

**Novuna**<sup>®</sup>  
Business Finance

# Sustainability: Investment, cost or burden?

Small business owners  
in conversation

Part One

An insight report from  
Novuna Business Finance

Tomorrow. Together



# Introduction

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## Welcome to the latest insight report from Novuna Business Finance.

At Novuna Business Finance, sustainability is at the heart of our business. Over the last couple of years, we have been supporting small business owners in their journey towards achieving Net Zero goals and how to integrate sustainability into their business strategies and supply chains effectively.

In part, we do this through the services and toolkits we provide but we have also invested heavily in market research - to understand how small businesses view a range of sustainability and climate related issues. Specifically we have explored the steps that business owners are taking, and the barriers they face. While larger corporations often dominate the sustainability debate, we firmly believe that the voices of small businesses need to be heard.

This summer, we took a different approach to our ongoing research by conducting in-depth conversations with ten small business owners across the UK. This allowed us to capture the richness and the detail of personal stories – and it also serves as a reminder that all small businesses are different and every small business owner has their own unique story to tell.

We will be sharing these 10 stories over two editions of this report, with five stories shared this month and another five in August. For this report, small business owners talk about their individual experiences, challenges and successes

as they share their journey towards sustainability and Net Zero. From a local bakery to fashion, real estate to bonsai cultivation - each story unfolds naturally. We would like to thank all our interview guests for giving their time and permission to share their views on sustainability.

Across this series of interviews for summer 2024, we explore how small business owners view sustainability and its role within the growth ambitions of their business. We also explore the extent to which small business owners view green initiatives as a long-term investment or a cost.

In addition to this report, full-length audio versions of these small business stories will also be available to enjoy via our Sustainable Business Podcast. I do encourage you to have a listen, share your feedback and we are always on the lookout for guest interviews if you would like to get involved.

I hope you enjoy this latest report and find the insight from our small business guests to be of interest. If you have any discussion points or requests for further information, we would love to hear from you.

Geoff Maleham  
Managing Director  
Novuna Business Finance

# The national context

Before sharing our first set of stories from small business owners, below we note some quantitative data from nationwide research, which gives some useful context on what small businesses around the UK think about sustainability. Insight reports featuring full research findings from recent years can be found on the Novuna Business Finance website.

- Novuna research in the last 12-months revealed that 71% of small business owners see sustainability as an opportunity to diversify and grow their business.
- In terms of positive initiatives and benefits over the last year, 37% of enterprises said they have reduced waste and 24% of business owners said the public image of their enterprise had improved as a result of working on sustainability initiatives.
- For many businesses, the costs associated with sustainability also pose a real challenge: 33% of small businesses said they will commit to sustainability initiatives provided these prove to be cost-neutral. Further, 28% of respondents said they will take a longer-term view on recovering short-term costs – although a similar percentage (27%) countered by saying they would only commit to sustainability projects if there was no short-term impact on profits.
- Nationally, 26% of small business owners said they need more support and incentives from the Government to support them with sustainability – in part because 23% struggled to find the budget to support projects and 21% said they were juggling sustainability with pressing priorities relating more directly to keeping their business afloat.
- Ahead of the General Election, in May 2024 small business owners were asked what they would want to see from a new government, in terms of supporting them with sustainability: Overall, 38% wanted to see a ‘green tax’ system that rewarded small businesses for implementing green initiatives, 37% wanted bigger grants that fully covered the set-up costs of switching to greener energy – and 37% also called for a reduction in rates for small businesses that switched to green or renewable energy supply.
- In June 2024, the UK public was asked who they would like to see a new government support more, in terms of driving forward the Net Zero and green agenda. From this consumer survey, small businesses came top (45%). On sustainability, UK consumers were more than twice as likely to say small businesses needed Government support compared to big businesses (45% Vs 19%).





"Everything is about balance."

## A conversation with Peter Chan, owner of Herons Bonsai

In today's eco-aware world, businesses like Herons Bonsai owned by Peter Chan, shine as an example of what it means to be sustainable. Peter believes that "everything is about balance" a mantra that guides the way he runs his small business. It is more than just selling Bonsai trees, for Peter it is important to do so in an eco-friendly way. From using fewer chemicals to supporting local charities, Herons Bonsai embodies a commitment to being sustainable. Peter's approach is inspiring and shows the way that small businesses can lead the change, however small, in creating a more sustainable future.

Peter Chan's entrepreneurial journey began with a derelict smallholding he discovered in

September 1985. Despite its poor condition and high price, he took a chance and bought it. For three years, Peter balanced two jobs, working as a senior civil servant while managing his new business in the evenings. Eventually, he left his job to fully commit to his bonsai venture.

Being authentic and practical is important to Peter, who successfully turned a hobby into a business. He acknowledges the difficulty of achieving this balance.

"If you set your mind to anything with hard work and dedication, then running a small business is not rocket science. There are so many people who teach it. Look at all these people who set up successful businesses; they're just shopkeepers and yet, they become millionaires just by being thrifty and hard working. One of my greatest friends - I don't mind mentioning his name - Lord Harris. He started his business - I think when his father died -

and he was 16. He had a carpet stall in Peckham, and he grew his carpet shop empire to about 700 stores, both in the UK and in Europe. He and I started from nothing. A bit of common sense is all you need to start a successful business."

Sustainability isn't just a buzzword for Peter; it's the beating heart of Herons Bonsai.

"I was doing sustainability before it was cool" he jokes, before explaining how he was ahead of the green trend on a lot of things in the early days.

"If you don't save the pennies, you don't make business profitable. So, in the early days, rather than buy carrier bags for people, I was using all the old shopping bags, you know from Safeway and Tesco; second-hand carrier bags, rather than throw them away. Staff that I had used to laugh at me. They would say 'they look bad. Why are you giving customers these old bags?'"

"I even remember sending parcels in used boxes. And some people wrote bad reviews on Google that year. But when you look back, I was ahead of my time. I was not wasting plastic. I hate waste - I absolutely hate waste. So rather than throw away the bags, what's the harm in using the bags again? It may look 'bad', but I was doing it unconsciously to save the environment. And now everyone is doing it."

Balancing the demands of running a small business with an eye on conservation is a delicate craft, especially in the bonsai industry. Peter acknowledges the necessity of herbicides and pesticides but underscores the importance of moderation.

"You have to have a balance and be practical, so we try to keep our use of chemicals to a minimum. We try to save water and, where I can, I try not to waste cardboard. All the old cardboard we pulp and shred, we then use it for packing our products because our internet business is quite big nowadays. As we are off

the beaten track, we must rely on the internet to have a viable business. So, when we send boxes, we use lots of recycled material to pack the parcels. Little things like this – 'every little bit helps', as they say."

In terms of the cost of being a sustainable business, Peter was asked whether he viewed the financial aspect as an investment or a financial burden. Peter was clear that it was an investment and an issue about genuine commitment. That said, we also felt there was a need for businesses to be practical: "You have to have a balance. I'm not one of those very trendy green people where everything has to be green, it's not possible in life, you still have to drive a car. You know, if you say everyone has to ride a bicycle, how is it possible for anyone over the age of 50? It's not that easy. It's easy if you're in London, but when you live in the countryside and are 15 miles from the nearest shop, you have to be driving, you've got to be practical. So in our business, we are very practical, we try to keep our use of chemicals to a minimum. We try to save water where we can. And of course, I try not to waste cardboard. The important thing with sustainability is to be committed but practical – to strike the right balance."



When it comes to implementing sustainability projects, Peter implies that as well as considering the costs, one must be practical when something is simply not affordable.

“Looking at electric cars for example, my accountant keeps telling me ‘Oh you're going to get 100% off - why don't you buy an electric car?’ But it's not cheap, is it? I can't afford to spend £45-£50,000 on an electric car when I can buy one much cheaper. When it becomes affordable, I will invest in an electric car. We've put solar panels on the roof, and I've got a charging point that customers can use, so in our way we are contributing to that on a sunny day like this. I'm exporting to the grid and I'm doing my bit.”

Beyond the pursuit of profit, Peter's vision extends to the broader realm of social responsibility.

"Helping society at large is important. I often feel that many companies, especially large ones, do the 'green stuff' just to keep up appearances and because it gives them green credentials. I firmly believe that we should do it for genuine reasons - things that you are proud of in practical and natural ways to your business. Being conscious of it. We compost all our waste from prunings – it's the simple things you can do that make a real difference.”

As societal awareness of sustainability continues to grow, Peter remains optimistic about the future. "I think overall, society is waking up to



it” he says. He points out the role of education in fostering environmental consciousness, observing a trend that bodes well for the future, as individuals and businesses embrace sustainability as a fundamental value. He takes pride in how his business is ‘doing its bit’ to help society, and explains how.



**HERONS BONSAI**  
Britains Premier Bonsai Nursery

"We are fortunate to have this lovely hall which we use for teaching Bonsai and the Oriental arts. I am a great believer in supporting charities, and we support St. Catherine's Hospice and a charity that helps with loneliness in the community. Doing small things to improve society doesn't have to cost anything, you can contribute your time for free - we can all do that. Companies that do things like that improve society. I believe the main thing in life is being a good person. It doesn't matter if you think you're great; what matters is that others see you as a good person.”

## About Herons Bonsai

Herons Bonsai, founded by Dawn and Peter Chan in 1986, is Britain's premier Bonsai nursery. On its extensive seven and a half acre landscaped site you can relax and enjoy all aspects of this fascinating hobby. It is literally a Bonsai heaven for anyone interested in the pastime. The sheer scale of the site and the range and selection of trees makes Herons a 'must visit' venue for both Bonsai tree enthusiasts and gardeners alike.

## Contact details

Website: [herons.co.uk](http://herons.co.uk)

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# Sustainable and ethically-conscious fashion industry

## An interview with Tim Everest, owner of Grey Flannel

In an industry often associated with luxury and exclusivity, the move towards sustainable bespoke tailoring is gaining momentum. Tim Everest, alongside his colleagues at bespoke tailor, Grey Flannel is at the forefront of this trend. Their work underscores the importance of embedding sustainable and ethical practices in everything that they create. They listen to their customers and adapt their business to meet the needs of their clients, demonstrating how small businesses can lead in creating a more sustainable, eco and ethically conscious fashion industry.

The thriving business has built its reputation on helping each of its clients to define a personalised look in the clothing and styling choices they make. Tim's business also has a close association with film. Beyond working

on recent Bond films, Tim says "our big break was with the original Mission Impossible film, we ended up doing four movies there. We have also worked with Stanley Kubrick and even ended up styling the Oscars."

Based in the heart of London, Grey Flannel is more than a tailor. As a bespoke tailoring business, they've had to adapt and guide public perceptions, which regarded Savile Row as "long winded, old fashioned, expensive, boring, and elitist". Grey Flannel changed their customers' perceptions by introducing them to the processes and the experts, demonstrating what goes into creating their unique garments.

From the beginning, they've been a green business. They are a premium business and their clients pay for quality – and sustainability is core to this quality positioning. Grey Flannel's handmade garments last and - in contrast to high street consumer trends on fast fashion and cheap clothing - the lifespan of quality clothes is central to Grey Flannel's ethos on sustainability. Tim reflects; "I remember a

customer asking me when we first started, how long would a suit last and I said, Oh, Mr. So and so, it's going to last at least 10 years, and they sort of almost laughed like 'cheeky young salesman.' But after a few years, that sort of generation, who'd been buying off the peg and changing their brand or their look every season, would start to almost apologise, 'I'm still wearing that jacket or suit' five years later. And after about 10 years, it was a badge of honour."

Tim Everest has observed that younger customers are looking for two things: first, a satisfying shopping experience with knowledgeable, helpful staff; and second, a good quality garment—perhaps a reworked vintage garment.

As well as bespoke tailoring, Grey Flannel will also create an appropriate wardrobe for clients—in Tim's words; "that's why we're more than tailors. We don't just cover people with cloth, we help them discover who they are."

As part of this, Grey Flannel sees sustainable and green-friendly business practices as investments for the future. This is what customers want: they research Grey Flannel's suppliers and fabrics.

Tim's interest in sustainability is extending into sustainable fabrics. For instance, there's a shirt company out of the Chenza that Grey Flannel have worked with for many years that produces woven cottons and is now working with a lot of ocean waste. "Our best-selling shirt for a lot of our young businessmen, basically knitted like a jumper to look like a woven shirt, was made from recycled trawler nets."

For Tim, sustainability is an investment in business growth and - as his business blends its bricks and mortar heritage with expansion online - Tim believes the green and sustainability standing of a business will become more important to a younger and more broad-based audience demographic, who can easily research and compare the credentials of the companies they choose to deal with.

"More and more in recent years, it's very important when people research you, particularly online, they want to know where you're making your clothes, how you're making your clothes, and what's the content of the fabric."

"At Grey Flannel, we are currently working with a new factory up in Scotland and we work with a lot of small mills in the UK. In terms of the





cost of the product, this can make the product expensive because the work is time-consuming, but if the customer understands the reason why they're investing a bit more money they will. This focus on quality product and quality sourcing fits our profile for sustainability and it's something that's actually driven by our customers."

This highlights an important point. Sustainability is not something that businesses should do for themselves or to impress others. In Tim's view "we see sustainability as a serious investment for the future, because we need to be going where people want us to be. Sustainability is driven by our customers."

Reflecting on the profile of his customer base, Tim is clear that his clients are interested in the process of how clothes are made, the source of materials, and, of course, the garment's quality. This mirrors a broader trend towards re-using and valuing vintage garments and fabrics – as part of a clear move away from the throw-away and fast fashion culture.



For Tim, success with sustainability – and business in general – is based on listening.

"One of the most important things in business is to listen to your customer. And really all the answers are there. Over the years. I've found that you have just got to navigate that, to observe the customer and their needs. Being a good listener is very important and a solid basis for business success."

## About Grey Flannel

# GREY FLANNEL

The longest standing independent menswear boutique on Chiltern Street, Grey Flannel has informed and inspired men on what to wear for almost fifty years.

As seen on Chiltern Street since 1974, the principal and founder of Grey Flannel, Richard Froomberg was one of London's independent retail pioneers. Scouring the globe to source goods for his customers, Grey Flannel was one of the first stores to introduce brands like Stone Island, C.P Company, Armani and many more to London.

With the offer of quality and choice at the forefront when creating his own Grey Flannel collections. Richard's passion for fabrics and detail have become the foundation for a business that has been trading for several decades. Now retired, Richard has passed the torch to renowned tailor, Timothy Everest MBE, to continue the legacy of Grey Flannel.

### Contact details:

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# Sustainability in the local community

## In conversation with Hannah Egerton, Edgie Eats Bakery

Nestled on a busy high street in Bristol, Edgie Eats Cake Shop and Cafe epitomises the positive contribution small businesses can make to the local community and vitality of the British high street.

Owner, Hannah Egerton is the visionary and driving force behind this thriving bakery and café, and eco-friendly values are at the core of her business ethos. Amidst juggling orders and serving customers, Hannah also believes small businesses can give something back to the community and strengthen the local supply chain by using local produce.

Hannah's journey to becoming a small business owner began during the pandemic. A student at the University of Bath, she found comfort from home baking. Hannah has a passion for all things creative and took the leap of faith, launching Edgie Eats Cakes during her final year at university.

What began as a modest business that started from her parent's garage, has now quickly blossomed into a thriving bakery business - with Hannah opening her first café earlier this year. Hannah herself will say it has been a whirlwind few years.

"During the Pandemic, most of my lessons were online and it was challenging but, like for many others, it changed the direction of my life. I had an Instagram account that I used to blog about cakes and I then decided to take a year off, delayed my Masters (degree) and converted my parent's garage into a bakery."

Hannah's journey is one of growth and determination. Two years in and she has just moved into her first commercial kitchen.

"The business just grew so quickly and we needed to move to the commercial kitchen to keep up with the demand."

As a new business, Hannah is very aware of the contribution she can make towards achieving a Net Zero target and she has taken steps to make her business more sustainable.

"I'm sure for some small businesses, sustainability

can feel like a burden. For me, sustainability is at the forefront of my mind, I am trying to put it high up the agenda in the way I think about my business. But to this end, I am lucky to be surrounded by people who work in the field of sustainability. My partner is an environmental engineer, so he's really environmentally savvy, and my old housemate was an environmental consultant. Given this, when I set up my business I was fortunate to have people around me that would give me a nudge on what I should be doing, because to begin with I didn't really know what I should be doing on sustainability."



"You hear of all these big corporations reaching their climate targets, but they have thousands of employees, so for small businesses it's different and sometimes harder. I focus on the

little but important things that can make a real difference: things like supporting the local community where I can and reducing waste. All our brands - cheeses, fruit and veggies, eggs, milks, teas, coffees – are all sourced locally. The only exception is flour, which I would love to buy locally, but the minimum they deliver is 20 bags, and I don't have storage for 20 bags here - I'm not a big factory. My shop is tiny, so practicality can be difficult. We try to do as much as we can, for example we do 25p off drinks if you bring your own cup, and all our packaging is recyclable."

As a new business owner, giving back to the local community is something that Hannah is very passionate about, and she enjoys being a part of a thriving community of like-minded small businesses.

"The support is incredible. We all want each other to thrive and succeed, and in our own little way we are collectively helping to drive down emissions. I suppose, by the very nature of being in the heart of the community, a lot of walkers come to us. We are fortunate in that public transport around here is good. When my friends want to come and see me, I say to hop on the bus because it stops right outside the property here."

Hannah is acutely aware of the requirement of small businesses to become more sustainable. Whilst she sees the positive steps she takes as a worthwhile investment, she also cites barriers and believes more support is needed for small businesses that want to transition to greener practices. She emphasises the need for more robust support mechanisms and access to grants, pointing out that many targets are unrealistic for small businesses. "There are a lot of things that you are limited by, and very little guidance available on which little steps take you towards the Net Zero targets. For some, you must have been trading for two years to be able to see your electricity emissions and for a new business, that is a while off happening."

"You also need to have been running for three years to qualify for some grants. It doesn't really make sense, because you want to try and be green from the get-go - not three years later. If you need to send in your energy reports for the last three years and your waste expenditure, it's like, well, what's the point? I'm just doing three years of being bad for the environment before I can be better for the environment."

As a small business owner who hasn't taken any business loans and relies on personal funds and two grants for building work, Hannah also reflects on the financial strain of such investments, illustrating the need for more accessible support for small businesses striving to become greener.

"You can get machinery that's more eco-friendly, but it costs double the amount, or coffee machines that use a lot less electricity – but again - they are double the price of a normal one."

Looking to the future, Hannah wants to maintain a strong local focus, as she's observed that a growing trend among customers who prefer to purchase local products and support local businesses. She explains, "By supporting us, you're supporting 10-15 other small businesses locally because we buy from them. This creates a chain reaction that benefits everyone in the immediate community – which is itself sustainable. The more we buy from a local company, the more they'll promote us, and vice versa. It's a great trajectory for small business success."

Hannah has experienced significant growth over the past two years, supplying to many universities. She is currently awaiting news on a major contract. Her next steps include expanding wholesale operations and possibly moving into a second industrial unit.

Her goal is to achieve this by the time she is 30. At 23, she already has one café and aims to open two more within seven years. Hannah also hopes to return to volunteering with St John Ambulance and finish her paramedic qualification. But as for her immediate future

– "for now my focus is on growing my business. Eventually, I want three cafés across Bristol."



## About Edgie Eats

Edgie Eats launched as a limited company in April 2022. Since then it has grown into an independent cake and baked goods company, running local market stalls, supplying postal goods to the whole of the UK, and local deliveries to Bath and Bristol. We now supply over 10 outlets in Bath and Bristol as well as having regular pop up cake stalls. We opened our first cake shop in March 2024.

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# Empowering Women through Sustainable Fashion

## A conversation with Becky Barnes, owner of Becky Barnes Style

We often hear the words 'fast fashion' or 'throwaway fashion' bandied around in the media as one of the many harmful contributors to the environmental crisis. Entrepreneurs like Becky Barnes, owner of Becky Barnes Style, is challenging that perception. Becky's business epitomises how we can embrace our love of clothes and fashion in a way that doesn't cost the earth. Becky's commitment to sustainable practices - such as promoting second-hand shopping, renting clothes and repurposing and reusing items in people's wardrobes - demonstrates that small businesses can lead the way in supporting the circular economy and fostering a more sustainable future.

Becky is a stylist and advocate for eco-friendly fashion practices. Her business focuses on empowering women to express themselves through their clothing choices, whilst minimising environmental impact.

"I am a one-woman war raging against fast fashion! At the heart of my business, it's about empowering women to feel confident to wear the clothes that express who they are. I think that as we get a little bit older, we think we should dress a certain way and lose our own personality, so we end up being a shell of our former selves. My job is to come in and bring out that person that you once were in a way that is treading as lightly as possible on our planet."

Becky's approach to fashion and how she runs her business is about sustainability as well as style. Despite now being an advocate for

sustainable fashion, Becky's business started with a different vision in mind.

"At the very beginning, sustainability wasn't on my radar. I went into it purely from an empowerment perspective; I was escaping a corporate career, dealing with burnout, thinking 'I want to do something that makes a difference.' For me, that was putting women at the heart of it, but very, very quickly my journey changed direction."

"I was at a networking event, sitting beside an eco-designer who took ruined bits of silk and cashmere from charity shops to upcycle them into the most beautiful pieces of clothing. I asked her why she was doing that, why didn't she just go to Liberty's and get a roll of beautiful fabric, and she explained the impact. And that just opened Pandora's box for me. And then I took a year out of buying, I studied and researched passionately and intensely. And then I couldn't unsee what I'd seen and that's when I thought I must be part of the solution and not part of the problem."

It was important to Becky that her own business could make a difference up against fast fashion

labels in a small but significant way. She encouraged her clients to think differently about their shopping habits, promoting the normalisation of second-hand shopping and the joy of repairing and reusing clothing.

"I think we all know how much damage the fashion industry is doing. Just from a carbon emission perspective, the fashion industry emits more carbon than the entire airline and maritime industry put together. I am asking women to challenge the way they do things to think differently about themselves."

Clients come to Becky for a variety of reasons. Some seek her expertise because they feel lost in their current wardrobe choices and desire a change, while others are motivated by the wish to reduce their carbon footprint. Becky finds that her role often involves merging these two things; helping clients feel good about their appearance, while also making environmentally conscious choices.

Becky believes that being mindful of the little things can collectively make a significant difference. Becky has embedded several sustainable and green practices in the day-to-day



running of her business to minimise her environmental impact. These include encouraging clients to use public transport when visiting her and Becky has herself switched to an electric car for necessary travel. For Becky, green practices are a positive investment, sustainability has become core to the culture and growth prospects of her business.

"It's the little things in the day-to-day running of the business that add up. For instance, I minimise my digital footprint by deleting unnecessary files and use recycled fashion postcards and ribbons for gift vouchers. While I don't have a shop or produce a product, these small actions help reduce my overall impact."

While Becky currently focusses on helping individual customers, she also sees potential in opening up her sustainable fashion service to larger organisations. "I have conducted workshops with some large companies to help employees change the way they look at the clothes they can wear in the workplace. This would help to create a better understanding of how people can adopt sustainable fashion choices, to become everyday activists for the environment."

"Often, about 80% of what's in our closets goes unworn. By revisiting these items, we can find new ways to wear them. If you need something new, second-hand shopping is a great option. And for events, renting is a fantastic way to get a unique piece without the long-term."

Becky's small business is an example of how combining fashion with a commitment to sustainability can create a powerful ripple effect, encouraging more people to make informed choices that benefit both themselves and the planet. Her story is a testament to the positive impact that one individual can have when they align their personal values with their business growth goals. Through her efforts, Becky continues to inspire and guide others towards a more sustainable and stylish future.



## About Becky Barnes Style

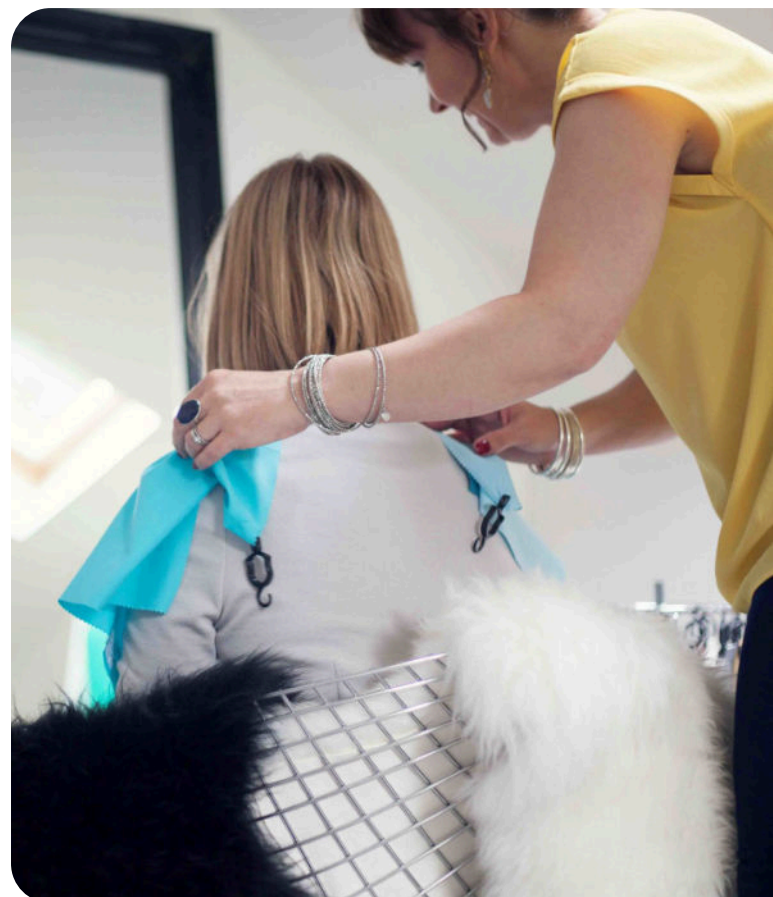
I've experienced it all first hand and that's why my job and my passion is to help bring clarity to all these dilemmas and more for you through my own learning which has led to tried and tested solutions for over 1,100 women.

Believe it or not, shopping and dressing can actually be one of life's simple pleasures. I'm ready to help make it easier and more fun for you whilst leaving the lightest footprint possible on the planet.

### Contact details:

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# Building the long term case for sustainability

## A conversation with Lee Michael Horan, Co-founder of Polarius International Real Estate

“We don't see sustainability as a burden, it's more of a long-term investment to power business growth.”

Gone are the days when busy estate agents jumped in the car to show you around what might be your 'next home' - like many similar industries, the Real Estate industry has changed dramatically since the pandemic. Conducting virtual meetings and focussing on off-plan properties in order to minimise unnecessary travel, Polarius is significantly reducing its carbon footprint and their story highlights the small steps that all small businesses can take in order to meet their Net Zero targets.

Lee Michael Horan is co-founder of Polarius international real estate, a company that has offices in London, Nice and Paris.

Timing was everything for this small business.

“Running a small business sometimes takes a leap of faith. In 2020 Brexit was looming, so myself and my business partner basically decided to escape from the UK. I wanted to try something different, so we made the bold decision to move to Paris. We both had a background in property - I'd worked in the luxury real estate market in Mayfair, central London, and my business partner had worked in property in Paris. We just put our heads together to hatch a plan.”

“The property market in France is very different. Listening to friends and based on our own experience, we saw an opportunity to mix things up a little bit – particularly, for overseas investors who were saying that it is all a bit of a minefield.”

Setting up a small business from scratch, as Lee would admit, is not without its challenges, but something that they were “determined to tackle”.

“In the UK you can set up an estate agency very quickly, whereas in France it is a little bit more regulated. That was a shock. The licence required to trade in France took a long time, but we got there eventually - it just takes a lot



longer than expected. We persevered and got there in the end.”

Despite the delay, they used the time wisely to open the company’s office. One of the priorities was to really address how the business could act sustainably, which was an important goal for both co-founders – an issue built into the business plan from the start. However, balancing the cost of this was something that needed close attention.

“Whilst making the business profitable is important, we are also a small business and everyone's feeling the pinch. By default, we run a very low carbon emitting company – we work from home, our office is also our dining room.”

The changing dynamics post-covid era within the sector also had many benefits for small businesses like Polarius. One of the most effective ways to reduce carbon emissions was to minimise travel. “When we were waiting for our licence, we learnt a lot about the market and decided that given the world was opening and ‘virtual’ meetings were becoming the norm, we started to look further afield for our contacts. So now we have properties all over the world - including Indonesia, Bali, Dubai and across Europe. France, Paris, the south of France Italy, Greece, London and the UK, and even Cyprus.”

“Because ways of working are so different now, your carbon footprint is naturally less, without even thinking about it. As an estate agent in central London, we had targets of four to six viewings a day and we had cars in central London. We were running around Marlborough, Mayfair, Soho, Covent Garden – driving across London daily in our cars, showing people flats. There was a lot of wasted time and a bigger carbon footprint just by showing people properties that they may or may not buy.”

“The key difference now is that we don’t have to jump on a plane to these destinations. Most of our meetings are now virtual, so we are not shipping people out to do viewings left right and centre. We also decided to look at off-plan properties as well. These are properties that are bought before they are built, based on architectural plans. This reduces the need to physically visit the construction sites which can be very environmentally damaging.”

The Polarius team is also seeing a rise in energy efficient properties which can be attractive to eco-conscious buyers, and Lee’s view is that it is something that is “growing naturally.”

“I think a lot of the demands are also dependant on the location. For example, we have clients who are looking to buy in Bali and be eco-conscious, and in France we are working with developers who are installing solar panels as a selling point



as well. There is also regulation as well both in France and the UK around energy efficient houses, and 'diagnostic' is very important here and in France at the point of sale. So, yes, sustainability is certainly high on the agenda and something that we see as becoming more and more important."

Lee also thinks there is greater education and awareness needed within the property sector.

"We are doing what we can, but it is all a bit confusing and, at times, there seems to be a general lack of education, so that really needs to change. There needs to be a roadmap for sustainability, a lot of small businesses are just trying to stay afloat and spinning plates, so all governments need to do some basic hand holding to help smaller businesses, given we are expected to play our part and fuel the economy. We are not experts in the field, and there is still a lot for us to learn."

Interestingly, although it is often easy to criticise governments around the world for not doing enough, Lee's view of what the UK is doing versus other countries is positive. "Britain is quite good for helping small businesses, that's one thing I can see versus here in France. You only really get that perspective on things when you work internationally, so that was something unexpected and a building block for small enterprises in the UK."



## About Polarius Real Estate

Polarius International Real Estate is the partner of choice for luxury residential, commercial and off-market property as well as holiday rentals across the UK, Europe and internationally.

We are an inclusive real estate agency offering

a local service with a global reach. We not only sell or find great properties, but also aim to reshape the industry.

Polarius takes pride in meeting the expectations of local and international customers by offering exceptional prime properties as well as guiding clients through the process to achieve their end result - whether finding the right buyer or guest to assisting with the purchase or rental of their dream home.

We understand the challenges faced, particularly for those leading busy lives. We listen, we take all of your requirements into account and we consult.

## Contact information

Website: [polariusrealestate.com](https://polariusrealestate.com)

Instagram: [@polariusrealestate](https://www.instagram.com/polariusrealestate)



# Assessment

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## Closing remarks by Jo Morris Head of Insight, Novuna Business Finance

On behalf of Novuna Business Finance, I hope you have enjoyed these small business stories. We're excited to be facilitating a series of conversations on sustainability and at Novuna Business Finance, we are keen to listen to small businesses. Too many organisations and influencers are talking about sustainability, but we want to take time to fully understand small business views on the issues – the opportunities, the challenges and the perceived barriers. From this knowledge we can resolve to better understand how small businesses can be better supported.

We too at Novuna Business Finance take seriously our responsibilities to support society and to make a positive and sustainable difference to people's lives. The fight against climate change – and the push towards a more sustainable world – are tasks that involve everyone working together. Everyone needs to have their voice heard and to have their positive work recognised. We hope the insight shared in this report contributes towards a better understanding of small businesses, the crucial role they play in supporting sustainability - and the support they need to achieve more.

If you have enjoyed these small business conversations, we have part two of this series following in August. We also have the full audio versions of these conversations available to enjoy through our Sustainable Business podcast. If you are a small business and would like to be part of our next research project, do get in touch - we would love to hear from you.

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Website: [NovunaBusinessFinance.co.uk](https://www.novuna.co.uk/business-finance/)  
LinkedIn: [@NovunaBusinessFinance](https://www.linkedin.com/company/novuna-business-finance/)

Podcast  
<https://www.novuna.co.uk/business-finance/resource-centre/the-sustainable-business-podcast/>

Research Insights  
<https://www.novuna.co.uk/business-finance/resource-centre/research-insights/>

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# About Novuna

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## Novuna

Novuna is a trading style of Mitsubishi HC Capital UK PLC, a leading financial services company, authorised and regulated by the Financial Conduct Authority (FCA). We have over 2,200 employees, £7.6bn of net earning assets and nearly 1.3 million customers across five business divisions; Novuna Consumer Finance, Novuna Vehicle Solutions, Novuna Business Finance, Novuna Business Cash Flow and our European division specialising in Vendor Finance. For over 40 years, formerly as Hitachi Capital (UK) PLC, we have worked with consumers and small to medium enterprises (SMEs) as well as corporate multinationals in the UK and mainland Europe, enabling millions of consumers and businesses to achieve their ambitions.

We are a wholly owned subsidiary of Mitsubishi HC Capital Inc., strengthening our relationship with one of the world's largest and most diversified financial groups, with over 11trn yen (£57bn) of assets.

## Novuna Business Finance

Novuna Business Finance provides business finance to SMEs and bigger corporations across the UK. This includes asset finance, stocking, block discounting and sustainable project finance provided through brokers, vendor organisations, manufacturers and direct to the business community.

With an asset portfolio of more than £1.7bn, the business is active across multiple sectors from transport and agriculture to construction and manufacturing and was awarded Best Service from an Asset Based Finance Provider at the 2024 Business Moneyfacts Awards.

The business' Sustainable Project Finance team is also supporting the development and construction of sustainable energy and transport projects, which are critical to the decarbonisation of the UK's infrastructure.

Novuna Business Finance is a trading style of Mitsubishi HC Capital UK PLC, part of Mitsubishi HC Capital Inc., one of the world's largest and most diversified financial groups, with over 11trn yen (£57bn) of assets.

## Methodology:

The interviews in this report were conducted in May 2024. For full unedited versions of the interviews, follow season three of the Novuna Finance Podcast at <https://rss.com/podcasts/sustainable-business/>

Market research findings are drawn from Novuna Business Finance reports, with research conducted by Sago research in May 2023 and May 2024 respectively. The research was conducted online among a nationally representative sample of 1,000 small businesses. The June 2024 consumer poll was conducted online by Sago research among 2,000 adults.