

# Social Enterprise and the Climate Emergency

**SEUK and Bates Wells have partnered to run a series of 'digital breakfast' roundtable events, to give social enterprise leaders an opportunity to network with their peers and discuss some of the key issues they are working through at their organisations. Here is a summary of the first event, where we focused on the climate emergency. The author is David Hunter, a consultant at Bates Wells who focuses on the social economy and the environment.**

The United Nations recently described climate change, biodiversity loss and air pollution as the triple emergency facing humanity in its report **Making Peace with Nature**.

As ever, this presents opportunities as well as threats, particularly as a consensus grows around the need for radical changes to how we live, work and, critically, run our economies. Social enterprises are ahead of the curve in this respect. They are not focused exclusively on profit optimisation. They are driven by a commitment to optimise positive social and environmental impact, but do so through commercial activities. As we discovered, at a 'digital breakfast' co-hosted by SEUK and Bates Wells, this does not excuse them from the challenges facing all businesses and organisations today.

While the pandemic and its fallout have necessarily been front of mind for most of us for over a year now, the conversation among an impressive group of social enterprise leaders ebbed and flowed between immediate challenges and longer term aspirations. Some attendees, such as **Bike Works** and **Just One Tree**, shared stories of how lateral thinking and the ability to take decisions and

implement changes of direction swiftly had helped them find new revenue streams during lockdown as established ones dried up.

Observations included that the blended finance that had been deployed successfully in many instances during the pandemic would remain a valuable tool for the social enterprise sector as we emerge from lockdown. The combination of loans and grants, greater flexibility in terms (including revenue participation style interest structures) and longer investment horizons are aspects of social investment which would have been very welcome pre-pandemic and it is hoped they continue to be available.

**Useful Simple Trust** are resolute that in the rush to return to high levels of economic activity, 'building back better' must mean sustainable design and construction in every case. **Tarem Services** emphasised that care must be taken not to overlook some of the issues that have emerged during lockdown, including in-work poverty, traditional gender divides re-emerging and the need to keep diversity and inclusion to the fore.



## Social Enterprise and the Climate Emergency

Some of the challenges that are live for social enterprises are the perennial ones, notably how to get in front of the decision makers in potential customers and partners. It was striking that **Community Wood Recycling** have long recognised this challenge and as a result two-thirds of their staff are focused on business development and client relationships. Sometimes there is nothing for it but to get out there and hustle!

Collaboration is particularly valuable, **Planet First Energy** identified, given most social enterprises are small organisations. The **Buy Social** campaign is one obvious example where collaboration between social enterprises can pay off, both in terms of becoming part of others' supply chains and in being advocates of fellow travellers.

Whilst this indicates a plethora of major issues to wrestle with, it is encouraging for social enterprises that adopting a mission led approach and applying it consistently across the business should make engagement with each of these issues easier. At Bates Wells, by looking at everything through the lens of positive impact, we find a consistent underlying approach is emerging in how we face these challenges. This provides reassurance to our various stakeholders.

Climate change is a good example. We made commitments in autumn 2019, not just to reducing our carbon emissions as a business, but engaging on multiple

fronts to address this emergency. We recently published our first **report** on our progress with these commitments. A piece of learning relevant to all businesses is how we have recognised we contribute to our clients' Scope 3 emissions. As markets (whether public or private) become more sensitive to emissions throughout value chains, having a positive offering for them on this is something extra we can offer. The same can apply for social enterprises and we are looking for similar commitments now from our suppliers.

As some attending the breakfast noted, corporate practice is not uniformly working at this level yet, which can be frustrating for those who are ahead of the game and waiting for others to catch up. Inspirational projects like **Graduate Planet**, **Ocean Bottle** and **The Conservation Project** are not always seeing potential partners' sustainability claims being reflected in their actions, but each are making impressive headway nonetheless.

Ultimately, enterprises that are purpose led, focused on delivering social impact are likely to see business and markets moving to them, rather than away, if humanity is serious about addressing the emergencies the UN identifies. When such an approach is regarded as the normal way of approaching business, rather than the outlier, not only the breakfast attendees but all of us will be the winners.

### Get in touch:



**David Hunter**  
Bates Wells, Consultant  
T: 020 7551 7684  
E: d.hunter@bateswells.co.uk



**Karli Hiscock**  
Bates Wells, Partner  
T: 020 7551 7601  
E: k.hiscock@bateswells.co.uk



**Emily Darko**  
SEUK, Director of Research  
T: 020 3589 4958  
E: emily.darko@socialenterprise.org.uk

[www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)