

# Social enterprises can play a vital role in Chancellor's net zero pledge

4 November 2021

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**Social enterprises could be critical to achieving a more environmentally sustainable business landscape, according to a report published today by The Enterprise Research Centre [ERC] and The Women's Organisation.**

*State Of The Art (SOTA) Review 53: Social Enterprises and Environmental Sustainability*, researched and written by Dr Emma Folmer and Dr Anna Rebmann, emerges as COP26 gets underway in Glasgow this week.

The conference, which is attended by climate experts and world leaders from 197 countries, aims to accelerate action towards climate change and environmental sustainability.

Yesterday [Nov 3] Chancellor Rishi Sunak made a pledge that the UK would become a world-first net zero finance hub, and as part of this commitment UK firms will be required to produce detailed public plans to show how they intend to hit climate change targets.

The SOTA Review proposes that businesses operating in the social enterprise sector are ahead of the curve when it comes to integrating environmental policies given their commitment to delivering social outcomes across the board.

Chief executive at The Women's Organisation, Maggie O'Carroll says: *"It goes without saying that there are lessons to be learnt from the social enterprise sector, after all those businesses are built on a philosophy of demonstrating social and environmental value.*

*"And there are some relatively obvious ways that businesses can innovate – take, for example, the fashion industry.*

*"For a long time, the fashion industry, and in particular fast fashion, has been regarded as one of the most pollutive and exploitative. However, in recent months we've seen designers promoting more progressive policies and practises in response to growing consumer demand for sustainable fashion – as we are, I think, as a society, becoming far more environmentally aware.*

*"Only in the last couple of months we've seen fast-fashion retailers like ASOS and even Primark commit to reducing their environmental footprint and become more ethically responsible.*

*"It is heartening to see but, as our report suggests, research and insight into sustainable development for businesses is desperately thin on the ground, so more work is needed. I would also be keen to explore the ways in which businesses can develop to include sustainability at it's very core to deliver greater good, rather than as a vehicle for profit."*

The SOTA Review recommends that further research is required to determine how sustainable development for businesses might be moved off the agenda and into practise if any tangible outcomes are to be achieved.

Maggie O'Carroll adds: *"Social enterprises have always had social and environmental sustainability practice at the heart of their business models and have, in effect, led the way in this area.*

*"This research shines a light on this good practice and offers an opportunity for policy makers as well as public and private organisations to invest in and procure from expertise and services from the social economy to help deliver their net zero ambitions.*

*"It is notable that despite hugely economic and social challenges and difficult trading environments, social enterprises have continued to demonstrate impact, not just financially, but environmentally and socially."*

Dr Vicki Belt, Deputy Director of impact and engagement at the ERC, says:

*"This is the third evidence review we have published together with the Women's Organisation exploring how social enterprises can help the UK's economic recovery.*

*"This review focuses on what we can learn from social enterprises about running environmentally sustainable businesses. We know that all businesses need to rise to the net zero challenge, but there is a lack of information out there, particularly for SMEs, on how to do this.*

*"There is also a stigma around running a sustainable business, which is often perceived to be costly and difficult. Social enterprises provide valuable lessons for SMEs and entrepreneurs looking to change the ways in which they operate. This review discusses these, addressing an important knowledge gap and promoting positive action on environmental sustainability."*

The full State Of The Art (SOTA) Review 53: Social Enterprises and Environmental Sustainability can be accessed here <https://www.enterpriseresearch.ac.uk/publications/social-enterprise-and-environmental-sustainability/>

**The Enterprise Research Centre** is the leading centre of excellence in the UK for research into the growth, innovation and productivity of small and medium-sized enterprises (SMEs). The ERC has become the 'go-to' reference point for anyone looking for robust, trusted data and insights on SME performance with project-based research covering a range of themes.

A ground-breaking partnership with **The Women's Organisation** was announced in August 2020 along with a special series of five SOTA reviews. The research offers expert insights into how social enterprises can play a key role in driving economic recovery and support the communities hit hardest by the impact of COVID-19.

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