Summary

Survey requested by the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and coordinated by the Directorate-General for Communication

This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

Flash Eurobarometer 498 – Ipsos European Public Affairs
Flash Eurobarometer 498

Summary

SMEs, green markets and resource efficiency

November-December 2021

Survey conducted by Ipsos European Public Affairs at the request of the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Survey coordinated by the European Commission, Directorate-General for Communication (DG COMM “Media Monitoring and Eurobarometer” Unit)
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Introduction

Europe’s 23 million small and medium enterprises (SMEs)1 are the backbone of the EU economy. They employ around 83 million people, account for about half of Europe’s GDP and play a key role in adding value in every sector of the economy. As well as being economically important, SMEs are environmentally important: although their individual impact is small, their cumulative impact on the environment is significant.

Climate change and environmental degradation are an existential threat to Europe and the world. To overcome these challenges, the European Green Deal will transform the EU into a modern, resource-efficient and competitive economy. The European SME Strategy2 was announced on 10 March 2020 and aims to contribute to the objectives of the European Green Deal and other EU actions launched in the context of the twin digital and green transition, namely achieving a climate-neutral, resource-efficient, and agile digital economy, by mobilising European SMEs across industrial sectors.

In the context of the European SME Strategy, the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs commissioned a Flash Eurobarometer survey to evaluate the current levels of resource efficiency actions and the state of the green market among Europe’s SMEs, as well as in neighbouring countries and in the US. This survey builds on the work of previous Flash Eurobarometer surveys (FL342 in 2012, FL381 in 2013 and FL426 in 2015 and FL456 in 2017).

This survey was carried out by Ipsos European Public Affairs in 27 Member States of the European Union, Albania, North Macedonia, Montenegro, Serbia, Turkey, Iceland, Moldova, Norway and the US. Between 8 November and 10 December 2021, more than 17,500 SMEs and large companies were interviewed via telephone in these countries. The findings presented in this summary are based on 13,343 interviews with SMEs in the 27 EU Member States. Additional findings for large companies and for SMEs in non-EU countries can be found in the full report. The data presented in this summary are weighted to known business population proportions; the EU27 averages are weighted according to the size of the SME population of each EU Member State.

In this report, countries are referred to by their official abbreviation. The abbreviations correspond to:

- BE 🇧🇪 Belgium
- BG 🇧🇬 Bulgaria
- CZ 🇨🇿 Czechia
- DK 🇩🇰 Denmark
- DE 🇩🇪 Germany
- EE 🇪🇪 Estonia
- EL 🇪🇱 Greece
- ES 🇪🇸 Spain
- FR 🇫🇷 France
- HR 🇭🇷 Croatia
- IT 🇮🇹 Italy
- CY 🇨🇾 Rep. of Cyprus
- LV 🇷菼 Latvia
- LT 🇱🇹 Lithuania
- LU 🇱🇺 Luxembourg
- HU 🇷🇺 Hungary
- MT 🇲🇹 Malta
- NL 🇳🇱 Netherlands
- AT 🇦🇹 Austria
- PL 🇵🇱 Poland
- PT 🇵🇹 Portugal
- RO 🇷🇴 Romania
- SI 🇸🇮 Slovenia
- SK 🇸🇰 Slovakia
- FI 🇫🇮 Finland
- SE 🇸🇪 Sweden

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1 The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises that employ fewer than 250 persons and that have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. (Extract of Art. 2 Annex to Recommendation 2003/361/EC)

Section 1. Going green and resource efficient

Resource efficiency actions taken by SMEs

Most SMEs surveyed are taking measures to be more resource efficient: 89% of SMEs are taking at least one of the actions listed in the survey, compared to 9% that are not taking any action.

- Compared to 2017, there is a small, but significant, decrease in the proportion of SMEs across the EU that are not taking any action to be more resource efficient (from 11% to 9%, -2 pp).

- Nonetheless, in half of the Member States, there are at least 10% of SMEs that are not (yet) taking action; with the overall highest proportion observed in Estonia (23%), followed by Bulgaria and Poland (both 19%).

The most common resource efficiency actions undertaken by SMEs are minimising waste (64%), saving energy (61%) and saving materials (57%).

- Compared to 2017, SMEs are now more likely to reuse material or waste within their company (47%, +8 pp), use predominantly renewable energy sources (19%, +6 pp) and sell their residues and waste (24%, +4 pp). For these actions, the trend in most of the individual Member States also shows this increase in uptake.

Q1 What actions is your company undertaking to be more resource efficient? (% EU27)

<table>
<thead>
<tr>
<th>Action</th>
<th>2021 (%)</th>
<th>2017 (%)</th>
<th>Evolution 2021-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimising waste</td>
<td>64%</td>
<td></td>
<td>=</td>
</tr>
<tr>
<td>Saving energy</td>
<td>61%</td>
<td></td>
<td>▼2</td>
</tr>
<tr>
<td>Saving materials</td>
<td>57%</td>
<td></td>
<td>▲1</td>
</tr>
<tr>
<td>Recycling, by reusing material or waste within the company</td>
<td>47%</td>
<td></td>
<td>▲8</td>
</tr>
<tr>
<td>Saving water</td>
<td>46%</td>
<td></td>
<td>▼1</td>
</tr>
<tr>
<td>Switching to greener suppliers of materials</td>
<td>33%</td>
<td></td>
<td>(new item)</td>
</tr>
<tr>
<td>Designing products that are easier to maintain, repair or reuse</td>
<td>26%</td>
<td></td>
<td>▲1</td>
</tr>
<tr>
<td>Selling your residues and waste to another company</td>
<td>24%</td>
<td></td>
<td>▲4</td>
</tr>
<tr>
<td>Using predominantly renewable energy (e.g. including own production through solar panels)</td>
<td>19%</td>
<td></td>
<td>▲6</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td></td>
<td>=</td>
</tr>
<tr>
<td>None</td>
<td>9%</td>
<td></td>
<td>▼2</td>
</tr>
<tr>
<td>Don't know/No answer</td>
<td>2%</td>
<td></td>
<td>▲1</td>
</tr>
</tbody>
</table>

Base: all SMEs, EU27 (n=13 343 in 2021; 11 690 in 2017)

▲▼ Evolution 2021-2017 (comparison with Flash Eurobarometer 456, Sept. 2017)
A vast majority (83%) of SMEs that are already undertaking resource efficiency actions are planning to implement additional actions over the next two years; the most common resource efficiency actions that are planned for the next two years are saving energy (58%), minimising waste (55%) and saving materials (53%). Among SMEs not yet taking resource efficiency actions, however, 73% say they do not plan to implement any such actions.

**Q2** Over the next two years, what are the additional resource efficiency actions that your company is planning to implement? (% SMEs already taking actions vs SMEs not taking actions, EU27)

<table>
<thead>
<tr>
<th>Action</th>
<th>SMEs already undertaking resource efficiency actions</th>
<th>SMEs not (yet) undertaking resource efficiency actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimise waste</td>
<td>55%</td>
<td>7%</td>
</tr>
<tr>
<td>Save energy</td>
<td>58%</td>
<td>11%</td>
</tr>
<tr>
<td>Save materials</td>
<td>53%</td>
<td>4%</td>
</tr>
<tr>
<td>Recycle, by reusing material or waste within the company</td>
<td>43%</td>
<td>3%</td>
</tr>
<tr>
<td>Save water</td>
<td>45%</td>
<td>6%</td>
</tr>
<tr>
<td>Switch to greener suppliers of materials</td>
<td>35%</td>
<td>3%</td>
</tr>
<tr>
<td>Designing products that are easier to maintain, repair or reuse</td>
<td>30%</td>
<td>3%</td>
</tr>
<tr>
<td>Sell your residues and waste to another company</td>
<td>26%</td>
<td>2%</td>
</tr>
<tr>
<td>Use predominantly renewable energy</td>
<td>33%</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>None</td>
<td>15%</td>
<td>73%</td>
</tr>
<tr>
<td>Don't know/No answer</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Base: SMEs already undertaking resource efficiency actions (n=12 211) and SMEs not undertaking resource efficiency actions (n=1 006), EU27

**Investment in resource efficiency**

A vast majority of SMEs are taking resource efficiency measures, but actual investment in resource efficiency remains low – 35% of SMEs surveyed invested 1% or more of their turnover in this area in the past two years. This figure, nonetheless, represents an increase compared to 2017 (+4 pp).

- The total proportion of SMEs having invested at least 1% of their annual turnover (the sum of the dark and light blue bars in the chart on the next page), on average, over the past two years varies between 25% in Denmark and 49% in Ireland. Other countries where at least 40% of SMEs have invested at least 1% of their annual turnover are Austria, Belgium, Croatia, Greece, Portugal, Spain and Sweden.
In a majority of the Member States, there is an increase, compared to 2017, in the proportion of SMEs that have invested at least 1% of their annual turnover on resource efficiency measures in the past two years.

**Q4** Over the past two years, how much have you invested on average per year to be more resource efficient? (% by country, EU27)

![Investment Bar Chart]

**Carbon reduction strategies**

A vast majority of SMEs (72%) do not (yet) have a **concrete strategy in place to reduce their carbon footprint and become climate neutral or negative**; about a quarter of these SMEs reply that they are planning to define one. One in five SMEs already have a concrete strategy in place to reduce their carbon footprint and 4% say they are already climate neutral.

- The most common actions undertaken to become carbon neutral (among SMEs with a carbon reduction strategy) are generally reducing carbon emissions in their SME (53%) and adopting or purchasing new technological solutions (49%).

**Barriers to going green and resource efficient**

The most common difficulty SMEs encountered when setting up resource efficiency actions is the **complexity of administrative or legal procedures** (34%), followed by the cost of environmental actions (24%). In the current survey, SMEs are also considerably more likely to report that they were hindered by a **lack of supply of the required materials, parts, products or services** (24%, +9 pp compared to 2017).

- In 11 Member States, the largest share of SMEs undertaking resource efficiency actions, say they encountered complex administrative or legal procedures (from 31% in Luxembourg to 53% in Spain).
Among SMEs taking resource efficiency actions, equal proportions say these actions have decreased vs increased their production costs over the past two years (both 31%). About a quarter (26%) report that there has been no change in production costs as a result of the resource efficiency actions.

Since 2017, the proportion of SMEs saying that production costs have increased as a result of the resource efficiency actions has significantly increased: +8 pp for ‘slightly increased’ and +6 pp for ‘significantly increased’.

Q3 What impact have the undertaken resource efficiency actions had on the production costs over the past two years? The production costs have... (% EU27)

Support to go green and resource efficient

Among SMEs that take resource efficiency actions, 64% rely on their own financial resources and 54% on their own technical expertise in their efforts to be more resource efficient. About a quarter of SMEs (24%) rely on external support.

In 12 Member States, the proportion of SMEs relying on external support to be more resource efficient has increased by five or more percentage points compared to 2017.

Q5 Which type of support does your company rely on in its efforts to be more resource efficient? % “External support” by country
More than a third (36%) of SMEs relying on external support in their efforts to be more resource efficient say they receive **public funding**, such as grants, guarantees or loans (+11 pp compared to 2017). Over a quarter (28%) receive **private funding** from a bank, investment company or venture capital fund.

About four in ten (39%) SMEs relying on external support receive **advice or other non-financial assistance** from private consulting and audit companies, followed by 30% mentioning this type of support from supply chain partners and 29% from business associations and clusters. Just under a quarter (23%) receive advice or other non-financial assistance from public administration.

**Q6** More precisely, which type of external support is it? (% EU27)

<table>
<thead>
<tr>
<th>Type of External Support</th>
<th>2021</th>
<th>2017</th>
<th>Evolution 2021-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public funding such as grants, guarantees or loans</td>
<td>36%</td>
<td>25%</td>
<td>▲11</td>
</tr>
<tr>
<td>Private funding from a bank, an investment company or venture capital fund</td>
<td>28%</td>
<td>32%</td>
<td>▼-4</td>
</tr>
<tr>
<td>Private funding from friends and relatives</td>
<td>10%</td>
<td>12%</td>
<td>▲2</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from public administration</td>
<td>23%</td>
<td>24%</td>
<td>▲1</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from private consulting and audit companies</td>
<td>39%</td>
<td>48%</td>
<td>▼-9</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from business associations and clusters</td>
<td>29%</td>
<td>30%</td>
<td>▼-1</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from supply chain partners</td>
<td>30%</td>
<td>31%</td>
<td>(new item)</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>6%</td>
<td>▲1</td>
</tr>
<tr>
<td>Don't know/No answer</td>
<td>5%</td>
<td>12%</td>
<td>▼-7</td>
</tr>
</tbody>
</table>

Base: SMEs that rely on external support in their efforts to be more resource efficient, EU27 (n=3,206 in 2021; 2,500 in 2017)

More than one third of SMEs (36%) think that **grants or subsidies would help their company the most to be more resource efficient**; as in 2017, this is the most-mentioned form of assistance. About a quarter of SMEs (26%) say that **better cooperation between companies across sectors**, so that new processes to reuse waste and by-products can be developed, would help them the most; this response is selected by a larger share than in 2017 (+6 pp).

In 23 Member States, the largest share of SMEs think that grants or subsidies would help their company the most to be more resource efficient. In six Member States, the proportion saying this is above 50%: Spain (51%), Romania (52%), Slovakia (53%), Greece (54%), Slovenia (55%) and Malta (60%).
Section 2. Green markets

Green products and services

Green products and services are defined as products and services with a predominant function of reducing environmental risk and minimising pollution and resources. About one in three (32%) SMEs in the EU offer green products or services, with a further 11% planning to do so in the next two years.

- Compared to 2017, there is a seven-point increase in the proportion of SMEs currently offering green products or services and a three-point increase in the proportion planning to do so in the next two years.

- SMEs in the Netherlands (45%), Austria (44%) and Sweden (43%) are the most likely to have green products or services in their offer. SMEs in Greece (25%), Ireland (27%) and Romania (30%) are the most likely to say they are not currently offering green products or services but are planning to do so in the next two years.

Q9 Does your company offer green products or services? (% by country, EU27)

Base: all SMEs, EU27 (n=13 343 in 2021; 11 690 in 2017)

- Most SMEs selling green products or services have been doing so for more than three years (64%). About one in four (26%) have been selling them for one to three years, while 8% have been selling green products or services for less than one year.

- Close to nine in ten (86%) SMEs selling green products or services say their own country is their main market for these products in terms of annual turnover. About one in six (18%) say that their main market consists of the Member States of the EU and/or the UK, Iceland, Liechtenstein, Norway and Switzerland.
Turnover attributed to green products and services

For the largest share (43%) of SMEs selling green products and services, these products and services make up not more than 10% of their most recent annual turnover. About one in five (21%) reply that green products and services represent between 11% and 50% of their annual turnover and a slightly higher proportion (23%) answer that the sale of such products and services makes up more than 50% of their turnover.

Across most Member States, the largest share of SMEs selling green products and services answer that these products and services make up not more than 10% of their most recent annual turnover. In France, Sweden, Greece and Luxembourg, one in three – or more – SMEs selling green products and services state that these products and services make up more than 50% of their most recent annual turnover (between 32% and 37%).

Q10 How much did these green products or services represent in your annual turnover of the latest available fiscal year? (% by country, EU27)

Caution should be exercised when interpreting the results of Cyprus, Luxembourg, Malta, due to the smaller number of interviews having been conducted (between 71 and 82 per country).

Base: SMEs offering green products and services, EU27 (n=4537)

Supporting green markets

Among SMEs offering green products and services, 62% rely on their own financial resources and 56% on their own technical expertise for the production of these products or services. Fewer of these SMEs rely on external support (24%).

Austria stands out with 47% of SMEs relying on external support for the production of green products or services, followed by Spain (37%) and Czechia (31%).

One in five SMEs relying on external support for the production of green products or services say they receive public funding, such as grants, guarantees or loans (+8 pp compared to 2017). Another one in five of these SMEs receive private funding from a bank, investment company or venture capital fund.
The largest share (35%) of SMEs relying on external support for the production of green products or services receive **advice or other non-financial assistance** from supply chain partners, followed by 23% mentioning this type of support from business associations and clusters, and 21% from private consulting and audit companies.

**DX1**  More precisely, which type of external support is it? (% EU27)

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>2021 (%)</th>
<th>Evolution 2021-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public funding such as grants, guarantees or loans</td>
<td>20%</td>
<td>▲ 8</td>
</tr>
<tr>
<td>Private funding from a bank, an investment company or venture capital fund</td>
<td>20%</td>
<td>▼ -5</td>
</tr>
<tr>
<td>Private funding from friends and relatives</td>
<td>8%</td>
<td>▼ -3</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from public administration</td>
<td>13%</td>
<td>▼ -3</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from private consulting and audit companies</td>
<td>21%</td>
<td>▼ -8</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from business associations and clusters</td>
<td>23%</td>
<td>▼ -4</td>
</tr>
<tr>
<td>Advice or other non-financial assistance from supply chain partners</td>
<td>35%</td>
<td>(new item)</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
<td>▼ -6</td>
</tr>
<tr>
<td>Don’t know/No answer</td>
<td>11%</td>
<td>▼ -1</td>
</tr>
</tbody>
</table>

Base: SMEs that rely on external support for the production of green products or services, EU27 (n=1,150 in 2021; 815 in 2017)

▲ Evolution 2021-2017 (comparison with Flash Eurobarometer 456, Sept. 2017)

Over four in ten (43%) SMEs selling green products or services answer that **financial incentives for developing products, services or new production processes** would help them the most in **expanding their green offer**. Financial incentives are much more likely to be mentioned than other forms of assistance.

- In 25 Member States, the largest share of SMEs selling green products or services say that financial incentives for developing products, services or new production processes would help their SME the most to expand their offer.
- While 13% of SMEs currently offering green products or services reply that none of the types of support would help them to expand their offer, among **SMEs not offering green products or services**, three times as many (39%) reply that none of the support measures would help them to **launch a range of green products or services**.
**Section 3. Employees in green jobs**

A ‘green job’ is one that directly deals with information, technologies, or materials that preserve or restore environmental quality. Just under four in ten SMEs surveyed have at least one full-time employee working in a green job some or all the time: 33% say there are between one and five ‘green’ employees in their SME and 5% that their number is higher than five.

The proportion of SMEs with at least one employee in a green job (some or all the time) ranges from 19% in Malta to 63% in Slovakia. In Croatia, Latvia and Italy, about half of SMEs (50%-51%) have at least one green employee.

**DX5** In your company, how many of your full-time employees, including yourself, work in green jobs some or all of the time? (% by country, EU27)

Base: all SMEs, EU27 (n=13 343)