



The Sustainability Hub



Environmental Accountability In Micro, Small & Medium Scale Enterprises:

A Report On The Environmental
Responsiveness Of Businesses.

Researched By



Supported By



“Saving our planet, lifting people out of poverty, advancing economic growth...these are one and the same fight. We must connect the dots between climate change, water scarcity, energy shortages, global health, food security and women security. Solutions to one problem must be solutions for all.”

Ban Ki-moon



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“Sustainability is the key to our survival on this planet and will also determine our survival at all levels.”

Shari Arison



Executive Summary

“It is the potential for economic growth that provides the basis for the development of countries, for bringing to people essential goods and services, such as water to drink and facilities for healthcare.” **Lee R. Raymond**

“The planet's alarm is going off, and it is time Our to wake up and take action”!
Leonardo DiCaprio

Can economic activities ever be in harmony with the environment?

This study assesses the perception of business owners to environmental management and social responsiveness in terms of their energy use, material resource efficiency and corporate social responsibility in their host communities.

The journey started in October 2019 with a survey that had about 18 respondents.

It was later re-administered in 2020 with the support of Enspire ATV, Abuja Chamber of Commerce and Industry, Ventures Platform and Accountability Lab Nigeria.

This research was funded by Accountability LAB, Nigeria. We also acknowledge the support of Enspire Incubator, Abuja Chamber of Commerce and Industry, Ventures Platform for their support in administering the survey on organisations within their networks.

The purpose of this survey is to describe and analyse the parameters that interact in the implementation of environmental management, taking into account the peculiarity of MSMEs. Particular attention is given to the shift towards environmental sustainability and circular economy. General conclusions and recommendations for further research are also mentioned.

The study used online and physical questionnaires which included 32 multiple choice and short answer questions. The responses on physical forms were transmitted to a digital form for analysis.

The questions were in four categories viz: demography of the respondents, business structure, sustainability perception and business sustainability. The findings show that environmental management and accountability is a complex issue involving a lot of bureaucracy and diplomacy.

From the survey, we gathered that an astounding 100% of the SMEs that responded to the survey agreed that environmental pollution is a problem.



Factors that were identified as hindering waste management and energy conservation in their businesses include high cost, increased production cost, funding, the availability of micro-recycling companies and a lack of consistent power supply.

Also highlighted are the advantages they perceived they would get from upholding sound environmental management practices as saving materials that can be put into better use, reduced health and social impacts of the environment and mitigation of climate change.



THE ELEPHANT IN THE ROOM

1.1 Background

We, the people of the world are exceeding our planetary boundaries as a result of our unsustainable methods of production and consumption.

All materials in use today, both in the biological and technical systems are directly or indirectly sourced from nature. At the same time, the demand for resources has been increasing worldwide because of the growing population.

Virtually all human activities today have harmful effects on the environment as a result of our economic activities and day-to-day living. There is a limit to the natural resources available on the planet and we have to take responsibility for sustainable resource management

“The gains made by better management and technology are still being outpaced by the environmental impacts of population and economic growth. We are on an unsustainable course.”

Klaus Topfer

Economic growth is a result of the sustained increase in demand for goods and services of the country. However, the environmental impact of conventional (traditional) economic growth includes the increased consumption of non-renewable resources, higher levels of pollution, global warming and the potential loss of environmental habitats. Increasing production and consumption without considering other factors and phenomena that are affected by the sustained increase in the production of goods and services can only continue up to the economic limit. Beyond that point it becomes uneconomic growth because it increases costs by more than benefits, making us poorer, not richer. These costs (negative externalities) impact the environment in numerous ways: overpopulation, pollution, burning fossil fuels, and deforestation. Changes like these have triggered climate change, soil erosion, poor air quality, and undrinkable water. Healthy ecosystems ensure clean air and water, maintain our soil, regulate the climate, recycle nutrients and provide us with food while providing raw materials and resources for human purposes. Making rational use of natural resources and taking steps to prevent pollution from the different processes involved in our industrial operations promotes the sustainable use of raw materials and natural resources.

On the input side of the economy, key material resources are limited with many nearing exhaustion. On the output side, humanity is trespassing planetary boundaries.

Environmental pollution does not just affect us, it affects our farmlands, our marine life, elements that are necessary for survival on earth, such as water and air



In the last two decades, more attention has been shifted to environmental management and responsibility through awareness creation, capacity building and policy actions. As much as individuals and households have a role to play, there has been a zoom-in on the private sector for obvious reasons; businesses make profit from their operations and are expected to have a sense of social responsibility.

“Including the value of natural resources and our social capital in economic activities is a vital step to achieving economic growth that is equitable and sustainable.”

Achim Steiner

The private sector being the key driver of economies has a huge role to play in ensuring its activities have minimal impact on the environment. While we acknowledge the huge strides being taken by private sector agents, there is still a long way to go for us to achieve environmental sustainability in Nigeria.



1.2 The Problem

“We don't have to sacrifice a strong economy for a healthy environment.”

Dennis Weaver

“We won't have a society if we destroy the environment.”

Margaret Mead

Here's the big question: can we evermarry the economy and environment?

Nigeria is the tenth-most polluted country in the world. Nigeria produces over 3 million tons of waste every year, with uncontrolled waste burning being one of the largest contributors to poor air quality. Pollution of air, water and land is responsible for thousands of deaths each year, largely due to industrial waste. High cost of recyclable options, lack of education and technical abilities, increasing dependency on fossil fuels for energy uses are some of the causes of resource inefficiency in companies and organisations.

From the extractive to the manufacturing and commercial firms, sustainable environmental management practices are rarely upheld in Nigeria. This takes socio-economic tolls on the living standards of people, making them more vulnerable as over half of the population live on less than 2 dollars per day. It also increases the firms' overheads which could have been avoided from the product(service) design. The factors responsible for the high rate of unsustainable production systems include but are not limited to high cost of recyclable options, lack of awareness, social behaviour of consumerism, increased energy use, escalating resource use, lack of technical capacity and ineffective strategies, as well as inadequate policy implementation and sanctions. The effects of these are not far-fetched; they are everywhere around us - environmental degradation, open dump sites, flooding, water, air and soil pollution while exacerbating global change and climate change.

1.3 Objectives of The Research

The study takes a critical look at the environmental management practices of SMEs with a view to strengthening them as well as their accountability to the organisation's stakeholders, how it affects their host communities, profit, statutory regulations and the general public. It takes a look at the perception of business owners to environmental management and social responsibility which could potentially lead to having sustainable business growth without depleting the Earth's resources. Also considered was the demography of the respondents and the sectors of the organisations involved to get a disaggregated view of the survey which will guide the proposed interventions in the respective industries.

This can be used as an advocacy tool to encourage sound environmental management systems in SMEs and attract further research and technical support for them in moving towards sustainable environmental management, while contributing to literature on environmental management in Nigeria.



The environment is no one's property to destroy; it's everyone's responsibility to protect.”

Mohith Agadi

Specifically, the results of this survey will be used to:

1. Support companies to manage their waste efficiently while designing out waste and pollution. Until we view waste and pollution as production flaws, we will not be able to balance economic activities and their environmental impact.
2. Reduce the incidence of air, water and land pollution arising from the activities of production companies. These three resources are the main sources of existence on the planet and they are increasingly becoming polluted.
3. Engage SMEs in environmental and sustainability education unique to their needs and operations.
4. Work with companies in the transition from linear to circular economy while ensuring business sustainability.
5. Reduce the contribution of production activities to climate change and its attendant consequences.

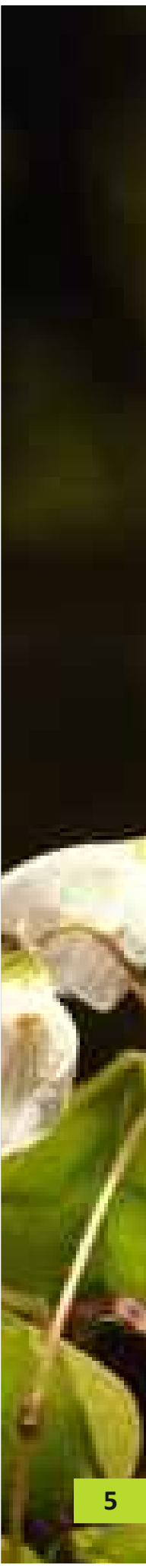
1.4 Research Design: Methodology and Methods

This section presents a description of the methods and principles associated with the study.

The aim of the survey is to collect information about selected characteristics of a proportion of a group of small and medium scale enterprises, so that it is possible to make generic deductions about their responsiveness to matters around environmental accountability.

The survey employed majorly quantitative research methods to get data on the issues under investigation. While qualitative research is the application of non-numerical data gathering methods to determine the meaning of particular attributes by category or rank. It also removes doubt and ambiguity about reality by insisting on their objective ability to observe, describe and measure phenomena directly thus eliminating researcher bias and opinions without considering any external factors affecting the phenomena.

The primary data used a questionnaire containing 32 structured questions administered to 48 SMEs based in Nigeria. The survey was initially administered by the staff of The Sustainability Hub to SMEs within Abuja and later expanded online. The data collated from the responses were processed using



descriptive analysis tools of statistical analysis. Tables, charts and graphs are used to depict outcomes pictorially, while percentages and numerical data are used to describe different phenomena.

It is worthy to note that the survey respondents cut across different sectors such as education, manufacturing as well as professional, scientific and technical services. Others include human health and social services, information and communication services; hospitality, catering, and other related services; and wholesale and retail trade.

1.5 Scope of The Study

This study is limited to the environmental management practices of small and medium scale enterprises in Nigeria. This business cluster is the main driver of the Nigerian economy during the period of October 2019; and April to June, 2020.

The interest of the study and the organisations involved is far from clamping down on SMEs that are not practicing environmentally smart practices. It is majorly aimed at supporting organisations transit to a low carbon and resource-efficient economy.

1.6 Definition of Terms

SMEs - Small and Medium Scale Enterprises: Small and medium-sized enterprises (SMEs) are non-subsidary, independent firms which employ fewer than a given number of employees. This number varies across countries. **(OECD, 2011)**

Circular Economy: A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. **(Ellen MacArthur Foundation, 2017)**

Cradle to cradle: Everything is a resource for something else. In nature, the “waste” of one system becomes food for another. Everything can be designed to be disassembled and safely returned to the soil as biological nutrients, or re-utilized as high quality materials for new products as technical nutrients without contamination. **(Macdonough, W., 2020)**



1.7 Ethical Statement

The survey respondents responded willingly in an offline survey and another group responded through an online survey. The identities of the respondents were protected by making the survey anonymous. However, an option of inputting the email addresses of the respondents was given to enable us revert to the willing respondents about the outcome of the research and subsequent information.

2.1 Environmental accountability in SMEs

“A nation that destroys its soils destroys itself. Forests are the lungs of our land, purifying the air and giving fresh strength to our people.”

Franklin D. Roosevelt

In Nigeria, environmental management issues have generated serious concern and discussions due to poor strategies by organisations and poor infrastructure. Environmental management is concerned with the description and monitoring of environmental changes, with predicting future changes and with attempts to maximise human benefit and to minimise environmental degradation due to economic activities.

The need of small and medium-sized enterprises (SMEs) for reliable means of managing environmental issues has become increasingly felt over recent years. SMEs are obliged to fulfil the statutory regulations of a number of stakeholders: general public and host communities, consumers, customers, local communities, public authorities, environmental NGOs, and so on.

Environmental management systems have become very instrumental in supporting enterprises in managing, monitoring and effectively improving their environmental performance. By evaluating the efficiency and effectiveness of these key strategies and management tools available to SMEs, the analyses of the barriers and problems inhibiting participation in these schemes, as well as identifying related motivations and benefits.

Furthermore, education, legislation, and awareness were found to be significantly associated with the formal level of implementation of an environmental management system. While it is true that relatively large SMEs in certain sectors are working towards their larger counterparts in reducing their environmental impacts, which are mainly due to supply chain demands, the majority of micro, small and medium scale businesses do not have environmental and waste management policies in place. There is however some hope in the prospect that MSMEs will continue to engage with stakeholders and continue to improve their environmental management systems.

Small and medium sized enterprises (SMEs) face enormous pressure on the management of their resources. Lack of awareness and expertise are often major obstacles in achieving a better business strategy. Increasing customer pressure and the need to comply with regulations are also very strong drivers for the adoption of environmentally friendly procedures for waste management.

2.2 Environmental Regulations in Nigeria

In her efforts to preserve the environment and protect people from the dangers of hazardous waste, the Nigerian government at the federal and state levels have established various governmental authorities and agencies that would effectively serve the purpose of managing waste generated within the country.

- **The Nigerian Constitution**

The Constitution of the Federal Republic of Nigeria 1999, as amended, provides for environmental matters in Section 20 as one of the fundamental objectives and directive principles of state policy. The Constitution also places the subject-matter on the exclusive legislative list by virtue of item 60(a) which empowers the National Assembly to make laws for establishment and regulation authorities for the Federation or any part thereof to promote and enforce the observance of the Fundamental Objectives and Directives Principles of State Policy in the Constitution.

Section 20 of the 1999 Constitution as amended, under the fundamental objectives and directive principles of state policy provides that **"The State shall protect and improve the environment and safeguard the water, air and land, forest and wildlife of Nigeria."** This section of the Constitution underscores the fact that our legal system made provisional arrangements for environmental protection and sustainability.

Since the Constitution of the Federal Republic of Nigeria has made provisions for environmental management and stipulated environmental protection as a function of the government, all three tiers of government (Federal, State and Local) can legislate on pollution in their respective domains.

Pursuant to the quoted Section of the Constitution and the powers conferred on the National Assembly under the exclusive legislative list, the National Assembly has enacted laws aimed at protecting the environment; prominent among those laws are National Environmental Standards and Regulation Enforcement Agency (Establishment) Act, 2007 (NESREA Act) and the National Oil Spill Detection and Response Agency (Establishment) Act 2006 (NOSDRA Act).

- **NATIONAL ENVIRONMENTAL STANDARDS AND REGULATIONS ENFORCEMENT AGENCY (ESTABLISHMENT) ACT, 2007.**

This Act forms the basis of establishment of NESREA, charged with the responsibility for the protection and development of the environment in Nigeria - environmental standards, regulations, rules, laws, policies and guidelines.

Through this Act, NESREA is also responsible for biodiversity conservation and sustainable development of Nigeria's natural resources in general as well as environmental technology, including coordination and liaison with relevant stakeholders within and outside Nigeria on matters of the environment.

In terms of compliance, the functions of the agency, through the Act includes:

- Enforcing compliance with the provisions of international agreements, protocols, conventions and treaties on the environment, including climate change, biodiversity, conservation, desertification, forestry, oil and gas, chemicals, hazardous waste, ozone layer depletion, marine and wildlife pollution, sanitation and other such other environmental agreements that may from time to time come into force.
- Furthermore, NESREA is expected to enforce compliance with environmental regulations through monitoring while creating public awareness and providing environmental education on sustainable environmental management, and promoting private sector compliance with environmental regulations.





- **THE NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY ACT 2005 (NOSDRA ACT)**

This Act establishes the National Oil Spill Detection and Response Agency as the coordinating and monitoring body on the implementation of Federal Government policies on National Oil Spill Contingency Plan. The agency is empowered to ensure a safe, timely, effective and appropriate response to major or disastrous oil pollution, identify high-risk and priority areas for protection and cleanup, among others. The agency shall also be responsible for surveillance and compliance with all existing environmental legislation and the detection of oil spills in the petroleum sector. This statutory regulation makes adequate regulations on waste emanating from oil production and exploration and its potential consequences to the environment.

- The FG also approved a Solid Waste Management Policy which will help tackle the issue of disposal and effective utilisation of the massive solid waste generated in the country in a comprehensive and integrated way. The policy will provide a framework for the integration of efforts by the federal state and local governments, MDAs, civil society and other stakeholders in waste management.

Prior to this time, there were other legislations enacted to protect the environment including the Convention on the prevention of marine pollution of waste and other matters (1972) commonly called the London Convention, The International Convention for the prevention of the pollution of the sea by oil (1954) amended in 1962 and 1969.

It is worthy to note that Nigeria is a signatory to a number of international conventions related to the environment such as the Montreal Protocol on Substances that deplete the ozone layer (1989),

Convention on biological diversity (1992), Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa (1991), UNFCCC (1992), Stockholm Convention on Persistent Organic Pollutants (POPs), etc. Nigeria became a Party to the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, the Kyoto Protocol in 2004. Nigeria ratified the Paris Agreement (PA) in March 2017, which was approved by the UNFCCC on the 16th May 2017 and entered into force on 15th June 2017. (Department of Climate Change, FMEnv, Abuja).

According to NESREA, there are thirty-three (33) other (sector-specific) laws and regulations that have been developed by the Agency to ensure that our national development agenda is not at variance with the carrying capacity of our fragile environment. That leaves one wondering why we still have the high level of negative externalities from companies in Nigeria.



2.3 Reporting and Implementation of Environmental Accountability in Nigeria

The enforcement of environmental laws in Nigeria has not achieved as much success as it should. This could be attributed to inadequate waste management practices in states, individual attitudes towards waste management, inadequate funding of environmental agencies, lack of technical competence within the SMEs, neglect of EIAs for short-term gains by corporate organisations among others. In practice, it has been observed that highly profitable firms are seemingly more credible to the public,

which raises societal expectations of accountability. With the understanding that failure to comply with environmental policies will threaten the legitimacy of their companies' performances and survival, more profitable companies usually disclose more voluntary social and environmental information than the less profitable ones.

These expositions raise some fundamental questions: ?

- I Are environmental policies for SMEs included in the government's strategies?
- II Has a budget been mobilised for the implementation and monitoring of the action plan?
- III Does regular monitoring of environmental policies targeted towards SMEs take place?
- IV How effective has the monitoring been?
- V Are there any incentives or government support as regards institutional backing, budget for companies that implement (not just have in policies) sound environmental management systems?
- VI Is there any form of feedback mechanism and outreach from the MSMEs and other stakeholders to environmental agencies in Nigeria?

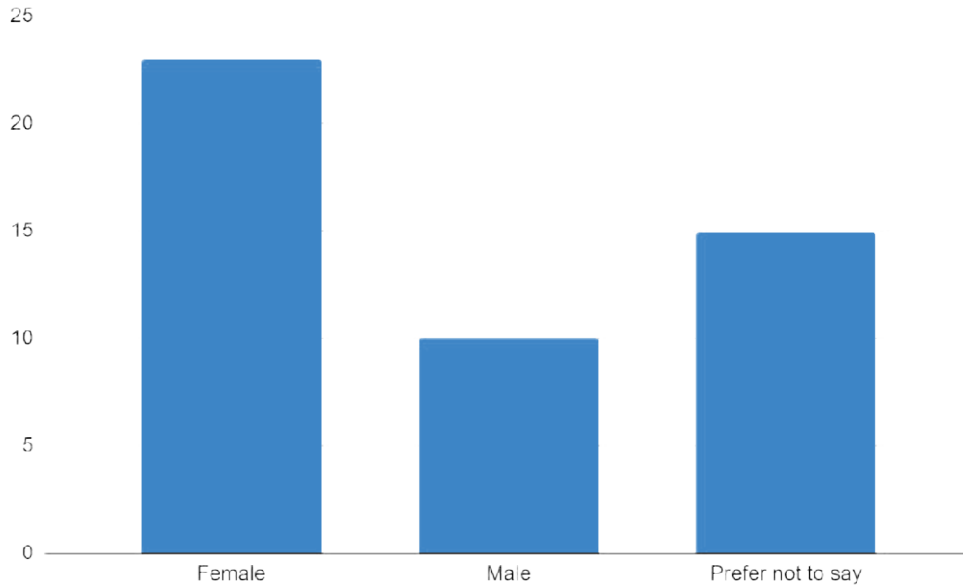


An investment isn't an investment if it destroys our planet.”

SECTION 1: Demography

Gender:

10 (20.83%) of the respondents were male, 23 (47.92%) female, while 15 (31.25%) preferred not to disclose their gender.

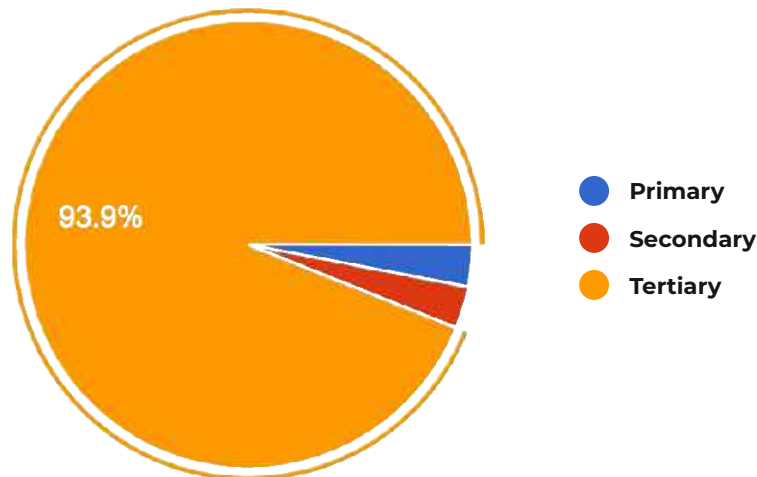


Age range:

Of the respondents, 47.92% were between the ages of 18 and 34, implying that the majority of people who took part in the survey are young people. 20.83% were between 35 and 44, while the remaining 31.25% did not disclose their age.

Education:

Most of the respondents had tertiary education (93.9%). 3% were educated up to the secondary level while another 3% had only primary education.



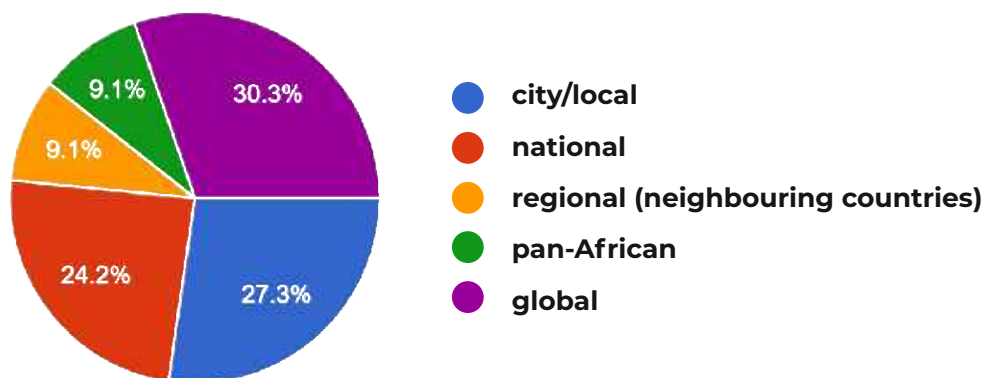
Section 2: Business Related Questions

Legal Status:

About half (51.5%) of the respondents had their businesses registered as companies in Nigeria while 36.4% were sole proprietors with the least category of 12.1% being a subsidiary of a larger group of companies.

Business Market.

From the responses, 27.3% of the businesses catered to the needs of local clients, 24.2% have national market coverage while 9.1% worked across the region. Another 9.1% and 30.3% respectively had customers across African and global markets.



Customer category:

The respondents have varied segments of the society they serve. Business-to-Business (B2B) had the highest number of respondents (51.5%), followed by Business-to-Consumer (B2C) with 42.4%. 39.4% served the public sector, 36.4% traded within different supply chains and another 21.2% worked across the segments.



The Industry segments

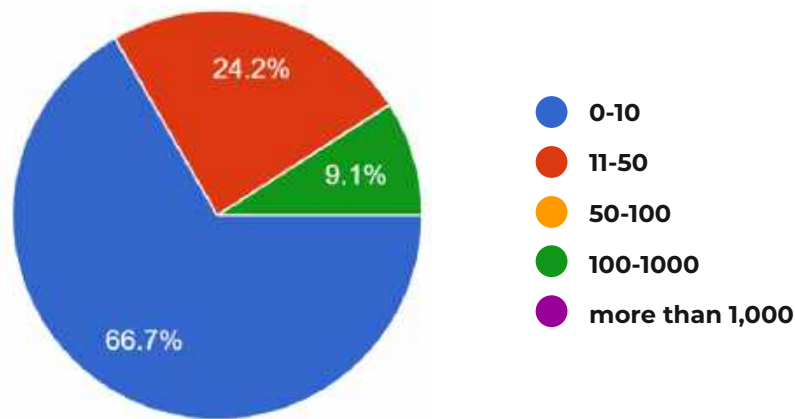
The survey respondents cut across different sectors of the economy. The largest groups were from the professional services, human health & social services, information & communication, hospitality and manufacturing sectors.

These were followed by businesses in the arts, entertainment & recreation, wholesale and retail trade, real estate services and the educational sector.

Construction, waste management, administrative & support services, transport & storage, electricity generation; and mining & quarrying recorded the least number of respondents.

Human Resource

45.83% of the survey respondents have a maximum staff strength of 10, 16.66% had between 11 and 50 workers while 31.25% employed up to 100 members of staff. Only 6.25% of the respondents had more than 100 staff on their payroll.

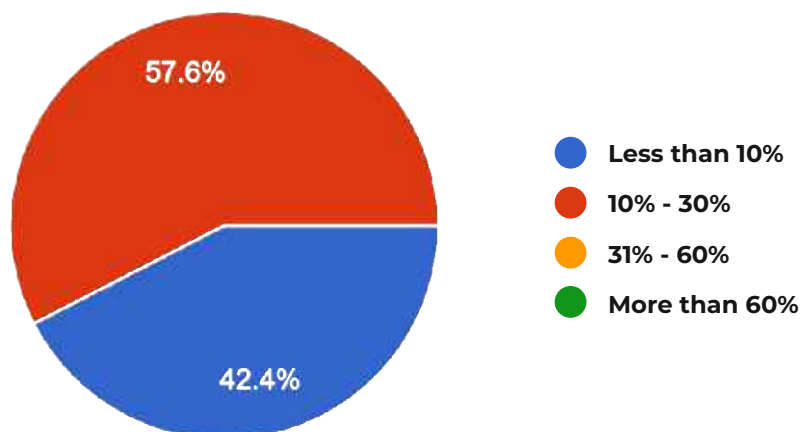


Annual Turnover

Out of the 48 businesses that participated in the survey, 42.4% had a turnover of less than 2million Naira, 27.3% had between 2 and 10 million Naira turnover with another 27.3% making between 10 and 50 million naira in a year. The remaining 3% had more than 50million naira turnover.

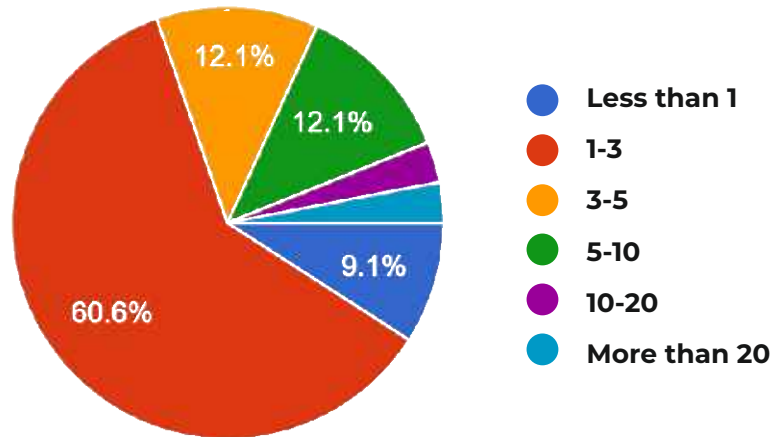
Research and Development

Research and Development accounted for less than 10% of the business turnover of 42.4% of the organisations while a larger percentage of 57.6% expended between 10 and 30% turnover on R&D.



Length of operations

Majority of the businesses are start-ups as 81.8% of the respondents are not more than 5 years old. 15.1% are between 5 and 20 years while 9.1% of the businesses have been in existence for more than 20 years.



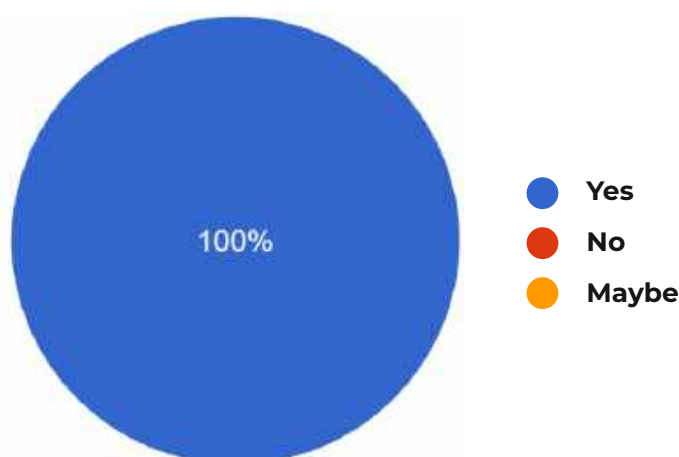
Section 3: SUSTAINABILITY PERCEPTION

Respondents' Personal Sustainability Perception:

The survey results showed that environmental sustainability issues are extremely important to about half of the individuals who responded on behalf of the organisations, very important to 44.1% and **slightly** important to 2.9%. This is important to know since the values of individuals who form the most important resource in any organisation, are important in drafting of a company's core values and business strategy.

Perception of environmental pollution

An amazing 100% of respondents agreed that environmental pollution is a PROBLEM!

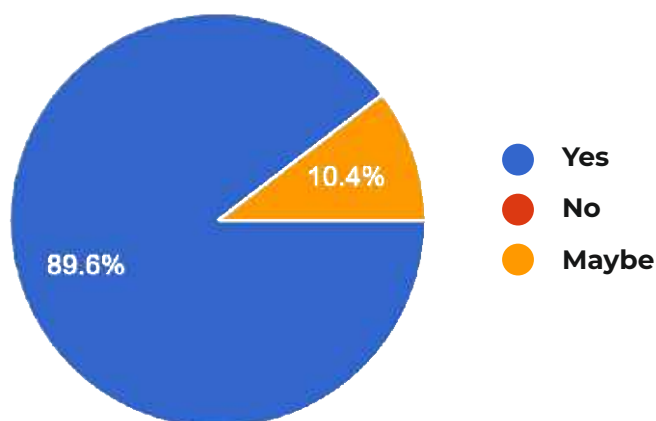


Common terms in sustainability practice

68.62% of respondents are familiar with the terms - sustainability, circular economy, Reduce-Reuse-Recycle and cradle-to-cradle. 21.97% have limited knowledge of the terms, while the remaining 9.09% have never heard the terms before the survey.



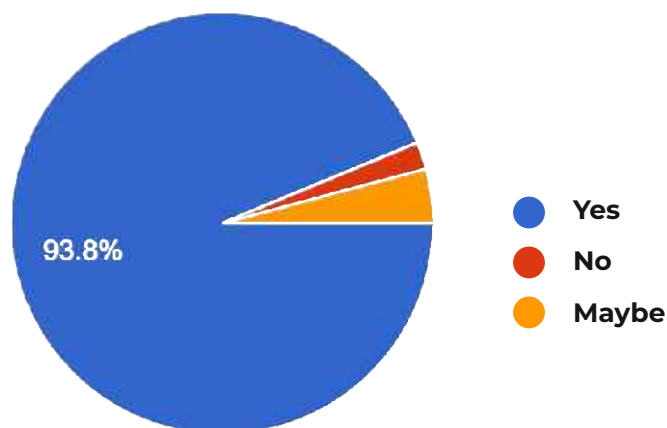
Flowing from the knowledge displayed in the previous question, 89.6% agreed that environmental pollution can be solved realistically. However, 10.4% were unsure that the problem of environmental pollution can be solved in the society.



Is education a solution?

Again, 93.8% of respondents agree that the problems of environmental pollution and widening socio-economic inequalities can be resolved by education.

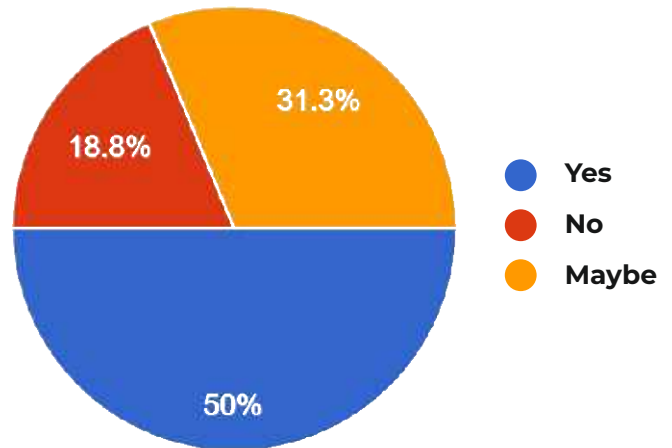
Although, only half of the people who responded would be willing to pay for training on environmental management and social responsiveness.



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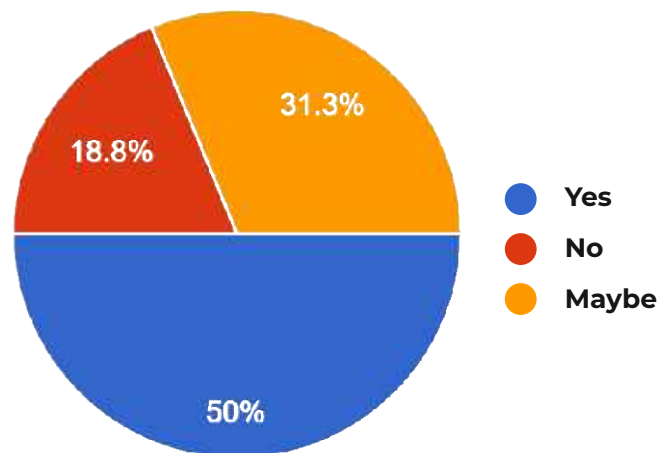
Green business solutions

About 68.8% of the businesses are willing to invest in solutions with less carbon emissions. 10.4% answered negatively while 20.8% were unsure of whether or not to invest in low emission solutions.



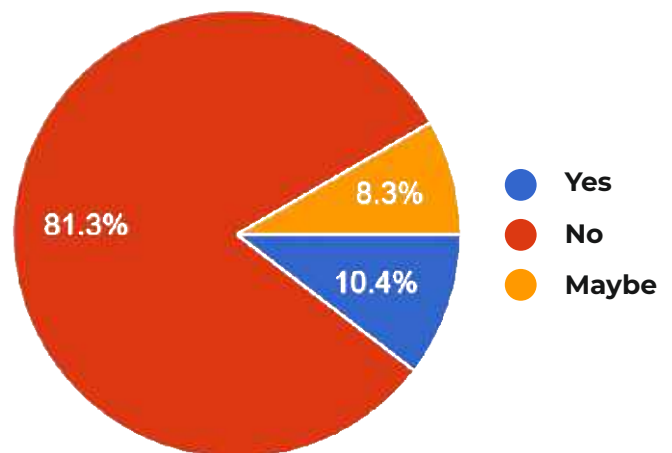
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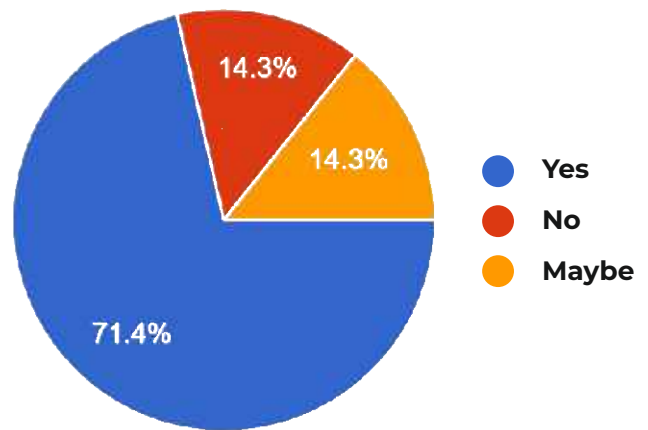


Environmental responsiveness VS Profit making

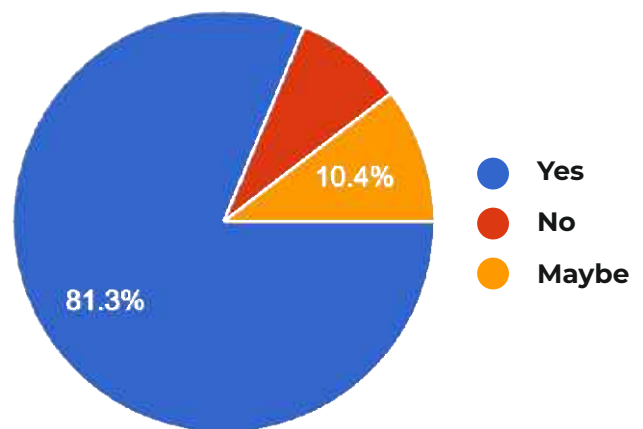
10.4% of the survey respondents think that establishing environmentally-smart systems would affect their profit margins. 81.3% think being environmentally-smart would not reduce their profits while 8.3% were undecided.



In the same vein, 71.4% believed that environmental sustainability and social responsiveness could lead to increased profits while 14.3% felt otherwise with another 14.3% unsure.

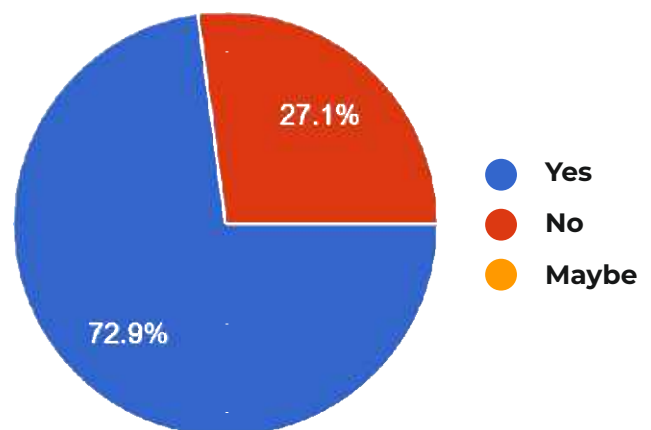


In response to the transition to environmentally-sound operations, 81.3% responded affirmatively, 8.3% declined while the remaining 10.4% were not decided as at the time of responding to the survey.



Social Responsibility

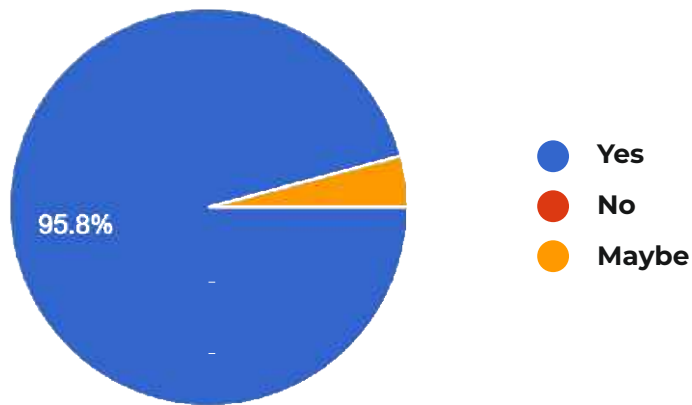
72.9% of the respondents have taken part in a social responsibility/community development project in their lifetime while 27.1% have not been a part of any social development initiative.



Challenges faced by SMEs in environmental management

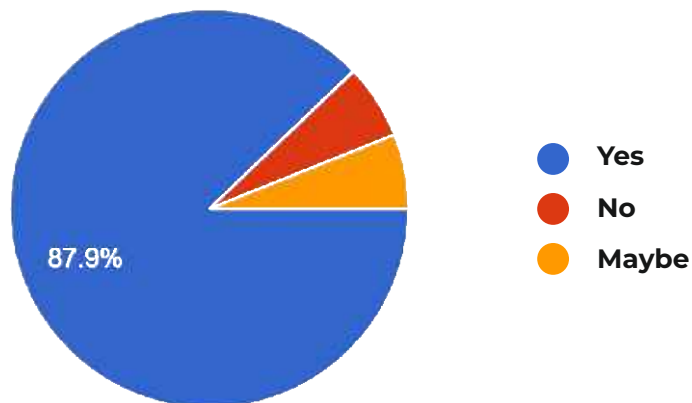
Some of the challenges highlighted by the respondents to effective environmental and energy conservation practices include: increased operational costs, lack of consistent proper waste management structure and inadequate recycling facilities.

In spite of these challenges, 95.8% of the responding organisations would appreciate the opportunity to sort and recycle their waste if they understand the process. This shows a gap in environmental education in SMEs that stakeholders can work on as the entrepreneurs have shown willingness in the concept.

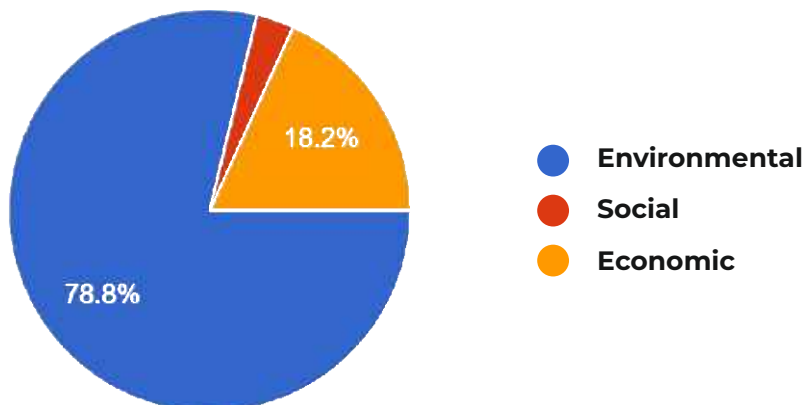


Familiarity with Sustainability concepts

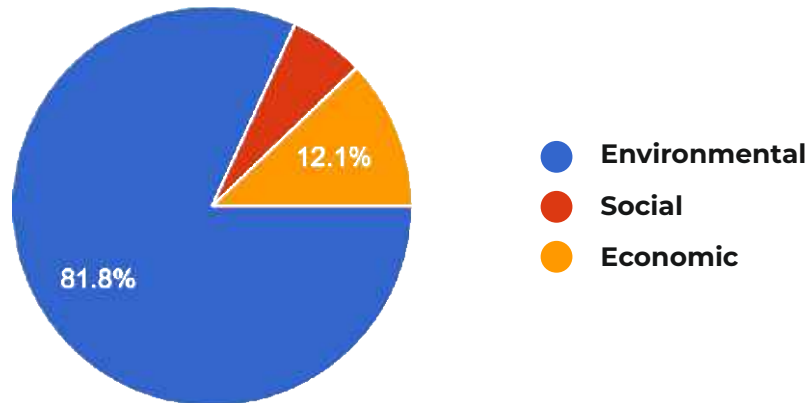
87.9% of the organisations have heard about sustainability in business practices with an equal 6.1% who are not sure they have been informed about business sustainability and the other 6.1% undecided about whether or not they have heard the term before the survey.



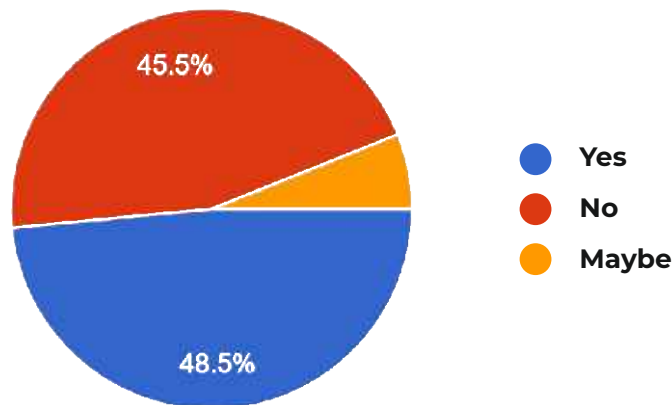
Among the three core areas of sustainability, the respondents are most familiar with environmental sustainability (78.8%) followed by economic sustainability (18.2%) and social sustainability.



They are also most personally inclined to each of the three aspects in the same order - environmental, economic and social



And in the last 3 years, 48.5% of the respondents responded positively to having planned for environmental sustainability in their organisations. However, 45.5% have not made any arrangements for environmental sustainability. 6.1% were indefinite in their response.



Section 4: Business Sustainability

A larger percentage of the survey respondents rated the negative impact of their business activities in the listed domains - water, air, noise, radiation, climate change, loss of biodiversity, land and soil, depleting natural resources - as LOW while they reported high environmental considerations (renewable energy use, recycling, reuse of waste, water resource management) in their businesses' value chains.

3.2 Setting up Environmental Management Systems

An Environmental Management System (EMS) is a framework that helps an organization achieve its environmental goals through consistent review, evaluation, and improvement of its environmental performance to enable it reduce its environmental impacts and increase its operating efficiency.

The benefits of an EMS include: reduced environmental impacts and risks; reduced operating costs; market advantages; enhanced reputation; increased efficiency of operations; improved relationships with regulators (improved compliance) and other stakeholders; cheaper insurance; the creation of an environmental early warning system; and the tracking of trends and the ability to make predictions.

Setting up an effective EMS requires the effective interplay of infrastructure, technical competence and the zeal & will to care for the environment, not only to comply with regulations.

Below is a list of 10 steps that can enable an organisation set up an effective EMS (EPA, 2019)

- Step 1: Define the organisation's EMS goals.
- Step 2: Get top management commitment
- Step 3: Appoint an in-house EMS champion
- Step 4: Build an EMS implementation team
- Step 5: Hold a Kick-off meeting
- Step 6: Conduct a preliminary review/assessment of the company's operations.
- Step 7: Budget Preparation and schedule
- Step 8: Secure technical and material resources for the implementation
- Step 9: Involve employees
- Step 10: Monitor, document and communicate process.



3.3 Moving On To Circularity

A combination of increasing resource scarcity, higher levels of waste generation without a corresponding waste management system and changing customer expectations have caused the breakdown of the traditional linear business model. This has birthed the “circular economy” - a systemic approach to economic development designed to benefit businesses, society, and the environment. In contrast to the 'take-make-waste' linear model, a circular economy is regenerative by design and aims to gradually decouple growth from the consumption of finite resources.

It takes us away from the predominant system that extracts resources from nature, transforms them into products and discards them after its primary use - generating both manufacturing and end-of-use waste.

The circular economy is a restorative and regenerative design which continually builds overall ecosystem health by ensuring that the economy works effectively at all scales – for big and small businesses, for organisations and individuals, globally and locally.

The CE is based on three major principles:

- Designing out waste and pollution
- Keeping products and materials in use.
- Regenerating natural systems.

As against the traditional business models, the circular economy employs a wide range of options including but not limited to: a sharing economy (customer access over ownership), product-as-service (pay for performance), reverse cycles, including partners outside current value chains, innovations for material component and product reuse (building high quality materials that last longer, products designed for disassembly and serviceability).



What we are doing to the environment is but a mirror reflection of what we are doing to ourselves and to one another.

NEXT STEPS

4.1 Conclusion

“The only way forward, if we are going to improve the quality of the environment, is to get everybody involved.”

Richard Rogers

There exist unobservable events which cause the observable ones; and the biophysical world which most humans take for granted is affected by human activities as much as it also affects human health and well-being. Humans need to understand that there is a direct relationship between what we do to the environment and what the environment does to us. Since the social world can be understood only if people understand the structures that generate such unobservable events, the reality is to be studied, captured, understood and applied to our daily lives to ensure a better quality of life for us and for future generations.

Our changing economy is placing ever-greater demands on the business world to adapt, innovate, and flourish to provide a sound environmental management framework for a society where waste and pollution will be adequately taken care of, not to be suffered for by the host communities. This will require the concerted effort of multidisciplinary research, learning, design and policies that connect the academia, business, civil society and public organisations in order to harness the benefits of holistic business sustainability - economic, social and environmental.

“Sooner or later, we will have to recognise that the Earth has rights, too, to live without pollution. What mankind must know is that human beings cannot live without Mother Earth, but the planet can live without humans.”

Evo Morales

4.2 Recommendations

From the results of our study, we hereby put forward the following recommendations as part of our contributions for a smooth intersection of business, environment and society which also supports the progress of all stakeholders - businesses make more profit, more inclusive and just societies and a healthier planet for us all.



- **Education:** In line with the education objective of NESREA, we propose more detailed training of companies across private, public and civil society sectors on effective and integrated waste management, resource-efficiency and the acceleration to a low-carbon economy. This will reduce the level of waste generated, increase waste management efficiency and reduce the contribution of economic activities to climate change.



- **Implementation:** While implementation does not necessarily amount to sanction, we implore the relevant public agencies saddled with environmental issues to step up efforts aimed at monitoring organisations and well as providing support for erring organisations.



- **Feedback:** In order for the organisations and government to achieve environmental accountability, there should be a medium of feedback from the organisations to the government on what policy(ies) is/are working and not, to serve as a basis for policy reforms and government intervention where necessary.



- **Working group:** A multi-stakeholder group be set up to ensure a smooth communication and workflow between the environmental regulatory authorities and the organisations they seek to regulate.



- **Incentivising compliance:** Governments should apply incentives and support schemes that help MSMEs become greener in the most impactful and cost-effective manner. Incentivise, can help support the greening of SMEs. Such support schemes and financial incentives may include: preferential tax treatment for investments using more environmentally sustainable equipment; providing official recognition to SMEs that are implementing greening projects, financial support for compliant organisations; or the implementation of green procurement strategies for the public sector.

Appendix

Copy of the Survey

It is no longer news that we, humans, are exceeding our planetary limits due to our individual and economic activities. The impact of climate change and social inequalities are glaring and they could get worse if adequate steps are not taken to address the root causes and contributing factors.

At The Sustainability Hub, we support businesses in driving sustainability into their value chain and operations to transition towards a more viable, sustainable and competitive economic model; and work with schools to help them integrate sustainability into their teaching methods while teaching the students environmentally smart ways of waste management, water management and renewable energy solutions.

To this end, we would like you to please respond to this anonymous survey as objectively as possible.

Thank you as we work together in ensuring a better planet for ourselves and future generations.

Section 1: Demography

1. What is your gender? male, female, prefer not to say
2. How old are you? 18-24, 25-34, 35-44, 45-54, 55-64, 65-74, 75 or older
3. What is the highest level of education you have successfully completed? primary, secondary, tertiary?

Section 2: Business related questions

4. Which of the following best describes the business you would be describing in the survey?
 - a subsidiary company, part of a wider group of companies
 - a sole entity
 - a company
5. What is the current ownership structure of the business?
 - which of the following currently best describes your business's market?
 - city/local
 - national
 - regional (neighbouring countries)
 - pan-African
 - global
6. Which of these are the main customers for your business's products. check all that apply
 - households
 - wholesalers or retailers
 - other firms
 - government
 - other.....

7. Which of these describes the industrial sector within which your business operates? (Click on any that apply)
- Agriculture, Forestry and Fishing
 - Mining and Quarrying
 - Manufacturing
 - Electricity, Gas and Air conditioning supply
 - Water supply, sewerage, waste management
 - Construction
 - Wholesale and retail trade
 - Transportation and storage
 - Hospitality, food service activities
 - Information and Communication
 - Financial and Insurance activities
 - Real Estate Services
 - Professional, Scientific and technical services
 - Administrative and support services
 - Public administration and defence, security outfits
 - Education
 - Human health and social work activities
 - Arts, entertainment, recreation
 - Other service activities
8. How many full-time employees does your business currently have?
- 0-10
 - 11-50
 - 50-100
 - 100-1000
 - more than 1,000
9. What was your business's approximate turnover in 2019? (million naira)
- MICRO (less than 2)
 - SMALL (between 2 and 10)
 - MEDIUM (between 10 and 50)
 - LARGE (over 50)
10. What percentage of your business's annual turnover do you spend on research and development?
- less than 10%
 - 10% - 30%
 - 31% - 60%
 - more than 60%
11. Approximately how many years ago was your business established?
- Less than 1
 - 1-3

- 3-5
- 5-10
- 10-20
- More than 20

Section 3: Sustainability Perception

12. How important are environmental sustainability concerns to you, personally?
 - Extremely important
 - Very important
 - Moderately important
 - Slightly important
 - Not at all important

13. Do you think environmental pollution is a problem? Yes/No

14. To what extent are you familiar with the following terms: Sustainability, circular economy, 3Rs (Reduce Reuse Recycle, Cradle-to-cradle)
 - I am informed
 - I know a little about it
 - I am hearing them for the first time

15. Can environmental pollution be solved realistically? Yes/No

16. In your opinion, can environmental pollution and social inclusion be solved by educating people? Yes/No

17. Would you be willing to have a paid class to teach you and other people (and your staff if you are a school or business owner) lessons on environmental sustainability? Yes/No

18. Would you be willing to invest in solutions that will make your business contribute less emissions to pollution and make social impact? Yes/No

19. Do you think being environmentally conscious will reduce your profit? Yes/No

20. Do you think you can have environmentally sound (no emissions, less air pollution) operations in your establishment? Yes/No

21. Have you ever been involved in a social responsibility project in your home or business community? Yes/No

22. What challenges do you think waste management and energy conservation cause your business? _____

23. Are you willing to sort and recycle your waste if you understand the process? Yes/No

Section 4: Business Sustainability

24. Have you heard of sustainability in business? Yes/no

25. What aspect of sustainability did you hear about?

- Environmental
- Social
- Economic

26. Which aspect of sustainability are you most inclined to?

- Environmental
- Social
- Economic

27. In the last 3 years, has your business been influenced to plan for environmental /sustainability impacts? Yes/No/Maybe

28. How would you rate the negative impact of your business activities in each of these domains? High/Medium/Low

- Water pollution
- Air pollution
- Noise pollution
- Radiation
- Climate Change
- Impact on biodiversity habitats
- Land and soil degradation
- Depleting natural resources and waste generation

29. How important are environmental considerations (e.g renewable energy use, recycling, reuse of waste, water resource management, etc) when:

- purchasing goods or inputs from your suppliers
 - marketing and selling your goods and services
 - planning logistics and transportation
- High/Medium/Low

30. Consider the energy consumed by your business. What percentage is drawn from renewable energy sources?

31. How did you get this survey?

- Abuja Chamber of Commerce and Industry
- Ventures Park
- Others

