Wanted:
Sustainable Organisations

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Article No. 1

Disclaimer

"At The Future Living we support businesses, organisations, and the people within to fuel the transformation towards sustainability. One of our core activities is to conduct research and one of our core principles is to share knowledge with others. Therefore we make our internal research openly accessible and hope it will prove useful for anyone who works on environmental sustainability and employee engagement in organisations."

We started off with a semi-professional approach but aim to further professionalise our work as well as to extend our research focus in the future. We are also continuously looking for partners who would like to join us with this project. If you are interested to learn more, have some feedback for us or are interested to partner-up, we invite you to get in touch by email: info@thefutureliving.com

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Table of Content

Sustainable Organisations

The big topic of our century has reached the majority of organisations
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By 2050 Europe will have shifted to a "new economy that is modern, resource-efficient and competitive". The European Green Deal evisions a European economy with "no net emissions of greenhouse gases by 2050, economic growth decoupled from resource use [and] no person or place left behind."

The European Green Deal aims to achieve sustainable development which "is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UN World Commission on Environment and Development). We, on the other hand, are more closely oriented towards the definition of the UCLA, which illustrated the topics usually captured with the term sustainability in more detail. UCLA defines sustainability as: **"the integration of environmental health, social equity and economic vitality in order to create thriving, healthy, diverse and resilient communities for this generation and generations to come. The practice of sustainability recognizes how these issues are interconnected and requires a systems approach and an acknowledgement of complexity."**

World wide sustainability is gaining more recognition and ambitious goals are set which call for a rapid transformation of the economy – at the centre of which stand organisations and people. Still, leading experts deem them unachievable by 2050 unless the transformation in organisations and businesses experiences an enormous acceleration. Currently there are few concrete measures that could lead to this acceleration in organisations and further investigation of this topic is needed.

In this context, The Future Living explores hurdles and unused potentials in several organisations to become more sustainable.
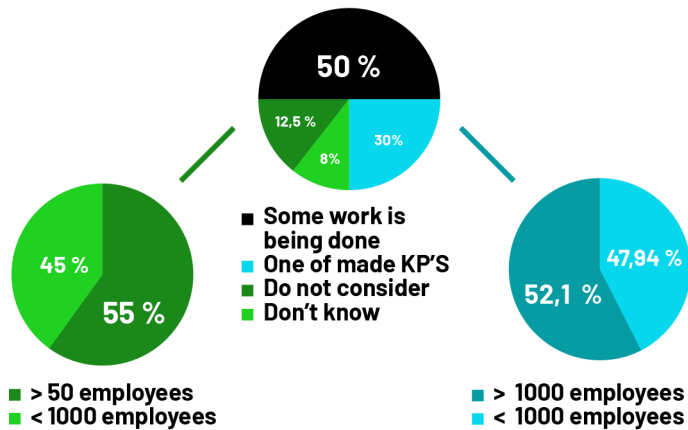
This article focuses on the status quo of where organisations stand along their journey towards sustainability and their motivation behind it, using findings from literature as well as qualitative interviews and a quantitative survey.

Status Quo

We start with the good news: the big topic of our century has reached the majority of organisations and businesses. **79.2%** of our survey's participants confirmed that the organisation they work for is aware of sustainability and pursues sustainability as a strategic goal. Anja Medina Hurtado supports this trend: **"Sustainability is an important topic you have to concern yourself with and you cannot just ignore it until it goes away."** Additionally, we found that, more than half, (55%) of organisations, independent of their respective industries, will include sustainability in their future goals. A total of 30% even indicate that sustainability is one of their main KPI's. This is particularly true for organisations of 1.000+ employees.

Regardless of this noticeable trend towards more sustainability, 12.5% of our survey participants state that their organisation does not consider sustainability to be a future goal while 8% are unaware of their organisation's plans. The predominant group of organizations stating not to consider it as a goal, were small companies.

Organisational Attitude of Sustainability

50 %

12,5 %

8%

30%

■ **Some work is being done**
■ **One of made KP'S**
■ **Do not consider**
■ **Don't know**

45 %

55 %

47,94 %

52,1 %

■ > 50 employees
■ < 1000 employees

■ > 1000 employees
■ < 1000 employees

Although it is encouraging to learn that sustainability is considered for future plans, it is necessary to look further to establish a more realistic picture of the stages and scale of its implementation. We found that **more than half (52%) of the organisations do not have an actual strategy for the implementation of sustainability in place.** This means there is a mismatch between their acknowledgement of the issues and the strategic planning which forms the base for its implementation. Another relevant indicator for applied sustainability in organisations is the practice of sustainability reporting as it is considered one of the main tools for organisations to understand and measure their sustainability performance.
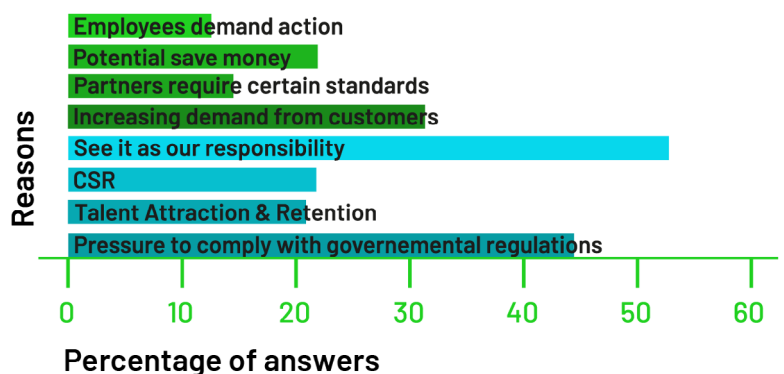
The study found that **only a third of participants state that their organisation is conducting sustainability reporting** (33.3%), while 40% of participants are unaware of reporting being conducted and 29% confirmed that no reporting is being conducted at all. Here the results contradict some findings of the literature reviewed. A popular Source difference found that 80% of organisations use reporting standards, the most prominent being GRI. The two studies' designs can explain the differing results. Firstly, we surveyed individuals instead of analysing entire organisations and some of our participants are unsure whether or not their organisation applies reporting standards. Secondly, the KPMG study only includes large corporations extracted from the N100 and G250[1] where usually government regulations demand a certain standard of reporting anyway; we, on the other

hand surveyed members of organisations of all sizes. When we extract only the companies indicating to apply sustainability standards and analyse the size we also find that large organizations apply standards the most.

In our survey the amount is 52%. Nevertheless, the previous results show a considerable gap between the acknowledgement of sustainability as a relevant topic for organisations and its practical application. To explore what might be the reasons we asked for the motivation of organisations to become sustainable. Most participants named: "We see it as our responsibility" as one of the main reasons to become sustainable (54%). This can be counted as more evidence that most people in organisations are aware of the importance of the topic.

The second most relevant motivator to accelerate the transformation is "the pressure to comply with governmental regulations" (47.2%). As of yet governmental policies (e.g. reporting standards) mainly target large organisations nevertheless a considerable amount of SMEs would also consider regulations as one of the main drivers for change. Reasons that imply direct and measurable financial benefits such as "the potential to save money" are not considered a main motivator in our survey (25%). We might conclude that organisations do not see economic value and advantages in the implementation of sustainability, or as Hannah Dahl puts it: **"In the case of sustainability, the additional value for the company is not yet great enough to create real incentives."**

Driving Factor of Organisational Sustainability

Reasons

Employees demand action
Potential save money
Partners require certain standards
Increasing demand from customers
See it as our responsibility
CSR
Talent Attraction & Retention
Pressure to comply with governemental regulations

0   10   20   30   40   50   60

Percentage of answers

[1] *The N100 includes a sample of 5200 companies world wide. It displays the top 100 businesses from 52 countries. The G250 include the 250 largest corporations globally.*

Interestingly the motivation to become sustainable often lies where the outside image, communication and reputation of organisations are of most importance. The following options in our survey were chosen the most: "Demand from customers & employees, talent attraction & retention and the public image/CSR". This could explain why many organisations claim to be aware of sustainability and its relevance but in the end do not follow through with a coherent implementation strategy and rather focus on communicating their intentions.

Whether this is intentional greenwashing or simply the lack of established expertise in the field of sustainability the result is often the same: Raquel Noboa **"In many organizations it is more about the marketing of being green than actually having a proper plan to become green" and "Many use the word sustainability solemnly as a huge buzzword."**

Anja Medina continues that **"Instead it would be enormously important to unravel and clearly define the term to anchor a profound understanding and sense of urgency in our society."**

The lack of knowledge in regards to implementing sustainability is also reflected in the results of our survey as One of the survey's participants writes: **"When it comes to "how", we have no answer and therefore leave it."**

Overall, the awareness of the topic in organisations is present and some organisations consider it their inherent responsibility to become more sustainable. This is a great foundation for the huge transformation necessary to achieve the goals of the EU Green Deal. Unfortunately the implementation and application of sustainable practices in organisations is not advanced enough and needs to be accelerated.

Even though the awareness is present and rising, organisations indicate external push factors such as governmental regulations and customer demand to be one of the core drivers for change. The understanding that sustainability can be an asset to the whole organisation due to financial and social benefits is not yet rooted in organisations, even though this would be a favourable condition in order to drive a sustainable transformation. Another important pillar though

transformation. Another important pillar though is the development of expertise, skills and processes within organisations to support the intention to become more sustainable.

In our next Research Reveals Article we continue with the topic of where sustainability is currently structurally embedded in organisations and where there are hidden potentials for change.

Our Experts for the Interviews

Anja Medina Hurtando is a culture manager at HDI next in Rostock. She is responsible for the cultural foundation of the organisation and takes care of the internal processes. With a background in HR and Management she has insights in the internal processes of organizations.

Hannah Dahl is founder and CEO of CoWomen, the first Coworking Space for women in Germany. She is passionate about strengthening womens positions in business and believes in the power of diversity. With an extensive background in the private sectors she has an overview and many insights into this world.

Raquel Noboa is the founder and CEO of Fifty Shades Greener, a leading education company for green environmental training. During her career in the Hospitality sector she realised the negative impact this industry has on the environment. Since then she transformed numerous businesses in the industry to become more sustainable. With Fifty Shades Greener she provides training, teaching the Hospitality workforce how to change their own behaviour around the use of utilities, and reduce their workplace carbon emissions + SAVE MONEY off their utility bills. In a recent and hugely successful expansion she developed a Secondary Schools Programme, teaching the young generations how to measure, monitor and reduce their households Carbon Footprint.

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