

# Prosperous and sustainable

How hybrid working can support a greener future

April 2022



*“Earth Day is a salutary reminder to all of us of the environmental crisis our world is facing. The latest research by IWG shows that both business leaders and employees are equally united in their concern for protecting the wellbeing of the planet – even at a time of almost unprecedented increases in the cost of living and conducting business.*

*As you’ll read in this white paper, hybrid working has clear environmental benefits, in particular by cutting long daily commutes to city-centre locations. Earth Day’s theme this year is that a green future is also a prosperous future, and at IWG we wholeheartedly agree – as you’ll see, hybrid working doesn’t bring only green benefits, but financial ones, too, for both companies and their employees.”*

**Mark Dixon, Founder and CEO, IWG**

“While there is still time to solve the climate crisis, time to choose both a prosperous and sustainable future, and time to restore nature and build a healthy planet for our children and their children, time is short,” say the organisers of this year’s Earth Day, the annual global event aimed at focusing our thoughts on environmental protection. “It’s going to take all of us. Businesses, governments and citizens – everyone accounted for, and everyone accountable. A partnership for the planet.”

But in a work context, what can we do as individuals – either as company leaders or as employees – to help to protect the world in which we live? The most significant step is to reduce the emissions-generating daily commute to work. The blue skies seen over previously smog-filled major cities during pandemic lockdowns provided a vivid demonstration of the potential benefits of keeping our cars in the garage. And now there’s scientific evidence to back this up. According to modelling by the International Energy Agency, if everyone around the world were able to work from home for just one day a week, the overall impact this would have on global CO<sub>2</sub> emissions would be an

annual decline of 24 million tonnes – that’s roughly the equivalent of the entire emissions of Greater London.

For most of us, that’s no surprise. According to new research by IWG, more than three quarters of workers believe that reducing commuting is important to fight the climate crisis. And a similar proportion of business leaders say they are concerned about the impact of commuting on the environment.

The best way to cut commuting levels is by the adoption of hybrid working, which allows workers to spend less time on long, daily commutes to city-centre offices and instead to split their work time between home, a local office or flexspace, and the head office. This brings not only benefits for the planet but also for companies’ bottom lines and workers’ pockets.

As IWG Founder and CEO Mark Dixon puts it: “Ultimately, by adopting hybrid working, businesses save money, gain flexibility and reduce their carbon footprint, while employees spend less time and money travelling without losing the social aspect of office life.”

## Cut out the commute

**The latest report by the UN’s Intergovernmental Panel on Climate Change (IPCC) delivered a stark message. Harmful carbon emissions were higher over the last decade than at any other time in history, it said, leading UN Secretary-General António Guterres to observe solemnly that the world is “on a fast track to climate disaster” as it heads for global warming of more than double the 1.5 degree limit agreed by world leaders in Paris in 2015. As he put it: “The results will be catastrophic.”**

To get back to the levels of the Paris Agreement, the world needs to cut global emissions by 45% in the coming decade, by substantially reducing fossil fuel use. And according to the IPCC report, an increasing share of emissions is now coming from towns and cities, with transport a major factor. Rethinking how urban areas function in future could help significantly in mitigating the worst effects of climate change, it added.

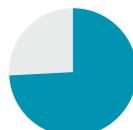
“The right policies, infrastructure and technology to enable changes to our lifestyles and behaviour can result in a 40% to 70% reduction in greenhouse gas emissions by 2050,” said Priyadarshi Shukla, one of the authors of the report.

One such change is a reduction in commuting, and office workers around the world know it. According to IWG’s new research, two thirds (66%) agree that it’s important to cut down commuting to make life more sustainable, while 76% say that commuting less is an important

**“I AM CONCERNED ABOUT THE IMPACT OF COMMUTING ON THE ENVIRONMENT”**



Business leaders 73%



Office workers 70%

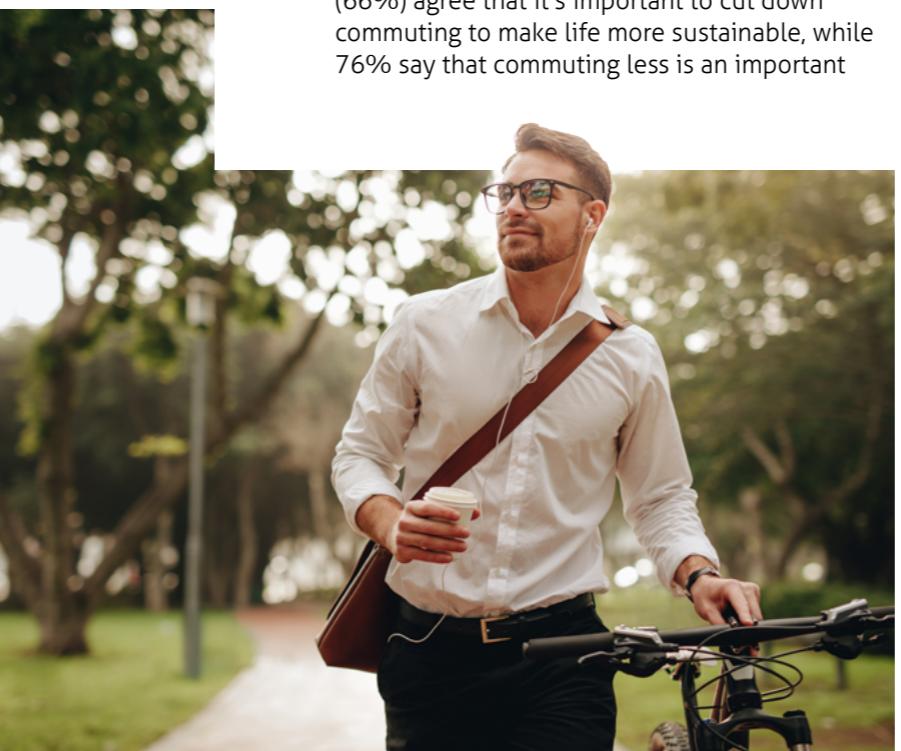
step in fighting the climate crisis. But how can this be effected? The verdict from the world’s workforce is almost unanimous: a huge 84% consider that it’s one of the benefits of hybrid working.

There is evidence in the survey that for many workers, hybrid working has already lessened their impact on the environment. Almost half of those polled (45%) are commuting at least three days a week less than pre-pandemic, and 55% are commuting at least two days a week less. And it’s clear that having made the change, they don’t want to go back. Almost half (45%) say they would refuse to revert to commuting five days a week.

Business leaders are equally aware of what’s at stake and how to make a change for the better. Two thirds (69%) say that helping staff cut down on their daily journeys is an important way to help to meet company sustainability targets. And more than three quarters (77%) say hybrid working has had a positive impact on their company’s carbon footprint.



Only one in five workers is now prepared to commute for more than 30 minutes





## Hybrid working: a significant energy saving

**Quantifying the impact on carbon emissions brought about by a switch to hybrid working is a complex task. One factor that has to be taken into account is the consequent increase in residential energy use by home workers.**

**According to International Energy Agency (IEA) estimates, one day of working from home can increase household energy consumption by between 7% and 23% compared with a day working at the office.**

The seasons also come into play. In most parts of the world, energy use is higher in winter than in summer due to heating demand, but in the US the widespread use of air conditioning results in higher electricity demand in summer than in winter.

When it comes to transport, geography plays a role, too. In the US, for example, the average one-way commute by car is around 18km, compared to 15km in Europe and 8km in China. Fuel efficiency also varies, with the average car in the US consuming around 45% more fuel than an average car in Europe for a journey of the same distance.

Taking all of these different variables into account, the IEA concludes that with just a relatively modest one day a week of working



**One day a week of working from home is up to four times more energy efficient than the daily commute**

from home during an average year, the overall energy saved from less commuting is around four times larger than the increase in residential energy consumption. "And if everyone who can work from home were to do so more frequently than one day a week, the reduction in emissions would most likely be proportionally larger," says the IEA.

"This is a massive energy saving, and vividly demonstrates the environmental advantages of hybrid working, when employees work either at home or close to home in a local flexspace," says Mark Dixon.

## Prospering closer to home

**As the trend towards hybrid working increases, companies are realising that their huge city-centre headquarters buildings are becoming ripe for downsizing. As a result, the 'hub-and-spoke' model, which Mark Dixon has described as "a major change for the property industry", is gaining momentum. Here, workers are given the choice of working at a satellite office close to their home, only visiting the main office occasionally. The IWG survey found that a quarter of workers favour this option, which can in turn lead to the sustainability advantages of so-called '15-minute cities', where people can find everything they need, including their office, within a 15-minute walk or cycle ride from their home.**

For businesses, this makes good financial sense. As Dixon puts it, "Why should companies go to the expense of providing prestige office accommodation in city centres, when their people have been proven in recent months to be just as effective and productive elsewhere – not just at home, but also in offices 'around the corner'?"

Research by Global Workplace Analytics has shown that companies can save on average £8,100 per employee by switching to a more flexible, hybrid model, saving on traditionally fixed overhead costs such as rent, heating and support staff. And according to figures compiled by commercial property consultant Lambert Smith Hampton, a 100,000sqft London office could save £6m a year by moving 50% of its footprint to the suburbs, closer to where its employees live.

There are savings for workers, too. Climate consultancy EcoAct has studied homeworking emissions and made recommendations for companies looking to help home workers reduce them. These include providing employees with



**Workers are four times more likely to choose an office close to home than a city centre**

## OFFICE DESIGN: THE GREEN PREMIUM

Companies are increasingly willing to pay more for sustainable office space

As the latest IPCC report points out, an increasing share of the world's harmful emissions is now coming from the world's towns and cities. This means sustainable building design is more important than ever, as it aims to minimise the energy consumption.

A report last year by the Royal Institute of Chartered Surveyors and the World Built Environment Forum polled 4,000 decision-makers around the world in both the commercial property and construction sector and found that more than half (55%) had seen growth in demand for sustainable buildings in the previous 12 months. The sharpest increase was seen in Europe, where 69% of respondents had noted greater hunger for green projects.

With this increased demand comes a willingness to pay a premium for sustainable corporate real estate. Research by UK consultancy Knight Frank shows that certification by BREEAM, the world's leading sustainability assessment method, can significantly increase prime Central London office rents. This ranges from a 3.7% rise for a BREEAM 'very good' rating to a 12.3% rise when a building is rated as 'outstanding'.

According to Cushman & Wakefield, LEED-certified Class A office space generates a premium per square foot of 25.3% compared to non-certified buildings. This rises to 40.9% in the suburbs.





In the US, one quarter of workers have moved farther out from the city centre as a result of the pandemic. Eight in 10 will permanently stay in these non-city locations

*“Why should companies go to the expense of providing prestige office accommodation in city centres, when their people have been proven in recent months to be just as effective and productive elsewhere?”*

energy efficiency training, encouraging them to switch to renewable energy tariffs for their home energy, and investing in more energy efficient technology for their home use. Most of the measures would reduce workers' home energy bills.

But it's the reduction in commuting that can really make a difference in workers' pockets, and they know it: almost half (45%) say financial reasons are a motive for cutting down on commuting, with almost the same proportion (48%) saying it means they can do their bit for the environment. At a time when the cost of living is rising and household incomes are being squeezed, it's not surprising that financial concerns carry just as much weight as environmental ones.

And the potential savings are considerable. Research by confused.com found that commuters can save an average of £20 a day by cutting out the commute by train. And those travelling to work by car are currently paying high prices for fuel as the oil price surges. According to Germany's Federal Statistical Office (Destatis), fuel prices are rising exponentially, with the cost of gasoline and diesel in the Netherlands, Denmark and Germany currently higher than in any other European country.

It's clear that saving the world can save money, too, both for companies and for individuals. It's what Earth Day means when it talks about "a prosperous and sustainable future".

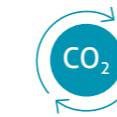
## IWG: a change for the better

IWG has long been strongly committed to sustainability. That means delivering positive environmental change in the long term and achieving carbon neutrality in 2023. To meet this ambition, the Group is pursuing three parallel strategies:



### INVESTMENT

IWG continually audits new and existing centres, aiming to increase their energy efficiency, and working with landlords and property partners to support them in embedding environmentally sustainable practices.



### IMPROVEMENT

IWG places a strong focus on continually improving the performance of its existing operations, specifically in reducing energy and water consumption, recycling and reducing waste. As an example of this, across a number of global markets IWG is rolling out electric vehicle (EV) charge points at its centres. In the UK, more than 30 locations have already been included. The Group is developing an initiative to lease EVs for use by its employees, thus reducing the emissions caused by their commutes to work, their business miles and their personal travel. IWG also operates an effective Global Recycling Initiative, in which all centres around the world actively participate, and is also managing plastic waste more effectively, thanks to a programme that includes upgrading all its coffee machines from those that use single-service pods to ethically sourced beans.



### CARBON REMOVAL

The Group believes that the transition to carbon neutrality must be driven by shifting its portfolio towards climate-conscious investments and combining its knowledge and resources to support climate solutions for clean energy, clean transport and environmental protection. Carbon offsetting is a good starting point. IWG aims to select only those carbon offset projects that are robust, verified by third parties and issued by a carbon registry. Furthermore, it assesses each project by reference to its social, economic and environmental contributions, prioritising those that demonstrate synergies with climate priorities and the United Nations Sustainable Development Goals.

### BUILDING A BETTER FUTURE WITH HYBRID WORKING

The switch to hybrid working can help companies support a number of the UN Sustainable Development Goals for 2030.

#### GOOD HEALTH AND WELLBEING

Fewer commutes mean less stress and a generally healthier lifestyle.

#### GENDER EQUALITY

Hybrid working offers a future of more equal opportunities and more equitable sharing of family responsibilities.

#### AFFORDABLE AND CLEAN ENERGY, AND CLIMATE ACTION

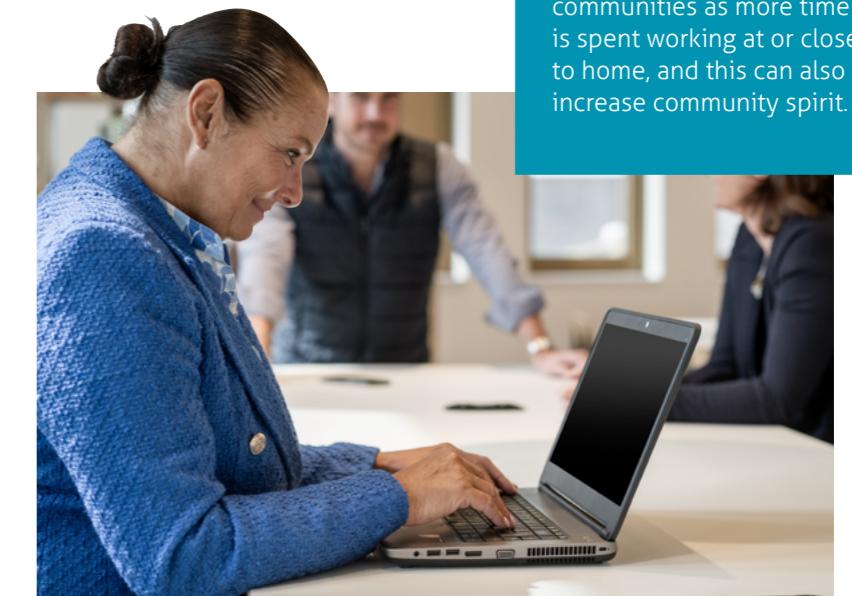
Fewer car and plane journeys lead to reduced greenhouse gas emissions, while companies can reduce their carbon footprint by downsizing offices and working from more sustainable buildings.

#### DECENT WORK AND ECONOMIC GROWTH

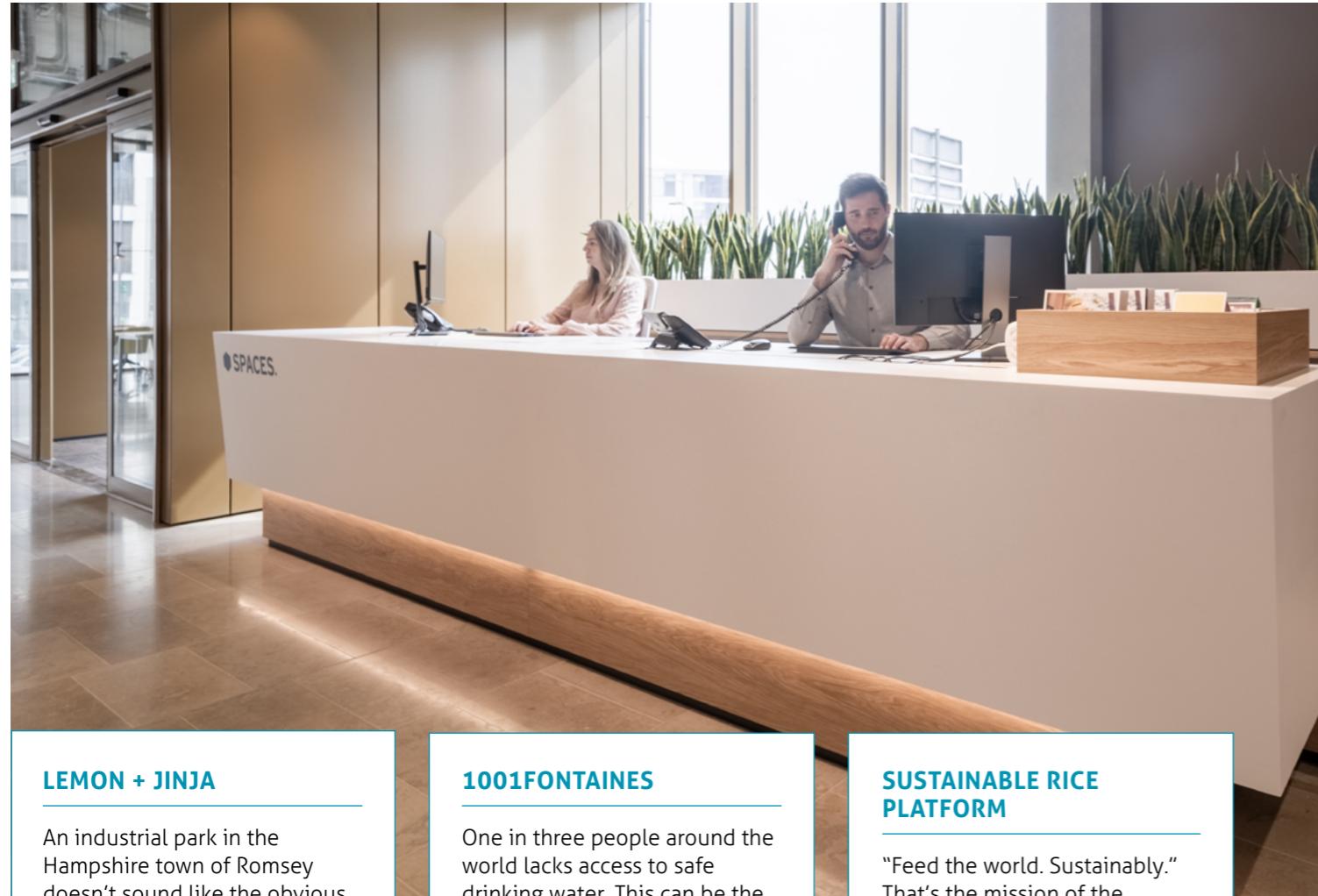
Increased productivity comes when workers choose to work when and where they're happiest and most effective.

#### SUSTAINABLE CITIES AND COMMUNITIES

Hybrid working revitalises communities as more time is spent working at or close to home, and this can also increase community spirit.



# IWG customers making a better world through innovation



## LEMON + JINJA

An industrial park in the Hampshire town of Romsey doesn't sound like the obvious location for a ground-breaking café and shop, but that's where you'll find Lemon + Ninja, a zero-waste store offering both food and household items. It opened in March, 2019, and in its first year alone saved more than half a million products from going to landfill, according to owner Jesse Dugdale. The company is run out of a Basepoint Business Centre. "We've created a mini retail hub just outside the town centre where we all support and look after one another," says Dugdale. "I've always been environmentally conscious and I wanted to do something to help the local area."

## 1001FONTAINES

One in three people around the world lacks access to safe drinking water. This can be the start of a vicious circle leading to disease, lack of work and education, a consequent lack of economic development, and long-term poverty. But French NGO 1001fontaines, based at a Spaces workspace in Paris, is hoping to break the cycle thanks to its 'water kiosks', which provide affordable, safe water in countries such as Myanmar, Cambodia and Vietnam. The aim is also to help local villagers to become entrepreneurs, empowering local populations. "It's not so much a problem of availability of water as of its quality," says CEO Julien Ancele. "We want to provide a solution that's both local and sustainable."

## SUSTAINABLE RICE PLATFORM

"Feed the world. Sustainably." That's the mission of the Sustainable Rice Platform, a global, multi-stakeholder alliance established in 2011. It aims to improve smallholder livelihoods, reduce the social, environmental and climate footprint of rice production and meet growing global demand for rice with an assured, sustainable supply. A customer of IWG's virtual office product, the SRP has helped more than half a million rice farmers in projects around the world. "The organisation has come a long way, but there is still much to be done to reach our target of one million farmers producing rice sustainably by the end of 2023," says Keith Jones, SRP Chair.

## HELIOX ENERGY

A sustainable world where a seamless charging experience is the standard for every electric vehicle is the goal of Dutch company Heliox Energy, whose German office is a Regus customer. Founded in 2009, the company has developed fast charging systems for every kind of vehicle and more recently has helped to develop 'model city' energy ecosystems around the world, from Glasgow in Scotland to Maryland in the US. In March this year, it reached a landmark of 100 cities that have benefitted from its charging solutions, when Seattle was added to the list. "It's a big milestone for Heliox, but this is just the beginning," says Michael Coljin, Heliox Group CEO.

## TOO GOOD TO GO

Every day, fresh food goes to waste at cafés, restaurants, shops, hotels and manufacturers, simply because it hasn't sold in time. The Too Good To Go app lets users buy and collect this food at a great price, although there's also an element of surprise – they don't know what's in the order until they pick it up. Originally created in Denmark in 2015 and relaunched in 2019 in Vienna, where it's a Spaces customer, Too Good To Go has so far rescued 11 million Magic Bags of food in Europe and the US. "In the midst of a cost-of-living crisis and climate crisis, reducing our food waste is something everyone can do to save hundreds of pounds each year and pave the way for a greener future," says co-founder Jamie Crummie.

## INGENOSTRUM

The hybrid working world remains connected thanks to cloud computing, so it's gratifying to discover that Spanish company Ingenostrum will be responsible for the EU's first carbon-neutral data centre, to be built in Cáceres, Spain. But this is just one of many achievements for a company that's involved in a wide range of projects based around the generation of energy from renewable sources across Europe and Latin America. Its Madrid office is a Spaces customer. "In advancing the energy transition and decarbonisation of the EU economy, electrical storage systems will play a key role in an energy system based on renewable energy," says CEO Santiago Rodríguez.



# Going green all over the globe

IWG's workspaces around the world are pointing the way to a more sustainable future

## REGUS ALTRINCHAM 249 NORTH UK

Bringing workplaces closer to home is a key element in cutting down commutes, and also an enabler of the 15-minute city concept, where shops, offices and local amenities are all within a short walk or cycle ride from home. The new Regus centre in Altrincham embodies the concept, offering residents of this market town in Greater Manchester a compelling alternative to travelling into the centre of the city.



## EV CHARGERS GLOBAL

IWG is installing electric vehicle charging points at centres around the world, allowing hybrid workers to operate more sustainably. In the UK, more than 30 Spaces, Regus and Basepoint locations will benefit from the roll out, after recent figures showed that 2021 was the most successful year in history for EV take-up in the UK.



## SPACES ACROSS MADRID

In the Spanish capital, Spaces has partnered with Ecoembes, a non-profit organisation that co-ordinates the recycling of light domestic packaging, contributing to the circular economy. The team at each Spaces location has committed to sustainability principles that include overseeing the recycling processes in the building, using Ecoembes containers.



## SPACES TULLINLØKKA OSLO

Norway's latest Spaces location is made from 80% recyclable materials. This includes bits and pieces from 25 refurbished or demolished buildings across Oslo, including windows, wall tiles and even benches from an old swimming pool. The use of reclaimed tiles alone saved 34,000kg of CO<sub>2</sub> in the construction project.

## SPACES HOUSE MODERNES UTRECHT

Cyclists don't need to worry about where to park their bike when they visit this brand-new, mixed-use building in the heart of Utrecht – it has one of the largest bicycle sheds in the city, with space for 900 (plus charging points for electric bicycles). Its spacious roof terrace offers an oasis of tranquillity in a vibrant city centre, and is reserved for office users.



**BREEAM certifications increase prime Central London office rents by up to 12.3%**

SOURCE: KNIGHT FRANK

## SPACES TOUR & TAXIS BRUSSELS

First built at the beginning of the 20th century, the stunning Tour & Taxis building in Brussels has undergone an extensive, eco-led refurbishment, earning it an Outstanding rating by BREEAM. The building is energy neutral, and the gardens, that help to regulate the internal temperature, are watered using collected rainwater. The site runs entirely on geothermal and solar power.





## THE WING US

In the US, The Wing has partnered with Fabsrap, the one-stop textile reuse and recycling resource, to recycle fabric for use as, among other things, insulation, carpet padding and furniture lining. According to Fabsrap, saving 10lbs of fabric from landfill offers similar carbon reduction to planting a tree. Locations in New York and Hollywood have also run community events enabling members to swap clothes for second-hand gems.



## SPACES NAPA VALLEY NAPA

Spaces Napa Valley was the pilot location for the Spaces OpenDesk concept, an eco-friendly workstation that's subsequently been rolled out globally. Made of recycled materials, OpenDesk is designed for a long lifecycle and is reusable in different configurations thanks to its modular design. Office spaces can be transformed easily and quickly without the need to knock down or build internal walls.

**The overall energy saved from less commuting is around four times larger than the increase in residential energy consumption**

SOURCE: INTERNATIONAL ENERGY AGENCY



## REGUS ONE WELCHES BARBADOS

One of the most energy-efficient commercial buildings on the island, One Welches also features the largest solar carport and electric vehicle-charging infrastructure in Barbados: it generates enough electricity to power a Nissan Leaf for more than two million kilometres of travel in a year. There's also a super-efficient, low waste aircon system and a sophisticated method for harvesting rainwater for outdoor irrigation.



## SPACES JUBILEE PLACE BRISBANE

In the Fortitude Valley district close to Brisbane's CBD, Jubilee Place mixes old and new – its modern cantilevered exoskeleton is designed around the 19th-century Jubilee Hotel. It's gained a 6-star Green Star design rating thanks to its many environmental features, including green roof coverage, rainwater harvesting, solar power and use of natural light.



## SIGNATURE HYSAN PLACE HONG KONG

Situated at the heart of Hong Kong's Causeway Bay, landmark building Hysan Place, which opened in 2012, is known for its sustainable business practices and green initiatives. Its crowning glory is the rooftop Hysan Urban Farm, which covers 8,000sqft and offers hands-on workshops in organic farming for 100 urban farmers at a time. Local schools are also invited, inspiring a new generation to grow their own vegetables.



We help more than eight million people work the hybrid way in thousands of locations worldwide  
Find out more about what we do today at [iwgplc.com](http://iwgplc.com)