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**Press Release: Need for efficiency, cost savings keeps sustainability high on agenda for 90% of British companies** - - But low prioritisation of "green" innovation suggests shorter-term; tactical commitment

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Research conducted by sustainable business network and solutions provider 2degrees ([www.2degreesnetwork.com](http://www.2degreesnetwork.com)) among corporate social responsibility (CSR) and sustainability managers has found that over 90% of Chief Executives still believe sustainable business strategies are imperative for their business, in spite of the current economic environment.

In fact, 61.3% of respondents believe that the implementation of their sustainability strategy is as high a priority as ever, because of the need to generate efficiencies in the organisation's consumption of energy, resources and travel. Reinforcing this finding, two-thirds of all respondents cited cost savings as the main reason for their chief executive's commitment to sustainability.

However, a similar percentage (61.8%) believe that budget allocations for sustainability projects are under pressure, suggesting that there will need to be a greater emphasis on driving general efficiencies across departments and business units rather than specific CSR or sustainability initiatives.

More worrying is the fact that only 15% of respondents mentioned new product development as one of the top three priorities in their organisation's sustainability agenda. Similarly, only 8% mentioned new product development when asked to provide their top three tips for defending the organisation's sustainability strategy. Many experts in climate change and sustainability believe the only way to effectively manage these issues is through the generation of new technologies, products and processes.

Sir David King, Director of the Smith School of Enterprise and the Environment at Oxford University, and ex-Chief Scientific Adviser to the UK Government, commented: (Suggestion only; something along the following lines, focusing on the requirement for research and innovation, would be fantastic) "Generating efficiencies from existing operations will only get us so far along the line to meeting our climate change obligations; what we really need to close the deal is innovation. Furthermore, history shows us the businesses that continue to invest in R&D through difficult economic conditions are the ones that generate better returns when markets improve. In effect, there is a dual motivation for business to invest in delivering sustainability, but this research seems to indicate that commitment is not there."

Martin Chilcott, Chairman and CEO of 2degrees concluded: "During a recession businesses tend to focus on the short term, and that's understandable. Longer-term, the lack of focus on R&D suggested by our research actually presents an opening for entrepreneurs in this space, as long as they receive the support and backing they need. There is a huge opportunity for entrepreneurs to deliver new, more sustainable products and services to meet the needs of consumers and industry. 2degrees has a track record of enabling established, blue chip companies to find more sustainable business partners and suppliers, and of facilitating debate and communication among the business community on how climate change and CSR may be tackled. We look forward to welcoming a new wave of businesses

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and the business leaders of tomorrow onto the network, as they meet the challenges of sustainability and climate change by creating new products, services, jobs and wealth.”

## **Notes to editors**

### **[1] About 2degrees ([www.2degreesnetwork.com](http://www.2degreesnetwork.com))**

2degrees is the collaboration service for sustainable business. At its heart is an actively managed, online collaboration platform focused on helping organizations accelerate the implementation of their sustainability strategies by providing services such as online event management, supply chain engagement, partner recruitment and ecosystem development, needs to solutions matching and knowledge transfer.

The networks help transform clients’ access to the information, contacts, partnering and commercial opportunities necessary to achieve their sustainable business goals quickly and adapt to the challenges of an economy in transition.

Since its launch early 2008, the network has grown to over 2,800 senior public and private sector sustainable business leaders, solutions providers and policy influencers. Among our partners are The Climate Group, Carbon Trust, EcoSecurities, Forum for the Future, MITIE, CISCO, and others.

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### **[3] The survey**

The survey was conducted online between 10th October and 21<sup>st</sup> October 2009 using a third-party subscription research service and was open to all members of the 2degrees network.