Novuna®
Business Finance

Sustainability through different lenses: How small businesses define it in 2026

Small business owners in conversation

An insight report from Novuna Business Finance

Tomorrow. **Together**

Introduction

At Novuna Business Finance, sustainability continues to shape how we support the UK's small business community. While national conversations often focus on Net Zero targets and policy shifts, both in the UK and globally, the reality for small businesses is far more varied. Sustainability is interpreted differently depending on the sector a business operates in — whether that's managing materials more responsibly, reducing waste, or supporting wellbeing.

For many small businesses, sustainability also includes the financial resilience that allows them to keep moving forward. This can mean investing in equipment that lasts, building the capacity to diversify, or strengthening the long-term stability of the business. At Novuna Business Finance, this is where our support often begins — helping business owners access the finance they need to invest in the resilience of their operations. Financial sustainability is one of the hardest aspects for small businesses to achieve, yet it underpins everything else: without it, the environmental, social and wellbeing elements of sustainability become far harder to act on.

In this edition, we hear from three business owners working across very different sectors – manufacturing and the health, wellness and fitness sector. Their experiences show how sustainability is shaped by the practical realities of their work — from manufacturing and jewellery design to health and wellbeing. Each offers a different perspective on what sustainability looks like in practice, and how small businesses are adapting in ways that reflect their customers, communities and day-to-day pressures.

This report also introduces a new feature: Our Sector Spotlight. Each quarter, we will take a closer look at a specific industry to understand the sustainability challenges and opportunities within it. Our first spotlight focuses on manufacturing, drawing on insights from small business research in the sector to highlight the pressures and practical decisions around sustainability that are shaping the sector today.

We hope you find these perspectives useful as you consider your own approach to sustainability. As always, we welcome your thoughts and feedback and encourage any business owners who would like to take part in future discussions to get in touch.

Geoff Maleham
Managing Director
Novuna Business Finance

Understanding the different ways SMEs approach sustainability

Our latest research shows that sustainability remains a priority for UK small businesses, with almost nine in ten (89%) saying it is on their radar in 2026. For one in three (32%), it has become part of their business culture — something embedded in how they work rather than a future ambition. But while commitment is widespread, the meaning of sustainability varies significantly from one business to another.

What emerges from our conversations is that sustainability is shaped by the nature of the work a business does. Different sectors bring different materials, processes, customers and pressures — and these differences influence how owners think about what it means to operate sustainably. For some, sustainability is tied to the physical resources they use; for others, it is connected to creativity, community, or the wellbeing of the person running the business.

This diversity of interpretation is not a sign of inconsistency — it reflects the reality that small businesses build sustainability into their operations in ways that feel authentic, relevant and workable for them. Rather than following a single model, they adapt the idea to fit their priorities, their craft, their customers and the practicalities of their day-to-day work.

Across the three stories featured in this report, sustainability emerges as something that is embedded in the very nature of what the business does. What is particularly interesting is that each business owner approaches it differently, not because they disagree on its importance, but because their work demands a different lens.

The following conversations with three business owners explore how these interpretations take shape in practice — and why understanding these differences matters when we talk about sustainability in the small business community.

Crafting the future: Turning timeless metals into sustainable design

A conversation with Josh Thompson, Managing Director of Halman Thompson

Sustainability in manufacturing is often framed as a technical challenge — carbon audits, recycling systems, supply chain mapping. But for Josh Thompson, Managing Director of bespoke metalwork company Halman Thompson, sustainability is something far more fundamental. It's embedded in the materials themselves. "The pieces we make… last forever," he says. "There's no shelf life on them. You can restart them. You can refinish them. They can be around a thousand years from now."

In a world of disposable interiors and fast-turnaround fitouts, Halman Thompson's aged brass, copper and zinc finishes offer something different: longevity, circularity and craftsmanship. Every offcut is reused or recycled. Samples are re-sellable or returnable. Even the smallest trimmings are reformed into new metal. As Josh puts it, "We naturally found ourselves with a business and a concept that was in itself very sustainable."

That built-in circularity has become a major advantage as designers, architects and landscapers increasingly arrive with environmental expectations. "They and their clients get it right off the bat how sustainable the business and the products are," he says. Their recent success at the Chelsea Flower Show — where a designer showcased their aged copper with green verdigris across planters and garden features — has only strengthened that position. "What did start as something we naturally fell into now becomes something with a lot more gravitas we can get behind."

The business itself began in far humbler surroundings. Josh and his wife Sara — who runs Buy Metal Online — noticed customers searching for aged brass and copper finishes. "There was nobody doing it with any kind of scale or consistency," he recalls. So, they started experimenting. "It was a garage project where we tested different ways to age the metal… and we came up with a few of our own finishes."

A simple website followed, initially focused on splashbacks and small sheetmetal pieces. But customers quickly pushed them into new territory. "Since then, it's been customers coming to us asking if there's other things we can do… and that's paved the way to get into fabricating larger projects." Today, those projects range from bar installations to largescale wall art. "We've found ourselves in some pretty cool situations doing some pretty amazing projects."

But running a sustainable small business doesn't shield you from the realities of the wider world. Brexit, global instability and fluctuating metal prices have all reshaped the landscape. "It's affected our cost structure for sure," Josh says. Experience in metal procurement has helped them stay ahead. "When there was a sense of volatility in the market, we were securing our positions with our stock control… knock on wood, we've managed to keep things balanced for our customers."

The situation in the Gulf region and wider geopolitical uncertainty have also had an impact. "It is a continual battle to keep up with changes in the marketplace," he says, "particularly with products that are sourced globally." In that environment, strong supplier relationships have become one of the company's greatest assets. "We build such solid relationships with our suppliers… it's much more of an openbook relationship throughout our supply chain. It might not always be good news, but you get as much headsup as you can."

When it comes to government support, Josh is frank about the gap. "Support would be welcome… I'm just not sure what that would look like because everything seems to be so reactionary." Like many small firms, Halman Thompson has learned more from peers than from policy. "Everything changes so quickly right now," he says. "You need to react — or you don't."

Looking ahead, the company is focused on balancing its bespoke, highend projects with a new range of standardised sustainable products. "We're about to launch ranges of coasters, planters, plant pots, splashbacks, sinks… items that can go into your home or your business offering all these advantages — the long life, the sustainability." These products keep the business visible across multiple markets while continuing to generate the unique, one-off commissions that define the brand. "Our long-term approach is focusing on those core items so that we continue to generate the very unique opportunities that we love doing."

For other small businesses starting their sustainability journey, Josh's advice is rooted in experience. "Building solid relationships throughout your supply chain… that's a big one. A lot of our confidence in everything — sustainability, pricing, long-term approach — comes from the confidence we have in the relationships we have throughout the supply chain."

Discover more at:

Website: www.halmanthompson.com
Instagram & Facebook: @halmanthompson

A new kind of sparkle: Bringing sustainability to modern jewellery

A conversation with Rosie Verrill and San Low, CoOwners of Ostara London

There's something refreshing about a business that treats sustainability not as a marketing strategy, but simply as the way things should be done. That's very much the case with Ostara London, the jewellery studio run by Rosie Verrill and San Low — two women who have taken everything they learned in the traditional diamond world and rebuilt it on their own terms. As Rosie puts it, "When it comes to mined diamonds, they're hugely disruptive… we still believe that labgrown is a far better way for the environment."

Both of them cut their teeth in Hatton Garden. Rosie arrived there via property, thrown into wholesale diamonds by a client who saw something in her. "I don't know the first thing about diamonds," she told him. His reply: "That's fine… I like the way you work." What followed was a crash course in a world she describes as "very male-dominated." She learned by doing — and by dropping. "I was dropping them left, right and centre, and I'd be on my hands and knees crawling around trying to find diamonds." It was relentless, but it built her confidence – and her eye.

San's background is more traditional — trained 'at the bench', a Masters at St Martins, years spent buying diamonds, overseeing production and quality control. But motherhood changed everything. "The best way to juggle a career and childcare is to start up on your own," she says. "It was a no-brainer." She tried going back after maternity leave, but sitting in an office she found herself thinking, "I'm just wasting my time. I can do this for myself… doing the same thing, less time. No commuting."

Ostara London came together at exactly the right moment. Labgrown diamonds were no longer a novelty — they were becoming a serious alternative. San remembers the shift: "When it first came out it was 10% cheaper than natural diamonds… in 2020 labgrown was 60 to 70% cheaper. And today in 2026, labgrown is 90% cheaper than naturals." The environmental benefits were obvious, but the affordability opened the door to a different kind of customer — people who wanted something beautiful, ethical and personal, without the price tag of a traditional engagement ring.

Labgrown diamonds still require energy, but Rosie explains how they've built sustainability into the process: "We use sustainable sources of energy to provide the heat and pressure that's needed to form the diamond… overall it's hugely beneficial." And with gold prices rising, their approach to metalwork matters just as much. "The most expensive part of making jewellery nowadays is in the metal and obviously the labour," Rosie says. "Labgrown diamonds… are around 90% cheaper than mined diamonds. Overall, it's a huge, huge cost saving."

But the real heart of Ostara London's sustainability story is their commitment to upcycling. It's not a side service — it's a major part of what they do. "We see clients with jewellery they've had for ages and they don't wear," San says. "We unset the stones… melt and recycle the gold… and make a piece they actually wear." Rosie tells the story of a recent commission: "Some of Granny's old jewellery… they didn't like the design. So, we took out some of the diamonds, melted down the gold, and added some labgrown diamonds… it created a whole new story for the piece." It's circularity with sentiment — sustainability that feels human.

Their business model is deliberately lean. No stock. No storefront. No security shutters or glass cabinets. “There’s no wastage,” San says. “Everything is bespoke.” Clients sit with her to design pieces in CAD, see them rendered in 3D, and even try on prototypes printed on their inhouse 3D printer. “It’s a really great experience for the client,” she says. “There aren’t many companies that do that.” Rosie adds, “We’re not paying for security guards, extra enforced windows… we can keep our costs down enormously.” It also keeps their carbon footprint tiny — no shipping pieces between workshops, no unnecessary travel, no energy hungry retail space.

That agility proved invaluable during COVID. “We could print out from our CGI a 3D model that we could send in an envelope,” Rosie says. “We didn’t need to stop.” While big brands were shuttered, Ostara London carried on — quietly, efficiently and sustainably.

Running a small business in 2026 isn’t without its pressures. Rising energy costs, labour costs, inflation — all the usual suspects. But their model gives them room to breathe. “It makes us a lot more agile,” Rosie says. “I can go to sports day. I can go to do the school pick up. I don’t have to commute up to London.” San is even more direct: “Working is much easier than parenting…it doesn’t feel like work.” It’s a reminder that sustainability isn’t just environmental — it’s personal. It’s about building a business that supports the life you want to live.

The emotional side of jewellery is central to their work. Jewellery isn’t disposable — it carries stories, memories, meaning. As the host put it, people want to “build a new emotional connection” with pieces they already own. Rosie agrees: “It’s a really lovely way of creating new stories for families and keeping that thread of heritage going through.”

When asked for their elevator pitch, Rosie doesn’t hesitate: “We can make a completely bespoke piece for less than you’re going to buy anywhere on the internet or in a shop… something that actually means something.” And for anyone dreaming of starting their own business, San’s advice is simple: “Be humble. You don’t know everything… I’m still learning today.”

Ostara London is proof that sustainability in luxury doesn’t have to be a compromise. It can be beautiful, personal, affordable and deeply human — a blend of modern technology, circular design and the kind of craftsmanship that gives jewellery a life far beyond the moment it’s made.

Discover more at:

Website: www.ostara-london.co.uk
Instagram: @ostara.london

Finding balance: A small business built on wellbeing and resilience

A conversation with Natalie Williamson, Founder of Awakening the Moon

Sustainability means different things to different people. For some, it's carbon emissions and recycling targets. For others, it's about keeping the lights on in a small business during a cost-of-living crisis. For Natalie Williamson, it's something more human: the ability to stay well, stay grounded and stay connected in a world that feels increasingly frantic. "I've been a personal trainer now for 19 years," she says. "I broke my back whilst travelling… and had to reshape the way that I knew fitness." That moment changed the direction of her life — and eventually the business she runs today.

Her journey into wellbeing wasn't a branding exercise; it was survival. After the injury, she realised the old way of working wasn't sustainable — physically or mentally. Yoga became the bridge. "I knew that I didn't want to do it in a studio in London," she says. "I wanted to learn yoga as a whole… breath work, being kind to yourself, stress management." So, she shut down her business for eight weeks and went to India. It wasn't the Instagram version of yoga. "We weren't allowed to talk until 11:00 in the morning… it taught me to go inwards." That experience now shapes everything she teaches: not just movement, but quiet, breath and the ability to pause.

Back in Sussex, she rebuilt her business slowly. Her home became her studio — first the garage, then a renovated space inside the house. She teaches yoga, personal training and restorative sessions, all designed to help people manage stress in a world where most of us are running on empty. "Anyone can meditate," she says. "Some days you can do it easily; other days you have the monkey brain." Her approach is gentle, accessible, and rooted in the idea that wellbeing is part of everyday sustainability — not a luxury.

Nature plays a big part in her work. "There are proven studies that stepping outside in nature can calm the mind," she says. Her studio sits surrounded by trees and, when the weather allows, classes move outdoors. Her young son is often nearby, collecting rocks — "He's obsessed with them," she laughs. "Sometimes I just make up a name and he's so excited." It's a reminder that wellbeing isn't always about rituals or routines; sometimes it's just being outside, breathing, noticing things.

But behind the calm is the reality of running a small business in 2026 — and Natalie doesn't dress it up. "It's hard. It's really, really hard." Social media alone wasn't enough to grow her business, so three years ago she started hosting wellness fairs to bring local independents together. "People want to talk to you face to face… get a sense of your personality." The fairs became a lifeline — for her and for the businesses who joined her. But even that comes with barriers. "Local councils don't support local businesses at all… they won't let you advertise unless you're a charity." Rising costs hit every part of her work — venue hire, insurance, energy. "Everybody's struggling financially," she says. "It's really hard."

Like many sole traders, she absorbs the costs others can't. "I hire the venue, I pay for the insurance… but if I pass that on, small businesses can't afford to come." She laughs when she says, "I wish I was making lots of money from it, but I'm not. I will one day though." It's said with humour, but it's the reality for thousands of small business owners: the work matters, the community matters, but the margins are thin.

The pressures are constant. "If I'm sick or my child's sick, I can't work," she says. "There's no support for self-employed people at all." If she could wave a magic wand, she'd start with that: "Be more supportive of people that are trying to be self-employed… have some sort of protection if we get sick. And let us advertise… they should be supporting local businesses." She's seen the impact of rising energy costs too. "Gyms are struggling… some have had to close because they can't afford the rent and the electricity." She's grateful her studio is at home, but she still feels the pressure through the fairs she runs.

Motherhood adds another layer. "Before I had my son, I could work all the hours," she says. "Evenings and weekends, it didn't matter." Now, school holidays turn everything into a juggling act. "I have to pay to put Luca into a holiday club, but then I have to make that money and then some." The upside is proximity. "If he's here during half term, I can be in the studio… he'll pop in and say hello." It's not perfect, but it's workable — and it's hers.

Despite everything, she's still driven by love for the work. "I still love it," she says simply. "Breaking my back… it was the path that changed my life." She tells the story of a young boy with a stutter whose mum asked if she could help. "I'm not qualified," she told her. But she tried sound and breathing techniques. "He went back to school after half term and no stutter… after three sessions." It's moments like that that remind her why she keeps going.

Looking ahead, she dreams of growing the business — bigger fairs, a proper studio, maybe even a team. "I'd love to have a studio somewhere… my home studio can only fit three mats." She's already expanded once, taking on the South of England for her fairs. "I achieved it… and then realised it was a lot of work," she laughs. "I do it all by myself." But the ambition is there, and so is the belief.

Her advice to anyone thinking of starting a business is honest and encouraging. "Do it. 100%. Although it's hard at times, it's so rewarding to be your own boss." Fear is part of it. "Be scared but take the leap of faith… if it doesn't work, it's okay. You just start again." And resilience matters. "You will get a lot of doors closed in your face… but you've got to take it on the chin and keep pushing forward."

Natalie's story is a reminder that sustainability isn't just about the planet — it's about people. It's about mental health, community, resilience and the small businesses holding those threads together.

Discover more at:

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Our Sector Spotlight: Manufacturing

A pragmatic approach to sustainability is shaping UK manufacturing SMEs

An overview of small business sentiment by Joanna Morris, Head of Insight at Novuna Business Finance

Manufacturing SMEs are operating in an environment defined by rising costs, supply chain uncertainty and geopolitical instability. Yet, despite these pressures, sustainability is becoming more embedded in how these businesses operate.

Compared with 2019, when net zero targets were first introduced, 36% of manufacturing SMEs say they now undertake more sustainability-related activity in their day-to-day operations — the highest across any sector. A further 22% say sustainability is now more strategically embedded in their business culture, supported by clearer planning and internal processes.

This highlights a central tension for manufacturing SMEs: while sustainability is increasing in importance, businesses are balancing it against mounting operational and financial pressures.

Sustainability is rising – but under pressure

It is against this broader backdrop that sustainability is being shaped within manufacturing SMEs.

It is perhaps unsurprising then, that findings from our Spring 2026 sustainability research show that 78% of small businesses in the manufacturing sector say that operational, economic and market conditions are a key challenge when considering their sustainability goals. This underlines how closely sustainability is now linked to the commercial realities of running a business in the sector, rather than sitting as a separate or longer-term agenda.

However, in more positive news, when asked how their view of sustainability has changed over time, 96% of manufacturing SMEs say sustainability is now more important to their business than it was a year ago, highlighting a near-universal shift in how the issue is being viewed across the sector.

Within this context, sustainability is increasingly being viewed through a pragmatic lens — not as an additional responsibility, but as part of how businesses manage efficiency, resilience and cost control in an unstable environment. Rather than sitting outside core operations, 36% of businesses in the sector say that it is core to business culture and planning, while a further 32% say that they can see the business benefits of being more sustainable and are doing small, practical things to improve sustainability.

A practical and commercial driver of change

Rather than being seen as a cost burden, sustainability is increasingly linked to commercial opportunities and competitiveness.

Nationally, 23% of manufacturing SMEs say they would win more business by being more sustainable, while 18% believe they risk losing customers if they fail to meet expectations. This reinforces the growing link between sustainability performance and market position.

However, the ability to act depends heavily on practicality. When asked what would help turn sustainability intentions into action, 32% of SMEs say understanding tangible cost-saving benefits would make the biggest difference — the highest across all sectors. A further 26% say they need simple, practical guidance from government, local authorities or industry bodies, while 23% would value learning from other small businesses.

There is also a forward-looking commercial dimension: 19% say they would be more likely to act if sustainability helped them diversify into new markets, showing how closely environmental decisions are tied to growth strategy.

Cost pressures are shaping what's possible

Despite this momentum, manufacturers continue to face significant challenges that shape what is possible in practice.

Looking ahead to 2026, 78% of SMEs cite operational and market pressures as a key challenge, while 42% highlight broader economic and political uncertainty. Financial concerns remain particularly strong, with 45% pointing to rising inflation and interest rates, 39% to rising energy costs and 28% to both government policy impacts and fuel cost pressures. A further 28% cite supply chain risks alongside growing pressure to improve green credentials.

These challenges underline a central tension: sustainability is becoming more important, but it must be delivered within a highly constrained operating environment.

Sustainability as part of everyday business decisions

Despite these pressures, the data shows that sustainability is becoming more embedded in how manufacturing SMEs operate on a day-to-day basis. 32% of manufacturing SMEs are focusing on improving policies and facilities around packaging, waste and recycling, while an equal 32% are prioritising creating a positive impact in their immediate community. These actions reflect a focus on efficiency and local responsibility rather than large-scale transformation.

Energy use is another key priority. 23% of manufacturing SMEs are reviewing energy consumption across their premises — including water, heating and renewable energy — a figure significantly above the national average of 14%. Alongside this, 20% are investing in more sustainable equipment and infrastructure, while 17% are switching to greener forms of transport. Taken together, these actions suggest that sustainability is being delivered through incremental improvements embedded within existing business processes.

Sustainability shaped by customers and business relationships

One of the most notable findings is where influence is coming from. Sustainability in manufacturing SMEs is increasingly being shaped by customers and close business relationships rather than top-down regulation.

A third of manufacturing SMEs (33%) say their customers are the biggest influence on their sustainability approach — the highest across all sectors. This highlights how strongly customer expectations are now shaping business behaviour.

Alongside this, 30% cite business partners and 29% say staff and colleagues are key influences. This shows that sustainability is being shaped within everyday commercial relationships, rather than being driven externally in isolation. Personal influence also plays a role, with 18% citing partners and 17% referencing their children as influencing their approach to sustainability.

What emerges from the research is not a sector treating sustainability as a separate initiative, but one steadily embedding it into how business decisions are made.

For UK manufacturing SMEs, sustainability is increasingly defined by efficiency, cost control and customer expectations rather than environmental ambition alone. It is being shaped by operational pressure, reinforced through commercial relationships and delivered through incremental change, rather than large-scale transformation.

Importantly, this does not represent a decline in ambition. Instead, it reflects a more practical and grounded approach — where sustainability is becoming part of how manufacturing SMEs operate, compete and grow.

Helping SMEs to turn intent into action

Through this research — and our ongoing podcast conversations with small business owners across the UK — we have shown that sustainability is not about perfection. For many SMEs, it is about practical steps, steady progress and finding workable solutions in a complex environment.

At Novuna Business Finance, our focus is on listening to these needs and helping businesses turn intent into action. While many SMEs want to do more on sustainability, challenges such as access to finance, clarity on requirements and uncertainty around where to start can slow progress.

We help break this down into achievable steps, support investment in efficiency and sustainability-led improvements, and give businesses the confidence to act in a way that works commercially – as well as environmentally.

About Novuna Business Finance

Novuna Business Finance provides funding solutions to SMEs and large businesses across the UK, including asset finance, stocking finance, block discounting and sustainable project finance.

With an asset portfolio exceeding £1.9bn, we support sectors including transport, agriculture, construction and manufacturing with our Sustainable Project Finance team supporting major renewable energy and transport projects. In 2026 we were named Best Leasing and Asset Finance Provider at the Business Moneyfacts Awards.

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 12 trillion yen (£57bn) of assets. To discover more visit: https://www.novuna.co.uk/business-finance/

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Novuna is the trading name of Mitsubishi HC Capital UK PLC, one of the UK's leading financial services providers and the Official Finance Partner of British Athletics.

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