

# The Willow Review



# Contents

<b>Forewords</b>	<b>3</b>
Minister Thomas, Minister For Small Business and Trade and Minister Jones, Minister of State at the Department for Energy Security and Net Zero	3
<b>Executive Summary and Recommendations</b>	<b>4</b>
<b>Co-Chair Commentary</b>	<b>12</b>
Nick Stace OBE & Michelle Ovens CBE	12
<b>1 Keep It Simple: Engaging SMEs at Scale</b>	<b>15</b>
<b>2 Supporting The Transition</b>	<b>26</b>
<b>3 Creating The Landscape</b>	<b>32</b>
<b>4 Financing For The Future</b>	<b>38</b>
<b>Next Steps</b>	<b>42</b>
<b>Research Methodology</b>	<b>44</b>

With thanks to Small Business Britain, Barclays and BT Group.

Thank you to all the organisations, stakeholders and entrepreneurs involved in the making of this report.

# Foreword

**Minister Thomas**

Minister For Small Business and Trade

**Minister Jones**

Minister of State at the Department for Energy Security and Net Zero

SMEs play a crucial role in every local community, supply chain and industry and are responsible for over 60% of private sector employment. As we deliver our missions to kickstart economic growth and make Britain a Clean Energy Superpower, we must ensure small businesses are not left behind, but supported to lead.

The Willow Review sets out a clear case for why this is important. It shows that sustainability is not just an environmental goal, but a solid business strategy. The voices of many small business owners run throughout this report, and their experiences underline how sustainability can be a powerful driver for business success. It also demonstrates that when small businesses are given the right support, they act.

The Willow Review has brought together industry leaders and sustainability experts and reflects the shared ambition to create a business environment where sustainability is seen not as an obligation, but as an opportunity for growth. Sustainability support can be confusing and fragmented, access to finance and funding can be too difficult to engage with, and messaging often feels out of touch with day-to-day realities for small business owners.



Many of the recommendations in The Willow Review align with our existing approach and our ambition for the future. The Review encourages us to consider how we can go further, from making finance more accessible, to improving the provision of information and advice.

If we want to meet our net zero goals and grow a strong economy at the same time, SMEs must be at the centre. We are committed to continuing the work with our partners across the public and private sectors to take this work forward and support SMEs to overcome these challenges. We are proud to support The Willow Review and will publish a government response to the review in due course.


# Executive Summary




# Executive Summary

Research from The Willow Review found that among Small and Medium-sized Enterprises (SMEs) reporting to benefit financially from sustainability:


56%   
of SMEs cited cost savings as a **motivation** for sustainability efforts

67%   
of SMEs reported **reduced operational costs** (e.g., energy, waste, materials) due to sustainability efforts

52%   
of SMEs said they **attracted new customers** due to their sustainability commitments

35%   
of SMEs saw **improved customer loyalty**

57%   
have **reduced business travel**

65%   
are using **using sustainable materials** in products or services

60%   
have **introduced waste reduction measures**

64%   
are **tracking sustainability efforts** in some way (whilst 65% of SMEs who don't benefit financially from sustainability do not track at all)

68%   
noted a **noticeable positive response** from customers thanks to their sustainability efforts



# In a time of rapid innovation and economic shift, sustainability stands out as a powerful opportunity for small businesses to build resilience, drive growth, and create lasting value.

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In the UK, SMEs account for 99% of businesses and contribute to around half of UK business carbon emissions.<sup>1</sup> Sustainability is increasingly an essential part of running a resilient business, a requirement for supply chains and for increasingly value-led consumers.

**It is therefore critical to engage SMEs with sustainability now, to create commercially viable businesses for the future, and drive long-term growth in line with UK net zero targets.**

The Willow Review was established to demonstrate the financial benefits of sustainability for SMEs, using real-world data and case studies to showcase how businesses are reducing costs, growing revenue, and opening up new market opportunities through green initiatives.

New research from The Review, anchored in the voices of SMEs, is designed to build on and amplify existing research from across the sector. These existing insights have identified barriers that slow widespread adoption of sustainability for SMEs, such as upfront costs, knowledge gaps, and limitations to financial support. The Willow Review has developed recommendations for SMEs, government, and financial services, to help SMEs overcome these barriers to adoption and realise the financial benefits of sustainability.

The evidence is clear: New research from The Willow Review shows that SMEs adopting sustainability initiatives are reaping the financial rewards.

Over 67% of SMEs who benefit financially from sustainability measures report **reduced operational costs**.<sup>2</sup> For example, Cooper King Distillery in Yorkshire have cut their energy costs by £9,722 per year through solar panel installation, while Aston Marina earns £2,500 annually by selling surplus energy back to the grid.

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<sup>1</sup> Small Business and the Transition to Net Zero British Business Bank, 2021  
<sup>2</sup> Willow Review Data, 2025

SMEs taking action on sustainability are seeing financial gains in various forms.

**52%**

of SMEs who benefit financially from sustainability found they attracted new customers thanks to their sustainability commitments

Additionally, among SMEs already benefiting financially from sustainability, 56% cited cost savings as their primary motivation for sustainability efforts.<sup>3</sup> This aligns with broader sector research: according to the Federation of Small Businesses, lower energy bills are the top incentive for SMEs considering low-carbon improvements, with 61% selecting this option.<sup>4</sup>

Reducing energy usage and waste and becoming more efficient is also key, whether that be through less travel, packaging or energy. Small business Ki Kefir saves 20% on product costs through a simple bottle return scheme, highlighting revenue opportunities do not have to require significant upfront costs.

The Willow Review found that 52% of SMEs who benefit financially from sustainability found they attracted new customers thanks to their sustainability commitments and 35% saw improved customer loyalty<sup>3</sup>, further highlighting potential new revenue streams.

Sustainability is also positively influencing recruitment and retention rates, with three in five employers reporting an increase in sustainability-related questions during the hiring processes.<sup>5</sup> This is reflected in The Willow Review research, with one business owner sharing:

*“Generation Z coming through into the workplace want to see these values, and they want to see that we have got sustainability.”*

Despite the clear financial advantages to adopting sustainable practices, SMEs still face barriers such as upfront costs and knowledge gaps. Cost concerns are the most significant hurdle to sustainable investment. According to the UK Net Zero Business Census 2024, 59% of SMEs cite the costs of implementation as a major barrier to sustainability.<sup>6</sup> Even for SMEs who are already benefitting from sustainability, research from The Willow Review found 72% cited cost of implementation or access to finance as key barriers faced on their sustainability journey.<sup>7</sup>

For the purpose of this report, the terms “SME” and “small business” are used somewhat interchangeably. However, it should be noted there are important differences between small and medium sized businesses regarding their ability to engage with sustainability. Medium-sized enterprises may have more resource to implement sustainable practices but face complexity in making change. Small businesses, however, can likely leverage their agility for swift implementation, despite potential resource constraints. Whilst medium-sized enterprises are more likely to adopt formal environmental management systems (EMS), the complexity and costs associated with these certifications can be prohibitive for smaller firms.

3 Willow Review Data, 2025

4 New Growth: How to support small businesses to cut carbon and costs on the road to Net Zero, Federation of Small Businesses 2025

5 TotalJobs Research, 2024

6 UK Net Zero Business Census, Business Climate Hub & Planet Mark, 2024

7 Willow Review Data, 2025

## Key Areas

To help small businesses realise the full financial benefits of sustainability, The Willow Review work has developed recommendations across four key areas:

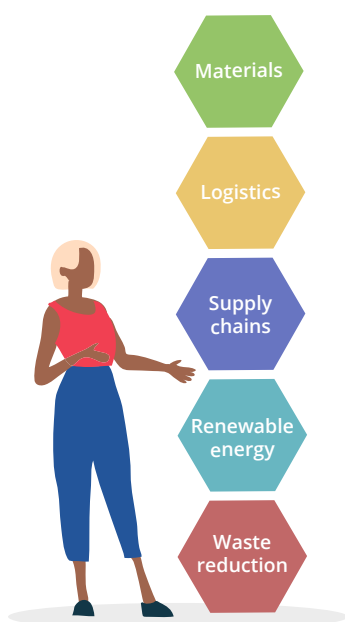
### 1 Making sustainability simple and accessible

Many SMEs struggle to build sustainability-related actions into their business as they juggle business priorities and often lack access to guidance to know what steps to take and actions to implement. Research from Small Business Britain and BT shows that 53% of small businesses cite a **lack of time or resources as a major barrier to sustainability adoption**.<sup>8</sup>

To support SMEs to implement sustainability practices effectively and understand how these actions can help them to drive growth and profitability, clear and actionable steps should be communicated to SMEs, and the availability and accessibility to mentors and networks should be increased.

The UK Government and industry bodies should update messaging to communicate sustainability as an opportunity for SMEs, not a regulatory burden. Existing resources, like UK Business Climate Hub, should be amplified as part of this update.

The Review calls for a **five-point plan for SMEs**, focused on sustainable materials, logistics efficiency, waste reduction, renewable energy, and sustainable supply chains; this aims to simplify key actions to take.



### 2 Improving support across financial services and government

There is an opportunity to improve access and visibility of existing funding options, from both the public and private sector. For example, The Review recommends government simplify the application process for grants, enhance signposting and implement sustainability champions in local areas to help guide businesses to funding options and support.

Also, The Review highlights the need for clearer demonstrations of the return on investment to strengthen the business case for sustainability.







### 3 Creating a landscape of success

In addition, clear public policy offers long-term stability of the regulatory landscape, providing SMEs confidence to invest in sustainability related changes and supporting them in realising the financial benefits of doing so.

Where government can intervene to support SMEs, they should do so. With more than half of UK commercial properties being rented<sup>9</sup>, one example would be to offer incentives for landlords to upgrade SME premises. Another would be to enhance the uptake of existing resources to support SMEs to adopt sustainability, such as UK Business Climate Hub.



### 4 Financing the Future

While availability of both public and private sector green finance has progressed considerably in the last decade or so,<sup>10</sup> the emphasis on SMEs has been more recent.<sup>11</sup>

To scale the adoption of sustainable practices by SMEs, the availability of innovative, affordable, and accessible sustainable financing options must also scale. More work is also needed to improve the visibility of these options for SMEs.

The Willow Review will continue to support government to develop a long-term policy framework that SMEs can build on, delivering change at scale for a more sustainable future. The Review will also work with the British Business Bank to consider how their ongoing focus on green finance mechanisms could support the growth and access to funding sources.

9 Incentivising investment: Driving decarbonisation of SME-occupied premises, Barclays, 2024

10 UK Government Green Finance Strategy, 2019 <https://www.gov.uk/government/publications/green-finance-strategy#:~:text=Update:%20March%202023,emerging%20markets%20and%20developing%20economies>

11 Barclays Annual Report, 2023

# Recommendations



The Willow Review offers the following recommendations to SMES, government, and financial services to help SMEs realise the financial benefits of adopting sustainability practices. The Review highlights the importance of Government developing long-term consistency and clarity around policy and regulation as it impacts SMEs, ensuring that they can have confidence in their sustainability efforts.



## For Government

- ▶ **Local Sustainability Champions** — Assign sustainability champions at the council level to provide tailored support to SMEs, linking to local funding.
- ▶ **Reframe Sustainability Messaging** — Focus on growth, competitiveness, and profitability rather than compliance to better engage SMEs.
- ▶ **Campaign to Enhance uptake of existing resources** — Develop ways to enhance uptake of existing resources such as UK Business Climate Hub.
- ▶ **Support SME Transition** through engaging landlords to facilitate SME energy usage transition.
- ▶ **Improve Access to Finance** — Improve visibility and accessibility of existing sustainability grants by simplifying application processes and enhancing signposting; British Business Bank should also consider adapting existing initiatives such as Start-Up Loans with Green-Up Loans to support transition.
- ▶ **Expand the Growth Guarantee Scheme to include Green Initiatives** — Consider expanding existing government guarantee schemes to enable access to green finance for SMEs, to incentivise larger-scale sustainability investments. The British Business Bank has launched a pilot to support this type of lending and, using insights from the pilot, should develop the proposition further with the aim of announcing a permanent Green Guarantee Scheme by the end of 2025.
- ▶ **Drive Forward Fiscal Incentives for SME Sustainability** — Work collaboratively with the Department for Energy Security and Net Zero, HM Treasury and the Department for Business and Trade and The Willow Review to develop a set of recommendations by the end of the year focused on improving fiscal incentives for small businesses. This will include but is not limited to: simplifying existing schemes and boosting awareness and accessibility.
- ▶ **Integrate sustainability into the core offering of the Business Growth Service** — Ensuring that SMEs receive clear, consistent, and practical support for their sustainability transitions.



## For SMEs

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**Adopt a 5-Point Plan for Sustainability** — Encourage SMEs to take 5 simple, actionable steps:

1. Switch to sustainable materials.
2. Reduce travel and optimise logistics.
3. Minimise waste.
4. Take action on energy.
5. Partner with sustainable suppliers and customers.



**Join SME Sustainability Networks** — Participate in mentoring programmes and networks to share best practices, facilitated by Government, financial services and business support organisations.



**Investigate informal and formal tracking** of sustainability measures (such as carbon emissions and waste reduction) as a tool to demonstrate and motivate progress.



## For Financial Services

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**Provide Green Finance Education** — Offer advisory services to help SMEs understand green commercial opportunities.



**Support Sustainable Business Planning** — Help SMEs develop business plans that clarify return on investment (ROI) for sustainability initiatives, and champion the digitisation of carbon and energy data to better understand the opportunities and long-term benefits.



**Innovate Green Finance** — Champion innovative funding mechanisms and greater access to support from public and private sector, to enable green finance demand to grow.

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## Commentary

### Nick Stace OBE

Global Head of Sustainability Engagement for Barclays  
Co-chair of The Willow Review



**SMEs are the backbone of the UK economy. With a clear growth ambition, the UK has a critical opportunity to engage and support SMEs to accelerate the adoption of sustainable business practices, which, as evidenced by The Willow Review, has clear financial benefits and can, in turn, support long-term growth.**

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As a trusted banking partner to UK SMEs, Barclays recognises the diverse and important role they play, from developing innovative solutions to transforming industries and job creation, all while supporting local communities. Given this reach, the role of SMEs in the transition to net zero is significant. However, we've heard first-hand about the challenges they face when adopting and scaling sustainable business practices.

This Review has worked with SMEs to understand their experiences and identify tangible actions needed to make a meaningful difference. It seeks to address the confusion, complexity and perceived elevated costs associated with adopting sustainable practices, while making the case for sustainability as an important lever for commercially viable businesses.

Our recommendations provide a comprehensive framework for how the SME ecosystem, including government, financial services providers, and businesses themselves, can support SMEs to adopt sustainable business practices.

At Barclays we work with our SME clients, developing products and solutions and sharing insights and best practice, to realise the growth opportunity presented by sustainability, while also helping them to take steps to reduce their emissions and support the transition to a low-carbon economy. We welcome the Review's recommendations as a call to action developed from deep engagement and collaboration with key industry players. We look forward to continuing to work with partners across the SME ecosystem to encourage and accelerate the adoption of sustainability initiatives at scale.

## Commentary

### Michelle Ovens CBE

Founder, Small Business Britain

Co-chair of The Willow Review



**Small businesses are the beating heart of the UK economy. They bring innovation, agility, and vibrancy to our communities and play a fundamental role in driving prosperity, jobs, and growth. But right now, they are operating in an incredibly challenging environment, facing into inflation, uncertainty, and increasing demands on their time, energy and resources.**

At the same time, the transition to a more sustainable, net zero economy is accelerating. While this shift is essential and urgent, it must be one that works with small businesses, not one that adds further pressure or creates barriers to success. Too often, sustainability has been presented as a moral obligation or regulatory hurdle, rather than an opportunity for growth and resilience.

That is why we created The Willow Review.

This report is about changing the conversation. It is about recognising that sustainability and commercial success can, and must, go hand in hand. Through deep engagement with the small business community, we have uncovered powerful examples of businesses using sustainability to cut costs, reach new markets, future-proof their operations, and build stronger relationships with customers and employees alike.

# Sustainability is not a side-line

From rural distilleries installing solar panels to inner-city retailers reducing waste and rethinking packaging, small businesses across the UK are finding creative, practical ways to embed sustainability, and they are reaping the rewards. But while the benefits are real, the journey is not always simple. Many business owners tell us they want to act, but struggle with complexity, mixed messaging, and a lack of time, funding or accessible support.

The Willow Review seeks to address these challenges head-on. We have drawn together insights and solutions that work for small businesses. This means grounding the case for sustainability in commercial terms: making it clear, tangible, and directly relevant to the priorities of founders and microbusinesses. It also means amplifying the voices of businesses who are leading the way and showing what's possible.

Critically, we also highlight where the system needs to do better. From the way finance is designed, to how sustainability is communicated, to the role of local government and national institutions, there are real opportunities to improve the landscape for small businesses to act. The report includes a series of practical recommendations aimed at policymakers, financial services, and support organisations, focused on unlocking the full potential of sustainable enterprise.

This Review is not a call for small businesses to do more with less. It is a call for us all to do better, to build an environment where doing the right thing for the planet is also the smart thing for your business.

Sustainability is not a side-line; it is fast becoming a core part of doing business well. The small businesses that embrace this now will not only future-proof themselves, but also lead the way in shaping a more resilient and inclusive economy for the UK.

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01

# Keep it Simple: Engaging SMEs at Scale





# 01

## Keep it Simple: Engaging SMEs at Scale



*At BT, we're proud to support The Willow Review, because we know how important it is for small businesses to understand the economic opportunity that sustainability presents. Across the UK, businesses are already making a powerful case for this, something the report brings to life through real stories that show not only that it's possible, but that many are already succeeding.*

*To celebrate the entrepreneurs already leading the way, we recently partnered with Small Business Britain to run the Green Growth Awards, highlighting the brilliant ways SMEs are using sustainability to scale with purpose and impact. The stories that emerged from the entries are not only inspiring but they also offer a powerful playbook for how and why sustainable growth for small businesses can and should be achieved.*

**— Dr Chris Sims**

Chief Commercial Officer, BT Business

To engage small businesses with sustainability, it is essential it is made simple, accessible and financially viable.



Overwhelmingly, small businesses report the complexity of sustainability as a barrier, with data from the UK Net Zero Business Census showing that almost a third of small businesses are unsure where to start.<sup>12</sup>

Clear, actionable steps must be provided to help SMEs implement sustainability measures effectively and understand how these initiatives can drive profitability and business growth. Critically, these steps need to be understood and delivered by a wide array of stakeholders to embed the message within the sector.

The Willow Review proposes a five-point plan for SMEs based on key areas where peers have reported the greatest benefits from sustainability initiatives. By implementing the below steps, SMEs will have the ability to reduce their carbon footprint and open up opportunities to improve profitability.



**1 Switch to sustainable materials**



**2 Reduce travel and optimise logistics**



**3 Minimise waste**



**4 Take action on energy**



**5 Partner with sustainable suppliers and customers**

## The Five-Point Plan - Why It Works

### Switch to Sustainable Materials

1

65% of SMEs benefiting financially from sustainability are using sustainable materials in products or services.<sup>13</sup>

*“We incorporate sustainable practices into our operations, such as using deadstock and repurposed materials for custom creations, minimising waste in our processes, and educating customers on garment longevity. Unlike traditional fashion production, which requires large upfront investments in materials and manufacturing, our model operates with minimal waste and lower production costs. By utilising this deadstock and repurposed materials, we further reduce costs associated with sourcing new fabrics, while also appealing to eco-conscious consumers”*

— Omnifix

### Reducing Travel and Optimise Logistics

2

57% of SMEs benefiting financially from sustainability have reduced business travel.<sup>14</sup>

*“We have switched from diesel to electric and reduced our transport costs from 20p per mile to around 3p, saving approximately £1,000 annually. Additionally, working from a repurposed outbuilding instead of a warehouse means we don’t have to travel as far which lowers our carbon footprint and cuts commuting costs”*

— Caribe Coffee

## Minimise Waste

3

60% of SMEs benefiting financially from sustainability have introduced waste reduction measures.<sup>15</sup>

*“Our waste reduction strategies have directly lowered operational costs... Selling surplus food at discounted rates ensures resources are utilised and not wasted, benefiting both the environment and our bottom line.”*

— TOAST Coffee

*“We don’t generate any waste anymore. We use all our coffee and tea waste to make compost, which we then use to test how our products decompose. Even the small amount of waste we used to have—like plastic string—is now shredded and reused. We’ve completely got rid of our Biffa bin and no longer pay for waste collection, because 100% of our waste is now reused in our packaging.”*

— The Pure Option.

## Take Action on Energy

4

38% of SMEs benefiting financially from sustainability have switched to renewable energy tariffs, and 19% have installed micro-energy technology.<sup>16</sup>

*“Energy efficiency has played a key role in reducing operational costs. We’ve achieved a 41% reduction in electricity consumption... These changes have proven to be both environmentally and financially beneficial.”*

— Sunnyside Guest House

*“The installation of solar panels, biomass heating and development of micro hydro has cut our energy costs by over 50%. These renewable solutions reduce reliance on traditional energy suppliers, lowering expenses and protecting us from price fluctuations.”*

— Plas Cilybebyll Manor House

*“Energy efficiency efforts have further reduced operational costs. By ensuring lights, screens, and other equipment are switched off when not in use, we have lowered electricity consumption which also leads to financial gains”*

— Art Classes Group

## Partner with sustainable suppliers and customers

5

45% of SMEs benefiting financially from sustainability have partnered with sustainable suppliers and customers.<sup>17</sup>

*“Disruptor London’s stringent supplier framework ensures all raw materials meet certified standards for sustainability and ethical sourcing. By rejecting non-compliant suppliers, we’ve built consumer trust and earned the number one rank on the Good on You sustainability scorecard for beauty brands. This approach boosts our reputation while fostering financial stability through reduced waste and efficient production. Our commitment to transparency in raw material provenance aligns with our ethos of responsible consumption, reinforcing confidence in our brand’s integrity and values.”*

**Sira Dheshan Naidu**

Co-founder/owner Disruptor London

Research indicates that a significant number of small businesses are not connecting with messaging around sustainability. According to the British Business Bank, nearly three in four small firms do not understand how the term “net zero” applies to them.<sup>18</sup> Indeed, SMEs are more likely to engage when they understand how sustainable practices can support their business.

Technical language such as “Science-Based Targets,” “Scope 3 Emissions” and “Decarbonisation Pathways” may be unfamiliar and inaccessible. Where messaging does not reflect the experience or language of SMEs, it may fail to prompt action.

Research from The Willow Review highlights the importance of framing sustainability in terms of business value. During the research phase, one business owner shared:

*“A lot of it (sustainability messaging) seems to be for people who have big businesses and HR departments... It’s quite difficult to scale that down to somebody as small as us, where we don’t have protocols... We’re just us.”*

The way sustainability is communicated often fails to reflect the short-term planning horizons typical of small businesses. While larger firms may align strategies to 2050 climate targets, many small firms focus on the next quarter or financial year. Messaging centred on long-term ambition, technical frameworks, and regulatory change will likely not reflect their operational reality.

<sup>17</sup> Willow Review Research, 2025

<sup>18</sup> Small Business and the Transition to Net Zero British Business Bank, 2021

# 69%

of SMEs noted a positive reaction from stakeholders to their environmental actions.

This was reinforced by a Liverpool-based entrepreneur who said:

*“I think it’s important to simplify it into layman’s terms. When you say sustainable, sometimes people say ‘That’s not me, I can’t do that’ or ‘I’m not sustainable, because that’s what big businesses do.’ When you actually break it down, it’s simple.”*

Research from The Willow Review found communicating sustainability practices or credentials can help SMEs to identify new potential revenue streams. Of the SMEs surveyed, 52% of business owners who reported a financial benefit from sustainability said it had helped attract new customers, and **69% noted a positive reaction from stakeholders** to their environmental actions.<sup>19</sup>



“I champion secondhand fashion, encouraging clients to shop preloved or “shop” in their own wardrobes before considering anything new. Through wardrobe edits, I help clients rediscover forgotten pieces, while identifying items that can be repaired, tailored, or upcycled. I also host community events where I educate audiences about the environmental costs of fashion and provide actionable steps they can take, from buying secondhand to mending clothing. After confidently talking about how my business is intrinsically linked to sustainability, I saw results within 6 months such as increased turnover and average spend per client. Brand awareness has also soared, with approaches from established sustainable brands, organisations and charities to partner on projects.”

— **Becky Barnes**  
Owner, *Becky Barnes Style*

The Willow Review highlights the opportunity to build more effective messaging by showcasing tangible, relatable examples. Case studies from SMEs can help demonstrate how environmental action can lead to clear commercial gains for time-constrained and resource-limited businesses, these examples are more motivating than abstract frameworks.

A national, government-led campaign developed in partnership with the Net Zero Council could support this shift. By focusing on sustainability as a route to commercial opportunity: lower costs, stronger margins, customer growth rather than regulation or compliance, the campaign could widen engagement.

Better storytelling, clearer language, and a focus on business impact will strengthen the work of the Net Zero Council. This approach may help overcome the perception that sustainability is too costly or complex for small businesses and instead position it as a viable part of their growth strategy.



## Address the Information Overload Barrier

Accountants, bookkeepers, business advisers and financial services must play a vital role

One of the most frequently cited challenges by SMEs during The Willow Review focus group research was difficulty navigating sustainability-related information.

Many SMEs expressed a strong desire for clearer, more accessible guidance on where to start and who to trust. One business owner shared:

*“It feels overwhelming to figure out where to start when it comes to improving our environmental footprint.”*

This is supported by existing data: the UK Net Zero Business Census found that 46% of firms identify a lack of trusted information sources as a key barrier to taking action on net zero.<sup>20</sup>

While quality resources do exist, such as UK Business Climate Hub which offers practical guidance tailored to SMEs, awareness and uptake remain low. As one Belfast-based business said during The Willow Review focus groups:

*“There’s lots of good materials out there, but then they just sit there.”*

This disconnect suggests that the challenge is not simply one of content creation, but of visibility, relevance, and trust.

Intermediaries, such as accountants, bookkeepers, business advisers and financial services, have a vital role to play in bridging this gap. These trusted partners can help direct businesses to the right tools and ensure that information lands at the point of decision-making.

To strengthen this system, The Willow Review recommends a government-led awareness campaign, developed in collaboration with the private sector. This should focus on promoting the use of existing resources, particularly UK Business Climate Hub, and embedding sustainability signposting into mainstream business support pathways. This recommendation is also qualified by the findings of the UK Finance Unlocking the SME Net Zero Transition report, which also calls for a relaunch and greater publicity of the hub.<sup>21</sup>

The Government's convening power and reach, particularly through upcoming initiatives like the Business Growth Service, offers a significant opportunity to improve visibility and uptake of these tools.

## Networks

Connecting with peer networks can simplify the adoption of sustainable initiatives for SMEs. Research from The Willow Review found that 42% of SMEs who benefit financially from sustainability felt collaborating with other entrepreneurs would help them further.<sup>22</sup>

This is supported by recent research from Small Business Britain and BT, which found a third of small businesses cited other small business owners as their key source of sustainability information.<sup>23</sup>



*"We're partnering with another roastery who are in the Argyll and Bute area who are already well established. We're going to join our green coffee purchasing power together, which is going to reduce shipment costs and obviously carbon emissions and also storage facilities. So, by working in collaboration rather than against one another, we're really hoping to see some great benefits."*

**— Mhairi Mackenzie**  
Founder, *Bute Coffee*

21 Unlocking the Net Zero Transition, UK Finance. 2024

22 Willow Review Research, 2025

23 Small Business Green Growth, Small Business Britain & BT 2024



When SMEs collaborate in peer networks or industry sustainability groups, they can overcome common resource constraints like limited time, expertise, and funds, by sharing knowledge and pooling efforts. Connecting with other likeminded businesses can also lead to partnership opportunities.

Business support organisations and local governments should work to develop networks and mentoring opportunities to amplify engagement and knowledge-sharing; this will help turn sustainability into a shared commercial opportunity rather than a burden.



People Planet Pint, set up by Small99, is an example of a sustainability network creating real impact and business opportunities. The concept is simple; local business owners come together in an informal setting to discuss sustainability and create connections.

*"I am a regular attendee of People Planet Pint and it was at one of these events that I was introduced to a contact at Aston University who needed support with their Decarbonisation Net Zero Programme. We ended up supporting them by producing 30 case study videos; Not only was it fully in line with our mission of making the world a better place but also our biggest ever project that we have undertaken!"*

— **Leena Ceccolini**, CLJ+ Associates

*"As a regular of People Planet Pint Farnham, we're always trying to build and grow the local sustainability community. To one event, we invited 3ti, which is a B Corp certified EV charging infrastructure company. Over relaxed, agenda-free chats at the pub, we discovered they were seeking marketing support. We stayed in touch at the beginning of January and just eight weeks after first meeting at People Planet Pint, they became a client. We won an initial 6-month contract with them. As an ambitious, local, purpose-driven B2B business that is also a fellow B Corp, they tick every box as an ideal strategic client for us."*

— **Russ Avery**, Avery and Brown



## 01 Recommendations discussed in this chapter



### For SMEs

- ▶ **Adopt a 5-Point Plan for Sustainability** — Encourage SMEs to take 5 actionable steps:
  1. Switch to sustainable materials.
  2. Reduce travel and optimise logistics.
  3. Minimise waste.
  4. Take action on energy.
  5. Partner with sustainable suppliers and customers.
- ▶ **Join SME Sustainability Networks** — Participate in mentoring programmes and networks to share best practices, facilitated by Government, financial services and business support organisations.



### For Government

- ▶ **Reframe Sustainability Messaging** — Focus on growth, competitiveness, and profitability rather than compliance to better engage SMEs.
- ▶ **Campaign to enhance uptake** of existing resources such as UK Business Climate Hub.

## 02

# Supporting the Transition





# 02

## Supporting the Transition

*“You can’t get to net zero without small businesses, but they need trusted information and incentives. Government should integrate the UK Business Climate Hub into the upcoming Business Growth Service, to highlight relevant support schemes for small businesses.”*

— Paul Wilson, Policy Director, *Federation of Small Businesses*

Encouraging SMEs to engage with sustainability at scale requires robust and accessible support from government, local authorities, and financial services, which all have an essential role to play in enabling SMEs to confidently invest in and adopt more sustainable practices.

Yet current support structures are fragmented and underutilised. According to research by the Federation of Small Businesses and Warwick Business School, fewer than 1% of small firms in England have accessed key local net zero support schemes.<sup>24</sup> Additional research from Small Business Britain and BT found that only 16% of small business owners have used their local council’s website for sustainability information.<sup>25</sup>

Government  
should underline  
sustainability as a  
driver for growth

This suggests a critical disconnect. While support may exist, many businesses don’t know where to find it, or don’t yet view sustainability as a business priority.

One Belfast-based business owner said during a Willow Review focus group:

*“If I knew there was a central hub that I could easily access the information and see easy pointers that I can actually follow up on, I would be all in.”*

<sup>24</sup> The less than 1% Club, Mapping Net Zero Support for Small Businesses across England, Federation of Small businesses and Warwick Business School, 2023

<sup>25</sup> Small Business Green Growth, Small Business Britain & BT 2024

To address this, The Willow Review recommends that the forthcoming Business Growth Service integrates sustainability into its core offer. Due to launch in 2025, this national service could provide a centralised, trusted landscape for business advice, embedding sustainability into mainstream growth strategy.

## Local support matters

Tailored local support is essential

Local Sustainability Champions

While national platforms are valuable, tailored local support is essential to scale adoption of sustainability practices by SMEs.

One promising approach to scale is the introduction of Local Sustainability Champions: designated advisors embedded within councils who provide practical, one-to-one support to businesses. Local Sustainability Champions can offer personalisation that digital resources often cannot, and help answer key questions specifically relevant for an individual SMEs: What can I do? What will it cost? What will I gain?

Evidence from previous schemes supports this. The 2021 Smart Energy Greater Lincolnshire programme created a “one-stop shop” for free audits, advice, and grants. It supported 260 businesses and enabled 3,600 tonnes of CO<sub>2</sub> savings. One business reduced its energy bills by £11,000 per quarter after implementing recommendations.<sup>26</sup>

The Review recommends that Local Sustainability Champions are funded through central government allocations, while delivery is managed at the local level via councils or local economic development teams. This approach would help ensure support is tailored to local needs, while maintaining consistency and scalability across the country.

Embedding such roles in local economic development teams, or via the local roll-out of the Business Growth Service, would make sustainability advice more accessible and actionable.

Additionally, as mentioned previously, SMEs trust their peers over other support mechanisms.<sup>27</sup> Local authorities should work with established support networks to amplify messages and help drive behaviour change.

<sup>26</sup> The Smart Energy Greater Lincolnshire programme, 2021  
<sup>27</sup> Small Business Green Growth, Small Business Britain & BT 2024



## Support in finding finance

Difficulty in navigating funding landscape:

- Complex applications
- Limited visibility
- Inconsistent eligibility criteria

Access to finance remains one of the biggest barriers for small businesses seeking to transition towards more sustainable practices. Research from The Willow Review found that even for SMEs already benefiting from sustainability, nearly a quarter (24%) cited “access to finance” as a barrier for implementing sustainability<sup>28</sup> and data from 2,000 small businesses in 2024 found 41% see access to finance as a barrier.<sup>29</sup>

This echoes findings from research from the British Business Bank which found that despite more than half (56%) of SMEs being motivated to go green to save money, only 11% had accessed external funding for sustainability.<sup>30</sup> Indeed while 80% of SMEs recognise the importance of sustainability, only a small proportion seek funding.<sup>31</sup>

Research from The Willow Review identifies several factors that contribute to low uptake of external finance, including limited visibility of finance options and concerns around upfront costs – with 45% of SMEs surveyed as part of The Review citing “cost of implementation” as the main barrier to invest in sustainability.<sup>32</sup>

From The Willow Review focus groups:

*“We struggle a little bit within the scaling side, trying to get financials. We just need support, technically, to understand what we can reach.”*

28 Willow Review Data 2025

29 Small Business Green Growth, Small Business Britain & BT 2024

30 Smaller Business and the Transition to Net Zero, British Business Bank 2021

31 Path for Growth, Bridging the SME Sustainability Reporting Gap, Sage, Pwc, ICC, 2023

32 Willow Review Data 2025

Many SMEs want to invest in sustainability but struggle to navigate the grant funding landscape. Barriers include complex and time-consuming application processes, limited visibility of schemes, and inconsistent eligibility criteria.

As one business owner said in a Willow Review focus group:

*“There are loads and loads of grants out there... but there are two of us. We have no time to write a 16-page grant application, which we may probably not even get at the end of it.”*

Another described it as “frustrating” and “completely overwhelming,” especially when operating alone.

To support more action, it is essential to simplify access, improve visibility, and reduce administrative burden. Clearer criteria, streamlined applications, faster decisions, and more relevant signposting will help. Local government Sustainability Champions should also play a key role in demystifying grant options and supporting business owners in applying.

*“It always comes down to financial resources—how we can actually access them... they need to be truly accessible to us, especially because for some of us, it gets overwhelming when we see everything we have to deal with.”*

— Business owner, Willow Review focus group

In parallel, digital tools could streamline the process. AI-powered funding hubs can match businesses to grants based on their sustainability goals and operational footprint.



*“Una, a platform developed by ExpectAI, applies AI to instantly analyse a business’s operations and recommend profitable climate actions... By automating this operational intelligence, Una enables SMEs to make faster, smarter decisions where sustainability directly improves their bottom line.”*

— Anand Verma, Expect AI

When these barriers are overcome and grants are received, they are useful to catalyse behaviour change, especially for first-time adopters of sustainability practices.

## Case studies

Westwood Pipelines received a £3,876 grant through the Smart Energy Greater Lincolnshire programme to install energy-efficient lighting. This led to **savings of £7,800 per year and a carbon reduction of 20.5 tonnes.**<sup>33</sup>

No Fuss Meals for Busy Parents accessed around £10,000 in grant support to improve sustainability infrastructure, digital tools and outreach — **strengthening both their sustainability and financial resilience.**

These case studies show that even modest investments can deliver outsized returns, both environmental and economic.

## 02 Recommendations discussed in this chapter



### For Government

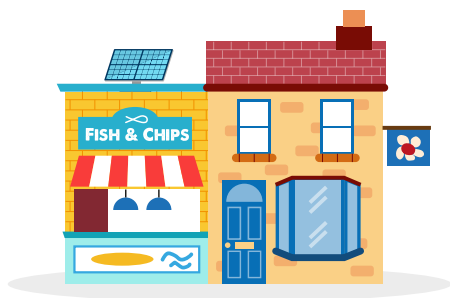
- ▶ **Local Sustainability Champions** — Assign sustainability champions at the council level to provide tailored support to SMEs, linking to local funding.
- ▶ **Improve Access to Finance** — Improve visibility and accessibility of sustainability grants by simplifying application processes and enhancing signposting.
- ▶ **Integrate sustainability into the core offering of the Business Growth Service** — ensuring that SMEs receive clear, consistent, and practical support for their sustainability transitions.

# 03

# Creating the Landscape







# 03

## Creating the Landscape



*“Small businesses tell us it can be hard to decide on the right actions to take to grow sustainably. Small businesses are hugely diverse, and need trustworthy realistic consistent advice that makes sense for their particular circumstances. That’s why at UK Business Climate Hub we work with industry and government to provide free to use shared advice and guidance that small businesses can rely on. The economic case is continually changing as cleaner, greener technologies advance and get cheaper, and businesses need the enabling framework of finance, incentives and infrastructure to line up to help them innovate and invest.”*

— Chris Taylor

Net Zero Programme Director, *Broadway Initiative*

*“Frequent changes to regulations and shifting government priorities make it hard for small businesses to plan and invest in sustainability.”*

– Willow Review  
Focus Group

For SMEs, sustainability can increasingly be seen as a commercial opportunity. However, seizing this opportunity requires the right environment: one that offers a stable policy framework, supportive infrastructure, access to sustainable premises, and practical financial incentives.

According to research from The Willow Review, 42% of SMEs already financially benefitting from sustainability stated that **clearer guidance would help them go further**.<sup>34</sup> Previous research from the UK Finance’s ‘Unlocking the SME Transition’ report and 2024 Net Zero Business Census echo this – with the latter finding 52% of SMEs found **policy uncertainty to be a major barrier**.<sup>35, 36</sup>

A consistent, long-term regulatory framework would allow SMEs to factor sustainability into business planning with greater confidence. Government clarity is not just helpful, it is essential for long-term investment.

<sup>34</sup> Willow Review Research 2025

<sup>35</sup> UK Net Zero Business Census, Business Climate Hub & Planet Mark 2024

<sup>36</sup> Unlocking the SME Transition, UK Finance, 2024

## Landlords

# 56%

of UK commercial properties are rented, with over 1 in 5 saying landlords prohibit sustainability improvements

Furthermore, more than half (56%) of UK commercial properties are rented, meaning many SMEs have limited control over their premises.<sup>37</sup> This creates a challenge: tenants often pay energy bills, but only landlords can approve building upgrades. The incentives are misaligned.

The Willow Review research found not owning premises to be a major barrier for a fifth of businesses benefiting from sustainability efforts.<sup>38</sup> This is supported by research from Small Business Britain and BT which shows that over 1 in 5 small firms say their landlord has prohibited sustainability improvements.<sup>39</sup>

To address this, landlords must be included in the transition. Expanding schemes like the Warm Homes Plan to provide directives and incentives for landlords could help. As energy efficiency requirements tighten, proactive landlords stand to gain, especially as more businesses prioritise green credentials in rental decisions.

## Fiscal Incentives

*“If small businesses could get tax breaks or deductions for being more sustainable, it would help balance things out... that kind of offset would make a big difference.”*

— Cambridge-based business, The Willow Review Research

According to the UK Net Zero Business Census, 41% of SMEs say enhanced tax incentives would significantly support their sustainability journey.<sup>40</sup> Indeed, tax incentives can reduce financial burden and send a strong signal that government is supporting SMEs to transition. While they won't drive change alone, as part of a wider programme they can provide confidence to SMEs and support those that are adopting sustainable practices.

## Infrastructure

Beyond financial and regulatory support, factors such as infrastructure are playing a role in shaping SME sustainability efforts.

SMEs looking to electrify their delivery vehicles or install energy-efficient heating may encounter difficulties due to outdated infrastructure, such as a lack of charging points or limited grid capacity. Similarly, the lack of capacity in the UK's recycling infrastructure compared to other European countries limits what is possible. More than half of businesses say that infrastructure constraints are a moderate or significant barrier to their sustainability efforts.<sup>41</sup>

<sup>37</sup> Incentivising investment: Driving decarbonisation of SME-occupied premises, Barclays 2024

<sup>38</sup> Willow Review Research 2025

<sup>39</sup> Small Business Green Growth, Small Business Britain & BT 2024

<sup>40, 41</sup> UK Net Zero Business Census, Business Climate Hub & Planet Mark 2024

## Supply Chain

Businesses that track sustainability efforts are seeing financial gains



Supply chain dynamics are increasingly pushing SMEs to adopt sustainability measures with many large corporations and public sector customers now require suppliers to demonstrate sustainability credentials. The UK Net Zero Business found that 37% of SMEs report that they have been asked to **provide carbon data or environmental policies as part of procurement processes**<sup>42</sup> and research from Virgin Money found that 58% of SMEs had seen ESG requirements start to come through from suppliers.<sup>43</sup> This means that for many SMEs, adopting sustainable practices is no longer just a moral or environmental decision—it is becoming a key commercial imperative and a way to remain competitive.

*“Larger companies are led by compliance and regulatory burden, so they are perhaps a few steps ahead and starting to look to their supply chains for sustainability. This is an opportunity for smaller businesses to shine”*

— **Shanika Amarasekara**

Former Chief Impact Officer, *British Business Bank*

Project Perseus, run by Icebreaker One, is one initiative helping SMEs report their carbon data more easily, enabling them to access finance and meet supply chain requirements. This is particularly pertinent as new research from The Willow Review highlights a clear link between tracking emissions and financial benefits: among businesses that already see financial gains from sustainability, 65% track their sustainability efforts in some way. In contrast, 65% of businesses that have yet to benefit from sustainability do not track their emissions, suggesting that monitoring plays a role in driving positive financial outcomes.<sup>44</sup>



*“SMEs face a fragmented carbon accounting landscape, making emissions reporting complex and inconsistent. Through B4NZ’s SME Sustainability Data Taskforce, we are developing a standardised, proportionate framework to simplify reporting, improve data reliability, and unlock access to green finance. The Willow Review’s recommendations align with this need - ensuring SMEs can track their emissions effectively, meet regulatory requirements, and build resilience in a net zero economy.”*

— **Hannah Cool**

Chief Operating Officer, *B4NZ*

<sup>42</sup> UK Net Zero Business Census, Business Climate Hub & Planet Mark 2024

<sup>43</sup> Virgin Money Research, 2024

<sup>44</sup> Willow Review Research 2025

Encouraging more SMEs to engage with tracking, even at a basic level and with the support of emerging projects like Perseus, and B4NZ's SME Sustainability Data Taskforce, could be a key step in helping them realise the financial benefits of sustainability.

Many free tools for carbon tracking exist. For example, the SME Climate Hub has an easy-to-use online emissions calculator for small businesses. BT also supports their small business customers by embedding carbon footprint data onto product pages – taking the onus off the small business owner to do it themselves.

*“Our real-time carbon emission monitoring has also allowed us to identify and optimise areas of energy consumption, leading to further cost reductions. By continuously tracking our emissions and making data-driven decisions, we improve efficiency while lowering operational expenses.”*

— **Nicole Ferris**

Managing Director, *Climpson and Sons*

Similarly, tracking waste can also lead to significant financial benefits.



*“At Fish City, tracking our waste means that we can reduce or eliminate wastage and therefore make cost savings. For example, when we began recording and categorising wastage at retail price, it amounted to £790 in the first month of our recordkeeping, which shocked our team. Subsequently, we put much more effort into prevention, greatly reducing this waste stream and saving the business thousands of pounds per year. By measuring the best and most economical use of ingredients, monitoring for quality and consistency, and benchmarking suppliers, we minimise kitchen waste through production. Through good stock rotation and quality monitoring, we minimise spoilage. And by analysing our food gross profit monthly, we can easily identify if we need to investigate any streams of waste in the business.”*

— **John Lavery**

Founder, *Fish City*

## 03 Recommendations discussed in this chapter



### For Government

- ▶ Support SME Transition through **engaging landlords** to facilitate SME energy usage transition.
- ▶ **Drive Forward Fiscal Incentives for SME Sustainability** — Work collaboratively with the Department for Energy Security and Net Zero, HM Treasury, Department for Business and Trade and The Willow Review to develop a set of recommendations by the end of the year focused on improving fiscal incentives for small businesses. This will include, but is not limited to: simplifying existing schemes and boosting awareness and accessibility.



### For SMEs

- ▶ **Understand supply chain requirements** and look for support from supply chain to develop sustainability initiatives.
- ▶ **Investigate informal and formal tracking** of carbon emissions as a tool to demonstrate progress.

# 04

## Financing for the Future





# 04

## Financing for the Future

Access to finance must extend to more financial solutions as, whilst grants play an important role in providing access to finance, they are not a scalable solution across the entire SME population.

However, it is important to acknowledge that UK SMEs generally prefer slower growth over borrowing.<sup>45</sup> Research from Small Business Britain and BT found most small businesses self-fund sustainability practices, with just 2% reporting to have used private funding.<sup>46</sup> This is backed up by data from the Federation of Small Businesses that shows that business cash reserves (45%) and personal savings (28%) are the most common methods of funding low carbon improvements, with use of loans (6%) and Government schemes (4%) much lower.<sup>47</sup>

This highlights the need for compelling business cases to illustrate the commercial case for sustainability and help engage SMEs at scale.

### Case studies

Offset Workshop took out a loan to install solar panels. This investment **reduced their electricity costs** while generating income through FIT payments.

Aston Marina's **ground source heat pump creates surplus energy**, generating an additional £2,500 per year through sales to the grid.

<sup>45</sup> Small Business Finance Markets, British Business Bank, 2025

<sup>46</sup> Small Business Green Growth, Small Business Britain & BT 2024

<sup>47</sup> New Growth: How to support small businesses to cut carbon and costs on the road to Net Zero, Federation of Small Businesses 2025

There is also a vital role for both public and private sector to help SMEs understand and access finance. This includes support with upfront costs, as well as longer term investment in assets and infrastructure that can offer both financial and environmental benefits. Greater alignment between public and private sector finance can help give SMEs the certainty they need to invest.

The UK Government has signalled its intent to lead in this area. Green finance is one of five national priorities in the 2024 Financial Services and Growth Strategy, with a commitment to championing net zero and using public capital to support innovation in this space.

## Government support schemes and interest-free loans can help a business save thousands a years on energy costs

Government support schemes, when targeted and accessible, can play a vital enabling role.

Zero Waste Scotland offers interest-free loans of up to £100,000 and cashback grants of up to £20,000 to help businesses implement energy-saving improvements.

Bar One Clothing, a 30-person firm, used a £13,500 interest-free loan and grant support to retrofit its facility with LED lighting, smart sensors and better insulation. The upgrades cut emissions by 9.5 tonnes and saved £1,900 per year in energy costs.<sup>48</sup>

This success could be replicated through a Green-Up Loan Scheme, modelled on Start-Up Loans, offering small-scale, low-interest finance for energy efficiency and greener operations. Critically this Start-Up loan model also includes business planning and support, which can help businesses plan and understand the ROI too. This would help SMEs take that first step into sustainability with manageable risk.

For SMEs looking to invest in larger sustainability projects for their business, The Review calls for a Green Guarantee Scheme, modelled on the current Growth Guarantee scheme. With the loan offered by private lenders but carrying a government guarantee, this scheme would de-risk lending for banks, allowing more SMEs to access green finance, while enabling government to play a strategic role in accelerating sustainability.

The private sector is becoming more active with more lenders offering tailored green finance products for SMEs. Many high-street banks are now providing discounted loans for businesses investing in green assets. For example, Barclays has launched Green Loans for Business across multiple SME sectors.



### Enhanced support for sustainability finance

Support from finance providers could be further enhanced to help shift sustainability from a perceived risk to a strategic opportunity:

- **Partnering with third-party organisations** to deliver training and guidance on how SMEs can transition effectively.
- **Sharing sector-specific case studies** with customers to help them see tangible examples of steps taken by similar businesses, and help SMEs better understand the ROI and payback periods of sustainability investments.
- **Championing awareness of public grants and support schemes**, helping SMEs understand and access available funding.

## 04 Recommendations discussed in this chapter



### For Government

- ▶ **Expand the Growth Guarantee Scheme to include Green Initiatives** – Consider expanding existing government guarantee schemes to enable access to green finance for SMEs, to incentivise larger-scale sustainability investments. The British Business Bank has launched a pilot to support this type of lending and, using insights from the pilot, should develop the proposition further with the aim of announcing a permanent Green Guarantee Scheme by the end of 2025.



### For Financial Services

- ▶ **Provide Green Finance Education** — Offer support services to help SMEs understand commercial opportunities from sustainability.
- ▶ **Support Sustainable Business Planning** — Help SMEs develop business plans that clarify return on investment (ROI) for sustainability initiatives, and champion the digitisation of carbon and energy data to better understand the opportunities and long-term benefits.
- ▶ **Innovate Green Finance** — Champion innovative funding mechanisms and greater access to support from public and private sector, to enable green finance demand to grow.

# Next Steps

**The Willow Review makes it clear that sustainability is not just an environmental necessity, but a tangible commercial opportunity for SMEs. However, realising these benefits at scale requires a fundamental shift in how sustainability is framed, financed, and supported.**

Collaborating with Net Zero Council and policymakers

Develop initiatives that bring SMEs into the sustainability conversation

Expand peer learning networks

Improve access to green finance

Amplify success stories

Track progress

Over the coming years, The Review will work closely with Government, financial services, and SMEs to drive a step change in both action and conversation, **ensuring that sustainability becomes embedded as a core driver of business growth.**

A key priority will be working with the **Net Zero Council** to bridge the gap between the commercial opportunities for SMEs and the wider global climate goals. By aligning the financial case for sustainability with long-term environmental targets, a clearer, more compelling pathway for small businesses to engage with net zero initiatives can be created.

This will involve **collaborating with policymakers** to ensure that SMEs have access to the **right incentives, practical support, and clear messaging** that emphasises profitability and competitiveness alongside sustainability.

Alongside this, the Review stakeholders will continue to **develop initiatives that bring SMEs into the sustainability conversation**, to support small businesses to feel equipped to take meaningful action.

Over the next two years, this will involve **expanding peer learning networks, improving access to green finance, and amplifying success stories** that highlight the financial gains of sustainability. Equipping SMEs with the knowledge, confidence, and resources they need will be vital in accelerating this transition.

To measure progress, The Willow Review and stakeholders will check in annually, tracking how SMEs are integrating sustainability into their operations and whether the barriers identified in this review are being addressed.

This will build on momentum and ensure that sustainability remains at the forefront of the small business agenda.

The Willow Review is just the start of a long-term movement to empower SMEs to make sustainability a driving force for business success.

# Research Methodology and About the Report

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## Research Methodology

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To understand the financial benefits of sustainability for SMEs, this review employed both qualitative and quantitative research approaches combining focus groups, an online survey, a call for evidence, and a comprehensive review of existing research. The aim was to gather real-world insights from businesses that have financially benefitted from sustainability, identify the specific strategies they have implemented, and explore how these methods can be expanded at scale to support wider SME adoption.

### Focus Groups

Nine focus groups were conducted both online and in-person across the UK, engaging between 4 and 12 small businesses per session. These sessions were designed to facilitate in-depth discussions about the financial impacts of sustainability, the challenges businesses faced in implementation, and the strategies that led to success.

Each focus group brought together business owners from a variety of sectors, ensuring a diverse range of experiences and perspectives. Businesses that had successfully integrated sustainability shared their experiences, helping to build a clearer picture of the financial mechanisms driving success.

### Online Survey

Alongside the focus groups, a **survey of 425 small businesses** was conducted to quantify key trends and experiences related to sustainability and financial performance. Within this group, 152 businesses had already seen direct financial benefits from sustainability initiatives.

The survey focused on several key areas:

- Financial gains from sustainability, including cost savings and revenue growth
- Customer attraction and retention due to sustainability commitments
- Access to finance and funding for sustainable initiatives
- Barriers to sustainability adoption and how they were overcome
- How businesses measure and track the financial impact of sustainability

The targeted approach ensured that the research prioritised insights from the business with proven financial gains from adopting sustainability practices.

## Case Studies and Testimonials

Case studies and testimonials were developed during the research phase of The Review and the ‘Green Growth Awards’, a collaboration between Small Business Britain and BT, which encouraged businesses to share how they have made the financial case for sustainability in their business.

Case studies shared in this report are self-reported by businesses and have not been independently verified by The Willow Review.

## Call for Evidence & Research Review

In addition to primary research, this review incorporated a **call for evidence** from industry stakeholders, policymakers, and business support organisations. This process allowed for broader contributions from those working directly with SMEs on sustainability initiatives.

A comprehensive analysis of existing research was also undertaken to contextualise findings within the wider landscape of SME sustainability. This included both qualitative and quantitative data from previous studies, ensuring a well-rounded perspective on the financial impacts of sustainability.

These reports provided valuable insights and background that helped to frame the qualitative findings from focus groups and survey responses.

## About this Report

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## **With special thanks to The Willow Review Steering Board:**

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