

# Flexible Workspace – Sustainability & The Circular Economy

By Richard Smith - Founder and CEO Office Freedom

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- **Richard Smith, CEO & Founder of Office Freedom**

Companies are the world's largest users of energy globally, and with that comes enormous opportunity and responsibility. Energy for electricity production and industrial uses is the cause of nearly half of the world's global greenhouse gas emissions. More than two-thirds of that delivered electricity is for commercial and industrial users. Therefore, shifting the behavior of companies is fundamental to the clean energy transition and to reducing emissions on the scale needed to fight global climate change.

Now is the time to accelerate the adoption of sustainability and embrace the Circular Economy (the continual use of resources), particularly around waste and plastics. Governments, corporations, and organizations all over the world have pledged to transition to a Circular Economy and are passing aggressive legislative measures

to eliminate or reduce single-use plastics. It won't always be easy, but major cost savings, market advantage and recognition await those businesses with the courage to lead. Certification can help you turn challenge and mandate, into opportunity, savings, and competitive edge.

The Flexible Office Industry has the opportunity to front the return to the office for all businesses of all sizes, particularly those that want to embrace a 'hub and spoke' hybrid model and allow employees to work from a variety of space solutions: centrally located offices; suburban offices close to home and home itself. A reduction in travel, commuting, traffic, energy, and waste will all help to reduce the company's carbon footprints.



# NOW is the moment in time that should be seized upon!

Sir David Attenborough recently said: "There is no going back - no matter what we do now, it's too late to avoid climate change... If we bring emissions down with sufficient vigour, we may yet avoid the tipping points that will make runaway climate change unstoppable."

Covid-19 has created an opportunity for the corporate real estate industry to look closely at its corporate social responsibility and long-term sustainability. Covid has forced the sector to take swift action to convert its office space into Covid compliant offices.

NOW is the natural moment to extend our Covid compliance efforts, to incorporate the adoption of sustainability and address environmental issues, at work and at home, whilst also speeding up the transition to a low-carbon economy.



## I Confess...

It makes you realise that in terms of serious environmental issues, whilst there have been considerable efforts by some, too many of us, myself included – simply have not done enough.

It is amazing, but not surprising how different mine and most people's reactions have been to world events, depending on how we define the timing of the threat - the potentially immediate threat to one's survival from diseases such as Covid-19, versus our potential slow-burn demise because of environmental issues such as plastic pollution, climate change, carbon emissions and global warming.

I have been guilty of brushing it under the carpet or parking it as something to be dealt with tomorrow – but tomorrow never comes. Well, guess what – Tomorrow is Today! We need to act NOW to ensure the survival of our future generations.



# It's in All of Our Interests – Occupiers, Employees, Investors, Consumers

Going green and creating an eco-friendly environment is good for business and for attracting the best talent, new clients, and investors!

Occupiers should and will now demand to know about environmental performance, sustainability initiatives, carbon footprints, corporate social responsibility, energy efficiency ratings and sustainability certifications.

The flex-spaces that have sustainability impact plans, as well as 3rd party certifications, will enable companies to meet their CE mandates i.e., conformity with health & safety and environmental protection standards. Environmental, social and governance (ESG) issues are increasingly seen by shareholders as a window into the future.

As real estate makes drastic changes in the 2020s, it is an exciting opportunity for companies to reevaluate sustainability practices and update them for the remote workplaces of the future. Many



workers from both Generation Y and Generation Z want to work for companies where sustainability is high on the agenda, and they want to see this in practice.







## SUPER<sup>®</sup>

SUPER<sup>®</sup> (Single-Use Plastics Eradication and Reduction), a non-profit company, based in the San Francisco Bay Area, runs a certificate program that offers companies 3rd party confirmation of their proven efforts to reduce or rid their offices of plastics.

SUPER<sup>®</sup>'s leadership team includes co-founder and CEO Manuel Maqueda (a plastic pollution remediation pioneer and expert), Cofounder and COO Molly Moore and Tracy Wilson, who has over 25 years in the Flexible Office and Coworking industry.

Through environmental and financial assessment, SUPER<sup>®</sup> help businesses:

1. Calculate their single-use plastic footprint
2. Reduce it by advising on actionable pathways towards potentially more economical alternatives, including connecting to a marketplace of vetted alternatives to single-use plastics
3. Obtain certification.





# Plastic Pollution

Legislative and societal pressures mean now is the right time for this effort. Plastic pollution has reached alarming proportions.

- Plastic production surged to 368 million tons a year in 2019 and has been increasing year on year
- It is expected to double over the next 20 years
- Half of plastics now produced are single use, designed to become only garbage
- A staggering 32% of these plastics escape collection and become plastic pollution

According to the World Economic Forum, by 2050, the world's oceans will contain more plastic than fish. All of us, including newborn babies, inhale and eat hundreds of microplastics daily and test positive for the hazardous plastic additive BPA.



## Plastic Reduction - Economic Benefits (USA based research by SUPER®)

- **58%** of People want to reduce plastic in their lives
- **90%** of consumers would switch brands to support a cause they care about
- **\$320** – Annual savings per employee when switching to plastic-free hydration
- **\$12b** - Paid yearly by US businesses to dispose of plastic waste

## Sustainability Sells

Certifications are becoming increasingly more important to businesses as they identify to the consumer that the claims made regarding sustainability are legitimate and not 'greenwashed'. 'Greenwashing' is when companies use puffery or deception in their marketing practices to place their business in the sustainable category, when their actual practices are not in alignment.

According to the Rainforest Alliance, more than 90% of global consumers surveyed, say they want companies to address social and environmental issues. Further, they reported that 98% of businesses who used sustainability standards reported sales and marketing-related benefits.



The Featherstone Building - Derwent London

## Research by Derwent London

In February 2020, in response to the urgency of the problem of climate change and sustainability, Derwent London, a British-based property investor, with approx. 5.6M square feet, set a target to achieve Net Zero Carbon by 2030, reducing the target date from 2050.

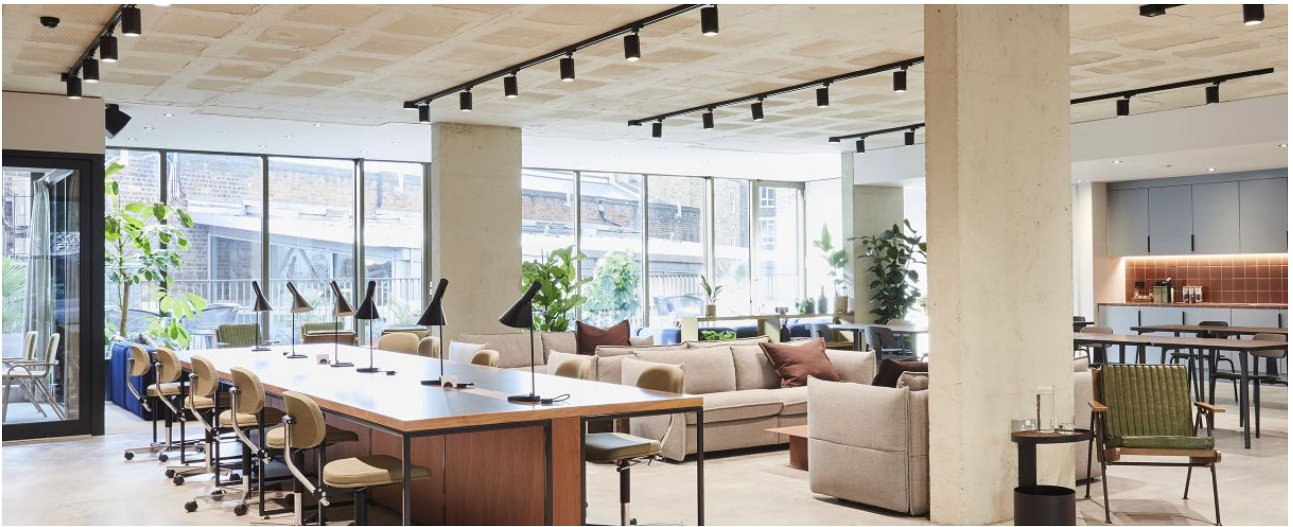
Derwent predicts significant changes to the future of how people will work and that the pandemic will end internal hot-desking, with offices in future having fewer desks and more meeting rooms.

Paul Williams, Chief Executive of Derwent, has said that where previously offices had been designing for “max-packing” or hot-desking, with 8sqm for every worker, future workplaces would be designed with about 12sqm per person. Despite a shift towards hybrid work, Derwent doubted that overall demand for office space would fall significantly, as businesses sought to create hubs and boost their brands.

A survey of Derwent’s biggest tenants found that all were keen to return to offices. It stated that “Collaboration, social interaction and employee wellbeing are high on the list of what occupiers missed most, but levels of productivity and mentoring have been of increasing concern as remote working has persisted,”.







## Going Green is Good for Business

According to research by Unilever in 2020, its most sustainable brands grew 46% faster than the rest of its business, representing 70% of its turnover growth. There are also other clean benefits of going green:

- **72%** of consumers would be interested in buying a product made from recycled materials.
- **33.5%** of consumers are willing to pay extra for products or services that are environmentally friendly.
- **52%** of employees feel companies should be more environmentally aware.
- **80%** of investors now consider environmental, social and governance information when making investment decisions.

### BE Offices – The Flex Provider Setting the Ultimate Example

Some flexible office operators are now starting to go above and beyond in the area of sustainability. Leading the scene at being green, BE Offices, a long-established UK flexible office provider, have an ambitious goal to be carbon neutral

by the end of 2025. They place a great deal of emphasis on reducing their environmental impact while understanding the importance of their CSR implementation.

BE.Spoke, the Managed Offices arm of BE Offices have recently joined The Business Climate Challenge. This is London Mayor, Sadiq Khan's, Business Climate Challenge. The scheme will see 20 selected businesses receive advice on how they can decarbonise their buildings and bring emissions down to net zero.





## The Green Group by BE

BE Offices is unique in that they have their own in-house project team - The Green Group. Established in 2009, The Green Group was formed to measure and challenge every process in their business that has an environmental impact and to make every one of those processes greener, more energy-efficient and better for the environment. The Group monitors BE's green and energy KPIs and reports monthly on recycling performance, waste and energy consumption at every one of their 20 UK locations incorporating 700,000 sf.

Green Group have delivered a number of sustainable policy changes and initiatives, including:

### 1. Zero landfill policy:

Zero landfill was first achieved through BE's waste partners BPR in 2015 with non-recyclable waste-producing electricity that is then sold back to the national grid.

### 2. Energy from renewable sources:

In 2018 BE switched energy suppliers to one that generates electricity from only renewable sources.

### 3. The bin-less office:

The introduction of the bin-less office concept in 2015, to encourage clients, staff and partners to use recycling points in offices instead of bins under desks saw a 25% increase in recycling volumes.

### 4. Motion sensor lighting:

BE introduced motion sensor lighting at UK centres to reduce electricity use when office space is not being used.





## 5. LED lighting:

As of January 2020, BE are 74% of the way through a multi-million pound programme to install LED lights throughout their entire portfolio.

## 6. Single-use plastics:

Where possible BE has removed single-use plastics including plastic water cups and plastic used in their catering services.

## 7. Chemical use:

In partnership with their cleaning company, they have successfully reduced the number of cleaning agents they use to just 5 and each one is chemical-free.

## 8. PPE recycling:

PPE recycling facilities have been installed in all their centres.

It is estimated that their bin-less offices recycling initiative reduces waste by 86%. BE recycled over 323 tones of business waste over the last year, almost the equivalent of a large yacht. Recycling coffee grounds produces coffee logs, which can be used for wood burners and multi-fuel stoves.



For every kilo of recycled food waste, their waste disposal company donates 25p to Fareshare, which in turn pays for one meal for a vulnerable person. This scheme was introduced in late 2019 enabling BE to donate 64 meals to people in need. In 2019 BE's recycling efforts saved 924 trees.







## “Well” Workspaces

A recent article by AllWork mentioned the phrase “well” relating to buildings and workspaces. A building that is “Well” strives to achieve net-zero carbon emissions by 2050 at the latest. Allwork also mentions how buildings can now receive a WELL Building Standard. This is a four-level certification for buildings that meet certain performance targets.

Factors that can make a building “Well” include:

- The use of recycled materials
- Energy use
- Lighting
- Solar panels
- Biophilia
- HVAC

### Sustainability within Flexible Offices

Other leading flexible office providers are also embracing the green revolution. Myo, the flexible office arm of Landsec is trialing new air measurement sensors aligned to their HVAC system. This will enable them to use the system’s energy only when required, rather than being a constant drain.

The Crown Estate, whose One Heddon St offices, was their first move into the flexible office sector, have made sustainability a key factor within their fit outs. They have committed to nurturing and growing their business by taking a longer-term view of their contribution and ensuring they are making a positive impact on the environment. All fit-out partners who work with The Crown Estates must meet and follow strict guidelines on sustainability, relating to procurement, water, waste, lighting, and materials.





The Office Group (TOG), one of the UK's leading flex providers, have recently opened two new buildings, York House in Kings Cross and Brock House in Fitzrovia. Brock House has been designed with a sustainability ethos. They have upcycled existing materials within the building and have utilised renewable energy there in order to generate the building's own electricity and water. Further to this, the building has Green Roofs, insulated windows, PV and solar panels and uses innovative materials designed to reduce energy usage.

TOG's York House building has similarly been designed around sustainability and has been awarded a BREEAM 'Excellent' certification. Similar to Brock House, the building also has been fitted with solar panels and premium insulation, which have taken its Efficiency Rating from a G to an A.

Outside of London, Rombourne Serviced Offices, who have locations in Bristol, Cardiff, Newport and Swindon, have been pushing their focus on becoming more eco-friendly and have implemented policies relating to plants, cycling, lighting, printing and recycling.



IWG, the parent company of Regus, has been promoting sustainability throughout its global workspaces. IWG reported that through 2017 and 2018, it was able to reduce the costs of gas and electricity per workstation by 24.9%. The cost of water usage per workstation reduced by 26.6% in the same period. IWG's vision is to promote sustainability throughout their 3000 plus flexible office centres.



# How Flexible Workspaces Can Make Offices More Sustainable

As leaders in the Flexible Office industry, it is the responsibility of all to appreciate that there is an urgent need for change, both in attitudes and within our physical office spaces.

Environmental changes do not have to involve new refurbishments and large expenditures. While this all helps, it is also the smaller changes that can make a big difference.

Corporate Social Responsibility also has significant effects on a company's workforce, with reports showing that companies with a high rated CSR can see an 86% increase in employee happiness and a 76% increase in productivity.

Reducing our carbon footprint is a goal that every business and individual must look at to be considered green.



## What can we actually do?

Many flexible workspaces are embracing the sustainable changes and policies. As all-inclusive providers of office space, flexible workspace operators can take control of many of these policies themselves and take some of the more expensive policies away from the individual companies.

A flexible office will usually provide all utilities and furniture. These are two of the more costly changes in having a more sustainable office space.

Companies like BE, The Office Group and The Crown Estates have very clearly put CSR at the forefront of their strategy. Many other flexible workspaces are







also making these changes. It is now becoming a requirement for many of their potential tenants and soon, it will make the difference as to whether they will succeed.

#### 1. Furniture

Use furniture made from responsibly sourced and/or recyclable materials. Every year, billions of pounds of office furniture are dumped into landfills. It is important that companies buy furniture that is not only environmentally friendly, but that will also last for longer periods.

#### 2. Lighting

Energy-efficient lighting can save large amounts of energy. This can be achieved by replacing existing lights with LED's. Zonal, sensed lighting can also help to cut energy use as the lights can switch off, when a room, or area, is not in use. As a simple first step, manually turning the lights off when the office is empty is a good start.

#### 3. Computers

Laptops are generally more energy-efficient than desktops. However, as a company this can be a costly change and laptops may not offer the

practicality of desktops. Simple configuration changes on desktops can also make a difference. Computers should be set to go to sleep mode after a period, rather than constantly staying on, or entering screensaver mode. In addition, reducing the brightness on screens can also save further energy.

Unused and outdated IT products can both have value to others and if not recycled can damage the environment. Having a clean disposal policy for all IT products can make a significant difference.

#### 4. Cycling to Work

Bike racks and shower facilities can make a difference in changing employees travel behaviour and reducing their carbon footprints. Similarly, a company 'Ride to Work' scheme can also encourage employees to cycle more rather than driving or using public transport.

#### 5. Documents and Paper

A reduction in paper usage can have a big impact on the energy a company uses. Printing should be substantially reduced, and many companies are now moving towards being completely paperless. Contracts and documents between companies can all be moved online. Similarly, all documents can be stored digitally and safely.



## 6. Heating and Cooling

The temperature in the office should be set to a few degrees less in winter and a few more in summer. This may mean staff dressing warmer in winter, but the reduction in heating energy can make a significant impact. The heating and air conditioning should also be switched off through the nights and at weekends.

## 7. Plants

Plants produce more oxygen for the office and can offset any chemicals released in the office. They can also provide a happier and more environmental feel to the office.

## 8. Office Products

Sustainable office products may be more expensive in the short term but can often save money in the longer term. We should stop buying single-use products, whether for the office or kitchen areas and replace them with usable products from sustainable suppliers.

## 9. Recycling

A company recycling policy is important. This can include plastics, paper, IT equipment, coffee pods and many other items. Easily accessible recycling points and bins can encourage employees to recycle more.

## 10. Company Values and Training

We all want to encourage others to be greener, but the starting point must be with our own companies. The following are key areas where we can set an example to our employees, who will then increase their understanding of the company's values and pass these messages on to others:

- Have clear Company Values in terms of sustainability
- Offer employee training on how they can decrease their and the company's carbon footprint
- Lead from the top – Management needs to be seen to be being more conscious
- Set company targets for reducing our carbon footprints







## Conclusion - What can you do today to fight climate change?

Encourage businesses to join the movement. Companies who are serious about climate change should: Set science-based targets for their full carbon footprint; commit to powering their operations with renewable energy; and tackle emissions from their supply chains by working with their suppliers.

According to the world's leading scientists, we have 10 years to cut emissions in half to prevent

catastrophic climate change impacts later this century. To reach this ambitious goal, we need to act together with all of us doing our part.

Pledge to do more. Your impact on climate change primarily comes from: what you eat, how you power your homes and mobile devices, and how you travel from place to place.





### **Pioneers of flexible workspace since 1993**

Office Freedom was founded by Richard Smith in 1993 and was the first brokerage to offer free tenant representation to clients seeking flexible workspace worldwide. We offer clients a unique personalised concierge service offering expert help and advice at every stage of the office search and procurement process.

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### **Contact Information**

**T:** 0203 603 2576

**W:** [www.officefreedom.com](http://www.officefreedom.com)

Office Freedom, 22-25 Portman Close (first floor),  
Marylebone, London, W1H 6BS

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