

2021/2022 SUSTAINABILITY TRENDS

SOURCE: ENERGYWATCH

1. Sustainable Products Will Become the Norm

Thanks to Gen Z, sustainable products are one of the top sustainability trends. Expect sustainable products to become mandatory among consumers in the coming months and years. More than any other generation, Gen Z is aware of climate change, loss of biodiversity, and the responsibility they must try and fix these issues. Research suggests that 54% of these young adults think a company's environmental and social efforts are very or extremely important when considering whether to purchase a service or a product. As if that weren't enough, Gen Z is gaining more purchasing power as they join the workforce, so your organization needs to take environmental and sustainability seriously if you want to attract customers.

So, what types of consumer products can you expect to see going sustainable? Our prediction is food, fashion, and lifestyle products:

- **Food** production is currently responsible for 26% of greenhouse gases and has a major part to play in habitat destruction and freshwater consumption. Consumers are more aware of these facts than ever before, hence the growth of veganism and plant-based diets. In fact, consumption of plant-based meat and dairy substitutes rose during the pandemic. According to Nielsen, sales of meat alternatives were up 140% in the US! Unilever expects to increase its plant-based meat and dairy alternatives sales to €1bn in five to seven years. Meanwhile, sustainable grocery delivery services like Imperfect Foods and Misfits Market, which sell products that would ordinarily be discarded, are gaining popularity.
- **Fashion** brands must get sustainable – or risk not making the cut with consumers. Research from BCG found that 38% of consumers switched from their preferred clothing brand to a different one that has better environmental and social practices.
- **Lifestyle** changes like switching to electric vehicles, demanding sustainable or (less!) packaging and digitalization (to save paper) will rise among consumers in the coming year.

2. ESG Investments Will Continue to Rise

ESG (Environmental, Social and Governance) is a form of investing with the environment and social good as its guiding principles. Since the pandemic began, ESG has become one of the popular sustainability trends to get involved in. Investors and organizations realize the importance of non-financial considerations and are looking beyond profits in such challenging times. For example, BlackRock, the world's largest asset manager has put sustainability at the center of its investment ethos.

3. Renewable Energy Will Become Increasingly Cheaper

Fossil fuels used to be much cheaper than renewable energy, but that is quickly changing. Wind and solar plants became 70% and 89% cheaper in the last ten years and, their capacity will

exceed coal and gas in less than five years, according to the IEA's Renewables 2020. In fact, solar power is now cheaper than coal!

Renewable energy will continue to get cheaper because renewable technology costs follow a learning curve: they get cheaper as we increase capacity. Thus, when countries like the U.S. deploy renewables, they lower the costs for everyone and make the technology accessible for the entire world.

4. Working from Home is Here to Stay

The work-from-home lifestyle is one of the more unconventional sustainability trends, but it's surprisingly effective. Work-from-home took off as a necessity during COVID-19, but it turns out that working remotely is also very good for the environment. When we work from home, we reduce the number of cars on the road and energy used by office buildings, thus reducing overall greenhouse gas emissions and fossil fuel consumption. Major companies like Twitter, Shopify, and other tech companies have already committed to their staff working from home fulltime even when lockdowns lift. This means widespread benefits to the environment generally from less consumption. In the words of Kate Lister, the President of Global Workplace Analytics, " ... there is no easier, quicker, and cheaper way to reduce your carbon footprint than by reducing commuter travel."

5. Carbon Offsetting Will Go Mainstream

Carbon offsetting means making up for the emission of CO₂ or other greenhouse gases to the atmosphere. A carbon offset occurs when a company or organization funds carbon-offset projects that remove greenhouse gases from the atmosphere or prevents some greenhouse gases from being released. Carbon offsetting can be as simple as planting trees, or more complicated (e.g. investing in carbon capture technology). Carbon offsetting is already common in sustainability circles, but with the rise in popularity of net zero emissions, we expect that 2021 will see carbon offsetting go mainstream and public. True, offsets are often seen as greenwashing, but this will likely change as more credible options are becoming available, contributing high-quality offset projects.

6. Forget Net Zero Emissions – Climate Positive Is the Next Big Thing

If your company is already on the carbon offset bandwagon and committed to net zero, expect things to go to the next level in the coming year. The net zero emissions initiative is currently booming, but we expect it to soon be superseded by climate positivity, whereby a company's activities are actually creating an environmental benefit by removing additional carbon dioxide from the atmosphere.

7. Companies Will Be Required by the Government to Disclose Climate Risks to the Public

States like Colorado and cities like New York are already requiring buildings and organizations to report on their emissions and energy use. Expect many more states and cities to follow suit in 2021/22. Keep in mind that this will lead to big changes for your organization in terms of share prices, financing options, willingness of investors to invest, etc.

8. Clean Air Will Become a Higher Priority

After the world saw pictures of polluted skylines become clear during the pandemic, the importance of air quality came into stark focus. In addition, with a respiratory disease like coronavirus still a major threat, clean air is vital for health and wellness. Expect improvement of air quality to be a big issue in 2021/22.

9. Organizations Will Face Consequences for Insufficient Climate Action

Last year, poor social and environmental performance caused the CEO of the world's largest mining company to resign; the stock of three chemical giants plummeted; and corporations were called to the carpet for poor emissions offset programs. This shows that climate action is no joke among the public, and the stakes are only going to get higher.

10. Electric Utilities Will Face Increasing Pressures to Re-invent Themselves

Resilience is top of mind for utilities right now as heatwaves across the nation have tested grid reliability. Expect to see utilities exploring new business models that use microgrids, smart grid technology, distributed energy resources (DERs), and energy storage to build stronger and more intelligent services.