

A guide to sustainability for reward directors

How to support people, improve business, and protect our planet

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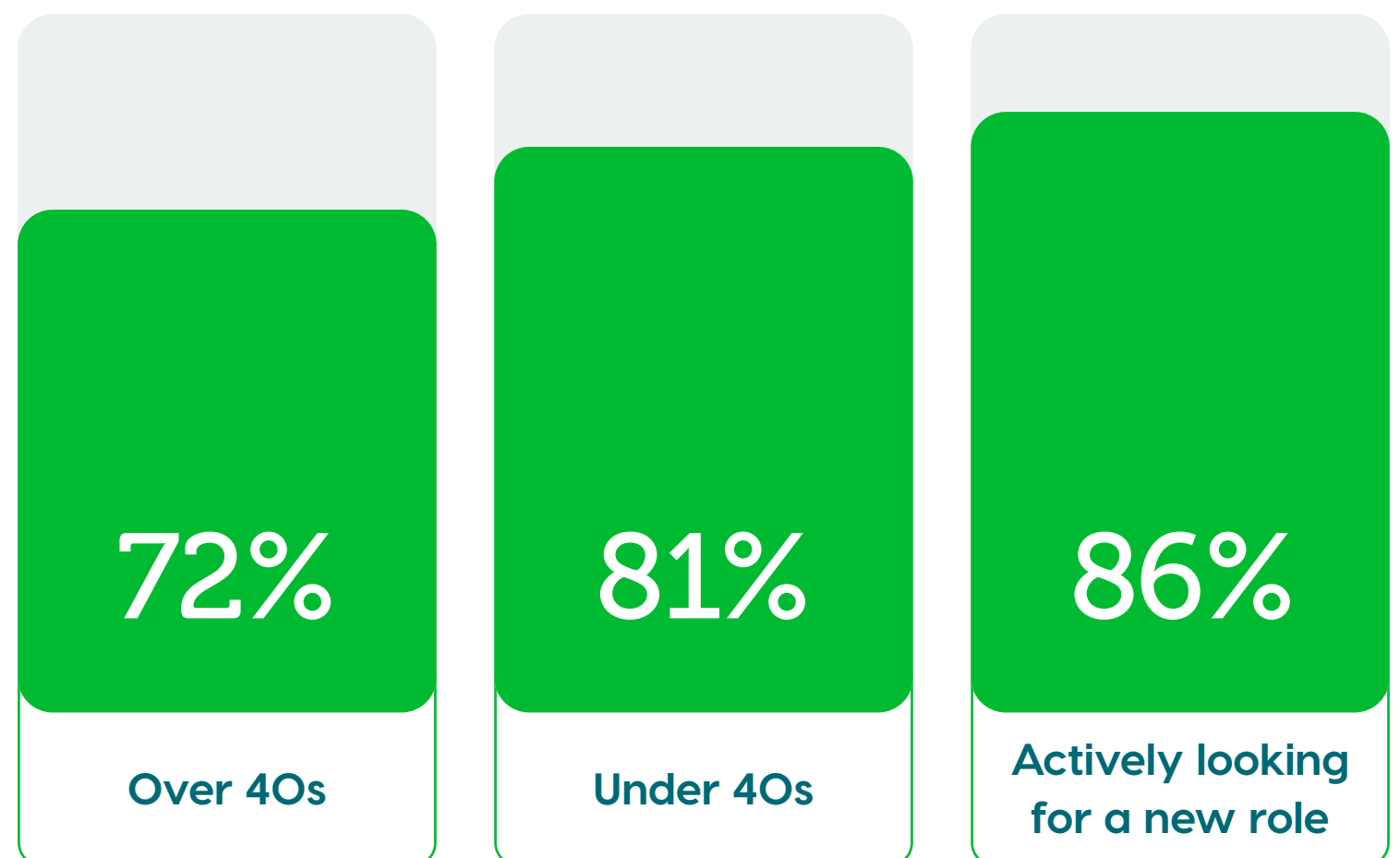
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A time for action

Sustainability is topping the business agenda today as the collective impact we are having on our planet remains an ongoing concern for every nation on the earth. While employers are beginning to take accountability for the role they play in the enduring environmental emergency, the subject continues to be a burning issue for everyone across the globe – and employees are watching with interest how organisations are responding. The approach a company has to sustainability can be the difference between employees staying or seeking an alternative employer with a better culture fit.

In the same way that consumers switch, avoid or boycott brands because of their eco credentials¹, employees too are looking to the sustainability story within employer brands when choosing who they want to work for...

Employees saying a commitment to sustainability is important when choosing a new employer



Source: Benefex, Great Expectations Research 2022

¹ Kantar, UK Brand Footprint Report, 2019 <https://www.kantarworldpanel.com/global/News/The-UK-Brand-Footprint-report-20192022>

Sustainability is clearly a big part of the decision-making process for potential employees, and yet a recent study by IBM revealed that only 21% of people consider their current employers to be sustainable².

Stakeholders and investors are also looking for more from the businesses with which they choose to align. This means having to do a total 180 in some cases for organisations with poor sustainability records or insufficient CSR policies in place. And to be fair, that work has already started in the HR and reward space...

This guide discusses the growing importance of sustainable business practices and offers advice for HR and reward leaders as to how they can implement a strategy that will bring sustainability into the heart of their function, and their organisation. By using benefits and rewards, recognition and communications to empower employees to take action, we can make progress in our collective sustainability agenda. Every aspect of our organisations needs to be accountable for the impact it has on our people, our community, and the planet. There is so much more we can be doing, let's get started...



Charlotte Godley

VP of Customer Delivery, Benefex

² IBM Institute for Business Research, Balancing Sustainability with Profitability, 2022.
<https://www.ibm.com/downloads/cas/5NGR8ZW2>

Top 5 priorities for HR and reward leaders

1

Wellbeing

2

D&I

3

Employee Experience

4

Cost-efficiency

5

Sustainability

Top 4 areas for investment to support a better employee experience

1

Wellbeing

2

D&I

3

Employee Communications

4

Sustainability

Source: Benefex, The New Reward Director Research 2021

What is sustainability?

When one thinks of sustainability, the planet and the environment comes to mind, but the concept goes even further and covers all areas that a business may impact, negatively or positively, including communities, societies and economies.

The United Nations' 2030 Agenda for Sustainable Development has been a particular driving force responsible for promoting CSR efforts globally. Founded on 10 principles, the agenda promotes

17 sustainable development goals in the areas of people, planet, prosperity, peace and partnership³. This is something that British businesses are also committing to. Here in the UK itself, nationwide initiatives such as, Together for Our Planet, call on businesses, civil society groups, schools and the British public to take action on climate change and drive the agenda to reduce carbon emissions to zero by 2050⁴.

What has COVID-19 got to do with it?

Attitudes to climate change and sustainability more broadly have undergone a significant shift over the last few years. Prior to the pandemic, there was a general acceptance that climate issues and the need for sustainability measures were becoming increasingly important to businesses and individuals. Figures from the Office of National Statistics found that three-quarters (75%) of adults in Great Britain said they were worried about the impact of climate change and were prepared to make lifestyle changes in order to address the issues⁵.

There's no doubt that the pandemic has had a helping hand in refocusing the public on what is important. A 2021 study showed that the global health crisis increased public support for a green recovery, opening up more space for policymakers, and businesses, to implement bolder climate actions.

Employees are giving far greater consideration to the overall experience they have at work, not just in terms of how they go about their day-to-day operational tasks, but in how their employer supports and enhances their broader wellbeing and health, inside and outside of work. Our **Great Expectations Report** found that there isn't a single aspect of people management or employee experience that doesn't need to change or transform to meet the expectations of the new workforce post-pandemic. From benefits and wellbeing to reward and recognition, and communication and technology, Reward directors are having to rethink their entire strategies to stay relevant and compete in an ever more dynamic and competitive labour market.

³ <https://www.gov.uk/government/news/uk-enshrines-new-target-in-law-to-slash-emissions-by-78-by-2035>

⁴ United Nations, 2022 <https://sdgs.un.org/2030agenda>

⁵ Office of National Statistics, People, Population and Community, 2021 <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/threequartersofadultsingreatbritainworryaboutclimatechange/2021-11-05>

⁶ Harvard Business Review, 2022, Is Remote Working any better for the environment? <https://hbr.org/2022/03/is-remote-work-actually-better-for-the-environment>



Has hybrid and remote working helped or hindered?

The rise in remote or hybrid working practices which became essential during the pandemic may have appeared to be a panacea for carbon offsetting, but the reality is that hybrid working brings its own sustainability challenges. Clearly, it has positively impacted CO2 levels with fewer people commuting to and from a physical office, but remote working produces electrical waste (e-waste) of which there are approximately 50 million tons a year globally, and only 20% of it is being formally recycled. With figures suggesting that a typical business user creates 135kg (298lbs) of CO₂e from sending emails every year (the equivalent of driving 200 miles in a family car), clearly our energy and technology footprints in this new world of work clearly need scrutiny⁶.

The great retention and recruitment challenge

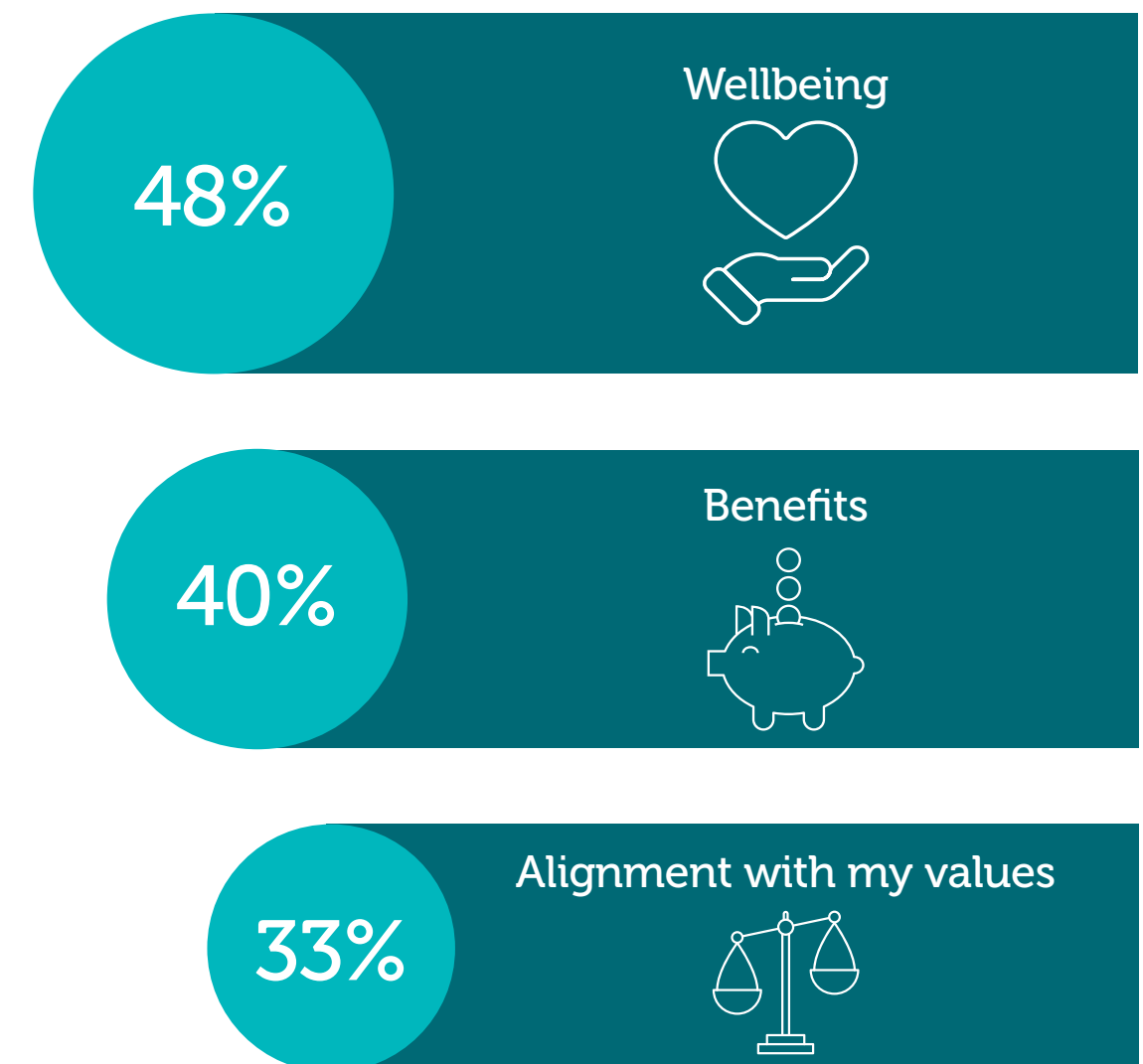
How an employer positions itself concerning its commitment to sustainability is a huge draw for potential employees, particularly for the emerging working population. People place great significance on the cultural values that organisations have and in particular the company's CSR obligations. Where their employer stands on the subject of sustainability can essentially be a deal-breaker.

This does, however, present HR with an opportunity. With the pressure on recruitment teams to bring in fresh talent, there has never been a better time to re-evaluate your benefits and reassess your own organisation's approach to sustainability and the way you are best able to demonstrate this commitment.

Forward-thinking business and HR leaders have recognised the need to completely reimagine the employee experience for this new perspective on working practices. They are putting the needs of their people at the heart of their employee experience strategies, ensuring they help each person understand everything their employer does for them, from benefits and wellbeing to culture and communications.

Already we're seeing businesses that aren't moving in this direction suffering the consequences. The so-called 'Great Resignation' that emerged in 2021 can, in part, be linked to employees feeling undervalued and disconnected from their employers. When so many people are re-evaluating what they're looking for from their working lives, those that don't feel their employer is doing enough to support them are far more likely to leave an organisation. This is where sustainability can play a big part.

Global employees who say their expectations have increased in relation to...



Source: Benefex, The New Reward Director Research 2021

Sustainability for reward directors

Reward directors are in a unique position to highlight their company's standing on CSR and more directly on sustainability, and this means reviewing not just the benefits and rewards you are offering, but also the end-to-end processes and providers you are working with to make sure every element is sustainable. In our 2021 report, *The New Reward Director*, we reported that 45% of HR leaders with global responsibilities expect to prioritise sustainability in the next two years [NRD] so things are clearly heading in the right direction.

The marketplace for green employee benefits has certainly seen a boom over the last decade, showing just how critical sustainability is to both businesses and individuals. Where in the past there were little or no 'eco' offerings, today thankfully, employers can offer their people a vast choice in providers that are truly sustainable. Here are a few ways you can help your employees reduce their carbon emissions, promote sustainability and improve wellbeing too.

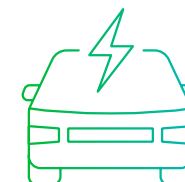
Cycle-to-work Scheme and City Bike

Bikes and biking can be an expensive hobby which often puts people off making the leap into cycling daily. That said, the ever-popular cycle-to-work scheme is a fantastic, environmentally friendly employee benefit that continues to top the list. This can also extend to e-bikes or city bikes as an option – and of course, if you decide to introduce a new e-bike initiative, let your people know about it and the positive impact it can have on the local environment, and their wellbeing. Halfords say that buying a new bike through a cycle-to-work scheme can save employees up to 42% on this expense – it's a cumulative effect over time, but it has far-reaching benefits on mental health, physical fitness and wellbeing as well as the environment.



Car Salary Sacrifice / Electric car schemes

Consumer appetite for green living is now fuelling the demand for environmentally friendly swaps across salary sacrifice vehicle schemes too – despite pre-pandemic predictions that only around 10% of electric vehicles would be on a subscription model by 2025. And while a car benefit scheme might not sound like the most environmentally friendly option, for those who have to drive, offering a car scheme is a truly sustainable benefit. With electric cars coming down in price, it offers employees a great opportunity to purchase a greener model, hybrid car or e-car they wouldn't ordinarily be able to buy as well as cutting costs on things like tax.



Charitable giving

If you don't already, you could offer employees a way to donate to charity through salary sacrifice and this can be anything from charities focused on planting trees, and conducting research to spreading environmental awareness, animal protection, and homelessness.



Benefex's global initiative: Trees with benefits

With the climate emergency driving eco-anxiety in workforces, Benefex is looking to lead the way in generating positive climate action at every level of our organisation. As part of that commitment, with each marketplace benefit selection our customers' employees make, our partner *Furthr* will plant a tree in a key global reforestation area.

Our designated site in Nepal has started to improve local livelihoods and restore forests in areas of critical importance. The Lamahi planting site comprises nearly 203 hectares of tropical forest in Nepal's Inner Terai region. Local biodiversity includes a wide array of native flora and fauna. Tropical Sal, Khair, and other trees create habitat for over 200 bird species, leopards, Asiatic elephants, and globally threatened four-horned antelope.



Client case study

Salesforce

Salesforce's 1-1-1 model is an initiative whereby organisations can pledge to donate 1% of their time, resource and profit to help integrate philanthropy into their business' DNA. To employees, this means donating 1% of their working time – two-three workdays per year – to charitable causes. Organisations that can't commit to the 1% pledge might want to consider a holiday trading benefit as an alternative way for employees to take that extra time off to volunteer, should they choose to.

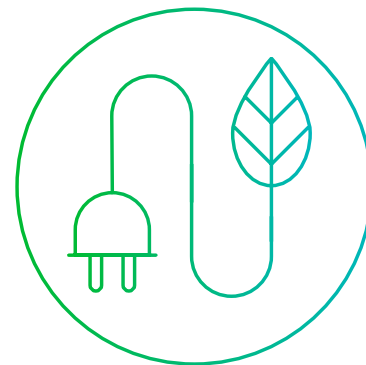
"We encourage our customers to seek out sustainability options where possible and have built this into our platform so it's easier than ever for them to make the changes they need to support their people's desire for greener benefits. It's about finding pockets of sustainability across the organisation and making small – but ultimately significant changes. It all adds up and contributes to the bigger mission of the business to comply with its CSG obligations."

Lyndsey Shaw
VP of Partnerships



Green energy providers

The interest in green energy providers remains high despite the current energy crisis. Giving employees the option of going greener with their power company is a popular benefit and is a simple addition to your benefits portfolio. Switching to affordable, renewable energy within the business also demonstrates a commitment to sustainability and is a great example of modelling behaviours employees would like to see their employer adopt too.



Pensions

'ESG' isn't just the latest buzzword. Companies need to have a strategy in place to make the best possible impact on environmental and social issues. So how robust is your ESG policy? When was the last time you reassessed or updated it? What about your company's pensions offerings? Are you confident that you are providing the best for your people? Are your default providers ethical? Remember that adhering to these promises and commitments as per the company mission is key to employee engagement.



What are the latest and most popular sustainability benefits hitting the market?



Volunteering

The volunteering initiatives that employers get involved with are improving the environment and making incremental differences in society, improving mental health and wellbeing at the same time, as well as proving a draw for potential hires whose values centre around sustainable practices.



Employee discounts

Employee discounts aren't new but... Having a sustainability category built into a discount offering is another savvy way of extending your commitments to your people. This can support a switch to eco-swaps across everything from household goods, to food, electronics and even beauty products.



Tree planting

Eco-anxiety is increasing within workforces and reforestation subscriptions are a direct way employees can have a positive impact on the environment and look to support the eco-wellbeing of their people. Organisations can also get involved by funding as many levels as they wish, to support their own and their employee's climate goals.



Electric car charging

Following the success of electric car schemes, employees are increasingly looking for solutions for electric car charging that are both convenient and affordable. Offering access to charge cards, charge point subscriptions, and even the installation of electric charging points can support the environment and the financial wellbeing of your employees.

What should you expect from benefits providers in terms of sustainability credentials?

When we work with new providers here at Benefex, we have some pretty tough checks in place to ensure they offer truly sustainable products or services for our clients. Some of the ESG questions we ask potential providers to consider - and which are useful for anyone seeking to improve their sustainability awareness include:

Are you aware of your carbon emissions as a business?

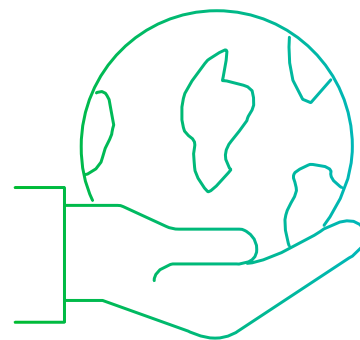
If so, what measures are being taken to reduce the carbon footprint? Are you exploring every area of the business to root out elements that don't adhere to your ESG agenda?

What is the business's impact on the local and global community?

This helps you find any gaps that exist currently and areas where improvement can be made, depending on your particular industry. Your HR teams need to be ready to answer these questions, so doing your due diligence and arming yourself with the information you need can help build a case for more sustainable practices.

How are you becoming a greener business?

How green are the actions you have in place – can you do more?
How are you aligning your actions to your overall strategy?
What areas could you improve on? How are you using your resources?
Think of the waste you produce and how this can be offset.



What are your key sustainability measures?

There are three key criteria for sustainability: economic, environmental and social. How many areas does your company comply with? What measures are you using to assess your capability in each area?



The facets of sustainability

The Community Agenda

Community creates belonging and belonging motivates members to improve their performance and dedication to what they care about most. In the workplace, this is via common purposes and goals. Working towards something that your employees support and believe in will see them committed not only to their jobs but to the organisation as a whole. This embracing of employees' concerns, whether that is for sustainability or wellbeing, can have a huge impact on how engaged they are, particularly in these disrupted times. Employees need to see and feel culture – how they are treated inside work has an impact on 'self' outside of work and in turn an impact on their community. This is reflected in their choice of employer.

As people crave more purpose in their daily lives, it's no surprise that a report from Deloitte shows that 80% of employees want to do more for their communities. Clearly, the appetite for community involvement and environmental action is growing, proving that business leaders can benefit hugely from strong ESG initiatives.

Our [Global Recognition Report](#) found that 89% of employees believe people should be recognised for embodying the values of the company while figures from our [Great Expectations study](#) found that 83% want a stronger sense of belonging and community. That means focusing a recognition and rewards strategy around the things that your employees find important is good for business – as it is addressing the needs and wants of your people.



The Wellbeing agenda

Doing good makes you feel good. It's a fact. Volunteering gives people 'social capital' which increases people's access to help from others, creating a network of support for people to draw on to help them cope with difficult times. Building social capital not only benefits the person doing the volunteering but also supports the entire community, cultivating resilience as people work together and help each other through hardship. It also boosts self-esteem and confidence. In a study exploring environmental volunteering, respondents expressed that they gained a sense of self-worth and felt good about themselves by volunteering for a 'good cause'.

In an impact report by on Hand, 80% of survey respondents saw an improvement in their wellbeing thanks to their time spent volunteering⁷. Even people who suffer from mental illnesses noted "an improvement in their outlook and mental health through volunteering. It gives them a sense of direction and meaning."

Having a wellbeing programme that incorporates 'giving back' to the local community makes for happier employees. And a happier workforce is a more productive workforce. Bupa's research backs this with over half (51%) of people of all ages saying that they would be more engaged with their organisation overall, more satisfied in their jobs (53%), and more productive (47%) if the place they worked had strong eco and social commitments.



⁷ onHand, June 2022, <https://www.beonhand.co.uk/onhand-blog/why-esg-should-be-part-of-your-wellbeing-programme>

Eco-anxiety, ESG and wellbeing

While it's a relatively new term, 'eco-anxiety' refers to the worries that people are suffering surrounding the climate emergency both in the workplace and outside. So many of us are feeling helpless and it's affecting our mental health. It's no surprise that people are beginning to hold their employers accountable for their impact on the planet.

We know that mental ill-health costs UK businesses £45 billion a year so employers are in a strong position to respond to eco-anxiety by engaging their workers with sustainable initiatives that will support both physical and mental health. Not only can this provide value to the individual, it will offer value to businesses and promote the employer brand too.

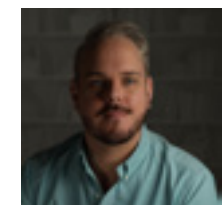
The Diversity, Equity and Inclusion Agenda

The importance of DE&I in organisations remains a top priority for employers and the impetus to ensure fairness for all employees also contributes to the sustainability agenda. This means listening to what they want and accommodating them where possible.

Ensuring we recognise our colleagues for their contributions also feeds into the wellbeing of our people – it boosts their feeling of community and improves the employee experience. In fact, our [Great Expectations Report](#) found that 48% of workers expect more wellbeing support, and this is something employers can build into their offerings for employee benefits, rewards and recognition. Thankfully, 71% of HR and reward leaders understand that a commitment to employee wellbeing is very important to achieving a great employee experience.

"Poor mental health is a very real problem for workers in the UK, particularly in the wake of Covid, the war in Ukraine, the increased cost of living, and the ongoing environmental crisis. Employers can alleviate some of these burdens by listening to our people and acting on their wishes to start building a more sustainable approach to business. The changes will not only help employees in the short term but the wider community, and society as a whole."

Gethin Nadin
Chief Innovation Officer, Benefex



Showing the value of your sustainability strategy

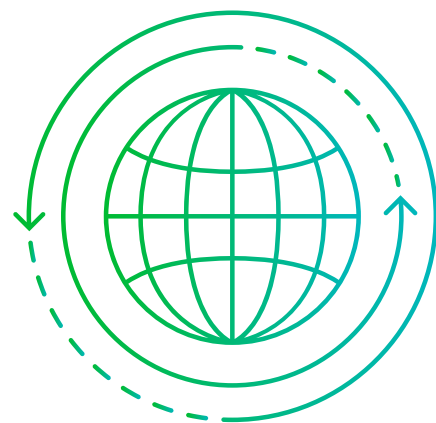
We want our people to feel empowered and engaged with all our workplace initiatives, but we know that sustainability gets the most interest. So how are you communicating the good things that your business is doing to drive forward the green agenda?

The way companies communicate with their people about their values surrounding sustainability is paramount. What good is it aligning the organisational goals and purpose with a strong commitment to sustainable practices if no one knows about it?

This is where a unified experience platform comes into its own. Having one place for your sustainability strategy, rewards, recognition and benefits gives employees an easy way to see the full value of everything you are doing around sustainability and the impact of your strategy – on them and the planet.

Our **Great Expectations Report** found that this was indeed something that resonated greatly with today's workforce, with 38% of respondents saying that they wanted improved ongoing communication about benefits provision from their employer.

Celebrating any initiative that highlights the good things the company, teams, and individuals in the business are doing is only going to bolster engagement and reaffirm the company's commitment to DEI, ethical practices and adherence to its sustainability agenda.





Beyond benefits

It is easy to just think of benefits and rewards when considering sustainability, but there is a much broader scope, and it has huge advantages for your company's longevity.

Bringing together sustainability and trust within an organisation, which stems from the leadership downwards, can have an encouraging impact on business growth. According to the figures from a recent IBM study, creating and adhering to robust ESG policies positively impacts the bottom line with higher ESG performance heightening average operating margins by 3.7 times compared to companies with lower ESG performers. Higher annual returns for the organisations' shareholders

were also reported. Furthermore, 83% of C-suite executives and investment professionals believe that ESG programs will generate more shareholder value in five years than they do today.

A strong ESG strategy and wider business goals that are tied to sustainability are going to reap dividends. Therefore, employers need to re-set their workforce plans and develop robust, future-focused strategies which give people the confidence that they are working in the interest of everyone – not just the business, but their people, the community and the planet. This means embedding agility into their strategies and choice and freedom into their benefits, rewards and recognition offerings.



Hello! We're Benefex

We're the people behind OneHub: the award-winning employee experience software and home of global employee benefits, reward and recognition, wellbeing, discounts and communications.

Content...

which arms people to make smarter decisions.

Experiences...

which drive action on benefits, wellbeing, recognition and reward.

Apps...

which integrate relevant workplace platforms through one single, seamless journey.

User-generated content options

Social features such as likes, trending topics, most-read and most-followed

Designed for mobile, remote, hybrid and on-premise workers

Easy integration with partners, apps and other HR platforms

Accessible via iOS and Android operating systems

Benefex helps over **650** organisations across **70** countries transform the experience of more than **1.6 million** employees.



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