

BRIEFING

LARGE BUSINESSES SUPPORTING SMES TAKING CLIMATE ACTION

This briefing contains insights from a roundtable webinar with Business in the Community (BITC) members discussing how larger businesses can support smaller businesses to achieve net zero.

Context

SMEs (Small and Medium size Enterprises) collectively contribute to around 53% of the UK's 'environmental impact', including greenhouse gases.ⁱ Changes to how SMEs operate could significantly impact national and international climate targets.

However, BITC research has shown that despite being supportive of action to address climate change, small businesses are lagging behind large corporates when it comes to setting appropriate targets and putting plans in place to meet them.ⁱⁱ

76%

of SMEs are yet to implement comprehensive decarbonisation strategiesⁱⁱⁱ

This briefing outlines the main discussion points of the roundtable so BITC members can better understand how they can support SMEs with practical actions they can take to start their journey towards net-zero.

INSIGHTS FROM OUR GUEST SPEAKERS

Lloyds Banking Group and Be the Business

Lloyds Banking Group research highlights the gap between ambitions and action. Lloyds shared the

five-step programme they use to support SME customers looking to move towards net zero.

Detailed information about each of the five steps and the support offered by Lloyds Banking Group can be found in their ['From Now to Net Zero' guide](#).

Lloyds have also partnered with [Be the Business](#) to help them better support their customers.

Together, they identified five principles for effective employer engagement.

- 1. Empowerment** – equip small businesses with the skills to take ownership and enable them to make their own decisions.
- 2. Network of networks** – SME audience is massive, so use existing networks to take a 'show, don't tell' approach.
- 3. Crowd-in** – connect others together for greater impact, use real world, not theoretical examples.
- 4. Reflect their diversity** – millions of SMEs with their own character and identity, so treat each one as an individual entity.
- 5. Leverage** – use your existing commercial relationships as leverage.

Fujitsu

Fujitsu are asking their suppliers to commit to a set of minimum standards, contained in the [Fujitsu](#)



[Responsible Procurement Charter](#), as part of their own commitment towards reducing scope 3 emissions.

Crucially, the Charter does not aim to be prescriptive or restrictive in its approach; instead, it asks for commitments to be made towards measuring and monitoring emissions, with a view to putting a plan in place to reduce them over time.

This allows Fujitsu to collaborate with its supply chain to work through the challenges of reducing their emissions, considering the diversity of the SME landscape, instead of shutting out lots of businesses unnecessarily.

NatWest and Green Element

Climate action at NatWest comes straight from the top; it is now part of their corporate purpose. Part of their strategy is to listen to the challenges faced by SME customers; yet it is also important to remind SMEs of the financial opportunities presented by the transition to a low-carbon economy.

NatWest recently opened an Accelerator Hub with the University of Warwick to support SMEs. This includes a dedicated [Climate Accelerator](#) offering coaching, one-to-one advice, thought leadership events, and a network of likeminded peers supporting each other to innovate for the planet.

Will Richardson, CEO and Founder of [Green Element](#) and [Compare Your Footprint](#), highlighted that larger corporates need to support SMEs to understand real net zero through science-based targets; and provide accessible tools for those wanting to reduce their carbon footprint but who are not ready to engage with experts.

TOP TIPS FOR LARGE BUSINESSES

Focus on one thing at a time: don't overcomplicate things for SMEs; focusing on your supply chain can be a good place to start.

Tailor your support: SMEs are not a homogenous group and there will be specific challenges across sectors, with differing styles of business leadership. Take the time to understand where SMEs are at rather than offering a one-size-fits-all approach.

Communicate effectively: consider how you can use existing commercial relationships with suppliers to engage SMEs on the benefits of net zero and demystify the process. Use communication channels to show where you can provide wraparound support for SMEs at different stages of their journey. Inform SMEs of the risks involved of not reaching net zero, including loss of customers, and access to products like green loans.

FURTHER INFORMATION

BITC has a range of resources designed to support members to take climate action and encourage their small business ecosystem to do the same.

- [Challenge 2030: Jargon Buster](#) can be used to demystify some of the technical language and specific terms used when talking about sustainability.
- [Addressing emissions in your supply chain factsheet](#) provides a good overview of how large businesses can lower emissions in their supply chain.
- [How to tackle suppliers' emissions: a guide for procurers](#) can be used as a guide to lower supply chain emissions, taking a specific look at the role of the procurement function in your organisation.

ENJOYED THIS CONTENT?

You might also like to:

- [find out more about taking Climate Action](#)
- [learn more about our advisory services](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team today to learn how membership of BITC can help you take your responsible business journey further and drive lasting global change.

ENDNOTES

ⁱ Grantham Institute for Climate Change (2020), Financing small and medium-sized enterprises to support a just transition to net-zero emissions in the UK, available here: <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2020/07/Financing-small-and-medium-enterprises-to-support-a-just-transition-to-net-zero-emissions-in-the-UK.pdf>

ⁱⁱ Based on polling data carried out by YouGov plc on behalf of BITC in September 2021. Total sample size was 2007 adults and fieldwork for the business survey was undertaken between 28th September - 11th October 2021. The survey was carried out online. Both sets of figures have been weighted and are representative of Senior Decision Makers (business survey) and all UK adults 18+ (public survey).

ⁱⁱⁱ British Business Bank (2021), Smaller businesses and the transition to net zero, available here: <https://www.british-business-bank.co.uk/research/smaller-businesses-and-the-transition-to-net-zero/>