

# Why the UK is leading the way for climate and sustainability innovation

*As net zero goals loom large, climate founders need a fresh platform to innovate and scale their ventures. The UK is staking a claim to be that platform.*

Temps de lecture : minute

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For a long time, the UK has helped set the agenda around tackling climate change.

They paved the way for monitoring air pollution through the National Survey back in the 60s, and in 2008, through the Climate Change Act, became the first country to enshrine emissions targets into law. Through global treaties like the Kyoto Protocol and the UNFCCC, the UK has been able to collaborate with countries like France on its ambition for tackling climate change and transitions towards net zero.

The UK government remains as committed to backing climate founders, both in the UK and internationally. In the 2023 Autumn Statement, the government announced a £960M Green Industries Growth Accelerator (GIGA), with a strong focus on manufacturing capabilities in Carbon Capture Utilisation and Storage (CCUS), hydrogen, offshore wind, electricity networks and nuclear.

On top of his broader startup enthusiasm, PM Rishi Sunak has thrown his weight behind the *Cleantech for UK initiative*, a coalition of startups, investors, and businesses, which is backed by Bill Gates' Breakthrough

Energy. The aim? To supercharge UK cleantech innovation.

So as the effects of climate change are felt more intensely, what does the UK hold for startups looking to build new innovative solutions that can transform behaviours of consumers and businesses alike? We spoke to two French startups—Greenly and Back Market—who have set up in the UK to scale their businesses.

## Market demand for climate action

Without widespread demand, getting ventures off the ground can be challenging. The UK benefits from a large market for consumers and businesses seeking climate solutions to change their behaviour.

Thibaud Hug De Larauze, CEO and co-founder of *Back Market*, quickly realised this when he was establishing UK operations to build on top of their initial French market launch. Back Market is an e-commerce marketplace for refurbished and restored technology products.

“The UK was a bit of a sweet spot for Back Market, because it already had an established refurbished industry. This meant that on both a seller and buyer side, we knew the UK would be open to our expansion,” Thibaud says. The fact that buying restored or second hand technology—whether that’s laptops or smartphones—was already normalised meant they had less of a requirement to educate and influence the market: it was already there.



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Sustainability wasn't a standalone reason for establishing such a strong market. Affordability was also a big feature. "For many people, buying new tech just simply isn't an option due to the extortionate prices. Refurbished technology plays a vital role in bridging this technology divide and offers an affordable alternative."

It's not just consumers increasingly on board with making their habits more sustainable; businesses, either strategically or obligated by legislation, are looking for novel ways to clean up their processes and transition towards net zero.

Greenly is one business helping to manifest this transition, with a mission to make carbon management more accessible. "Too many companies are priced out of the carbon accounting market. They couldn't measure

emissions because existing methods were too expensive. We've built a platform to make it simple and precise, even for small businesses," explains Greenly COO Laetitia Carle.

This has proved to be particularly important in the UK market. For one, the UK market is much more mature than the rest of Europe when it comes to carbon accounting. "Companies are sensitive to topics around climate change, and are actively looking for solutions," says Laetitia. This is driven largely by the Streamlined Energy and Carbon Reporting (SECR) policy, which compels 'large companies' (either over 250 employees, £36m turnover, or £18m on their balance sheet) to share energy use and carbon emissions information in their annual reports.

"This is much more advanced than in France," Laetitia adds.

And yet, Greenly has been hugely advantaged by the fact that competition in the UK in this area is limited and much less fierce. "There is no local competitor who is big enough to control market share," she says, which has put them in a great position and enabled them to achieve a much stronger return on investment than in more competitive markets.

## Scientific and specialist talent

The strength of the talent network in the UK is another huge factor that sets it apart from the rest of Europe. For climate and sustainability partners looking to hire the top scientific and specialist talent, this is a huge draw.

For Greenly, while having a remote friendly culture was important, they've also prioritised having one centralised office in London for them to meet semi-regularly. "It makes it better for culture, for performance, for the exchange of ideas, unlike in the US, where it's far more spread out," Laetitia says.

Companies based in the UK benefit greatly from the dozens of top universities who are leading the way around climate innovation. University of Oxford is chief among these: the Environmental Change Institute is one of the oldest interdisciplinary organisations dedicated to finding climate solutions, while the university's Wadham College last year hosted the inaugural Planet Positive Lab, partnering with venture builder Founders Factory to back early stage climate founders. That's not to forget University of Cambridge and Imperial College, who rank in the top 10 for STEM globally, *according to QS*. Looking further north, Edinburgh University is growing its reputation for backing innovative climate startups. Partnering with the Edinburgh Earth Initiative, they host a 12-week Startup Summer Accelerator to support and grow university-based innovations.

## Climate fundraising ecosystem

And what about access to the right funding to scale your idea?

Startups coming to the UK are hugely benefited by the vast network of capital, largely outweighing the rest of Europe. In 2023, *the UK invested \$1.1B* in early stage climate startups, behind only the US and Germany in terms of total volume. And unlike in the US, this was an increase on 2022—up by more than a quarter.

And it's not only the volume that matters—it's the nature of the capital. Climate tech requires much more risk oriented investors, those who don't mind the long timeframes and more considerable technological risk that comes with building in climate.

Laetitia from Greenly saw this as one of the biggest advantages of coming to the UK. "The market is more dynamic than France," she says, pointing to many of the European branches of large US funds being located in the UK, particularly London.

Being physically located in the UK has its benefits in these conversations. “Having your team and your product in the UK definitely holds weight if you are speaking to investors. They are able to meet the team, and have a demo in person. These are all small things that help,” Laetitia says.

*Setting up operations in the UK is a strategic decision that many startups,* particularly European ones, will consider at some stage in their journey. The size of the market, the quality of talent, and the strength of the fundraising ecosystem makes it a formidable opportunity for the right company. For those looking to scale climate solutions quickly and urgently, these assets are hard to ignore.

The Commercial Department of the British Embassy in Paris provides support to French companies wishing to set up in the UK. Click [\*here\*](#) to find out more.

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