



A springboard to sustainable recovery

Unlocking the net-zero opportunity for UK SMEs

The UK aims to **reduce emissions by 40%** by **2030** and reach **net-zero emissions by 2050.**

SMEs have two opportunities to create value from climate action:

- Driving business value by **reducing** their own emissions.
- Unlocking **growth** through wider climate action.

To unlock the opportunity, SMEs will need support to deliver:

- **5 million** insulation retrofits
- **3 million** heat pump retrofits
- **125,000 electric vehicle** charge point installations
- **22GW** of renewable power generation capacity per year
- ...which will create **130,000** new jobs and **30,000 new companies** in the SME sector

SMEs are a cornerstone of the UK economy

- **30%** of **emissions**
- **50%** of total **turnover**
- **60%** of **employment**

£160+ billion revenue opportunity



for SMEs as a result of the drive to tackle climate change.

NatWest pledges

£100 billion of climate and sustainable funding

by 2025 to support the investment the UK needs.



50% of the UK's carbon **reduction ambition** can be delivered by the SME sector.

With the right support, **55-70%** of business cases to reduce emissions will make **financial sense** for SMEs by **2030**.

The **Transport, Agriculture,** and **Industrial** sectors provide the most immediate positive business cases.

To unlock the climate opportunity, action is needed in **six key areas:**

- 1. Funding access:** SMEs require financing options that reflect the societal benefit of delivering climate action.
- 2. Awareness:** SMEs need support to recognise the strengthening opportunity from climate action.
- 3. Knowledge:** SMEs need help to improve their climate action knowledge.
- 4. Skills and capabilities:** SMEs need support to develop new skills to deliver a business transition, including re-training and upskilling employees.
- 5. Market access:** SMEs looking to unlock broader climate action need improved financial certainty of the benefits of doing so.
- 6. Navigation:** SMEs need support to navigate the complex and evolving landscape.

NatWest's **interventions** to support SMES are built around

four pillars:

- 1.** Ensuring SMEs have access to the funding they need.
- 2.** Helping SMEs know where they stand in relation to their business and climate footprint.
- 3.** Supporting SMEs to identify the biggest opportunities for their business.
- 4.** Helping SMEs navigate the climate action landscape and connecting businesses to resources and insights relevant to their situation.

