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GREEN
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COUNCIL

Social Impact across the Built Environment

Prioritising people throughout the building life cycle

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About the World Green Building Council

The World Green Building Council (WorldGBC) is the largest and most influential local-regional-global action network, leading the transformation to sustainable and decarbonised built environments for everyone, everywhere.

Together, with 75+ Green Building Councils (GBCs) and industry partners from all around the world, we are driving systemic changes to:

- Address whole life carbon emissions of existing and new buildings

- Enable resilient, healthy, equitable and inclusive places

- Secure regenerative, resource efficient and waste-free built environments

We work with businesses, organisations and governments to deliver on the ambitions of the Paris Agreement and UN Global Goals for Sustainable Development (SDGs).

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"To ensure a just and equitable transition to a decarbonised and resilient future, it is critical that we protect and enhance the lives of people at all stages of the building and construction life cycle. We need to ensure that no one is left behind.

WorldGBC's innovative publication provides a unique framework for the key stakeholders across the value chain to consider how the built environment impacts people, place and planet. It reminds us that we must ensure social impact becomes a requirement, not a consideration, across the global building and construction sector."

Her Excellency Razan Al Mubarak,
UN Climate Change High-Level Champion for COP28

Introduction

People are the very foundation of our cities and communities. The purpose of our homes, buildings and places is to provide shelter and space for people throughout their lives. As a result, the built environment plays a pivotal role in shaping and influencing social dynamics.

The impacts of the built environment as an industry, however, go far beyond the users of individual assets – the sector impacts upon human rights at every stage of the building and construction life cycle.

This position paper presents a new way of considering social impacts across the built environment. By thinking in terms of scopes (a concept familiar to many sustainability professionals through mirroring the well-known language of the Greenhouse Gas Protocol), this model can help inform a more complete understanding of the social responsibilities of the sector. The purpose is to:

- Highlight the diversity of social impact issues across the built environment.

- Tackle the lack of alignment of social considerations by creating a centralised scope of

action across the building and construction industry.

- Emphasise the first steps of action for all stakeholders across the built environment.

As the Buildings Breakthrough calls for 'near-zero emission and resilient buildings as the new normal by 2030',[1] it is essential that we catalyse this vision in a just and equitable manner for all people influenced by transitions in the sector.

This work is written for the entire built environment supply chain and stakeholders – including developers, investors, designers, owners, construction sector, building users, infrastructure and public realm, and workers' organisations and businesses. We also encourage consideration of these scopes of social issues from policy makers, governments and Non-Governmental Organisations (NGO).

We hope that this paper will help to lay the foundation for attention and action on built environment social impacts through the development of this high-level framework. The aim is to create momentum for change as we tackle the climate and nature crises alongside sustainable development for all.

The impacts of the built environment as an industry go far beyond the users of individual assets

The social impact of the built environment

The built environment is responsible for 37% of global carbon emissions, representing a huge sectoral contribution to climate change.[2] Whilst often considered a purely environmental challenge, the climate crisis that we face is also, inherently, a social challenge too – already affecting 85% of the world's population.[3]

The definition of sustainability, and the corresponding growth of the environmental, social and governance (ESG) movement, is fundamentally balanced around the nexus of environmental and social priorities. Sustainable development cannot be achieved without focusing on social impact.

In the past decade we have seen sustainability move increasingly into the mainstream, with over 90% of S&P 500 companies now publishing ESG reports on an annual basis.[4] The European Union's Corporate Sustainability Reporting Directive (CSRD) has extended the ESG requirements for organisations' sustainability reporting – both in breadth of requirements and eligibility of compliance.[5]

Despite this significant development, there remains a notable deficit in prioritising the social aspect of sustainability – or the 'S' in ESG – meaning that action to improve the human rights and experience of people is not being pursued in an aligned and impactful manner.[6,7]

Our built environment generates social impacts across a broad spectrum of areas which can significantly influence the quality of life, health and opportunities available to individuals and communities. The green buildings industry alone offers huge socio-economic opportunity – representing nearly $25 trillion of investment potential by 2030. Additionally, the sector is a source of employment for 7% of the world's population so has substantial responsibility, with both economic and social implications, on the lives of many millions of people.[8]

Climate and wider system stresses are experienced by people within their own homes, communities and cities.[9] For example, with over 970 cities expected to experience the effects of extreme heat by 2050, social issues around health and human rights must be a major factor of the resilience and adaptation measures.[10]

Equally, it is important to not only focus on 'creating' social impact, but rather to recognise and uphold the social value, equity and justice that may already exist in communities.

Defining social impact for the built environment

In recent years, the topic of social sustainability has rightly received increased attention within the building and construction sector with particular prevalence towards the themes of social equity and justice across the development life cycle. In this position paper, these themes have been incorporated within the broader 'umbrella' term of social impacts, which must also be considered in alignment with environmental justice.

Definitions of social sustainability terminology, as it relates to the built environment sector:

Social impact: The effects of built environment-related action or activity on people and communities, which can be positive or negative.

Social value: A cumulative benefit of all social impacts from the built environment to individuals, communities and businesses, measured through added financial and wider non-financial metrics.

Social equity: Recognising that each person has different circumstances and providing the equitable access for all people to resources and opportunities and full participation in the social and cultural life, regardless of background.

Social justice: The pursuit of a system that recognises fairness for all, in which everyone deserves equal economic, political and social rights and opportunities.

Measuring social impact against human rights outcomes can provide a clear and tangible framework. Encompassing this full scope of social impact is key to making environmental sustainability efforts more effective and inclusive as it contributes to the realisation of human rights, ensuring a more just, resilient, and climate-positive future for all that 'leaves no one behind'.

Through this work, WorldGBC aims to increase awareness of the responsibility and accountability of the sector to reduce negative social impacts at all stages of the building and construction life cycle – and consequently increase engagement, reporting and action around the 'S' in ESG.

Action to improve the human rights and experience of people is not being pursued in an aligned and impactful manner
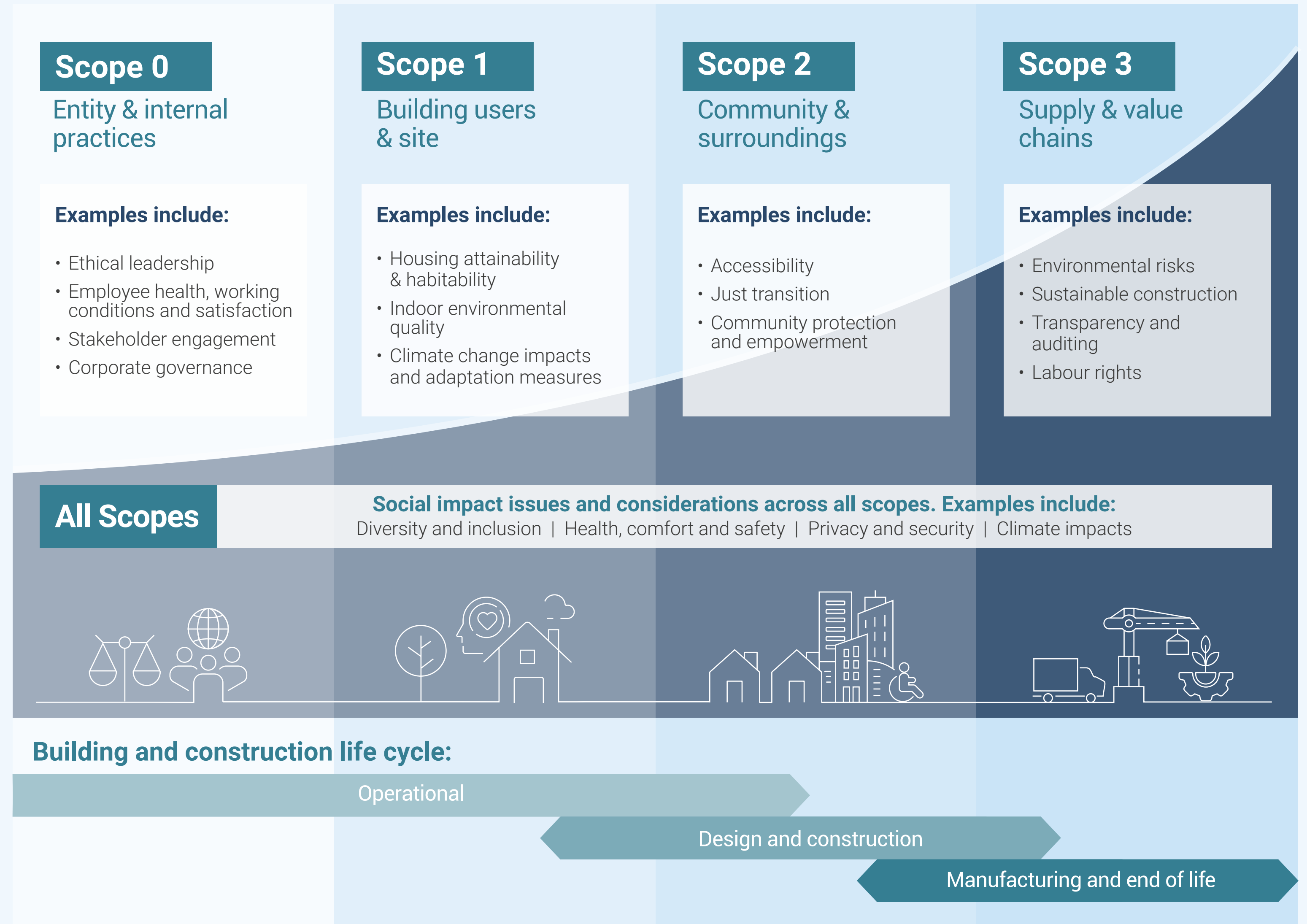
Four scopes of social impact for the built environment

The range of social sustainability matters impacted by the building and construction sector vary greatly in complexity, scale and stakeholder interaction throughout the value chain. Global challenges of human rights and climate adaptation interplay with inherently local issues, leading to widespread misalignment about the key themes that must be considered.

To address this, we present four overarching scopes, into which the social impact issues and considerations relating to the built environment (that influence the health, human rights and livelihoods of all people) can be grouped.

These scopes consider workers, occupants, users and entire communities. They span from organisational dynamics to building users, community through to supply chain – providing a cross-value chain vantage point of the interrelated social issues that require industry attention.

The infographic on the right introduces the four scopes and shows the interrelationship between them and the life cycle stages of built assets. It presents some examples of issues for each scope and highlights that certain social issues are common to all scopes. Further explanation can be found on the following pages.

Scope 0
Entity & internal practices

Examples include:

- Ethical leadership
- Employee health, working conditions and satisfaction
- Stakeholder engagement
- Corporate governance

Scope 1
Building users & site

Examples include:

- Housing attainability & habitability
- Indoor environmental quality
- Climate change impacts and adaptation measures

Scope 2
Community & surroundings

Examples include:

- Accessibility
- Just transition
- Community protection and empowerment

Scope 3
Supply & value chains

Examples include:

- Environmental risks
- Sustainable construction
- Transparency and auditing
- Labour rights

All Scopes

Social impact issues and considerations across all scopes. Examples include:
Diversity and inclusion | Health, comfort and safety | Privacy and security | Climate impacts

Building and construction life cycle:

Operational

Design and construction

Manufacturing and end of life

The principles outlined within the scopes are intended to be illustrative and awareness-raising, so consequently do not reflect an exhaustive range of social impact issues experienced across the built environment. We seed these core principles for discussion and further development from the wider industry – recognising the need to adapt and tailor them to local contexts.

All scopes:
Cross-cutting social impact issues and considerations

These issues should be considered relevant to all stakeholders across the whole built environment value chain and at all life cycle stages.

Examples include:

Diversity and inclusion:

The unjust treatment of various groups or individuals limits perspectives and diversity or may lead to exclusion, discrimination and under representation, for example gender-based exclusion.[11] A diverse workforce and fair opportunities foster innovation, ensure representation of varied perspectives and address complex challenges equitably and effectively.[12,13]

Health, comfort and safety:

The built environment has a direct impact on mental and physical health through factors such as air quality, ventilation, ergonomics, biophilic design and building materials. Such factors must be prioritised to safeguard individuals, at all stages of the building and construction lifecycle – see the WorldGBC Health & Wellbeing Framework for more information on mental and physical health considerations in the built environment.

Privacy and security:

People often lack privacy and security in the built environment due to inadequate design, insufficient regulation, overcrowding or societal norms that compromise personal safety and confidentiality. It is important to uphold people's privacy and security and implement provisions and protection measures equitably, considering diverse needs, to ensure the safety of all groups.

Climate impacts:

The increased frequency and severity of extreme weather events and environmental stresses present a range of social risks within buildings and infrastructure, from user health and comfort, to destruction of natural capital and the risk of physical damage, useability or potential stranding of buildings and assets. Measures to safeguard ecosystems, local livelihoods, and populations from the escalating impacts of climate change should be prioritised – see the Climate Change Resilience in the Built Environment Guide for more information on adaption measures at all scales of the built environment.

Scope 0:
Entity and internal practices

Social impact issues and considerations for the internal governance, practices and processes of a company or organisation. All businesses operating within the built environment industry must cultivate internal practices that generate positive social impact.

Examples include:

Corporate governance:

Conflicts of interest, corruption, inadequate management, and compromised safety standards can arise if governance is lax or improperly implemented. Best practice corporate governance prioritises a balance between economic and social objectives in alignment with sustainability targets.

Employee health, working conditions and satisfaction:

Dissatisfaction due to poor working conditions or an unhealthy work environment can negatively impact productivity, which can affect employee productivity, retention and may result in employee burnout. Employers bear the duty of care to protect the health and wellbeing of their workforce and offer decent work conditions.

Compensation, benefits, productivity and engagement:

Pay gap and disparities based on factors such as gender or race are crucial factors to consider in order to strive for equitable and fair wages and benefits for all employees. To further create a positive work environment, organisational benefits should include investment in employee development training and education programmes.

Stakeholder engagement:

Community dissatisfaction and misalignment with local needs and preferences can result in potential conflicts and compromised outcomes. Businesses should actively engage with local stakeholders, including communities, customers, shareholders, employees and their trade unions to gather feedback and address concerns effectively.

Work-related conflict and ethical leadership:

Aggressive behaviour, bullying and harassment may be symptomatic of a conflict-oriented work environment. Employers should ensure the organisational leadership upholds and promotes safe and fair working conditions, appropriate remuneration and wages, protects worker's fundamental rights, and remediate in case of abuse, grievance or conflict.[14] Organisations should be advocating for ethical conduct, emphasising transparency, accountability, and both environmental and social responsibility.

Scope 1:
Building users and site

Social impact issues and considerations for users and occupiers of all building types, including residential, commercial, retail, healthcare, academic and all other asset classes.

Examples include:

Indoor environmental quality:

All types of buildings and infrastructure can impact people's mental and physical health, either positively or negatively. The indoor environmental quality of a space – influenced by factors such as ventilation, heating, cooling, lighting, acoustics, ergonomics, accessibility, and increasingly, stresses from climate change – plays a critical role in safeguarding user and workers' health and wellbeing.[15]

Housing attainability and habitability:

Housing is a fundamental human right, but represents one of the greatest social challenges in the built environment – 2.8 billion people are affected by different forms of inadequate housing, which is estimated to increase to 40% of the world's population by 2030.[16] It is important to consider the social implications of retrofit and new build projects, ensuring housing quality, permanent affordability and availability – including security of tenure, dignity, comfort, wellbeing and inclusivity, access to essential services, livelihood opportunities and affordability of lease or purchase, utility and operational costs. See WorldGBC's research on Sustainable and Affordable Housing for more information on principles for healthy, equitable and zero-carbon ready homes for all.

Climate change impacts and adaptation measures:

It is estimated that climate change will be responsible for 167 million homes being lost by 2040, and 250,000 fatalities by 2030 resulting from diseases and malnutrition.[17,18] Resilience and adaptation measures can be implemented in the built environment at a range of scales, from individual asset or portfolio strategies to wider urban or policy-level interventions. A combination of approaches at all scales will be needed to ensure a resilient future for all.

Scope 2:
Community and surroundings

Social impact issues and considerations on all people sharing common places and spaces within close geographical proximity such as neighbourhoods.

Examples include:

Community protection and empowerment:

Redevelopment is leading to the forced movement, persistent land dispossession, segregation and discrimination of existing communities. An estimated 10 million people worldwide are displaced or resettled every year due to development projects.[19] Local communities and worker organisations should be engaged in decision-making and project development processes to ensure protection of existing communities, ensuring local needs and cultural values are taken into account.

Just transition:

There are winners and losers in every transition – sustainability priorities, such as the clean energy transition, must be pursued in a way that manages the implications on existing groups who stand to lose out financially, including workers, industries or regions. Early engagement with affected groups is essential to understand their needs and ensure adequate support can be offered.

Accessibility:

Inadequate provision of affordable and accessible transportation and broader infrastructure adversely hinders the equal participation of all individuals in society, particularly affecting access to employment, education and necessary facilities.[20] Universal design principles and the provision of adequate, safe, affordable and reliable public infrastructure can help to guarantee that basic facilities are accessible to all user groups, including the elderly, disabled individuals and those caring for babies and small children.

Scope 3:
Supply and value chains
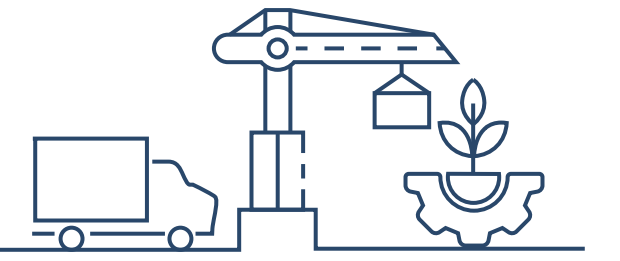
Social impact issues and considerations for all organisations and processes involved in the production, distribution and delivery of goods or services across all stages of the built environment life cycle.

Examples include:

Labour rights:

25 million people worldwide are exploited in forced labour, with 12% of these reported to be children.[21,22] The built environment is considered 'high risk' for modern slavery and broader exploitation due to labour demand and complex supply chains, including wage theft and violations that are indicators of more profound labour and human rights infringements.[23]

Environmental risk factors:

Various environmental risk factors – such as air, water, and soil pollution, chemical exposures, climate change, and ultraviolet radiation – contribute to over 100 noted environmental health risks, including diseases and injuries, affecting workers in the building and construction industry.[24] Environmental risk factors in the built environment can be mitigated through sustainable design, efficient resource management, and pollution reduction measures that prioritise public health.

Transparency and auditing:

The supply and value chain hold complex project structures, where a lack of standardised reporting undermines the need for accountability to ensure sustainable practices and quality assurance. Businesses and regulators should ensure open sharing of relevant information and processes, while systematically assessing and verifying adherence to established standards and regulations.
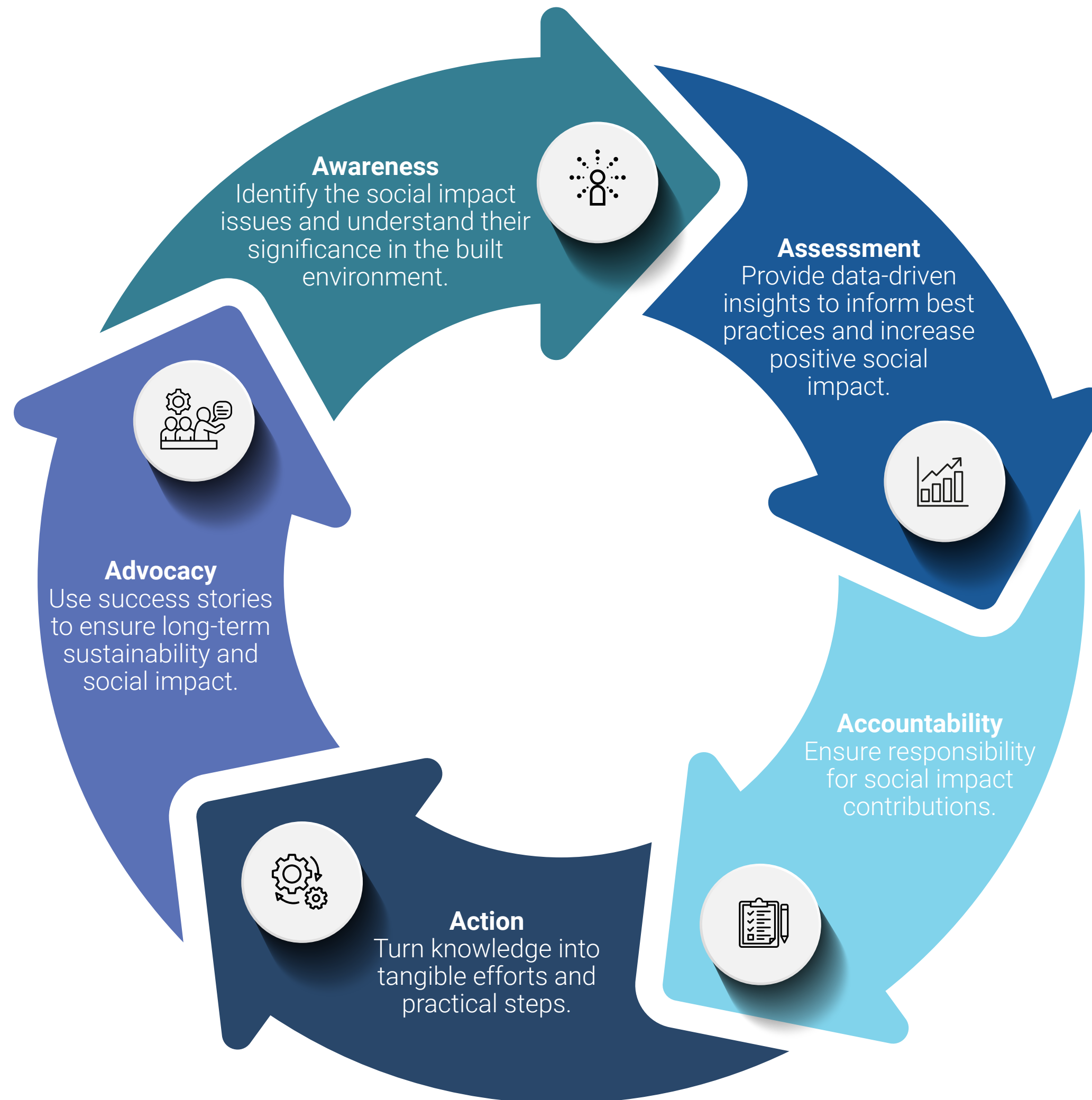
Sustainable construction:

Environmental and social sustainability are inextricably linked and should always be pursued in tandem. Procurers should assess suppliers' environmental and ethical practices, addressing concerns related to resource exploitation, material extraction and building material quality. All stakeholders can advocate for ethical sourcing and responsible procurement practices throughout the supply chain.

Call to action
The 5 A's

Recognising and prioritising the social dimension of sustainability – or the 'S' in ESG – through the four scopes is crucial to ensuring a positive change and equitable outcomes for a just and sustainable future that prioritises people and planet collectively.

The following steps highlight the first actions for built environment stakeholders to address the social issues and considerations highlighted in the scopes.

Awareness
Identify the social impact issues and understand their significance in the built environment.

Assessment
Provide data-driven insights to inform best practices and increase positive social impact.

Accountability
Ensure responsibility for social impact contributions.

Action
Turn knowledge into tangible efforts and practical steps.

Advocacy
Use success stories to ensure long-term sustainability and social impact.

Awareness

Raise awareness to understand all social impact issues relevant to organisations across the built environment value chain.

Help identify challenges and opportunities of improvement in social impact and areas where interventions are needed, while encouraging responsibility to drive change.

Action

Implement social impact strategies into organisational or project work to achieve specific goals, objectives and outcomes, setting methodologies for robust and comparable measurements against an agreed target.

Assessment

Undertake a systematic assessment and audit of current practices, policies, and outcomes to allow organisations to identify their impacts on people at all stages of operations, facilitating informed decision-making based on data and setting realistic goals for progress.

International building rating tools and certifications offer assessment benchmarks, including BREEAM, DGNB, Green Star, LEED and WELL (to name a few).

Advocacy

Change mindsets and influence decisions through impact on communities, building users and stakeholders, with particular recommendations for political and governmental institutions to demonstrate supportive leadership for long-term sustainability to all people within their homes, communities and cities.

Accountability

Take responsibility and ownership of actions and consequences that impact people and communities throughout the value chain, and create accountability mechanisms to ensure that organisations are held liable for commitments and obligations, with transparency across processes and practices and regularly reporting progress.

The 5A's are an ongoing process for every actor in the building and construction sector. We call for all stakeholders across the built environment to use this position paper to initiate conversation, collaboration, leadership and action to further improve positive social impact.

Please see **pages 14-15** for case studies, further reading and resources around social impact strategies.

Case studies of social impact in the built environment

The following case studies illustrate examples of positive social impact achieved within the built environment taking into account scopes 0 to 3. For more case studies on health, equity and resilience, please visit the WorldGBC Case Study Library.

> Sustainable development cannot be achieved without focusing on social impact.

Bergen Inclusion Centre
Bergen, Norway

A 'Building Dignity' pilot project, influenced by the Dignity by Design approach and located in Bergen, which is committed to being a 'human rights city'. The project aims to mitigate risks to human rights and maximise positive social outcomes – such as health benefits, greater social inclusion and job creation.

Source: Institute for Human Rights and Business (IHRB)

Find out more

Te Papa peninsula Tauranga city,
New Zealand

Re-imagining the city's main corridor as a place that meets the needs of present and future communities. The detailed business case and concept design sets 'place identity' and 'people experience' at the center of the design, making it a safer and more attractive urban space for all users while recognising the cultural heritage.

Source: GHD

Find out more

Yitpi Yartapuultiku Port Adelaide,
Australia

An Aboriginal Cultural Place underpinned by a set of cultural principles to guide the design, build and operation. The project ensures high levels of cultural representation are met, providing activities and learning opportunities for both First Nations and non-First Nations people.

Source: GBC Australia

Find out more

Resource list

- AIA, 'Equity in the built environment'
- ARUP, 'Social Value and Equity'
- ARUP, 'Social value: a UK white paper'
- BRE Group, 'BREEAM health and social impact'
- Buro Happold, 'Proactively identifying those most vulnerable to climate change impacts'
- Buro Happold, 'Sustainable and Equitable Placemaking'
- CLTB, 'Impact Report'
- DGNB, 'Sociocultural and functional quality'
- Economic Research, 'Income inequality, innovation and carbon emission: Perspectives on sustainable growth'
- Environmental Science and Pollution Research, 'Turning points for environmental sustainability: the potential role of income inequality, human capital, and globalisation'
- ESTEDAMA, 'Estedama'
- GBCA, 'Green Star'
- GBCA, 'Insights into social value'
- GBCA, 'Social return on investment'
- GHD, 'Committed to creating a more resilient future'
- GHD, 'What's now. What's next.'
- Habitat for Humanity International, 'Home Equals'
- Habitat for Humanity International, 'Improving housing in informal settlements'
- Home Earth, 'The Doughnut for Urban Development'
- International Labour Organization, 'Declaration on Fundamental Principles and Rights at Work'
- International Union of Tenants, 'A tenant-friendly EU Green Deal'
- International Union of Tenants, 'The Tenants' Charter'
- Office of the United Nations High Commissioner for Human Rights, 'Special Rapporteur on the right to adequate housing'
- UIA, 'Copenhagen Lessons'
- UKGBC, 'Framework for Defining Social Value'
- UKGOV, 'UK Social Value Act 2013'
- UN, 'Inequality and Environmental Sustainability'
- Urban Land Institute, 'Social Spaces, Resilient Communities'
- USGBC, 'Social Equity in the Built Environment'

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16. UN-Habitat (2023), SDG 11 Synthesis Report

17. Relief Web (2021), Climate crisis to destroy 167 million homes in next 20 years

18. WHO (2023), Climate change

19. University of Oxford (2005), Development-Induced Displacement: Problems, Policies and People

20. Construct (2017), Accessible buildings for a more inclusive world

21. International Labour Organisation (2022), Forced labour, modern slavery and human trafficking

22. European Center for Constitutional and Human Rights (2022), Forced labor in global supply chains

23. The SE Times (2023), Employers Steal Up to $50 Billion From Workers Every Year. It's Time to Reclaim It

24. World Health Organisation (2016), An estimated 12.6 million deaths each year are attributable to unhealthy environments

Acknowledgments

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Authors

Sara Kawamura,
Programme Coordinator, Better Places for People, WorldGBC

Catriona Brady,
Director of Strategy and Development, WorldGBC

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Contributors

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- Dutch Green Building Council
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Industry and knowledge partners

- AGC Asia Pacific
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- Build Change
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- C40 Cities
- European Community Land Trust Network
- Global ABC
- Habitat for Humanity International
- ICLEI
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- The Predistribution Initiative (PDI)
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