



LLOYDS BANK

PRESS RELEASE

UK SMEs REMAIN COMMITTED TO SUSTAINABILITY DESPITE COVID-19

- More than half (54%) of UK SMEs say becoming more environmentally sustainable is important to their business, just ten points fewer than in 2019 (64%).
- A similar number (52%) have taken steps to become more environmentally sustainable in the last year, using cash reserves (29%) and government grants (13%) to fund improvements.
- Pressure from customers (18%) and long-term cost savings (18%) remain SMEs' primary sustainability drivers.

The majority of UK SMEs remain focused on improving their environmental sustainability despite Covid-19, according to Lloyds Bank Commercial Banking's Business Barometer.

More than half (54%) of UK SMEs said becoming more environmentally sustainable is important to their business – just ten points fewer than the proportion that said the same in 2019 (64%).

Despite the challenges of the last year and the disruption caused by the coronavirus pandemic, more than half (52%) of UK SMEs continued to work to become more environmentally sustainable in the past 12 months – just 11 points fewer than in 2019 (63%).

A fifth said they had used suppliers that source environmentally friendly products and services (19%) or made alterations to their premises to improve energy efficiency (19%) in the last year.

A similar proportion (17%) have invested in energy efficient equipment or machinery, while one in ten (11%) has switched energy supplier or installed an onsite renewable energy source.

When it comes to SMEs' sustainability drivers, pressure from customers (18% vs. 22% in 2019), long-term costs savings (18% vs. 23% in 2019) and firms' corporate social responsibility policies (17% vs. 19% in 2019) are the top three factors.

Meanwhile, cash reserves (29% vs. 35% in 2019) and government grants (13% vs. 12% in 2019) remain the most popular forms of finance for SMEs looking to improve their environmental performance.

Paul Gordon, Managing Director, SME & Mid-Corporates, Lloyds Bank Commercial Banking, said: "While many businesses have been forced to prioritise mitigating the immediate impact of the Covid-19 pandemic, it's hugely encouraging to see that the majority of firms still have their sights set on improving their environmental performance."

"Environmental sustainability will sit at the heart of successful coronavirus recovery strategies and, ultimately, investment in this area is going to help businesses – and the UK as a whole – build back better."

"We're committed to ensuring that our customers are fully supported to transition to a low carbon economy. We're standing by the side of businesses across the country with discounted funding for green initiatives and with our Relationship Teams specially trained to help put sustainability plans into action."

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Produced by Citypress on behalf of Lloyds Bank Commercial Banking



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Notes to editors:

The Business Barometer results provide early signals about UK economic trends. The survey started in January 2002 and research is carried out monthly on behalf of Lloyds Bank by BVA BDRC.

This survey was conducted with 1,200 companies between 2nd and 16th November.

About Lloyds Bank

- Lloyds Bank Commercial Banking provides comprehensive expert financial services for small businesses, mid-sized businesses and multinational corporations.
- Maintaining a network of relationship teams across the UK, as well as internationally, Lloyds Bank Commercial Banking delivers the mix of local understanding and global expertise necessary to provide long-term support to its clients.
- Lloyds Bank Commercial Banking offers a broad range of finance beyond term lending and this spans import and export trade finance, structured and asset finance, securitisation facilities and capital market funding. Its product specialists provide bespoke financial services and solutions, including tailored cash management, international trade, treasury and risk management services.

Support for SMEs

- Lloyds Banking Group is committed to helping businesses of all types and sizes, giving them the funding and support they need to grow at home and abroad. We have set out our pledges in our Helping Britain Prosper Plan.
- Since the start of 2011, we have grown our net lending to SMEs by 36% whilst the market has contracted by 12%.
- To see the latest supporting businesses factsheet please visit: <https://www.lloydsbankinggroup.com/globalassets/documents/media/media-kit/cb-factsheet/190220-cb-factsheet.pdf>
- For more information on the Lloyds Bank Working Capital Index please visit: www.lloydsbank.com/workingcapitalindex
- To find out more about discounted funding for green initiatives please visit: <https://www.lloydsbank.com/business/commercial-banking/clean-growth-financing-initiative.html>

Financing businesses through the crisis

- Businesses can borrow from Lloyds Bank Commercial Banking using the normal process and we remain committed to helping our customers with their lending needs.
- Lloyds Bank Commercial Banking has committed a £2bn fund to support businesses impacted by COVID-19. This provides for additional fee-free lending to SMEs (up to £25m turnover) and capital repayment holidays.
- Businesses that are experiencing lost or deferred income as a result of coronavirus may be eligible for the government's Coronavirus Business Interruption Loan Scheme (CBIL), Coronavirus Large Business Interruption Loan Scheme (CLBIL) or the Bounce Back Loan Scheme.
- For SMEs with a turnover above £3m, we have set up a fast track process to get fast credit approval.