



Editor's welcome



Sustainability is a business issue, and is increasingly an HR, reward and benefits issue too. Businesses are not just considering how to make their products and services more sustainable, but also exploring how this approach filters down to the benefits they offer and how to support individual employees to lead more sustainable lives both at work and home.

Our 2022 Benefits Design Research found that green benefits are in the future thinking of 70% of employers, while 58% plan to increase spend on benefits supporting the environmental agenda.

More broadly, employers are beginning to consider how sustainable their benefits providers are, how to link pay incentives with sustainability targets and to consider sustainability when making reward and benefits decisions. Perhaps most importantly, employers are now considering how their Employee Value Proposition (EVP) aligns with and demonstrates their organisation's sustainability credentials.

Our Sustainability is Driving Business Change research (2022) found that 81% of respondent employers already align their benefits strategy with sustainability goals or plan to do so within the next two years. Wellbeing, community and diversity, equity & inclusion were also found to be areas that employers are considering as part of their sustainability strategy, highlighting the dramatic shift in EVP that is currently underway.

The research also showed that in the next two years employers plan to: ensure that benefits support under-represented groups (56%); plan to offer benefits that allow employees to live more sustainable lives (63%); plan to make more buying decisions based on results of sustainability audits (50%); and plan to purchase technology that meets sustainability criteria (48%).

The direction of travel is clear. With the environmental, social and governance (ESG) agenda permeating all areas of business, reward and HR professionals must take a more sustainable approach to their reward strategy and provide an EVP that takes into account wellbeing, equity and community. But where to start?

This technical guide explores how to get started with making reward and benefits practices and strategies more sustainable. There are tips and recommendations that will prove a great starting point for any organisation. You'll also find insights from Simplyhealth – which has recently achieved B-Corp accreditation – to help ensure your EVP is aligned to your organisation's ESG aims and provides a sustainable, equitable and wellbeing-focused approach for employees of today and tomorrow.

Dawn Lewis
Editor

Contents

- Sponsor's comment 3
- Chapter 1: What is sustainability? 4
- Chapter 2: Why adopt a sustainable rewards strategy? 5
- Chapter 3: How to create a sustainable rewards strategy 6
- Chapter 4: Becoming a B Corp 10
- B Corp FAQs 11
- Who we are 12



This report was devised by REBA in association with Simplyhealth.

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Sponsor's comment



Purpose-led sustainability

Simplyhealth's purpose is to improve access to healthcare for all in the UK.

We are focused on continuing to maximise our positive impact on improving health outcomes for our customers, communities, and colleagues. And dedicating ourselves to the B Corp movement is at the heart of this.

After recently celebrating 150 years of sustained impact, we are proud of our positive footprint on the *environment*, the way we contribute to *society*, and our responsible and consistent *governance*. ESG and sustainability has enabled us to see the bigger picture - to see the potential in everything that we do and pinpoint how we can make a difference. To us, it is more than just being 'green'. It's about using business as a force for good.

Simplyhealth - The UK's first B Corp health insurer

In July 2022, we were beyond excited to share the news that we'd become a B Corp. Certified B Corps are companies verified by [B Lab](#) to meet high standards of social and environmental performance, transparency and accountability.

Becoming B Corp certified is our commitment to uphold our purpose, values, and beliefs. It provides us with a framework to measure our actions, hold ourselves accountable and continuously improve our business and positive stakeholder impacts.

Our B Corp journey

The globally recognised B Corp framework enabled us to assess our impact, clarify our targets, demonstrate our achievements, and set stretching improvement goals for the future.

Having assembled our core B Corp team, we called upon representatives from across the business, to begin assessing our impact. The B Impact Assessment (BIA) used by B Lab consists of 180 questions examining our impact on key stakeholders across five areas - workers, community, environment, governance and customers. This is a [freely available tool](#) for any business to use, prior to undertaking certification (around 240,000 businesses globally already use it).

Focusing our attention on the steps within the BIA really allowed us to hone in on the way we measure and track our impact and understand how we compare with other companies. It also showed us where we needed to do more or could potentially go further.

Going beyond 'talking the talk'

We are proud to say that we are the first UK health insurer to have become a B Corp, we look forward to not only watching, but helping others join us on this journey. While becoming a B Corp may not be the right path for every business, there is plenty to learn from assessing and tracking your impact. Getting certified is a rigorous and time-demanding process, as it should be, but also a very worthwhile one, pushing you to think about the way you do business - including why and who with. At Simplyhealth this isn't something we do on the side of the desk in addition to the day job, this is who we are and how we do things.

You can learn more about our journey to becoming a B Corp by [reading our case study](#).

Jenni Wilson

Director of Sales, Simplyhealth





Chapter 1: What is sustainability?

A sustainable rewards strategy is good for business, employees, communities, and the planet. And, while many organisations offer a handful of sustainable benefits, such as electric vehicles and the opportunity to invest in responsible pension funds, ensuring the entire rewards strategy is sustainable will deliver the biggest benefit to all stakeholders.

To do this, it's important to consider what sustainability means. Often, the word is used to refer to the environment and ensuring that we don't use up the planet's resources faster than they can be regenerated.

Living by this definition is admirable as well as advantageous, but when it comes to a reward strategy, it makes sense – and is more beneficial – to adopt a wider definition.

Alongside protecting the planet, a sustainable reward strategy should also consider wellbeing, equity, social impact and community. By factoring in these additional areas, it helps to create a world that can support future generations, and even go a step further – regeneration.

This broader definition is also in line with ESG – environmental, social and corporate governance – the three central factors taken into account when measuring the environmental and societal impact of a company.

Having this definition in mind when creating a rewards strategy makes it much easier to determine whether a benefit is suitable and, if not, how it might need to change to meet an organisation's sustainability agenda, or drive greater impact or better outcomes for stakeholders.

United Nations' 2030 Sustainable Development Goals

The United Nations has set out 17 Sustainable Development Goals (SDGs) to protect the planet, end poverty and improve lives and prospects. These were adopted by all UN member states in 2015. They show the breadth of sustainable actions and can be used to shape an organisation's sustainable benefits strategy.

No poverty	Industry, innovation and infrastructure
Zero hunger	Reduced inequalities
Good health and wellbeing	Sustainable cities and communities
Quality education	Responsible consumption and production
Gender equality	Climate action
Clean water and sanitation	Life below water
Affordable and clean energy	Life on land
Decent work and economic growth	Peace, justice and strong institutions
	Partnerships for the goals

Source: United Nations
Sustainable Development Goals | United Nations Development Programme (undp.org)





Chapter 2: Why adopt a sustainable rewards strategy?

Many businesses are already changing their products and services to be more sustainable and help address some of the biggest challenges facing our environment and society. It is a natural progression that this same thinking is now seeping into other areas of businesses, including the reward and benefits function.

Here are four key reasons why organisations should adopt a sustainable reward strategy:

1. Innovation and market leadership

B Lab UK, the non-profit network behind the B Corp movement in the UK, says that organisations that achieve its certification, which requires a commitment to sustainability, have higher levels of innovation and market leadership. As these organisations are constantly evaluating and collaborating on how they can make their practices more sustainable, this makes sense.

It also delivers increased shareholder and stakeholder value. Being able to meet expectations around ESG supports continued investment and confidence.

2. Purposeful organisations and branding

Adopting more sustainable practices also meets customer and employee expectations. A global study found that 85% of people have shifted their purchasing behaviour in the past five years to become more sustainable.

And, as the public's hunger for sustainable options also influences their choice of employment, it's a winner with employees too.

3. Attract and retain talent

This commitment to sustainability can also help an employer attract and retain talent. Employees increasingly seek out organisations that share their views and importantly, walk the talk. Many potential recruits will reject a higher remuneration package in favour of a position with an organisation that has shared values or offers them purpose.

This is highlighted in Workday's Employee Expectations Report 2022. It found that more than 50% of employees weigh up an organisation's ESG commitments when deciding whether they want to work for them.

4. Performance and productivity

An organisation's commitment to sustainability can also drive productivity. According to the World Economic Forum, employees at purpose-driven organisations are 1.4 times more engaged and three times more likely to stay.

And this desire to work for organisations that can demonstrate they value sustainability is only set to grow. Workday's Employee Expectations Report also found that millennials are the most likely to raise concerns about ESG, with this demographic and its younger sibling, Gen Z, set to dominate the workforce in the coming years.





Chapter 3: How to create a sustainable rewards strategy

Every organisation's sustainable rewards strategy will be different to reflect its objectives, budget and the profile of its workforce. But, to create a strategy that works, it's worth considering the four key elements – the environment, health and wellbeing, equity and social impact and community.

Environment

This is the broadest area, with sustainable options that are positive for the environment available across the full range of employee benefits. Even a simple move such as switching from paper to digital literature will help to save the earth's resources.

Pensions are a significant adopter of environment-related sustainability. Most organisations now offer at least one ESG-fund option to employees and a similar approach can be adopted across other workplace savings schemes.

Energy-related benefits also support this strategy. A switch to electric vehicles, whether as part of the fleet or through employee car ownership schemes, is a popular way to lower emissions. Leg power also keeps sustainability front of mind, with cycle to work schemes helping to improve fitness as well as taking cars off the road.

Benefits can also help employees be more energy efficient. The shift to home working has fuelled demand for support with energy efficiency measures and it's also possible to offer employees carbon offsetting, enabling them to calculate their carbon footprint and offset it through payroll.

Other sustainable benefits include favouring 'ethical retailers' through employee discount schemes or recognition schemes that give employees the opportunity to plant a tree or give to charity as their reward. There are also new benefits coming to the market such as carbon literacy programmes.

Checking sustainability in the benefits supply chain

Sustainability is fast becoming one of the key criteria when selecting any suppliers, including benefits providers. By asking the question, organisations can ensure they work with suppliers who share their views and values, or encourage providers to change for the better.

Adopting a formal sustainability audit is relatively straightforward, supplementing an existing provider review process. Questions can be broad based to cover all areas of sustainability or an organisation may prefer to be more targeted, in line with its own objectives.

As responses can be very subjective, for instance, the initiatives a provider has introduced to benefit the environment, organisations should consider what they regard as an acceptable standard. Using a scoring system can help to keep selection objective and an organisation may also require certain standards to meet its own sustainability credentials.

It's also good to regularly review a sustainability audit. Standards improve and regulation comes into play that can render questions and even entire topics obsolete.

But, asking the question is increasingly important, with 15% of organisations already using sustainability audits and a further 50% planning to in the next two years. After all, discovering that one of your benefits providers invests in fossil fuels or uses child labour can seriously undermine all your good intentions.





Health and wellbeing

Supporting employees' health and wellbeing is a common and important part of a sustainable benefits strategy, with 84% of respondents to REBA's survey saying promoting wellbeing is among their current sustainability initiatives.

Helping employees to access healthcare can benefit their health and wellbeing and, by enabling them to get treatment at an early stage, it also supports a more sustainable healthcare system.

This concept is taken a step further with wellbeing programmes and preventative healthcare benefits such as cash plans. Encouraging healthy habits can help employees avoid long-term health issues such as diabetes, high blood pressure and heart disease. Similarly, giving access to regular check-ups for eyes, teeth and even GP appointments, helps spot the early signs of health problems.

Digital options such as online counselling, video GP appointments and physiotherapy sessions are common too. This not only supports early intervention but helps to make an organisation's healthcare offering more sustainable.

Workplace policies also feed into employee wellbeing. For instance, offering flexible and home or hybrid working, or the option to buy more holiday can benefit mental wellbeing, enabling an employee to spend more time with their family or enjoying a favourite hobby or pastime.

Dos and don'ts of sustainable reward

- **Do get employees involved** – ask them what they would like to see in their benefits package.
- **Don't just add a few sustainable benefits such as an ESG pension fund and a volunteering day** – even the best sustainable benefits will be undermined by a single unsustainable one.
- **Don't exclude anyone** – if you go digital with your benefits or their distribution, make sure everyone has access.
- **Do regularly review** – the focus of sustainable activity changes and new benefits become available so make sure you check your offering isn't out-of-date.
- **Do connect your rewards strategy to your organisation's values and purpose** – be transparent about how the rewards strategy supports these wider objectives.





Equity

A sustainable reward strategy should also embrace and champion equity. This is most obvious with pay, where organisations can make a commitment to fair pay, such as by becoming a Real or London Living Wage employer, and seeking to close the gender pay gap. Extending reporting to ethnicity and disability pay gaps – and working to close them – also sends out a clear signal of an organisation’s commitment and action in these areas.

Supporting employees through financial difficulties can also drive equity in a rewards strategy. [Research by B Lab UK](#) found that 60% of the UK public think businesses have a responsibility to reduce financial pressure for employees.

Benefits should also be accessible to all regardless of seniority or location. This trend is evident in research from [REBA](#) where the democratisation of benefits such as health insurance, means that only one third of organisations now offer health insurance as a reward for seniority.

As well as providing access to benefits evenly across the workforce, a sustainable reward strategy also considers everyone’s individual needs. Greater diversity of benefits coupled with the ability to personalise them through flexible schemes means that everyone is rewarded in a way that is relevant to them.

More than reward

Adopting sustainability initiatives across the organisation can help to support a sustainable benefits strategy – and avoid accusations of greenwashing.

Initiatives could include:

- Recycling and waste management, including going paperless
- Switching to renewable energy (on site or purchased)
- Electric car charging points
- Reducing the organisation’s carbon footprint / becoming carbon neutral / net zero
- Sustainable travel policy, including greater use of video calls instead of face-to-face meetings, public transport, travel sharing and, as a last resort, off-setting journeys to make them carbon neutral
- Running fundraising events with a charity partner

For those organisations serious about meeting the highest environmental and social standards, B Corp certification is a great way of holding your organisation to account and progressing your impact.





Social impact and community

The community is another beneficiary of a sustainable rewards strategy and there are a variety of different ways to demonstrate this and deliver greater social impact.

Offering employees the opportunity to volunteer helps to support the community but can also benefit employees and the organisation. A day spent creating a garden for a local hospice or helping children to read will build relationships and teach employees new skills that can enhance their regular work duties and improve their social wellbeing.

Charitable giving is another way to support the community. Selecting a good cause, or causes, to raise money for can unite a workforce, especially where employees have input into the selection.

Giving can be enhanced through match-funding and promotion of employees' charity activities. Organisations may also want to consider offering employees a charity donation as a recognition reward.

Other areas of sustainability also feed into building a stronger community, especially where it is something that's benefitting employees such as fairer pay or improvements in wellbeing.

Bringing your sustainable rewards strategy together

You may already offer and have a lot of sustainable reward and benefit policies in place, and so these elements need to be combined to demonstrate what you already have and where there are any gaps.

- Consider the benefits and reward policies you already have in place – how do they relate to your sustainability objectives?
- Challenge your existing suppliers on their sustainability, can some of your existing benefits be improved/changed to be more sustainable?
- Align what you already have in place with broader business objectives/targets on sustainability
- Be transparent about where you're at and where you're going when it comes into developing your sustainable rewards strategy.





Chapter 4: Becoming a B Corp

The B Corp movement was started in 2006 in the United States by three friends who shared a vision to make business a force for good. Eighty-two organisations gained B Corp certification in the first year but today, there are more than 6,000 B Corps globally, including over 1,100 in the UK.

B Corps – where the B stands for beneficial – are companies that meet high standards of social and environmental performance, public transparency, and legal accountability. Among the household names that have gained the status are Innocent Drinks, The Body Shop, Danone UK and Simplyhealth.

Benefits of being a B Corp

By being a B Corp, an organisation joins a global community with a shared belief that business can be of benefit to the world and the people who live in it. To support this philosophy, they commit to positively impact all their stakeholders, including employees, the community, customers and the planet.

Doing good brings benefits for the organisation too. B Lab UK data found that B Corps have a faster growth in turnover compared to traditional businesses (27% v 5% in 2021) and employee headcount (14% v 1%). They also have greater levels of employee retention, engagement and diversity, and are more successful when it comes to securing equity finance (70% v 56%).

Meeting the B Corp standard

To be able to call themselves B Corps, businesses must complete a rigorous assessment process. This process – the B Impact Assessment – requires the organisation to provide details, including supporting evidence, across nearly 200 areas relating to how it impacts its colleagues, suppliers, community and the environment.

In addition to passing the assessment, organisations must also meet the B Corp legal requirement and sign up to the agreement and declaration of interdependence to show their commitment to making business a force for good.

B Corp in numbers

- 6,000+ B Corps globally, across 89 countries and 159 industries
- 1,100+ UK B Corps, across 58 industries and 52,000+ workers
- 400+ UK companies achieved B Corp certification in 2022
- 28,000 UK organisations use the B Impact Assessment





B Corp FAQs

Who can certify as B Corp?

B Corp certification is open to any company that operates for profit in a competitive market and has at least 12 months of operation.

How does a company become a B Corp?

To gain B Corp certification, a company must complete the B Impact Assessment, giving evidence that it is meeting high standards of social and environmental performance, transparency and accountability across roughly 180 questions. Completed assessments are assessed and verified by B Lab UK.

Which areas are assessed?

The B Impact Assessment is tailored to a company's size, sector and location and measures its positive impact on workers, suppliers, community and the environment.

What score does a company need to achieve to gain certification?

Businesses need to score at least 80 points. B Lab UK says it's unusual to achieve the standard first time, and provides tools within the assessment to help companies make changes to improve their score.

What else does a company need to do to become B Corp?

Once certification has been gained, companies must also meet the B Corp legal requirement and sign the B Corp Agreement and the Declaration of Interdependence. They also need to recertify every three years, achieving a verified score of at least 80 points, and publish an annual impact report.

How much does it cost to be B Corp certified?

The B Impact Assessment is a free and confidential online tool to measure the impact of a company's operations. Once a company wants to submit its B Impact Assessment for certification, a submission fee of £250 is payable.

Once certified, annual fees are levied based on the company's total revenue. These start at £1,000 (revenue up to £149,999), increasing to £50,000 (£750m to £1000m).

How do I find out more?

B Lab UK is the non-profit network supporting the adoption of B Corp certification in the UK. Its website is at bcorporation.uk and its email address is hello@bcorporation.uk





Who we are

Simplyhealth

We are a leading health solutions company, committed to providing affordable healthcare, to support everybody's every day healthcare needs.

Through our health and dental plans, including the market leading Denplan and number one provider of eye care packages, OcuPlan, we look after over two million customers. We aim to support and protect the NHS through the provision of outpatient support to help people live their best lives.

We don't have shareholders and since 1872 we've been led by our purpose of improving access to healthcare, for all in the UK. We are changing the game, investing £60 million in new businesses to accelerate the development of predictive and preventative healthcare services.

We understand our health depends on the health of our communities and our planet. Each year we commit to giving £1 million to a range of community causes, in March 2022 we achieved Carbon Neutral + status for the second year and in 2022 we became the first Health Insurer to be awarded B Corp status.

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*Your calls may be recorded and monitored for training and quality assurance purposes.

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Reward & Employee Benefits Association

What is REBA?

REBA is the only dedicated professional networking community for reward and benefits practitioners. Through sharing experience, ideas, data and insight with each other, we support members in their challenges and triumphs in the reward and benefits sector.

We help members to pursue best practice, increase professionalism in the industry and prepare for upcoming changes. We also lobby government on members' behalf.

What does REBA do?

- Hosts regular conferences and networking events, both face-to-face and virtually through webinars and online platforms
- Produces benchmarking research, insight and data reports on key reward and benefits themes
- Creates and distributes online content, including industry insights into best practice, case studies and thought-leadership
- Curates an industry-wide research library of reports, government consultations and best-practice guides
- Delivers focused content through daily emails and social media channels
- Supports professional members with supplier shortlisting and research
- Offers focused digital networking for professional members through our rebaLINK peer-to-peer forum, where members can also get supplier reviews from their peers.

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