

Sustainability Survey 2020

Report

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Institute of Workplace
and Facilities Management



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Foreword - IWFM

Welcome to the thirteenth Institute of Workplace and Facilities Management (IWFM) Sustainability Survey Summary Report. The survey has always been one of the UK's most important evaluations of sustainability and workplace trends, but the unprecedented challenges of 2020 make this year's findings even more so.

The survey opened for responses in July, several months after the global coronavirus pandemic began to take over our lives. COVID-19 has already tested workplace and facilities management professionals in so many ways, from supporting a dispersed workforce to managing near empty workspaces, something which IWFM has been looking at in detail with our 'Navigating turbulent times' webinar series and 'Coronavirus resources' hub on the website. With the virus front of mind for us all, it has naturally shaped responses to our survey, and the ensuing workshop, and created a unique insight into how it is affecting all aspects of sustainability in our organisations.

Even before the COVID-19 outbreak, the sustainability agenda had moved on significantly since IWFM's last survey in 2018. Greta Thunberg's school strike for climate in the second half of 2018 captured the media and public's attention, particularly amongst the younger generations, and led to global climate strikes involving over one million participants. Travelling the world, Thunberg brought greater focus on to the topic given the desperate need for action. With a major shift in public attitudes, 2019 saw hundreds of councils declare a climate emergency and the government pass legislation committing the UK to net zero carbon emissions by 2050.

Since then, many businesses have set their own science-based targets to achieve net zero carbon emissions. With its key role in achieving net zero, the 'circular economy' has become a mainstream sustainability concept. Investors have started playing a major role in incentivising corporates to report on their sustainability endeavours and are looking not only for businesses to take action to combat climate change but address climate resilience. There has also been a shift with many businesses aligning their own sustainability goals to the UN Sustainable Development Goals.



Whilst the impact of coronavirus has dominated current discussion around sustainability in the workplace, these monumental changes in attitudes, approaches and expectations should ensure that sustainability remains firmly on the workplace agenda despite the outbreak, the recession it has caused and the other major challenge of these times, Brexit.

We thank all those who found the time to complete the survey and those who attended the workshop to help ensure that the IWFM Sustainability Survey remains the most enduring evaluation of trends and influences in our marketplace. We hope you find this report interesting and informative, and welcome feedback on how the IWFM can support you further in addressing sustainability in the workplace.

Lastly, a massive thank you to the IWFM Sustainability SIG (Special Interest Group) for their continued support with this project.

Peter Brogan
Head of Research and Insight, IWFM

Foreword – Inenco

My colleagues and I at Inenco don't often find the need to quote Lenin. But his reflection that 'there are decades where nothing happens; and there are weeks where decades happen...' certainly seemed appropriate in the spring of 2020. Tens of thousands of people's family, friends and colleagues are no longer with us. The UK economy has seen the greatest fall in economic activity since records began. And many of us have encountered what feels like a fundamental and permanent shift in how we organise our workplaces. But despite all this, I remain convinced that embracing sustainability with even greater focus is at the core of enabling change for the better.

The fact that this survey has seen a dramatic increase in responses and engagement from IWFM members is I think testament to the importance that many feel to 'do the right thing', but also the growing pressure from consumers and investors alike. I am writing this foreword the morning after watching David Attenborough's latest impassioned plea for action. However, I'm equally convinced that embracing an ambitious sustainability plan can be the route to creating a long-term competitive advantage and can underpin the commercial success of an organisation. Think about the consumer brands that are increasingly placing their ethical credentials at the core of their proposition, the property companies focused on the 'greening' of their estates or the investment funds looking afresh at their portfolios. I am sure that the leaders of many of these businesses are motivated to do the right thing, but they also recognise that it's a route to higher margins, greater rental values and better investment yields.

We really can all be 'green capitalists' if we create a clear and holistic sustainability plan that is hardwired to the organisation's overall corporate objectives. But you also need to know where you are starting from and this survey highlights a worrying lack of relevant KPIs in many organisations. With the old mantra of 'what gets measured gets managed', we find that this step is often at the heart of addressing the lack of board buy-in, available funding or resource constraints that survey respondents also referenced. Understanding what is material and having the right data and insight can often be key to unlocking resources and then being able to chart demonstrable value-adding progress to stakeholders.



At Inenco our focus is not only on helping organisations shape a clear and actionable strategy, but ensuring that we are also supporting our clients in its active implementation backed by clear data and insight. We know that many IWFM members are already doing great work to deliver positive sustainability outcomes for their organisations. But this survey perhaps again highlights the value of access to and representation of the profession at Board level; to ensure that aspiration and intent can be backed by the efficient delivery of a grounded plan. I know that many IWFM members are at the forefront of keeping our workplaces safe and grappling with the impact of re-shaping the workplace. Your colleagues have much to thank you for. But equally, I look forward to engaging with you over the coming months to build on the intent and commitment to delivering sustainability evidenced in this survey; and collectively working to change for the better.

Duncan Edward
Head of New Business & Partnerships, Inenco Group

Executive summary

The 2020 survey saw 345 respondents give us a continued benchmark of perceptions on priorities, performance and governance around sustainability in our organisations and the barriers to, and influences on, sustainable practices. With a huge rise in the importance of social value and wellbeing in recent years, the survey also gives insights into both these topics and the impact of COVID-19 on the future of sustainability in the workplace.

In 2020, sustainability is seen as important in virtually all respondents' organisations and many believe it has had a positive effect on their business operations in the last 12 months. Despite this, there are still perceived to be significant barriers to developing sustainable practices in many organisations, particularly around financial, physical and time constraints as well as lack of awareness about sustainability. The most significant driver remains legislation, but sustainability is also seen to be driven by a wide range of other factors, including the ability to adopt new technology and ways of working, corporate image, management of material risk and lifecycle cost reduction.

The most measured aspects of sustainability are carbon and energy management, and training and development, but the biggest increases in measurement are seen in social value, sustainable travel, health and wellbeing, and flexible working. Over two-thirds of respondents believe their sustainability policies and targets will change as a result of COVID-19 with an increased focus on remote working, travel policies, wellbeing and video conferencing facilities.

Social value

The 2020 survey found that the activities considered the most important in delivering social value as part of FM are environmental activities, equality and diversity, and training; these have remained consistent since 2018. Encouragingly, more respondents are measuring social value in some way but COVID-19 has been found to have reduced reporting more recently. It is believed likely that the priorities for this area of sustainability will change due to COVID-19 at least in the short term.

The 2018 sustainability survey found that social value is believed to be an important part of FM delivery but there were challenges over exactly what it covered and how to measure it (since then, IWFM has been working with the Social Value Portal to develop minimum reporting standards and the final output of this work

will be published later in the Autumn). This year, the workshop participants felt that the lack of consensus around a definition and measurement remains in 2020.

Wellbeing

With an increasing understanding of the role of physical, social and mental wellbeing of employees on company performance, it was becoming an increasingly important area of sustainability for facilities management professionals, even before the coronavirus outbreak, and has therefore featured as a key part of the 2020 survey.

Most respondents stated that their organisations actively invest in wellbeing initiatives, particularly around mental health and enhanced working practices, and are actively measuring it in some way. It may not be a surprise that mental health is expected to be the biggest area of focus for wellbeing in the next 12 months.

Given the impact of employee wellbeing on company performance, workshop participants believe it will remain on the corporate agenda despite the recession. As a consequence of the global pandemic, employees have been exposed to the wellbeing benefits of working from home or choosing where they work, which presents many challenges for facilities management professionals when optimising the workspace, supporting productivity and managing wellbeing goals.

With the sustainability agenda broadening and more departments becoming involved, FM needs to continue to clearly establish its role and positive impact. The nature of the post COVID-19 workplace, particularly with energy use, property, flexible working and transport, as well as wellbeing, will offer many opportunities. Initiatives such as the Net Zero Carbon Buildings Commitment and UN Sustainable Development Goals (SDGs), amongst others, could take on increasing significance for businesses, organisations and so for FM.

Methodology

The IWFM Sustainability Survey is developed in-house by IWFM and is led by the Sustainability Special Interest Group (SIG) Committee. First conducted in 2007, this quantitative piece of research features a series of questions around organisational sustainability priorities, performance and governance, barriers and drivers which provide baseline figures for comparison over the life of the survey. More recently, the survey also looks to study the most current areas of sustainability in more detail, this year addressing social value, wellbeing and the impact of COVID-19.

The survey is open to all IWFM members and as many as possible are actively encouraged to participate so that the findings truly reflect the perceptions and experiences of the whole FM community. This year's survey was open from 25 June to 31 July.

The Sustainability Survey is augmented by a Sustainability Workshop which was held in August. The workshop brought together a group of 11 experienced, senior professionals from across the FM profession to enable us to expand our understanding around a number of strands of the survey. Participants were largely from FM companies (outsourced providers of full FM services) or FM service providers (outsourced providers of single FM services). This qualitative piece of research was chaired by the Chair of the IWFM Sustainability SIG and also attended by Sustainability SIG Committee members and other IWFM members who were invited to share their expertise.

Demographics

This year’s Sustainability Survey had 345 respondents, an increase of over 40% compared to the previous year. Six in ten respondents are from end users with around two in ten from FM companies, a not too dissimilar breakdown to the previous survey.

Again, as in previous years’ surveys, views from all organisational levels were represented with over half of respondents either Managing Directors/CEOs or from senior management, and around a further third from middle management. Around half of all respondents are from organisations employing over 1,000 people.

FIGURE 1:
Please describe your organisation?

- End-user (e.g. in-house facilities management department)
- Facilities management company (e.g. outsourced providers of full FM services to client organisation)
- FM product supplier (e.g. provides relevant products to FM departments)
- FM service provider (e.g. outsourced providers of single FM services to client organisations)
- Consultants
- Other

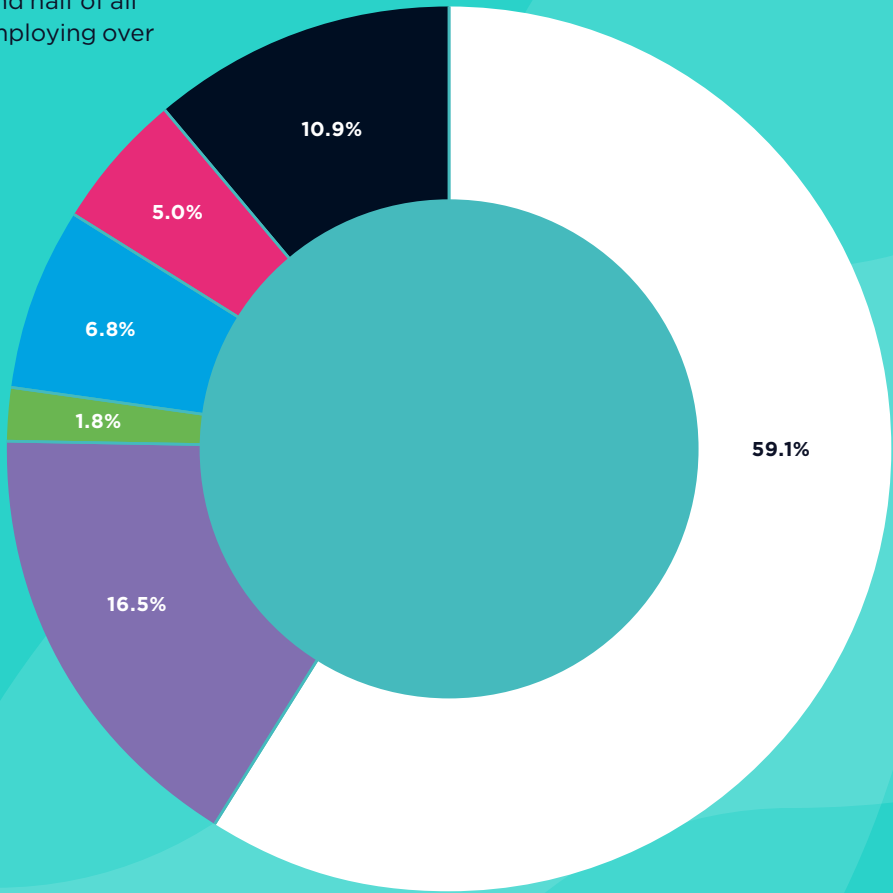


FIGURE 2:
What level are you within your department?

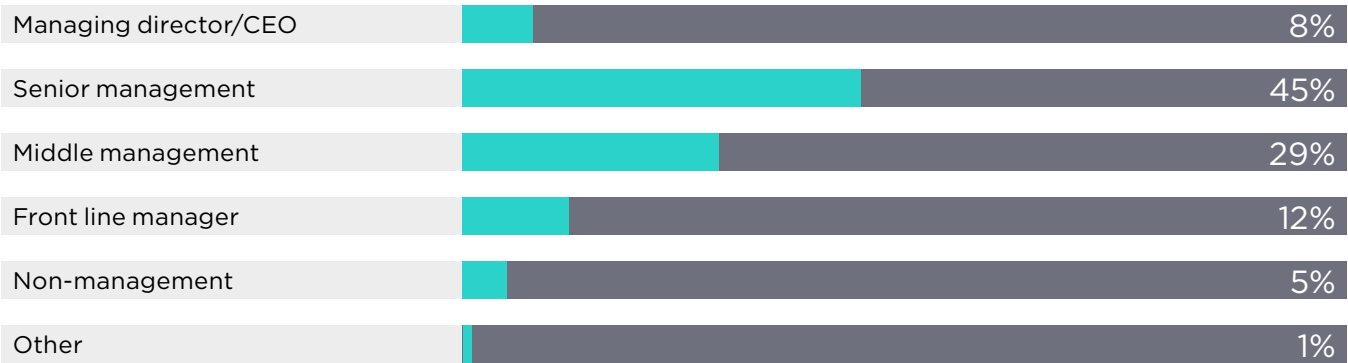
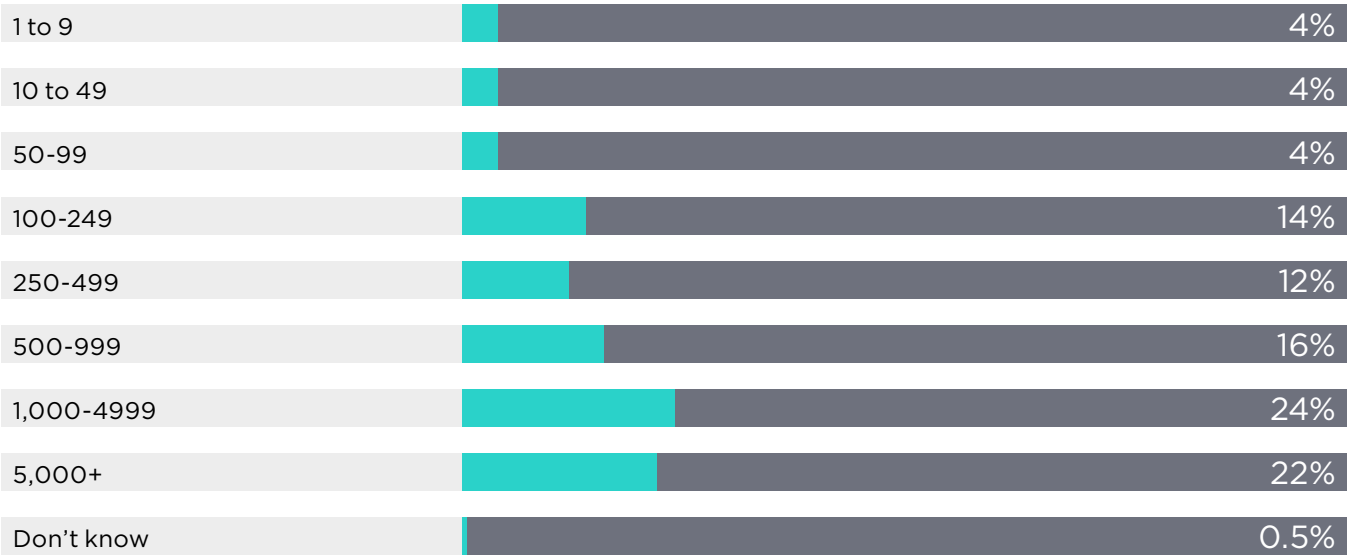


FIGURE 3:
How many people in total are employed by your organisation?



Key findings

Unsurprisingly, FM professionals continue to see sustainability as significant for their organisations, with only a handful of respondents believing it not to be important.

An increasing number see sustainability as ‘extremely important’. Interestingly, the most significant change in opinion is amongst front line managers and staff, 56% of whom saw sustainability as extremely important in 2018, jumping to 82% in 2020. This could be a reflection of the broader sustainability agenda being adopted by organisations, with hopefully more employees recognising and becoming involved in these sustainability initiatives and seeing their benefits.

This increase may also reflect the greater awareness of sustainability issues across the population as a whole, especially in relation to both the direct and indirect impact COVID-19 is having. The continued and ongoing messaging by public figures, such as David Attenborough and Greta Thunberg, as well as lockdown may have brought home some realisations, such as the impact of travel on air quality, the amount of recycling in the bin, the current increased use of disposable single use plastics, and the biodiversity crisis.

FIGURE 4:
Sustainability importance by organisational level 2015-2020

		% Very or greater	% Important	% Not very or less
2015	Executive Management	81%	15%	5%
	Middle Management	61%	30%	9%
	FLM and Staff	63%	29%	8%
2016	Executive Management	70%	22%	7%
	Middle Management	62%	27%	12%
	FLM and Staff	66%	26%	8%
2017	Executive Management	74%	20%	6%
	Middle Management	69%	18%	13%
	FLM and Staff	75%	15%	11%
2018	Executive Management	75%	17%	8%
	Middle Management	61%	29%	11%
	FLM and Staff	56%	27%	17%
2020	Executive Management	74%	22%	4%
	Middle Management	73%	23%	5%
	FLM and Staff	82%	16%	2%

Perception of sustainability performance

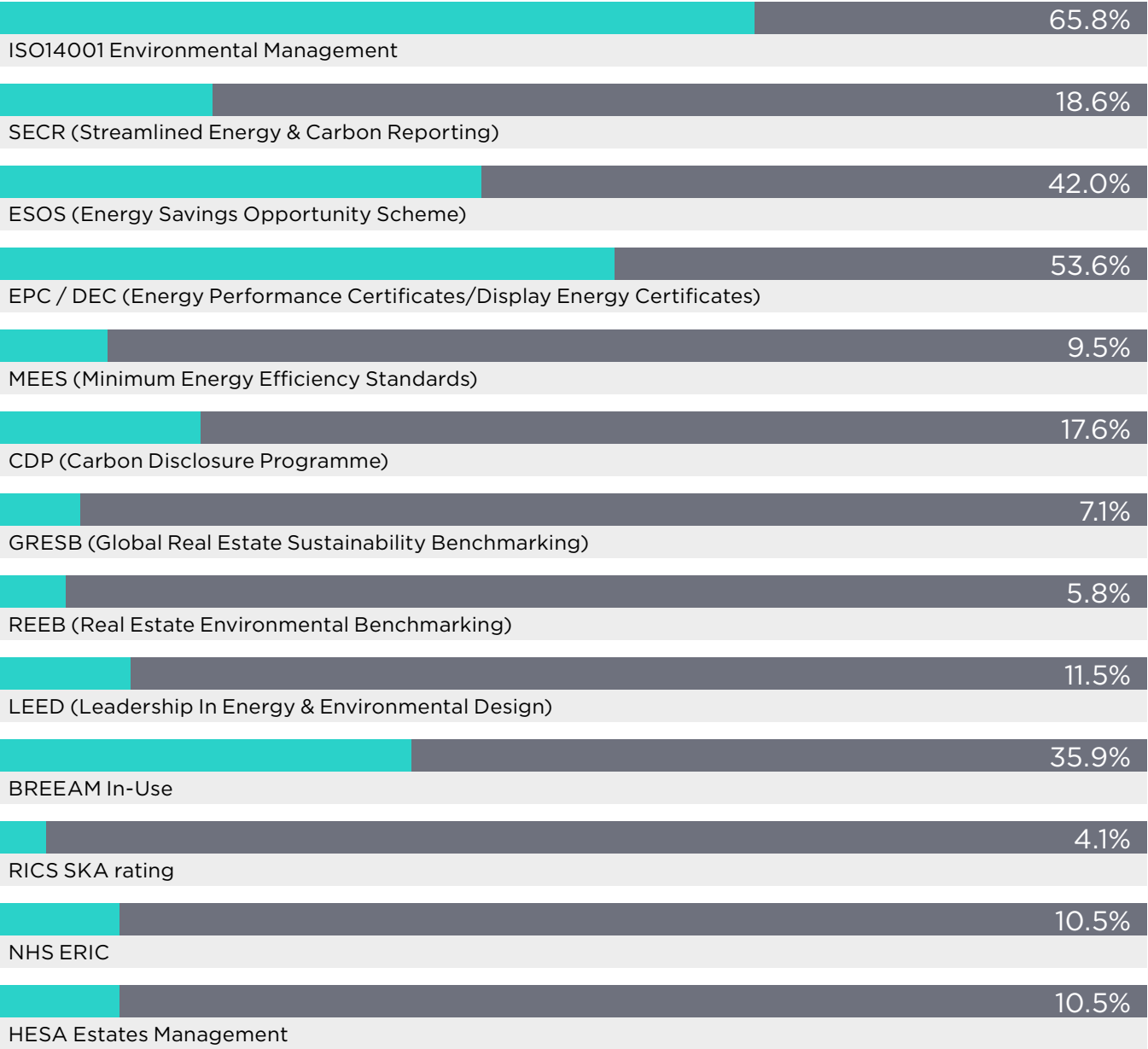
When asked why sustainability is important to their organisation, around three-quarters felt it was because of legislative compliance and two-thirds because of customer expectation, to maintain or enhance the brand, for cost effectiveness and good resource management. A number of respondents also said it was because it was ‘the right thing to do’, which reflects a growing belief by individuals and organisations across the world. The reasons why sustainability is important to organisations have not varied significantly since our 2018 survey.

Four-fifths of respondents stated that internal and external communication of sustainability

were important or very important, a slight increase from 2018. Half of respondents felt that their organisations were strong in effective implementation and management of sustainability policy, again a slight increase from 2018.

Positively, there is a high level of engagement with certification and benchmarking schemes showing the importance of external validation of performance. Two-thirds of respondents work for organisations that engage with ISO 14001 Environmental Management certification, 54% with Energy Performance or Display Energy Certificates, 42% with Energy Savings Opportunity Scheme and 36% with BREEAM In-Use.

FIGURE 5:
Mandatory or voluntary certification or benchmarking schemes engaged with
Does your organisation engage with any of the following mandatory or voluntary certification or benchmarking schemes?



Sustainability drivers and barriers

The most significant perceived barrier to developing sustainable practices is financial constraints with nine in every ten respondents stating this. Service providers need to recognise this in the propositions they offer and work harder to convince clients of the longer-term cost savings often inherent in sustainable solutions as well as the myriad of other benefits. In tandem with this, there also needs to be a greater emphasis on education to change perceptions. For organisations, longer term thinking, investment

and payback periods may be needed to take in lifecycle costs and progress sustainable practices from shorter-term, low-cost wins. This may not currently feature highly enough on the corporate agenda and will require more innovative thinking from a procurement and contracting point of view.

Around three-quarters also found physical constraints, time constraints and lack of awareness about sustainability to be barriers to developing sustainable practices in their organisations.

FIGURE 6:
Barriers to developing sustainable practices in 2020

In your opinion, how significant are the following barriers to developing sustainable practices in your organisation?

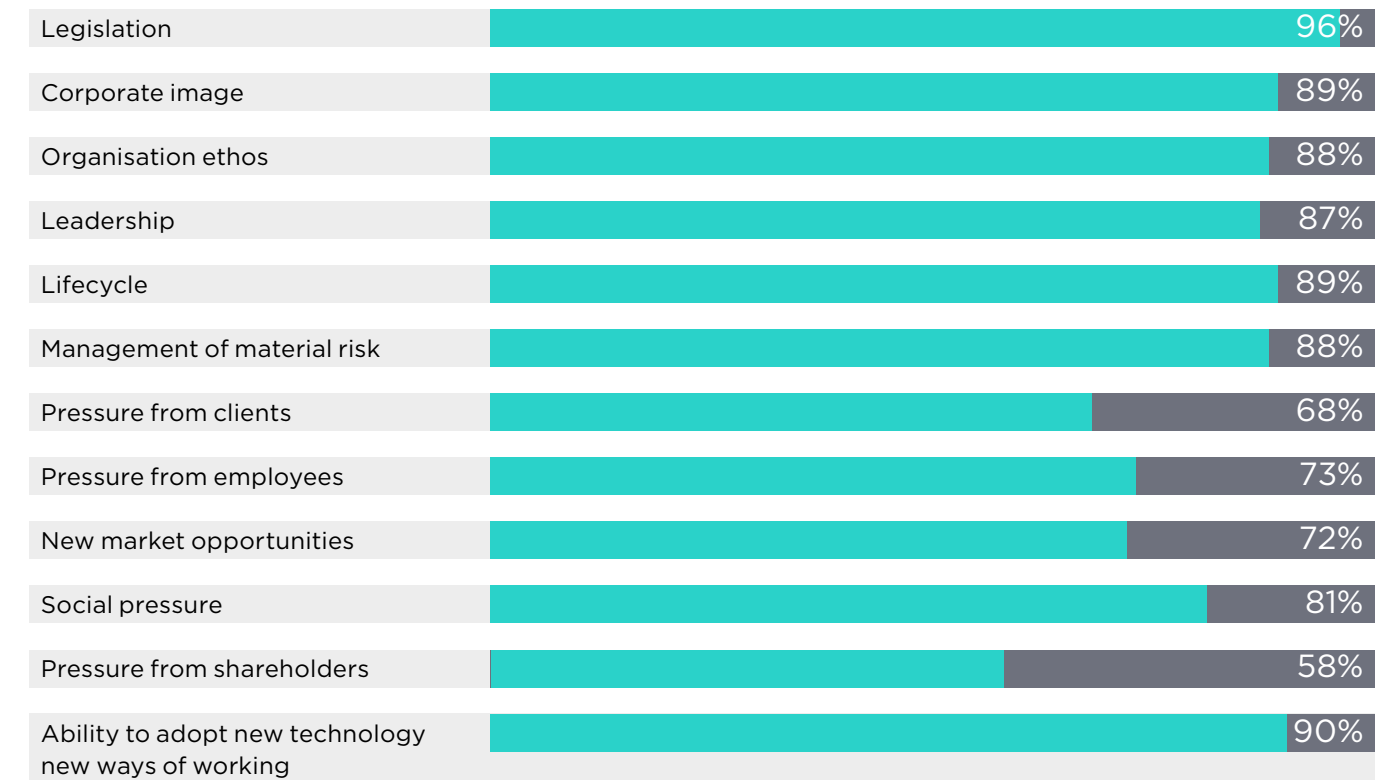
Ext./Somewhat significant/significant
Not significant/Not at all significant
Don't know/Not sure



The most significant influence in driving the implementation of sustainable practices is legislation. Just under nine in every ten respondents also found the ability to adopt new technology and ways of working, corporate image, organisational ethos, leadership, management of material risk, and lifecycle cost reduction to be influential. The latter corresponds with the belief that financial barriers are having a negative effect on sustainability and reinforces the need to understand the longer-term cost savings (and non-financial benefits and impacts) of sustainable solutions.

FIGURE 7:
Influences driving implementation of sustainable practices in 2020

In your opinion, how significant are the following influences in driving the implementation of sustainable practices in your organisation? (Please select those that best apply to your organisation)





Governance, reporting, priorities and objectives

Respondents found wellbeing, waste management, and health and safety to be the most important aspects of sustainability in their organisations. It is unlikely to be a coincidence that this reflects the areas of sustainability where FM professionals have most influence and responsibility in the organisation.

Interestingly, all aspects of sustainability reduced in importance from 2018. Given that sustainability is seen as increasingly important by FM professionals, this is difficult to fathom. It could be explained by the impacts of COVID-19 which has led to many organisations being in ‘survival mode’ with less attention on sustainability, as well as less traditional sustainability priorities emerging. It may also be that areas of sustainability are being shared beyond the specialist sustainability community and are now becoming more mainstream.

According to respondents, the most measured aspects of sustainability in their organisations remain, probably unsurprisingly, health and safety, carbon and energy management, waste and recycling, training and development. When compared to the 2018 survey, it appears that a higher percentage of organisations are measuring many different aspects of sustainability with the biggest increases in those measuring social value (which has almost doubled), and those measuring sustainable travel, health and wellbeing, and flexible working, which can also be measured as part of a social value framework. There are opportunities for FM professionals to reflect their influence in these areas in addition to the traditional aspects of ‘environmental sustainability’.

FIGURE 8:
Targets on which organisations are measured on in 2020
Does your organisation set a target/KPI which you are measured on?

	Yes	No	Don't know
Health & safety	70%	24%	6%
Carbon/energy management	63%	30%	7%
Waste management & recycling	62%	31%	8%
Training & development	53%	36%	11%
Health & wellbeing	49%	40%	11%
Water management	48%	42%	11%
Equality & diversity	47%	42%	11%
Staff recruitment/retention	43%	43%	14%
Staff productivity	43%	45%	13%
Building refurbishment	34%	56%	10%
Living wage	34%	50%	16%
Sustainable travel	33%	54%	13%
Social value	31%	54%	16%
Community engagement/involvement	31%	56%	14%
Specification of sustainable products/services	28%	58%	14%
Flexible working	26%	59%	14%
Workplace environment design (ie green office)	23%	63%	15%
Digitalisation	21%	61%	18%
Adoption of new technology	17%	68%	16%
Biodiversity	17%	70%	13%

Sustainability in clients' organisations

The survey results paint a slightly confusing picture around sustainability in clients' organisations. Conversely to what is happening in FM professionals' own organisations, respondents say that sustainability has reduced in importance in clients' organisations. Over four in five respondents still believe it is important to their clients but there has been a huge drop in those who think their clients see it as 'extremely important'. This is unlikely to reflect a long-term trend but could be a short-term impact of COVID-19. It could also suggest that some areas of sustainability have become so embedded that it is 'business as usual' and certain practices are considered part of normal expectations rather than sustainability initiatives.

At the same time, when asked how well clients understood sustainability, only one in ten felt that their clients had an excellent understanding, a huge drop from 2018. This may could reflect a widening knowledge gap between service providers and their clients or may suggest that more sustainability initiatives are being driven internally and that perhaps clients' sustainability professionals aren't engaged with.

Over four in every five respondents felt that the biggest barrier to developing sustainable practices in clients' organisations was financial constraints, with slightly less citing physical constraints and time constraints as barriers. On a positive note, the percentage of respondents who felt that customer constraints were a significant barrier has reduced. On a less positive note, there was an increase in those who felt a lack of clear goals was a significant barrier.

These interesting findings may reflect a change in the focus and/or needs of clients and may require a rethink from FM providers on how best to position themselves to champion and lead on sustainability in clients' organisations.

Barriers to developing sustainable practices in clients' organisations

Around nine in ten respondents felt that the most important aspects in developing sustainable practices for clients' organisations were health and safety, carbon and energy management, health and wellbeing, and waste management. These were similar priorities to those in respondents' own organisations.

With a sustainability focus around environmental issues, as it was largely for many years, FMs have played, and continue to play, a fundamental role in reducing key impacts through carbon and energy management, recycling and waste management. As the sustainability agenda becomes more embedded in an organisation, more strategic in approach and widens to take in all three elements of environmental, social and economic impacts, the balance changes.

Some areas of sustainability such as community engagement, specification of sustainable products, mental health and wellbeing can be owned and led by other areas of the organisation such as a sustainability team or other enabling functions such as HR. As sustainability becomes more multidisciplinary and as such the responsibility of the whole organisation, FMs have an opportunity to show leadership, collaborate with colleagues, and unlock the full sustainability opportunity in every workplace. IWFM believes workplace and facilities management professionals are uniquely placed to make a difference to the sustainability agenda in its fullest sense because they are the lynchpin in organisations, marrying the needs of owners, occupiers and the supply chain to create safe, healthy, productive and happy workplaces. This will undoubtedly raise new challenges and opportunities for FMs in their own organisations as well as in clients; with those many FMs who have embraced sustainability for many years being very well placed to help organisations in these next steps, something which IWFM has long recognised and is supporting through our sustainability agenda.



Social value

Recognising the rise in profile of social value in the last five years, the survey explores this area of sustainability in more depth. In 2018, we found that social value was understood to be highly significant in FM delivery but there were challenges over exactly what it covered and how to measure it - challenges which appear to remain in 2020.

Around three-quarters of respondents felt that the activities considered most important in delivering social value as part of FM were environmental activities, equality and diversity, and training, the same priorities as in 2018. Over half of respondents also ranked apprenticeships, charity partnerships and community programmes as important to their organisations. Across the board, however, respondents found all social value activities significantly less important than they did when asked the same question in 2018. With social value so intrinsically linked to sustainability, we believe that these survey findings reflect the short-term effects of COVID-19 with organisations in survival mode, focusing less on reporting and prioritising different areas of social value at this challenging time. Additionally, it is not surprising social value considerations were deemed less important with procurement almost coming to a halt and many services being halted in the period between March and July.

We believe that the significance of social value has been made clear, during COVID-19, to those leaders who perhaps had not previously recognised this. Employees, investors and other stakeholders clearly understand the importance of organisations delivering social value and because of this, it is not going away. Moreover, those organisations with social value embedded in the procurement process and those service providers already delivering social value outcomes through service provision are unlikely to want to roll back these achievements.

Understanding and reporting on social value is critical in enabling us to put a value to our social, environmental and economic impacts aligned with the UN Sustainable Development Goals.

In our view, the findings also reinforce the need for IWFM to continue our work to define social value and how FM's can best measure their impacts. Understanding and reporting on social value is critical in enabling us to put a value to our social, environmental and economic impacts aligned with the UN Sustainable Development Goals.

In the longer term, social value should, and will, remain at the heart of the sustainability agenda.

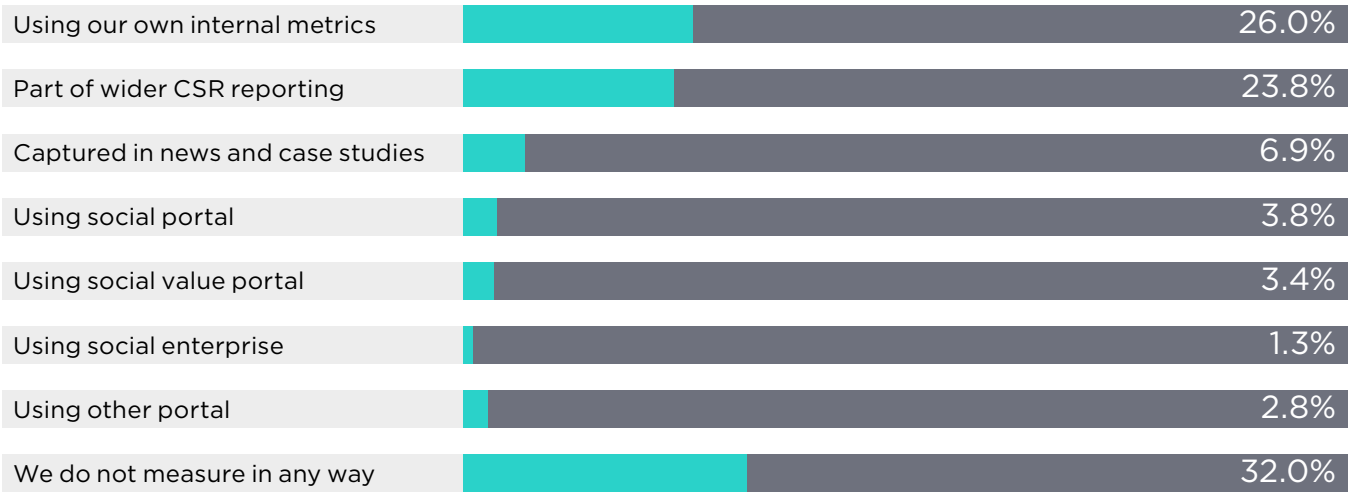
FIGURE 9:
Most important activities in delivering social value, 2018 and 2020
Which activities do you consider most important in delivering social value as part of FM and how would you rank these?

Activity 2018	Very important	Neither	Not important	Don't know
Training	93%	5%	1%	2%
Apprenticeships/Internships	76%	18%	5%	1%
Charity partnerships	65%	29%	5%	2%
Community programme	75%	20%	3%	2%
Equality and diversity	84%	14%	2%	1%
Environmental activities	94%	4%	1%	0
Minimum standards around labour standards	80%	15%	3%	2%
Other	29%	21%	4%	46%

Activity 2020	Very important	Neither	Not important	Don't know
Training	73%	17%	7%	2%
Apprenticeships/Internships	56%	23%	16%	5%
Charity partnerships	51%	31%	16%	3%
Community programme	61%	22%	13%	3%
Equality & diversity	73%	18%	6%	3%
Environmental activities	75%	15%	7%	3%
Other	10%	17%	18%	55%

Whilst only around one in ten respondents are measuring social value formally using a recognised portal, there was an increase this year in respondents measuring social value in some way, when compared to 2018. Fewer than a third of respondents are not measuring it in any way. Just over a quarter of respondents use their own internal metrics and just under a quarter measure it as part of wider CSR reporting.

FIGURE 10:
Measurement of social value in 2020
If you currently measure social value in any way, how do you measure/capture this information?



Evolving picture of social value
Workshop participants feel that there remains a lack of consensus on what social value stands for and that it will be a real challenge to reach a definition that is flexible enough to meet local needs and is fit for all. Service providers feel that many clients' understanding of social value is still evolving and that a lack of a clear strategic vision means that there is often a poor fit between client requirements and service providers' ability to meet these. An example was given of a local authority project requiring employment of apprentices, but the length of contract not supporting an apprenticeship scheme.

Equally, participants feel that there remains a lack of clarity over what should be measured and by whom. The answer may lie in a standardised framework with a series of objectively researched measures that can be extended or reduced to suit local needs and without compromising the integrity of the framework chosen. Such flexible approach also allows for inclusion of science-based, net zero carbon targets set by companies, a movement which is beginning to be observed. As a next phase, participants feel that the conversation needs to move towards linking up social value with broader sustainability targets and the UN Sustainable Development Goals.

Social value and 'survival mode'

The outbreak of COVID-19 has undoubtedly pushed many organisations and individuals into survival mode. Workshop participants believe this is likely to be reflected in a change of priorities for social value, at least in the short term. This may explain why survey respondents find the traditional areas of social value such as training and environmental activities less important than they did in 2018. Social value measures need to remain flexible and review how they will meet the basic physiological and safety needs of Maslow's Hierarchy of Needs with initiatives to support the unemployed, and those suffering mentally or physically as a result of the virus.

Unsurprisingly the reporting of social value has dropped off since the coronavirus outbreak due to projects not happening, staff being on furlough or working from home, and organisations being in survival mode. Metrics, as well as goals and delivery mechanisms, will need to change to reflect a new approach to social value. Workshop participants are positive, however, that social value will remain part of the 'new normal' post-COVID-19.

Service providers expressed concern in the workshop that clients might be drawn into having an even greater focus on costs, rather than on the business

and social value delivered through the service provision in place. This encourages a race to the bottom for service providers to provide the cheapest solution, which has previously led to outcomes such as Carillion's collapse. This raises the questions of the responsibility of all stakeholders in the wider profession and sector to ensure the full sustainability and social value agenda remain embedded into the corporate agenda in these circumstances; and how service providers can influence and support clients whilst they are in this survival mode.

It was largely agreed that the culture of an organisation will be critical as to the true impact of COVID-19 on sustainability. The purpose of an organisation (beyond profit making) and consideration of work-life balance are increasingly important to employees and leaders. Where sustainability is not part of the core culture of an organisation, it is becoming increasingly difficult to attract and retain talent which could, in turn, impact on implementation of sustainability practices. COVID-19 has if anything reinforced employee and leadership attitudes, offering further proof that sustainability, and the measurement and reporting of social value, need to stay on the agenda despite the challenges that we all currently, and will continue, to face.



Wellbeing

Even before the coronavirus outbreak, wellbeing was becoming an increasingly important area of sustainability across organisations and a key focus for facilities management. To reflect this shift around physical, social and mental wellbeing, the Sustainability Survey explored this area of sustainability in greater depth for the first time.

Nine in ten respondents stated that their organisations actively invest in both mental health and stress and in enhanced working practices. The former is delivered through initiatives such as mental health first aiders, employee assistance schemes and counselling; the latter through flexible working, training and development, charity and community initiatives.

Around three-quarters invest in physical health and exercise, and two thirds in workplace improvement for example air and water quality management. Less than half of organisations are investing in nutrition, but these results show that wellbeing has definitely become an established part of the corporate agenda.

When looking at what areas of wellbeing were expected to be a focus in the next 12 months, only

mental health was expected to be as big a focus as it is currently. Three-quarters of respondents said that working practices would be a focus and around a half said physical health. Workplace and nutrition were said to be less of a focus for respondents going forward. These latter findings appear to stand at odds with the increased role of health and safety, and nutrition particularly with the influence of the COVID-19 outbreak. Whether temporarily or permanently, these change the priorities of both employers and employees, and FMs will need to respond.

COVID-19 has also brought air and water quality, and health and safety to the fore. These have traditionally been highly measured, but FMs need to ensure that these more physical aspects of health and wellbeing remain high on the corporate agenda.

FIGURE 11:
Areas of wellbeing investment

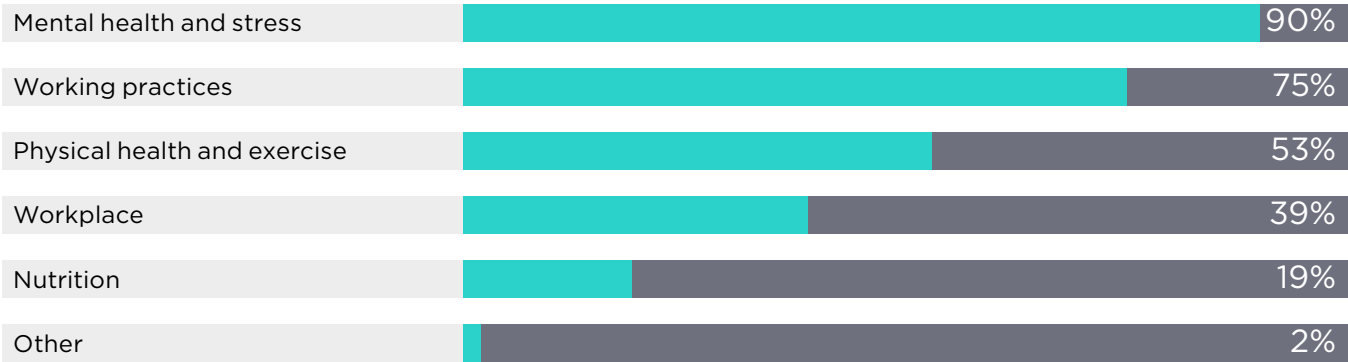
Does your organisation actively invest in any of the following areas of wellbeing?

	Yes	No	Don't know
Mental health and stress (support, first aiders, employee assistance schemes, counselling, etc.)	91%	8%	1%
Nutrition (meal options, programmes, etc.)	42%	54%	5%
Physical health and exercise (cycling initiatives, gym, health checks, etc.)	73%	26%	1%
Working practices (flexible working, training and development, charity, community, etc.)	88%	11%	1%



FIGURE 12:
Areas of wellbeing focus for the next 12 months

Which of the following areas of wellbeing will be a focus for your organisation in the coming 12 months?

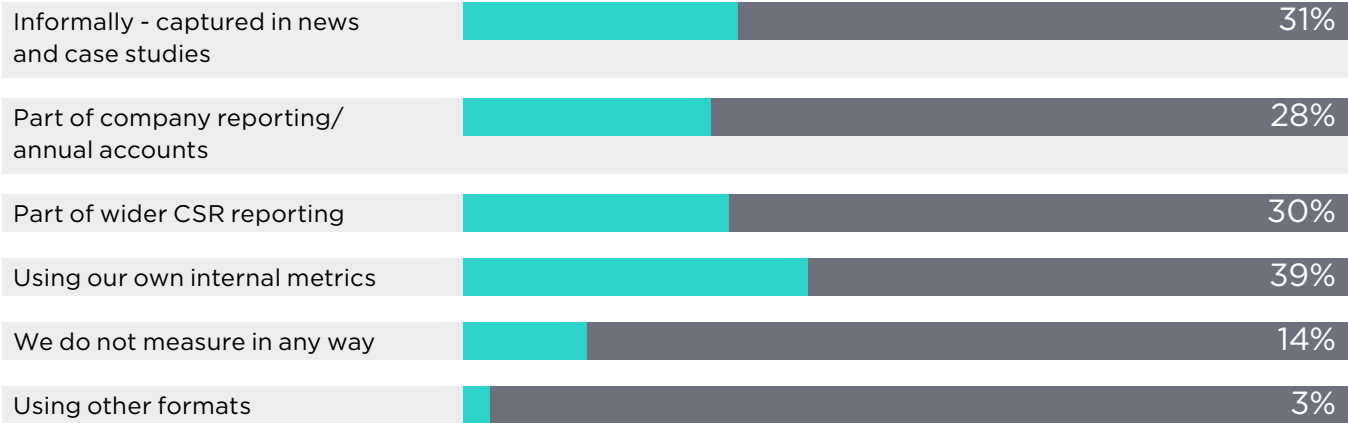


For an area of sustainability that has only recently come to the forefront, reporting seems to be fairly advanced with only 14% of respondents not measuring wellbeing in any way. The highest percentage of respondents use their own internal metrics. Just under a third of respondents report on wellbeing informally and a similar percentage capture it as part of wider company reporting or as part of wider CSR reporting. Note that respondents could select more than one method of reporting.

HR may lead on health and wellbeing but with FMs playing a key role, measurement needs to reflect their contribution and link productivity to areas such as the workplace and health and safety.

FIGURE 13:
Methods of wellbeing reporting

How does your organisation report on wellbeing?



The Increasing focus on wellbeing

The increase in focus on wellbeing had been driven from many different sources including employees, clients, society in general, the media and the C-Suite (executive level managers), with the latter’s interest lying in the increased productivity, employee retention and financial savings from improved wellbeing of staff. This broad range of drivers and increased understanding of the role of wellbeing of employees on company performance may ensure that it remains on the corporate agenda despite the recession.

When discussing wellbeing in more detail in the workshop, there was a feeling that the mental health debate in particular had come alive, overshadowing physical health and nutrition, something borne out in the survey results. One service provider shared how they are collaborating with clients to provide mental health first aiders and to share mental health resources, demonstrating opportunities to add further value to client relationships.

Unsurprisingly, wellbeing is seen as led by HR but with FMs playing a key role in areas such as nutrition, physical health, workplace and workspace. As with most other aspects of sustainability, wellbeing is seen as multi-disciplinary and something which needs embedding as responsible business culture and not just a tick box exercise. This need for broad involvement across the organisation may present additional challenges while employees are spread far and wide.

The changing scope of wellbeing post-COVID-19

Workshop participants discussed how the importance of wellbeing increased as a result of COVID-19 but that the scope of it was changing. Employees, particularly knowledge workers, were seen to very quickly embrace the wellbeing benefits of home working including more family time and less travel time. The recession, however, could see job security and wages that support a whole family become increasingly important to employee wellbeing. These may need to be on the corporate agenda alongside more traditional workplace wellbeing factors in the future.

Cultural restrictions, management preferences and other factors that may previously have held back flexible working were seen to have been swept away by the virus. Office employees have been exposed to the concept of choice in when and where they worked, something they will not give up again willingly. We do not yet know how that will affect the workplace in the longer term but, unless a truly successful vaccine is found soon, businesses may no longer need huge buildings to hold all their staff every day. This could be very damaging if organisations need to divest themselves of long leases.

Whilst clients do not appear to be making kneejerk decisions, participants suggested FMs will need to redefine their workplace strategy and show how they will support performance and productivity, and can manage wellbeing goals wherever employees are working, be that in the office, shared workspace or at home. FMs will also need to consider how to reconfigure existing workspaces to enable collaborative working and other interactions to stimulate innovation, performance and productivity whilst optimising physical, mental and social wellbeing and employee experience. There are additional challenges for those changing space in buildings they do not own. Participants were clear that this will require all stakeholders to be on board including tenants, landlords and investors and that flexibility was going to be the key word for everyone going forward. FMs are ideally placed to lead on this as they bring these stakeholders together with the user, enabling people to perform to the best of their ability.

Impact of sustainability in the last year

COVID-19 has undoubtedly been one of the defining issues of 2020, but before the outbreak, sustainability was arguably centre stage. The Sustainability Survey looked at whether sustainability has had a positive or negative impact on business operations and whether COVID-19 will change organisations’ focus.

Respondents overwhelmingly believe that sustainability has had a positive effect on their business operations over the past 12 months, in areas as diverse as new technology, building refurbishment, living wage and equality and diversity. Four in every five respondents believe the area of health and wellbeing has had a positive effect, which reinforces the importance of this more recent focus of sustainability.

Only a quarter of respondents believe that biodiversity has had a positive effect. With awareness around the importance of biodiversity only more recently gaining traction, this may reflect a lack of opportunity or a lack of understanding of this area of sustainability.

FIGURE 14:
How sustainability has affected business operations in the last 12 months

In your opinion, how have the following areas of sustainability affected your business operations over the last 12 months?

	Very positively	Somewhat positively	Neutrally	Somewhat negatively	Very negatively	Don't know
Adoption of new technology	27.1%	35.2%	28.1%	2.9%	0.6%	6.1%
Biodiversity	6.9%	20.5%	55.8%	1.7%	0.3%	14.9%
Building refurbishment	21%	40.3%	30.0%	3.9%	0.6%	4.2%
Carbon/energy management	20%	44.4%	27.8%	2.6%	1.0%	4.2%
Community engagement/involvement	20.2%	33.6%	34.9%	2.0%	0.7%	8.8%
Digitalisation	22.7%	32.8%	31.2%	3.9%	0.6%	8.8%
Equality and diversity	26.0%	36.4%	28.6%	2.6%	0.3%	6.2%
Flexible working	39.9%	35.1%	16.9%	2.9%	0.6%	4.5%
Health and safety	39.9%	39.9%	15.2%	1.9%	0.3%	2.8%
Health and wellbeing	38.3%	40.2%	15.1%	1.6%	0.3%	4.5%
Living wage	15.4%	25.8%	40.5%	3.6%	0.7%	14.1%
Specification of sustainable products/services	13.2%	29.7%	43.2%	3.0%	1.0%	9.9%
Social value	14.5%	31.9%	41.1%	2.6%	0.3%	9.5%
Staff productivity	16.2%	37.3%	34.7%	3.6%	1.0%	7.1%
Staff recruitment/retention	15.5%	30.9%	39.1%	3.6%	1.3%	9.5%
Sustainable travel	14.6%	26.3%	46.4%	3.6%	0.6%	8.4%
Training and development	21.5%	35.9%	33.7%	2.2%	0.6%	6.1%
Waste management and recycling	20.5%	39.1%	34.3%	0.6%	1.0%	4.5%
Water management	17.4%	34.8%	39.7%	1.3%	1.0%	5.8%
Workplace environment design (e.g. green office)	14.6%	29.6%	43.2%	3.3%	0.7%	8.6%

Future challenges

Sustainability seems more important than ever to organisations and their clients but there is a recognition that businesses can and should do more. The scope of sustainability seems to be becoming broader all the time and this has only been accelerated by COVID-19.

Over two-thirds of respondents believe that their sustainability policies and targets will change as a result of COVID-19. Out of those respondents, virtually all expect an increased focus on remote working, travel policies, wellbeing and video conferencing facilities pushing new technology and sustainable travel up the sustainability agenda. Other areas where respondents expect to see changes include office space and estate strategy, single-use plastics and recycling targets. It remains to be seen whether these are short-term or long-term changes.

Overall, just under a third of respondents do not expect their sustainability policies and targets to be changed as a result of COVID-19. This expectation was twice as prevalent in FM product suppliers as it was in FM companies.

COVID-19 and sustainability in the workplace

COVID-19 has highlighted a sharp divide between those in the knowledge sector - who can and have worked from home - and those in the delivery of frontline services and physical roles who do not have that choice. FMs managing office space will need to evolve their workplace strategy to support the workforce wherever they are and to ensure that the traditional workplace is somewhere employees want to go, albeit potentially less often than before. Smaller living places, oppressive heat in summer, the cold and mental health effects of the weather in winter may drive the workforce back to the office, whether or not a vaccine for COVID-19 is found. If this is not the case, it will be hugely challenging to accurately measure a business' carbon footprint when employees are spread so widely. There has been a shift in carbon footprint from 'Scope 2 emissions' (from purchased electricity at a company premises) to 'Scope 3 emissions' (from energy use associated with staff working at home) and businesses need to adapt their carbon reporting procedures to account for this change.

Social value and wellbeing strategies will also need to change to enable, for example, delivery of social value projects or mental health support when employees are working from home. New social value and wellbeing initiatives will be required, particularly to support those hardest hit by COVID-19 and the recession.

The sustainability landscape

Following the UK Government passing legislation in 2019 committing the UK to net zero carbon emissions by 2050, many businesses publicly announced their own net zero commitments before the coronavirus outbreak. It remains to be seen what impact COVID-19 and the recession will have on progress towards these commitments, whether these will deter other businesses from following suit, and indeed whether the Government will take measures to put obligations on businesses given the harsh conditions in which they are currently operating. A key pledge of the Environment Bill was to set legally binding targets for waste, water, air and biodiversity and a recent policy paper states that the Government will set at least one long-term target for each of the key areas by 2022.

Despite these uncertainties, investors are demanding that businesses improve environmental social governance (ESG), align with the Paris Agreement, and disclose climate risk to ensure that the businesses in which they invest are sustainable and climate resilient. Businesses may be compelled to retain a sustainability focus to gain access to funding to weather the virus and the recession.

We know that to play their role in keeping climate change within the two degrees heating allowed for in the Paris Agreement, businesses need to be focused on energy-efficiency measures and make the shift to renewable energy. FMs are already facing real challenges managing energy consumption with

a dispersed workforce and this is likely to become worse in winter unless there is a mass return to the office. Smart technology could well be key to enable flexibility in the short term and progress towards longer term targets. Meeting climate targets will also require us to address the embodied carbon in the products we use so FMs will need to consider how to embrace the circular economy in all aspects of the workplace. With businesses increasingly aligning their own sustainability goals to the UN Sustainable Development Goals, FMs will also need to consider their role in feeding into these.

Leaders are going to continue to be hugely challenged in the coming months, the need for strong leadership may drive significant leadership change in the next twelve months. There will be tough choices as to where to invest money and resources but, if anything, COVID-19 has shored up the public's desire to see the UK step up and address the climate emergency. We have all seen the impacts for example of less cars on the road and less demand for flying to meetings and COVID-19 has shown that businesses can change really quickly when needed. If we can adapt to home working almost overnight or build a hospital in a matter of weeks, we can effectively come together to address the climate emergency, meet the goals set out in the Paris Agreement, and work towards the wider UN Sustainable Development Goals.

Businesses cannot afford to ignore the calls for a 'green recovery' and to 'build back better'. There are great opportunities for FMs to continue to lead on sustainability in the workplace, whatever the organisation's sustainability agenda, and demonstrate real progress in the areas where they have most impact.

Given the unpredictability of the last 12 months and the challenges of the next 12, including the recession and Brexit, only a fool would predict what the future holds. The only sureties are that facilities management will continue to play a key role in many areas of sustainability and that next year's survey will provide an interesting update on the changing role of sustainability for FMs.

Businesses cannot afford to ignore the calls for a 'green recovery' and to 'build back better'. There are great opportunities for FMs to continue to lead on sustainability in the workplace, whatever the organisation's sustainability agenda, and demonstrate real progress in the areas where they have most impact.

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