# SUSTAINABILITY AND DESIGN



This discussion paper explores how Covid-19 may have altered our attitudes, expectations and behaviour towards the environment, how we need to rethink and redesign our workplaces to make them 'Covid-secure' and the implications this could have for sustainability.

# SUSTAINABILITY AND 'NET ZERO'

The <u>United Nations</u> has defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs". But they state that the increasing threat of climate change means that concrete efforts must be made to ensure development today does not negatively affect future generations.

In June 2019 the UK Government became the <u>first</u> major economy in the world to pass laws to end its contribution to global warming by 2050, by introducing a target to bring all greenhouse gas emissions to 'net zero'. <u>Analysis</u> has shown that when the lockdown was at its strictest, emissions fell by around 36%. This dramatic change in people's behaviour could have many implications for our working practices and what people are demanding from their employers and from the Government when it comes to sustainability.

In a recent CMI <u>webinar</u>, we heard how building back greener is an imperative, not an option. To do so we must change people's behaviours around how they approach and consume energy, and how they work together. This raises some important questions about whether the crisis will lead to long-term shifts in our behaviour, working practices and how we design our working environment: what will be the implications for sustainability and our ability to meet the 'net zero' target? And what role can managers and leaders play?

# SUSTAINABILITY AND COVID-19

"Covid-19 can be an historic turning point in tackling the global climate crisis" Committee on Climate Change (2020).

Environmental issues are important for many people but it could be argued that Covid-19 has brought these into sharper focus. In March, <u>research</u> from the Department for Business, Energy and Industrial Strategy (BEIS) showed that around three quarters of people said they were either very concerned or fairly concerned about climate change. While an <u>Ipsos</u> poll found that three in four people in 16 major countries expect their government to make protection of the environment a priority when planning a coronavirus recovery. The majority of people in all countries surveyed, including the UK, agreed with this.

Our own member survey supports these findings with the majority of managers (82%) saying that Covid has created the opportunity for organisations to focus on environmental sustainability. However, only 58% of managers said that environmental sustainability was a business priority for senior leaders in their own

organisation.<sup>1</sup> When we asked managers who should be responsible for ensuring that organisations in the UK commit to operating in an environmentally sustainable way, 61% said the Government and 36% said businesses. But employers will have to play a key role: <u>Climate Assembly UK</u> found that 93% of assembly members agreed that, "as lockdown eases, government, employers and/ or others should take steps to encourage lifestyles to change to be more compatible with reaching net zero". This included a desire for both Government and employers to encourage home working and changes to the way we travel.

Employers will also have to think beyond home working when it comes to the impact they are having on sustainability. As we outline in more detail below, as workers return to their workplaces, there will need to be a major rethink of how we design and use our workplaces. There are already examples of how office use is likely to decline dramatically and innovative ways employers are marking out social distancing requirements, such as using carpet tiles around every desk. These will be issues that managers and leaders will need to consider and they are likely to have an influence on the sustainability agenda. For example, does reduced office use and fears of spreading the coronavirus lead to less use of air conditioning?

We may also see greater demands on the leadership of organisations to meet environmental, social and governance (ESG) criteria especially as it has been <u>reported</u> that companies with long-term, sustainability focused strategies appear to be weathering the consequences of Covid-19 disruptions better than those who have not, possibly because they have better supply chain management and corporate governance to meet high ESG ratings.

There will also be an important role for employers when it comes to investing in skills to support a sustainable recovery. In our previous roundtable on levelling up and skills, we heard how important it is to prepare for the skills of the future, including technical skills which will be important for sectors such as the energy sector and in turn will play an important role in ensuring we meet our net zero target by 2050.

When it comes to the crunch, however, the majority of managers (72%) say their senior leaders prioritise economic prosperity over environmental sustainability. Managers in organisations that had been directly impacted by natural hazards (such as flooding or disruptions to their supply chain) were more likely to say environmental sustainability is a business priority for their senior leaders (67% vs 53%), and to have environmental sustainability policy in place, (76% vs 63%). However, this difference in sentiment is not as substantial as we may have expected.

Given employers' reluctance to invest in sustainability above other priorities, there is clearly a role for the Government to support and incentivise employers to operate in a more environmentally sustainable way. In our member survey, managers said that the top five ways that the Government could support businesses to do this were through:

- Boosting renewable energies such as solar, wave and tidal power (78%)
- Offering loans for environmental sustainability to business to adapt workplaces (65%)
- Setting and enforcing environmental regulations for businesses (64%)
- Investing in retrofitting of buildings to make them more energy efficient (60%)
- Making frequent use of public information campaigns (48%)

# WORKPLACES OF THE FUTURE

As mentioned above, there is a possibility that Covid-19 will lead to a drastic rethink of how we design and use our workplaces. What could the workplace of the future look like? What could be the long-term impact on sustainability and the ability for us to meet our 'net zero' target?

<sup>&</sup>lt;sup>1</sup> Where this paper cites the CMI member survey it refers to the CMI Manager's Voice poll of 737 managers conducted between 14th and 19th July 2020

The short-term fixes could be reducing the number of staff in an office at any one time, perhaps through staggered working times or increased home working. We could see, for example, the end of open-plan workplaces with more physical separation between colleagues using measures such as 'sneeze guards' and the return of small, private offices.

Longer-term fixes will involve design upgrades and modifications. Could we see wider systemic changes in how we work? For instance, to reduce exposure to Covid-19 will the existence of a central office or 'hub' be replaced with regional 'clusters' of smaller offices to still allow employees to meet up? This has sustainability implications as it means workers could reduce their commuting time.<sup>2</sup> It has also been argued that large-scale office closures could encourage employers to rethink their environmental impact with moves to reduce overhead costs and lower carbon emissions.

With the home now increasingly being seen as a workplace, will the Government need to rethink how it regulates home energy use to ensure we stay on the path towards a sustainable recovery? The <a href="Committee on Climate Change">Committee on Climate Change</a> has stated that the major challenge of increasing heat efficiency in homes has been largely unaddressed. And what about workplaces that do not use an office? We have already heard <a href="examples">examples</a> of employers altering their working practices to meet Government safety advice.

Will any of these fixes lead to lasting change when it comes to sustainability? There is reason to be sceptical, with reports that emissions have rebounded around the world as lockdowns have been eased.

# CALL TO ACTION

We are interested in your thoughts and opinions on the topic of sustainability and design and what CMI, together with other organisations, can and should be doing to ensure our recovery is sustainable.

### THE ROLE FOR CMI

Environmental sustainability is an area of work that CMI has not traditionally focused on. Should we be doing more to champion sustainability and a green recovery? What would be most useful for CMI to develop or deliver?

### THE ROLE FOR ORGANISATIONS

What role can organisations play to ensure a sustainable recovery? What should they be integrating into their working practices? What best practice can we learn from?

### **POLICY PROVOCATIONS**

These are not official CMI policy positions, but are included to stimulate conversation and debate. Will these be enough to ensure a sustainable recovery, and what concerns might you have if implemented?

1. Require all employers to publish a 'Green Action Plan'. This should include clear objectives on what employers are doing to promote sustainable working practices and employers should report annually on progress against these plans. There should be sanctions if employers do not achieve some or all of their objectives. Incentives such as tax credits or subsidies should be granted to SMEs to encourage them to make progress on their action plan. In our member survey, 80% of managers agreed that the Government should require all businesses to publish green action plans.

<sup>&</sup>lt;sup>2</sup> For more info on office redesign and examples see <a href="https://www.bbc.com/worklife/article/20200514-how-the-post-pandemic-office-will-change">https://www.bbc.com/worklife/article/20200514-how-the-post-pandemic-office-will-change</a>

<sup>&</sup>lt;sup>3</sup> For example see <a href="https://knowhow.ncvo.org.uk/how-to/how-to-create-a-green-action-plan">https://knowhow.ncvo.org.uk/how-to/how-to-create-a-green-action-plan</a>

- 2. The Government should develop a 'Sustainability Road Map' for every sector. This should include proposals, guidance and timelines on how each sector can achieve the net zero target.
- 3. Introduce a mandatory due diligence law for large employers. This should require large employers (250+) to assess their supply chain to ensure they are meeting sustainability targets. These targets could be set out in the forthcoming <a href="Environment Bill">Environment Bill</a> and could be regulated and enforced by the Financial Reporting Council.
- **4. Introduce a 'Sustainability Skills Programme'.** This should provide funding to allow workers to upskill and retrain within specific areas of the economy that will help us achieve the net zero target, such as the low-carbon economy. This should include management and leadership skills so that we are developing those who have the skills and knowledge required to become leaders of change on sustainability and tackling climate change.

### PRACTICAL EXAMPLES

We are looking to develop an evidence base of organisations that have taken steps to promote environmentally sustainable practices and workplaces. Please get in touch at <a href="mailto:editorial@managers.org.uk">editorial@managers.org.uk</a> to discuss your case study.