



# Sustainability trends in 2022 and beyond

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Transforming workstyles,  
creating efficiencies,  
and adapting to the future

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## How can companies transform their workstyle, create efficiencies, and adapt to the future needs of both people and planet?

As we reimagine the future of work, we have the opportunity to accelerate the transition towards a clean economy, gain cost-savings and help create a net-zero future.

Over the past decade, we have witnessed a dramatic rise in Environmental, Social, and Corporate Governance (ESG) reporting. Investors, consumers and employees expect actionable commitments to reduce carbon footprints and create efficient operations. In response to social justice movements, companies must be transparent in building community, providing positive social impact and operating with responsible governance.

The employee experience will continue to shift as they are empowered by their employers to tackle systemic changes and take sustainable actions every day, wherever they may live and work.

Green buildings and the future workplace will evolve to support workforce transformation, create energy efficiency, and create a healthy, productive environment for workers.

# Sustainability trends in 2021 and beyond

It has been nearly two years since the COVID-19 pandemic changed the way organizations carry out their day-to-day operations. Since then, organizations from the financial, technology, and insurance industries to those in the healthcare, education and the non-profit sectors have adapted and made many changes, some of them permanent.

One thing that has remained consistent despite the pandemic is the expectation for corporations to uphold their sustainability agenda. Despite the massive disruption that the pandemic has caused, stakeholders demand organizations implement clear and effective sustainability practices. Institutional investors are also impacting the way organizations operate by only investing in firms with strong environmental track records across their supply chains.

Community stakeholders also continue to push multiple levels of government to making ground-breaking changes. According to an Ipsos poll, “Canadians do not believe economic recovery should come at the expense of putting our planet in further jeopardy. 50% believe when the pandemic is over, our country should equally prioritize social progress and economic growth.”

Despite the growing demand for meaningful environmental initiatives, little is being done to combat climate change. Many organizations cite the economic and financial concerns as reasons for their inaction on climate change. Ironically, “More than 3 out of 4 (77%) CEOs and CFOs of the largest companies in the world admit their firms are not fully prepared for the adverse financial impact of a changing climate.” This demonstrates the massive disconnect between where organizations are currently, and where they need to be to make a meaningful impact on the environment.

What many executives have not realized is a fundamental shift in how their companies operate has already happened as a result of the COVID-19 pandemic. That shift being the adoption of flexible hybrid and remote workforce models. As challenging as this was at the beginning of the pandemic, many organizations were able to make the transition relatively smoothly. In fact, an overwhelming number of workers around the world enjoyed the shift and many expect employers to continue to grant them flexibility to work remotely in the future.

Employees have demonstrated that many tasks can be performed remotely and that they do not have to be in the same room to be effective. This shift will ultimately change the way we view business travel and inefficiencies throughout the supply chain that not only cost organizations money but also result in greater greenhouse gases emissions.



## Employee experience + connection to sustainability

Over the past decade, there has been a growing emphasis on corporate culture and employee experience. Employees across all industries are expecting to have their voices

heard and most organizations are now taking steps to ensure their values align with their employees. It is also not uncommon for employees to seek employment from organizations that share their concern over climate change and sustainability.

According to the Green Business Bureau, A survey conducted by the Harvard Business Review found that aside from health insurance, job seekers placed the highest value on social benefits such as more flexible hours, more vacation time, and work-from-home options. About 80% of job seekers would consider taking a job that allows them to work

from home. These benefits which are also popular among millennials and parents are cost-effective and sustainable for small businesses that wish to offer appealing benefits but can't afford an expensive benefits package. This demonstrates the direct correlation between an organization appealing employee wants and needs, and how not only benefits employee culture but also the environment.

A specific example would be the reduction, or complete elimination of the daily commute to work when an organization adopts a flexible work arrangement. The time savings for employees has a direct impact on employee mental health, emissions reduction, and employee satisfaction.

When an organization puts sustainability at the forefront, employees stand to experience massive benefits.

## ESG reporting + need for data on sustainability performance

Although publicly traded companies have a legal obligation to disclose their financial performance, they are not required to report on environmental or social initiatives. Privately held companies are not required to report on anything. However, corporate reporting is becoming more complex as corporations are feeling pressured by competitors, investors, and stakeholders to release more information about the company. It is no longer enough to only share records on financial



performance. There is a growing expectation for corporations to share information about the environmental and social impacts of their operations.

Knowing the increasing importance of ESG reporting, leaders must learn to adapt and most importantly, understand the needs of their organization. The WorkFit by Better

Workplace helps company's measure how flexible hybrid and remote work arrangements impact their environmental, social, and corporate governance performance. After implementing the WorkFit, a Better Workplace client (a professional services company with ~150 employees) discovered they could potentially reduce their emissions by 733,342 Kgs of Co2e by implementing a remote work model. By eliminating employee commutes and reducing the office footprint, the company reduced their carbon footprint significantly.

Potential environmental, economic and social benefits of a hybrid workforce plan are just some of the reports organizations have access to when implementing WorkFit. Data and insights provided in these reports can help demonstrates their ESG efforts. ESG reporting can be very complex, so let's take a look at various factors organizations can report on.

## Reporting on climate change

Perhaps the most compelling and expects form of corporate reporting is on factors contributing to climate change. Traditionally, stakeholders have pushed organizations in the energy, manufacturing, and airline industries to disclose information regarding emissions; however, in recent years many organizations across a variety of industries have been pushed to disclose information about their carbon emissions.



Climate reporting has only been widely adopted over the past decade. The most common type of emissions tracking is the Carbon Neutral Targets which require organizations to balance man-made greenhouse gas emissions that come from the company's operations by removing equivalent amounts of GHG with carbon credits . In order for an organization to meet their carbon neutral target, they must

measure their carbon footprint and implement the necessary measures to reduce their footprint and purchase carbon credits to net out any unabated emissions annually. Although this process may seem straight forward, it is important to note that organizations who make claims about being carbon neutral can draw scrutiny from stakeholders and shareholders, so it is important that claims be backed up with accurate and transparent data. But how can organizations accurately measure their carbon footprint? WorkFit by Better Workplace can help organizations calculate their carbon

footprint by measuring their current use of office space and the current commute habits of their workforce. By consistently surveying the workforce over an extended period of time, organizations can identify how reducing employee commutes and eliminating unused office space can have a significant impact on the organization's carbon footprint.

The COVID-19 pandemic certainly had an impact on climate change and many of those changes are most likely here to stay. For example, factors such as remote work and greater reliance on digital channels resulted in a reduction of everyday commutes to the office which reduced emissions significantly. With remote and flexible hybrid workforce models continuing to be adopted globally, we can assume that this will positively impact climate change. Another lasting impact from the pandemic is the way organizations are reducing some Scope 3 emissions, which refer to in an organization's value chain and not its direct emissions or the generation of energy it purchases.

Reporting on the employee experience, talent acquisition and retention Prior to the COVID-19 pandemic in 2020, remote work or even flexible hybrid work options were considered 'perks' or 'benefits' available only to employees lucky enough to work for major tech corporations in Silicon Valley. However, as the pandemic raged on, many organizations had no choice but adopt a fully remote workforce model. And as the world tries to get back to the office, many employees are expressing the desire to continue to work flexibly even after the pandemic because of the benefits they experienced – reduced time and money spent commuting and an increase in productivity. Experts say that flexible hybrid and remote work

will be a talent magnet strategy in coming years, and organizations must view it as a long-term investment .

However, there is still a need for employees to come together for collaboration-based activities. This is why many are intrigued by a hybrid workforce model, which balances the want for remote work and the needs for in-person collaboration. Flexible work arrangements was something employees pushed for prior to the COVID-19 pandemic; however, the pandemic dramatically accelerated the rate in which organizations are adopting remote and hybrid workforce arrangements.

Despite this, there are still many who reject the idea of remote work because of their job function, industry constraints, seniority level or personal preference. There are some who have no choice but to return to the office as they are unable to do their job effectively while working remotely due to at-home distractions, lack of proper technology or furniture, or role constraints.

Whatever employee preferences might be, WorkFit provides the data and insights that allow organizations to gage how their workforce's perceptions about their current work arrangements. All data and insights gathered through WorkFit remain anonymous, so employees are free to answer openly and honestly without fear of judgement from managers and colleagues. The results of these reports can strengthen the substance of an organization's ESG and CSR reports while assisting human resources with retention and acquisition.



## Reporting on community and social impact

Community and social impact are critical components to an organization's overall culture, and for many employees, it can be a determining factor when choosing an organization to work for. However, in most cases

it can be incredibly difficult to measure how an organization beneficially impacts their community and society as a whole. Although an organization's operations might have a direct or indirect impact on their local community, it can be difficult to prove those achievements while not drawing scrutiny from community members. Despite those challenges, it is becoming clearer that both shareholders and other stakeholders are putting pressure on organizations to increase their community involvement and measure the direct impacts of their efforts.

How do we define community and social impacts? In most cases, organizations look at social impact as positive outcomes that have a direct or indirect result of their operations. This could be direct donations to non-profit organizations on indirect benefits like providing employment opportunities to community members. While it is easier to quantify an organization's annual charitable donations, demonstrating how an organization's operations impact community members and the general society can be more difficult. In many cases, an organization's operations may not provide a direct benefit to the community; however, there are intangible benefits such as employee

satisfaction, being an inclusive organization, and helping to improve local labour practices. These factors can have a tremendous impact on communities, especially with larger organizations whose workforces make up a large portion of the community.

WorkFit can provide your organization data and insights on the potential time savings employees can experience when adopting a flexible workforce model; time that can be reinvested in your communities. Our scenario modelling tool can also provide organizations with an understanding of how past, present and future workforce models can impact your potential overall environmental, economic and social savings.



## Reporting on responsible investments

Of course stakeholders want to see how organizations can reduce their carbon footprint through their operations; however, one could argue that it is just as important for organizations to make monetary investments into sustainability

initiatives that not only compliment their operations but also benefit the community.

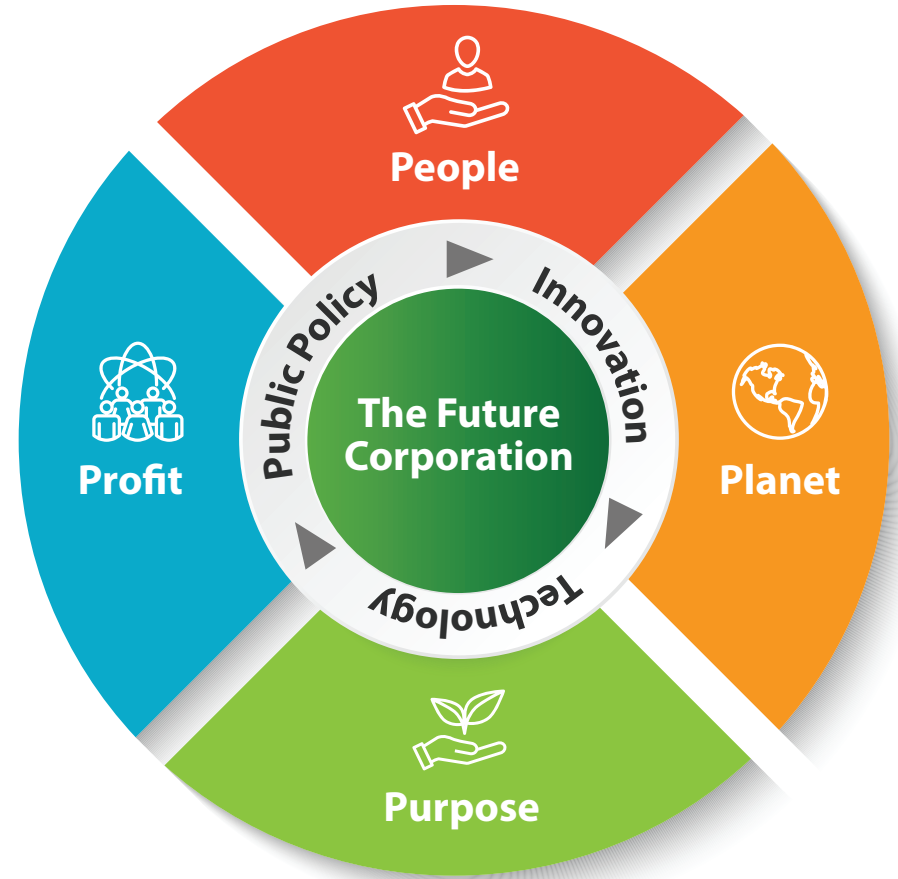
Traditionally, the sole focus for corporations has been on profits. Risk has been justified by the potential rewards. However, sustainability is a new

driver in the investment markets. Responsible growth and green investments are no longer initiatives for only energy producers and manufacturers; now, organizations of all sizes are encouraged to explore ways to invest in sustainability. Many investors, including hedge funds, pension funds and private investors are looking to see if the corporations they are aligning themselves with have a sustainability plan.

Corporations are expected to disclose how their operations impact the environment and justify those actions. Since the start of the pandemic, there seems to be an increased urgency for organizations to disclose their environmental footprint.

According to Intelix Insight Report (2020), the future corporate model must emphasize the 4p's of sustainability—people, planet, purpose, and profit. This can only be achieved through the adoption of innovation and technology combined with public policy. This new framework will encourage corporations of all sizes to think critically about how their operations have an impact on society while also satisfying the needs of shareholders and employees.

Sustainable investments today can have a huge impact on the social, environmental, and economic issues facing us today. However, it is critical that corporations measure and benchmark their progress before initiating any meaningful changes. This ensures that corporations can clearly demonstrate that their initiatives are having a beneficial impact on the world. It also ensures that investments and initiatives that are not having a significant impact can be changed and hopefully become more effective.



Source:  
Intelix Insight Report (2020)



Organizations who wish to measure the environmental impact of their workforce, the economic impact of office space and commuting to the office, and overall sentiment of their employees can use WorkFit by Better Workplace to better understand the potential impacts that a flexible work arrangement can have. In turn, this information can be presented in a CSR or ESG report and complement a corporation's overall sustainability strategy. Integrating sustainability into your corporate reporting

The global workforce is changing. Organizations are trying to determine what the best course of action is when attempting to return to the office. Many corporations are facing increasing pressures to adopt a flexible work arrangement that enables employees to work from anywhere at any time. Employees, and industry experts, argue that there are massive potential

social, economic and environmental benefits if organizations adopt this model. On top of this, organizations are feeling pressured to adopt some sort of CSR and ESG reporting that provides transparent disclosure of their operation's impacts on the triple-bottom-line indicators.

WorkFit by Better Workplace can help corporations demonstrate their efforts in reducing emissions, improving employee well-being and economically viable by leveraging your organizations data. It is possible to enhance productivity, employee experience and position your employer brand for success as you evolve your company's workforce model. By tapping into your data and empowering your people to do their best work, you can design the right workforce model and right workspaces for your organization's future.

## About Better Workplace

Better Workplace can help you develop a comprehensive distributed workplace strategy to improve efficiency, sustainability, and profitability. We can provide the tools and expert support to pilot, measure, manage, and scale a distributed workplace plan. For more information about WorkFit by Better Workplace, please contact us or visit us on the web.



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