We summarise the findings in the next slide:

We ran a stepwise regression analysis to find out which factors drive SME progress in relation to sustainability and we discovered the following significant influences

Ranked by statistically significant influence on Sustainability Progress using regression coefficients

Implications of the COM-B Statistical Analysis

- Our COM-B analysis tells us that the main, positive drivers of SME decision makers self-reported sustainability progress in their businesses are the following in order of statistical influence:
  - **Motivation:** confidence they can achieve their sustainability goals (positive outlook)
  - **Motivation:** boost to team from achieving sustainability goals (hedonic reward)
  - **Capability:** understanding how to be more sustainable (knowledge level)

- However, other factors were not found to be statistically significant for COM-B purposes (though some were closer to being significant than others):
  - The skills in place to deliver sustainability ambitions
  - Having the time and capacity to drive sustainability ambitions
  - Having the financial resources/access to finance sustainability ambitions
  - If competitors are following a similar sustainability path
  - Hearing more about sustainability from suppliers and/or customers
  - Being sure that the benefits from meeting sustainability goals will outweigh the costs
  - Having clear goals and milestones in relation to our sustainability ambitions
  - Importance to senior management team that they achieve sustainability goals

Implications of the COM-B Statistical Analysis – II

- These findings have some implications for DETE from a communications perspective:
  - Boost **the confidence of SME decision makers** about achieving their sustainability ambitions through simple, step-by-step guidelines and maps, as well as showcasing similar businesses who have ‘already done it’.
  - Similarly, emphasise **the sense of success and shared achievement** that businesses (and their managers/staff) enjoy when they become more sustainable in terms of motivating a ‘yes we can’ mindset.
  - Don’t ignore the basics: there is **a constant need to educate SME decision makers** about the sustainability journey ahead, reminding them of the tools and supports available to make it happen, alongside inspiring examples of businesses ‘just like them’ who have taken the necessary steps and reaped the rewards of more sustainable business operations and practices.

Summary

Summary & Key Findings – I

- Awareness and understanding of sustainability is high among businesses, with **83% of organisations surveyed describing sustainability as being important to their business** on a day-to-day basis, while **62% state they understand the importance of sustainability to their business** fairly well or have a very good understanding.

- However, reported progress lags somewhat: **69% report they are less than halfway into their journey towards sustainability currently.** Although, **this figure drops to 52% when businesses are asked where they will be in 3 years' time, indicating positive intentions.**

- Additionally, **there is widespread agreement (80%+) that over the next 3 years strong compliance with sustainability requirements will be important** for law and regulations, reducing costs, and attracting and retaining customers.

- Currently, **just under one-quarter of micro and small sized organisations report being affected by climate change.** However, this rises significantly for large organisations (44%) and exporters (36%). Similarly, **just under one-quarter of these smaller organisations report having a written sustainability strategy in place**, but rates are much higher for medium (48%) and large organisations (73%) and exporters (56%).

- **There is also a significant difference between smaller and larger organisations regarding the importance of sustainability credentials in procurement decision making** (micro and small = 27%, medium = 45%, large = 44**%). And this holds true for customers' decision making criteria too** (micro and small = 24%, medium = 50%, large = 46%)

Summary & Key Findings – II

- While **a majority have heard of The Circular Economy (75%) and Corporate Sustainability Reporting Regulations (51%), rates of awareness are far lower for Ireland's 4th National Biodiversity Action Plan (39%) and Ecodesign for Sustainable Products Regulation (35%)**. Again, smaller sized organisations report lower levels of awareness in general.

- Among those aware, **a majority believe their business will be affected by CSRR (62%) and The Circular Economy (54%) over the next few years**, while a significant minority also believe Ecodesign for Sustainable Products Regulation (48%) and Ireland's 4th National Biodiversity Action Plan (40%) will affect them.

- **When asked whether they felt their business will be affected by the Government's climate targets for the retrofitting of commercial buildings and reduced carbon emissions, overall, 38% agreed**. Again, with rates differing significantly based on size (micro = 27%, small = 35%, medium = 52%, large = 63%).

- **The most popular sources to have availed of advice to help a business be more sustainable are the SEAI (36%), peers (25%), EPA (20%), and accountants (20%), however, 28% report they have not availed of advice from any group listed. This rises to 40% among micro sized organisations.**

- **Overall, 23% of organisations know the carbon footprint of their business.**

Summary & Key Findings – III

- **38% of organisations report being prepared to start measuring and reporting their own carbon emissions**, this rate falls to 29% for micro firms and rises to 60% among large organisations.

- Regarding awareness of financial supports for businesses, **67% have heard of the Energy Efficiency Grant, 35% have heard of The Growth and Sustainability Loan Scheme, and 27% have heard of the Climate Toolkit 4 Business**. In each case, rates of awareness among micro and small firms are significantly lower than medium or large.

- Among those who have heard of the financial supports for business, **a majority state The Energy Efficiency Grant (60%) and The Climate Toolkit 4 Business (56%) are relevant to their business, with half feeling The Growth & Sustainability Loan Scheme supports are relevant to them.**

- **The most popular energy consumption actions taken over the past 2 years are *improved the energy efficiency of your buildings*, *reduce energy consumption*, and *bought more energy efficient appliances or machinery*.** Looking ahead, these will remain the most popular actions over the next 2 years.

- **The main barrier for organisations to act more sustainably are *upfront investment costs* (59%), followed by *unsure of return on investment* (39%), and *lack of skills or expertise* (33%).**

- **Awareness and buy-in on the importance of sustainability is relatively high (50%+), however, the main roadblocks are a lack of financial resources (40%) and a lack of time and capacity (32%).** Overall, micro and small organisations report significantly lower levels of confidence, resources, skills, and peer pressure/competition regarding sustainability ambitions for their business and industry.

Next Steps

- Review outputs from the quantitative phase to shape qualitative research (one focus group and six in-depth interviews).
- Complete the qualitative research and report in December.
- Repeat quantitative research (with any modifications to the questionnaire) in 2025.

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