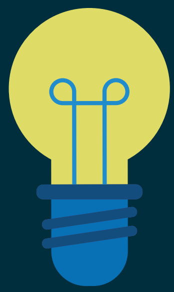
The Willow Review

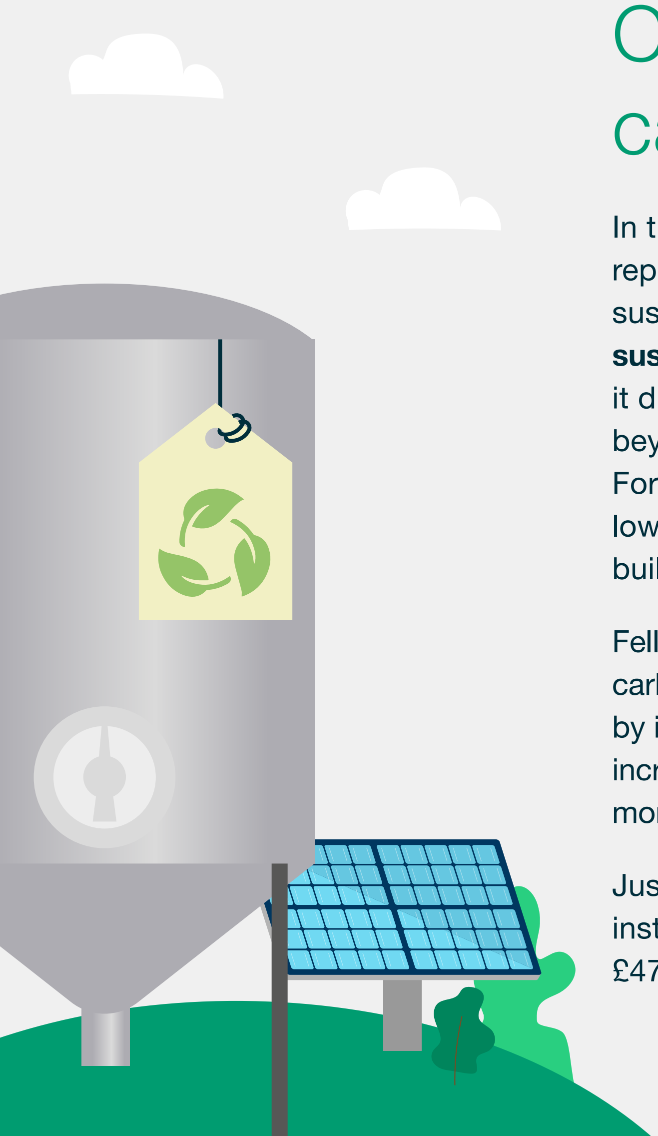
ONE YEAR ON

Small Businesses Growing Green Ambition

Small businesses are no longer treating sustainability as a side issue. The latest data shows a that going greener is becoming part of how firms manage costs and plan for growth.



Nearly half of small businesses, **45%, say they have done more on sustainability in the past year than before**, while just 3% have done less. With more firms are taking practical steps, from reducing energy use and waste to looking again at suppliers, materials and everyday operations, there is a clear direction of travel.



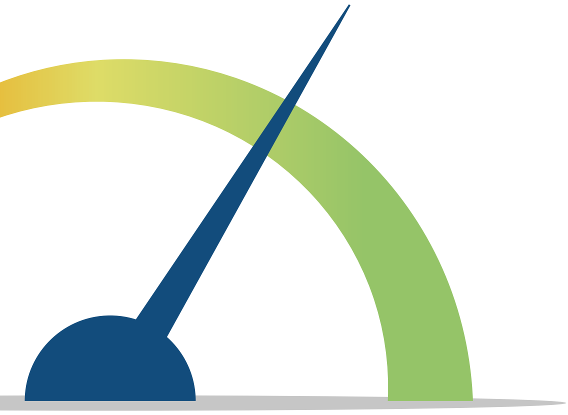
Crucially, the financial case is strengthening.

In the year since the launch of the Willow Review's final report in June 2025, setting out the commercial case for sustainability in business, over a third, 35%, of SMEs say **sustainability has had a more positive financial impact** than it did a year ago. That suggests the conversation is moving beyond ethics and compliance, and into competitiveness. For many small firms, sustainability is increasingly about lowering bills, improving efficiency, winning customers and building a business that can withstand shocks.

Fell Brewery in Cumbria for example initially set out to cut carbon in their business but quickly saw the financial rewards; by improving the efficiency of their brewhouse they've increased packaged beer tonne of grain by 21% in the last 24 months and saved thousands by doing so.

Just last year Vale and Downland Museum in Wantage installed solar panels which have saved them approximately £4700 in the last year alone.

65%
plan to do more on sustainability



Ambition is also growing.

Two-thirds, 65%, plan to do more on sustainability over the next year, with 23% planning to do significantly more. Almost none intend to pull back. At the same time, 37% say sustainability has become more important to their business over the last 12 months.

Small businesses are ready to act, and many are already seeing benefits. But they need support that is simple and framed around the realities they face: cost, time, confidence and cash flow.

Government response to the Willow Review

On 11 December 2025, the Government published its formal response to the Willow Review, jointly from the Department for Business and Trade and the Department for Energy Security and Net Zero.

The response recognised the Review's central message: sustainability can be a driver of growth and competitiveness for small businesses.

The Government announced additional funding, including **£2 million for the Made Smarter Adoption Programme** to help manufacturing SMEs invest in energy efficiency, reduce waste and improve productivity. It also committed **£200,000 to upgrade the UK Business Climate Hub** and integrate it with the new Business Growth Service.

This followed the wider Small Business Plan, Backing Your Business, which placed the Willow Review within the Government's broader missions on economic growth and clean energy.

Since the response, progress has been made. The UK Business Climate Hub has now been integrated with the Business Growth Service, and the refreshed Hub website is live. New tools, including the Giki Carbon Action planning tool, are helping businesses understand the practical savings that sustainability can unlock.

Government is also working with industry and the Net Zero Council's SME Working Group to move away from technical jargon and towards language that speaks more directly to small business priorities such as cutting costs and supporting growth.

What needs to happen next

The direction is right, but the scale now needs to match small business ambition.

1

First, **support must be made easier to find and easier to use.** Small firms do not have time to navigate complex policy language or fragmented schemes. The Business Climate Hub and Business Growth Service should become the clear front door for practical sustainability support.

2

Second, **the financial case must be made unavoidable**. The strongest message for small businesses is not abstract net zero language, but the link between sustainability, savings, productivity, resilience and growth. Every campaign and tool should lead with that.

3

Third, access to finance remains critical. Many firms want to act but face upfront costs. **More targeted grants, loans, incentives and supplier-backed finance** will be needed to help businesses invest in energy efficiency, renewables, cleaner transport, digital tools and waste reduction.

4

Fourth, **support must reach beyond the already engaged**. The next phase should focus on microbusinesses, sole traders, rural firms, high street businesses and sectors with thin margins, where time and cash pressures are greatest.

5

Finally, **Government should keep working with trusted business networks**. Small firms are more likely to act when advice comes through practical examples and targeted support, not just central campaigns.

Small businesses are showing growing green ambition. The task now is to turn that ambition into action at scale by making sustainability financially compelling and impossible to ignore.