

# **End-User Preferences for Sustainability in PPE and Safety Equipment**

**August 2023**



# With Appreciation to Our Partners

ISEA is grateful for the support of the following organizations:



AMERICAN SOCIETY OF  
**SAFETY PROFESSIONALS**

## ABOUT ASSP

The American Society of Safety Professionals is a global association for occupational safety and health professionals — committed to advancing members' careers and the safety profession as a whole.



[assp.org](https://assp.org)



## ABOUT EHS TODAY

EHS Today's mission is to inform safety professionals on trends, management strategies, regulatory updates and daily news that help them provide safe and healthy work sites.



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# Introduction

Over the last several years, sustainability has exploded in importance and influence in a variety of domains. References to ESG and sustainability in 2022 NASDAQ earnings call were up 19%. Consumer products making ESG-related claims posted a 28% growth premium over the last 5 years, and 60% of consumers are willing to pay more for a product with sustainable packaging.

However, there have been hiccups in the sustainability boom. Earlier this year, BP very publicly tapped the brakes on its ambitious GHG reduction targets. The European Commission discovered that 53% of green products were actually greenwashing. And McKinsey research has shown that at a majority of firms, purchasing and sustainability strategies are misaligned.

To assist members, ISEA published a **study benchmarking sustainability** at PPE and safety equipment manufacturers in May 2023. To further inform members' sustainability decisions, ISEA partnered with ASSP and EHS Today on this follow-up study on end-user sustainability preferences for PPE and safety equipment.

## THE DISCONNECT BETWEEN PURCHASING AND SUSTAINABILITY

Much has been written about sustainable procurement, but for most organizations it's still a work in progress. Purchasing and sustainability strategies aren't aligned at 60% of companies surveyed by McKinsey. This is significant for two reasons:

**Environmental:** 70% of a typical company's GHG footprint lies with its suppliers. For some sectors, such as construction, it can be as much as 90%. Until procurement is sufficiently able to address Scope 3 (a massive undertaking to be clear), progress will be slow.

**For the PPE/Safety Equipment Industry:** Fewer than 10% of companies surveyed by McKinsey include sustainability as a purchase criteria when developing category-level strategies.

Until direct and major indirect/MRO spend categories have sustainability criteria, the purchasing-sustainability disconnect will persist.



# Regulatory Action is Accelerating Globally



## SEC PROPOSAL ON CLIMATE -RELATED DISCLOSURES

In March 2022, the SEC proposed rules that would require listers to disclose Scope 1 and 2 emissions, and Scope 3 under certain circumstances. Scope 3 emissions (which would account for PPE & safety equipment) can account for as much as **90% of GHG emissions**. Potentially impacted companies estimate first year compliance costs of \$750,000 or more.



## EU CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

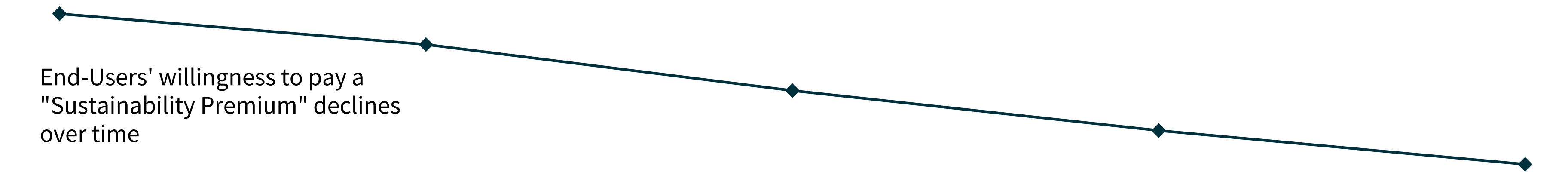
Enacted in January 2023, companies under the EU's ESG reporting regime will be required to provide qualitative and quantitative sustainability disclosures as part of mandatory common reporting measures as early as 2024. Reporting by **non-EU organizations with substantial EU turnover** will be phased-in. This includes Scope 1, 2, and 3 reporting.



# Sustainability as a Competitive Differentiator Will Likely Follow A Familiar Adoption Curve

Between the regulatory and legislative actions described above, and market forces, it's likely that a certain degree of **supplier sustainability practices will become table stakes**. Even when it's not possible or practical for a specific category of PPE or safety equipment to be made with recycled materials, manufacturers will have to employ (and attest to) a certain level of organizational sustainability practices (e.g. use of renewable energy in production facilities).

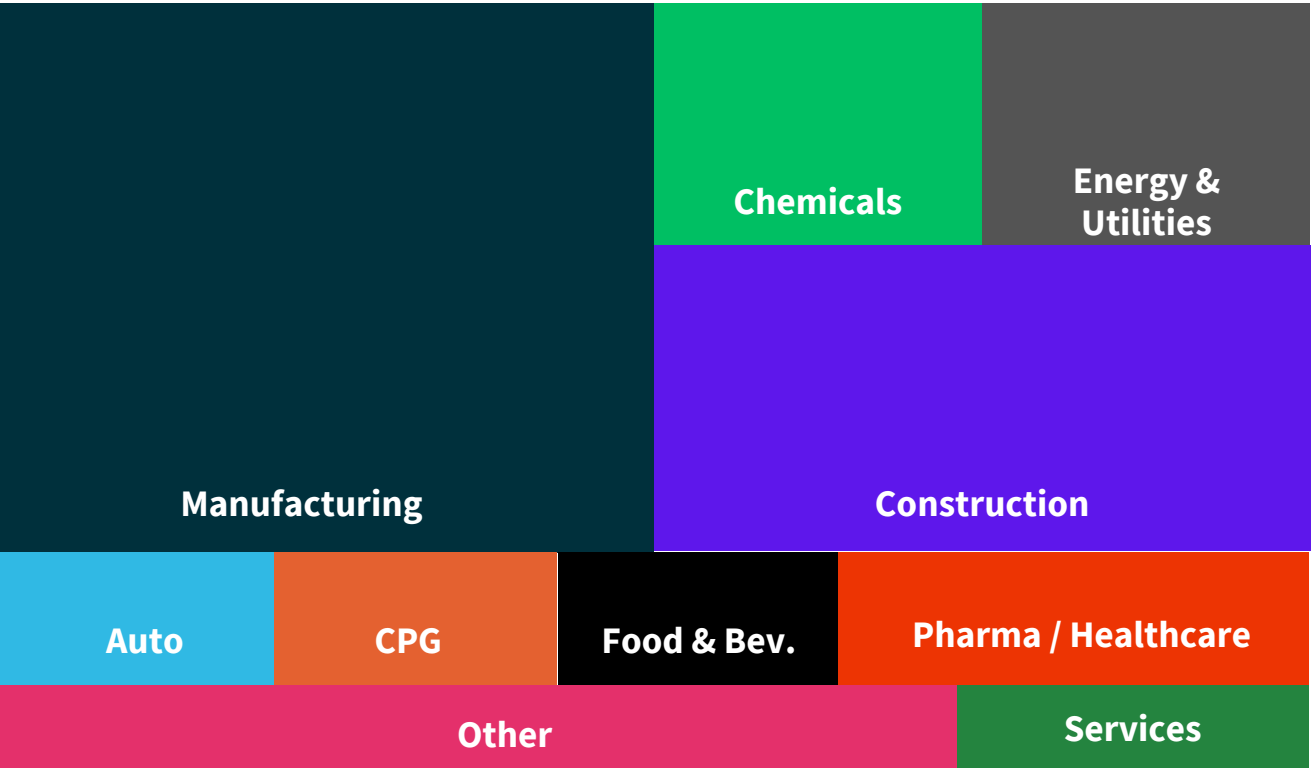
<p><b>Today</b></p> <p><b>INFLECTION POINT</b></p> <p>Businesses adopting sustainability practices (and data reporting) start to take share in select segments &amp; categories. Other businesses not adopting sustainability practices continue to grow.</p>	<p><b>Mid-Term</b></p> <p><b>DIFFERENTIATION</b></p> <p>Businesses adopting sustainability increase share in more segments. Early warning signs in select segments &amp; categories for businesses not adopting any practices. Level of disruption varies by segment &amp; product category.</p>	<p><b>Long-Term</b></p> <p><b>TABLE STAKES</b></p> <p>Certain degree of sustainability practices (and data reporting) becomes table stakes. Business not adopting any practices may struggle to compete in many segments &amp; categories.</p>
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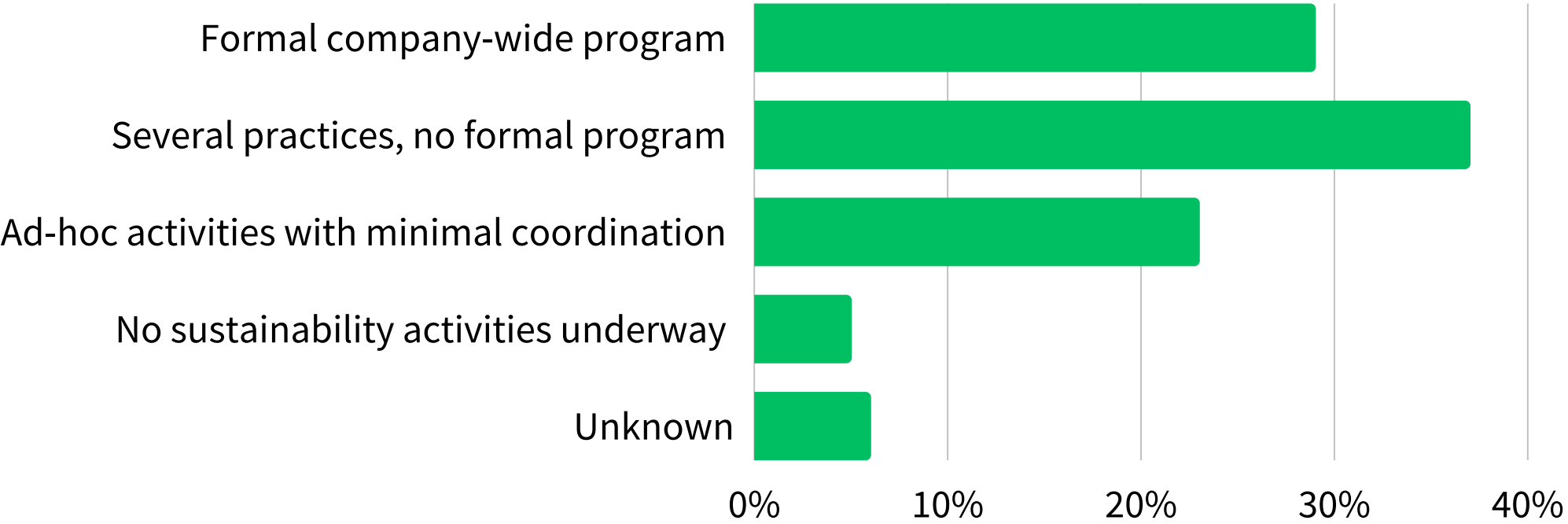
# End-User Respondent Demographics

EHS professionals from 93 companies participated in a confidential survey distributed by ASSP and EHS Today in June and July, 2023.

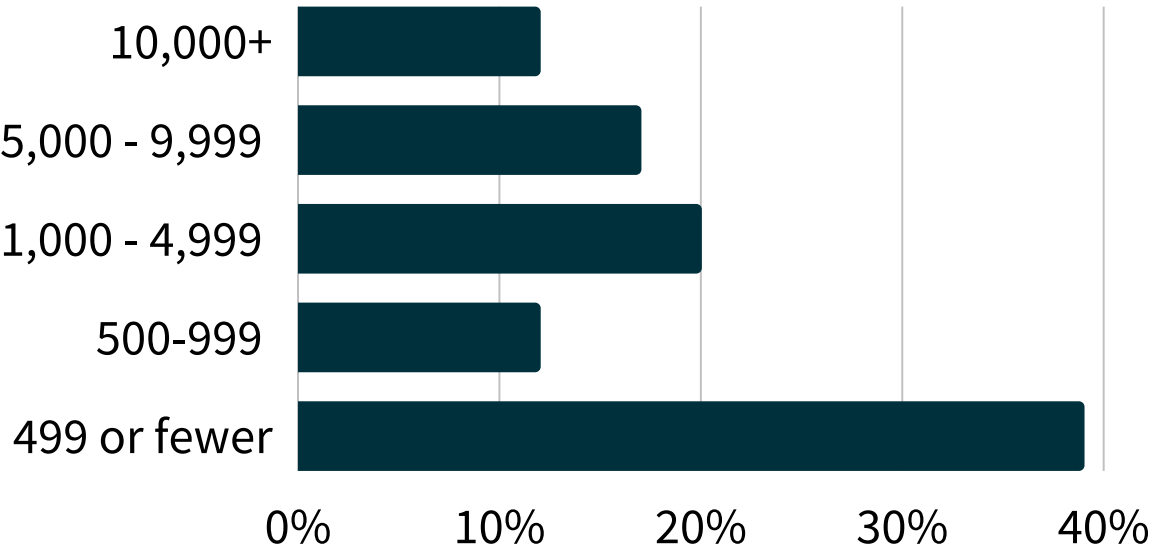
## INDUSTRY



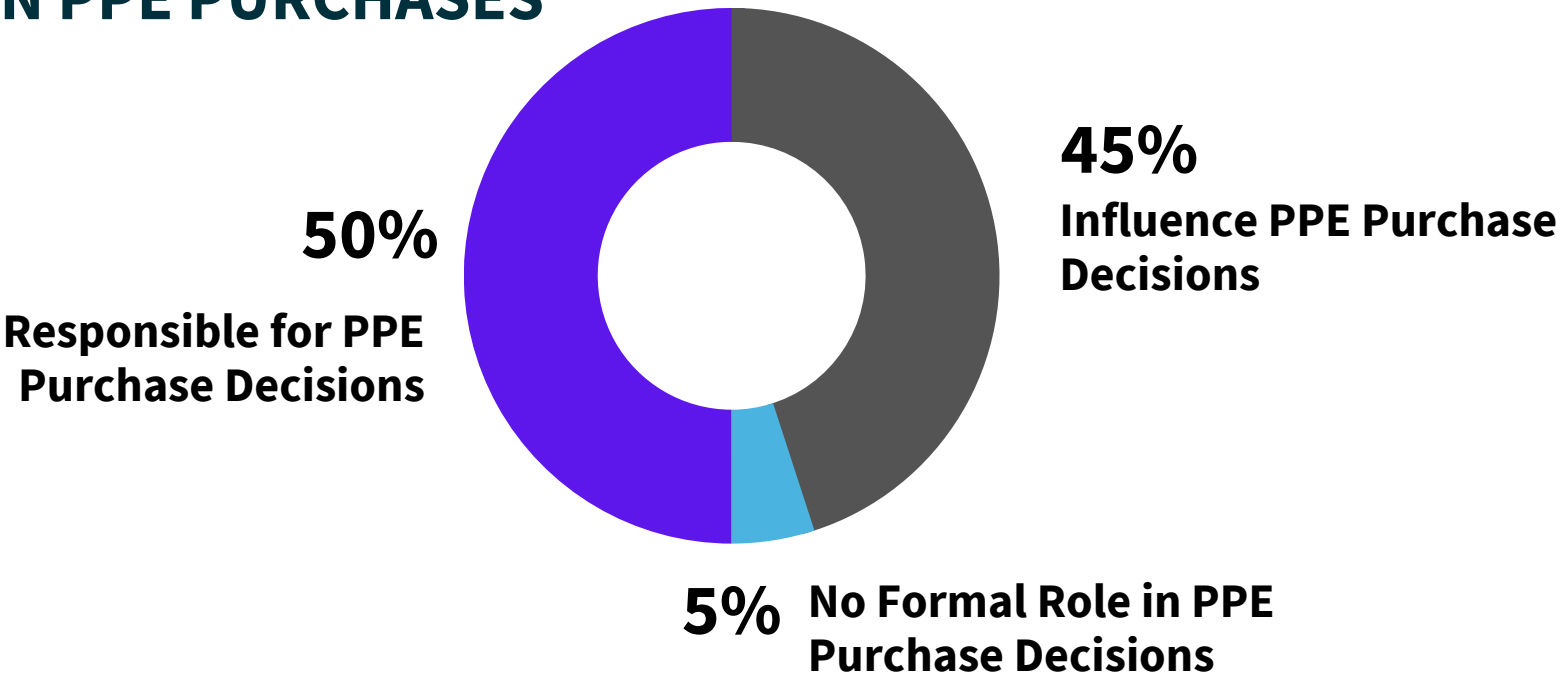
## CURRENT APPROACH TO SUSTAINABILITY



## NUMBER OF EMPLOYEES



## ROLE IN PPE PURCHASES



# End-User Benchmark Survey - Key Takeaways



1

**End-Users Are Very Interested in Sustainability** - 80% of end-users consider the sustainability attributes of personal protective equipment and safety equipment (PPE/SE) an important purchase criteria. Nearly 80% expect it to grow in importance as a purchase criteria over the next 3 years (14% expect it to stay the same).

2

**Safety is Still Job #1** - While product sustainability is increasingly important, it will never take a back seat to protecting workers. Since several end-users voiced concerns about taking focus away from PPE/SE's core purpose of protection, ISEA manufacturer members should provide proof points that their sustainable products are able to perform and protect equally or more effectively than their traditional ones.

3

**Sitting on the Sidelines Regarding Sustainability Might Not Be an Option for Suppliers** - In the future, the sustainability practices of a PPE/SE supplier company will be just as important as the sustainability attributes of an individual product. (PPE/SE supplier company practices are already important to 76% of end-users).

4

**End-Users Want Suppliers To Do the Math** - 70% of end-users said it's important for suppliers to calculate the sustainability benefits of PPE/SE, to aid in the purchase decision. Although only 16% are very likely to pay a reasonable "sustainability premium," they're twice as likely to do so for suppliers who take the time to quantify sustainability benefits.



# Sustainability Attributes Are an Important Purchase Criteria for 80% of End-Users, But Safety is Still Job #1\*



## KEY TAKE AWAY:

While sustainability attributes of PPE/SE are important to a majority of end-users, and in many cases a competitive differentiator, several end-users voiced concerns that **safety would be sacrificed in the name of sustainability**.

ISEA manufacturer members should consider reinforcing in their marketing and sales messaging (and providing proof points) that their **products with sustainability attributes are able to perform and protect equally or more effectively than their traditional products**.



## END-USER PERSPECTIVE

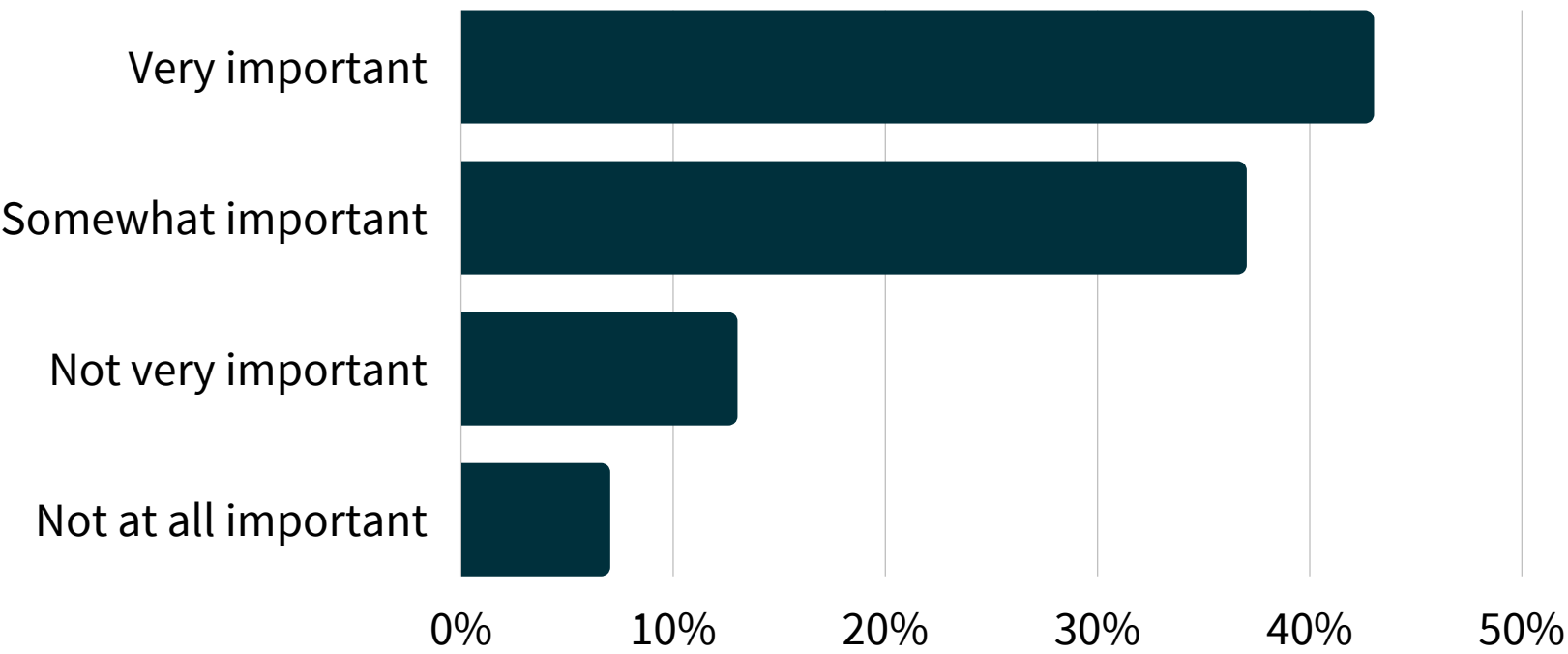
"The product's **safety attributes are most important**. However, I will always select a product that falls under the sustainability umbrella before another product, **cost notwithstanding**."

*EHS Leader - Industrial Manufacturer*

"I don't understand why taking focus away from PPE's core function is a good thing. PPE saves lives and prevents injuries. Sooner or later, spending time on packaging and recycling **will take focus and effort away from that function**."

*EHS Leader - Construction*

## Q ■ When selecting PPE/SE, how important are the sustainability attributes of the product?



\*Share of respondents selecting very or somewhat important



# It's Not Just About the Product



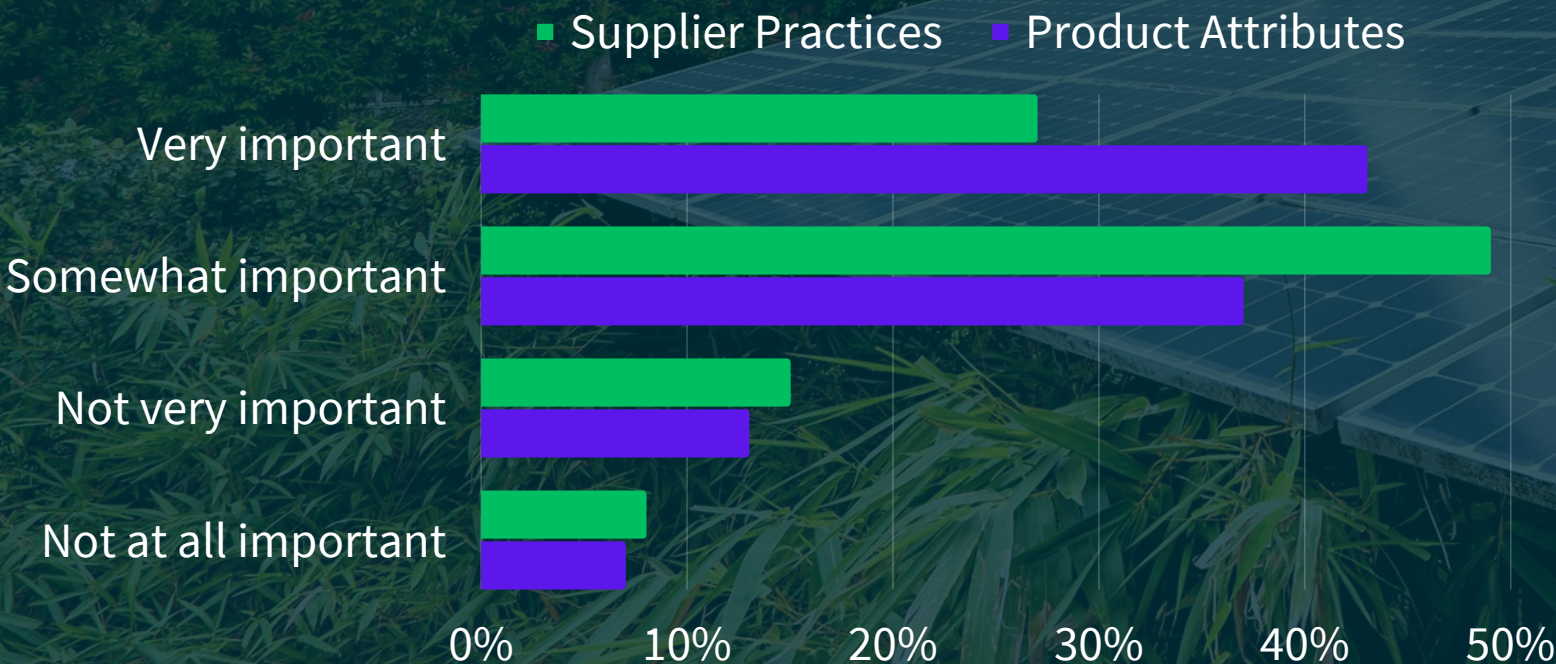
## KEY TAKE AWAY:

Between engineering challenges (not every type of PPE/SE can be 100% recycled ) and economic realities (the market for safety glasses that last three years might be small), sustainability isn't all about the PPE/SE itself.

Today, end-users consider a **product's** sustainability attributes more than the **supplier company's** sustainability practices when selecting PPE/SE. However, over the next three years, the **PPE/SE supplier's practices will be even more important**, suggesting that ISEA members continue to invest in **company initiatives** such as reduced resource consumption, GHG reduction, alternative energy, supply chain traceability, etc. Equality critical, members will need to provide reporting, policies, and procedures to end-users and other third parties to substantiate their efforts.

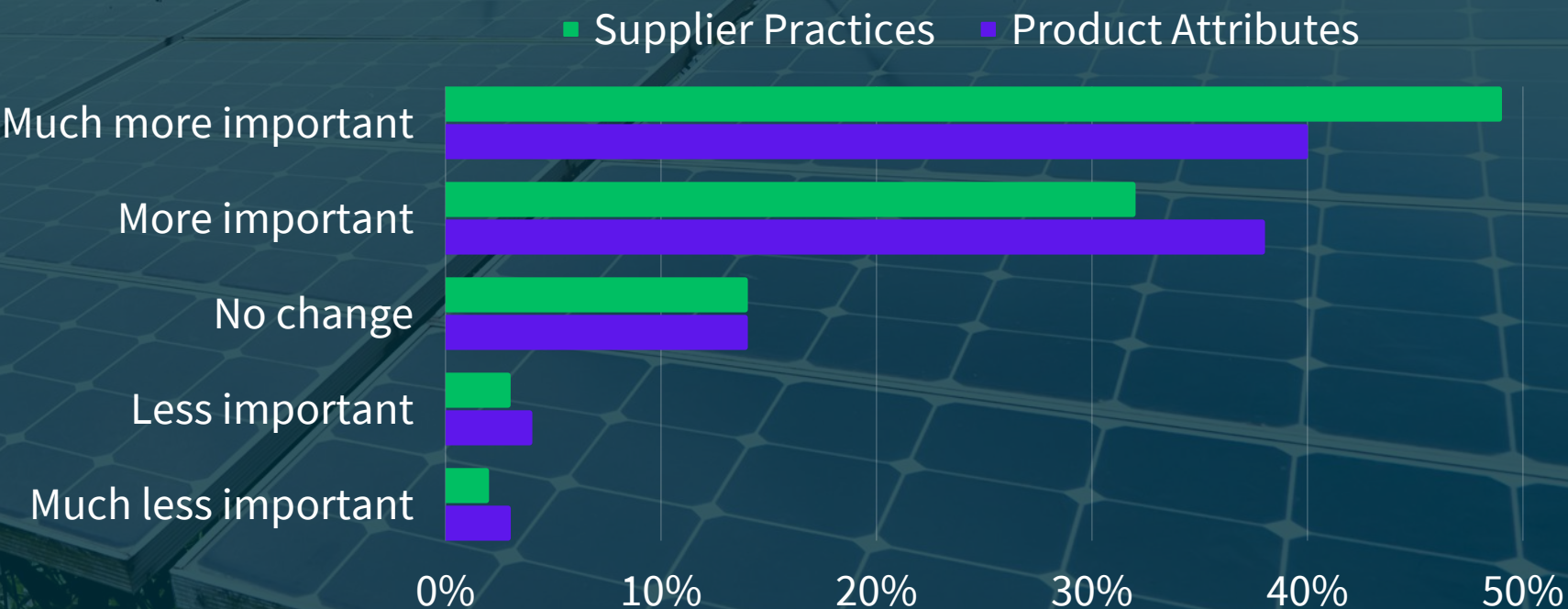
Q:

When picking PPE/SE, how important are the supplier's sustainability practices and the product's sustainability attributes?



Q:

How will that change over the next three years?





# End-Users and PPE/SE Suppliers Are Aligned on Where to Focus Sustainability Efforts



## KEY TAKE AWAY:

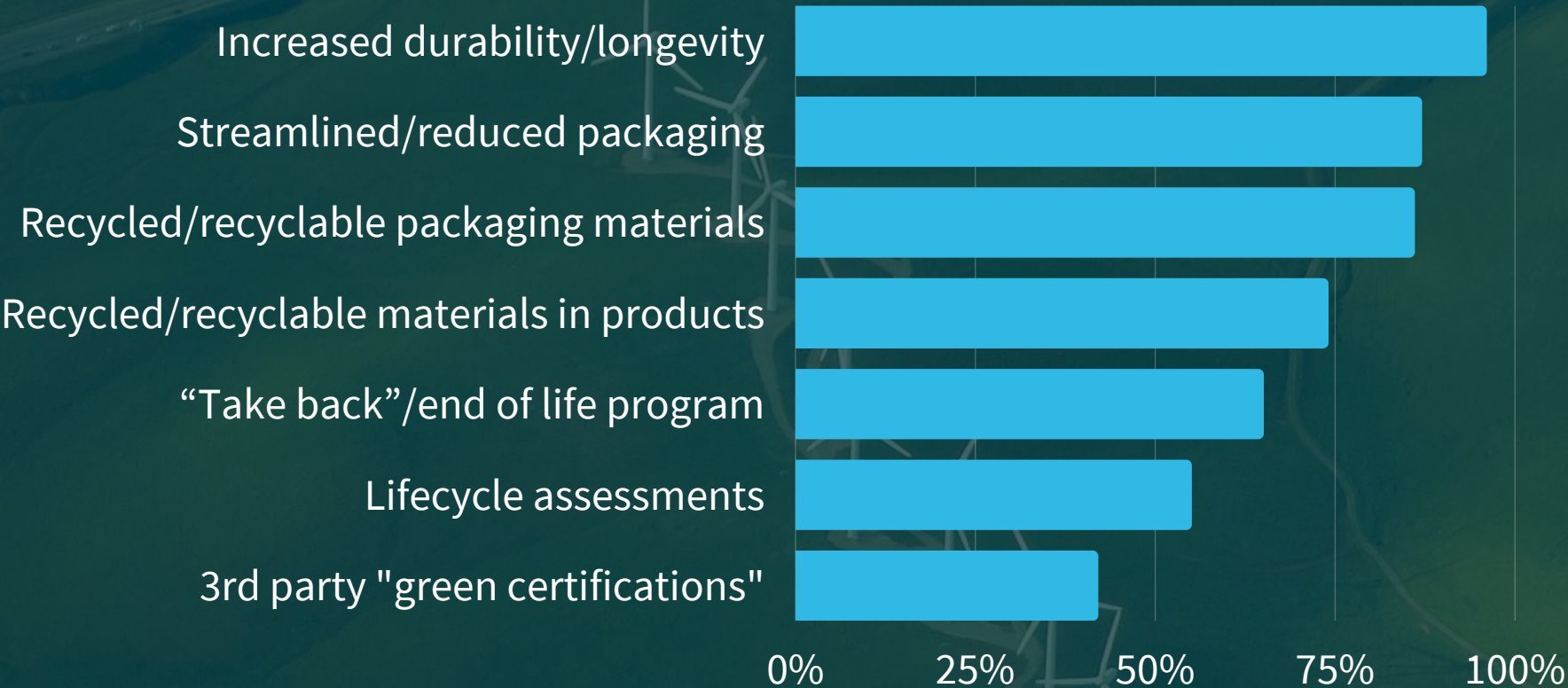
When it comes to sustainable PPE/SE, suppliers are meeting end-users' needs. The sustainability attributes most important to end-users are:

- Improved product longevity/durability (important to 96%)
- Streamlined/reduced packaging (important to 87%)
- Packaging with recycled/recyclable materials (important to 86%)

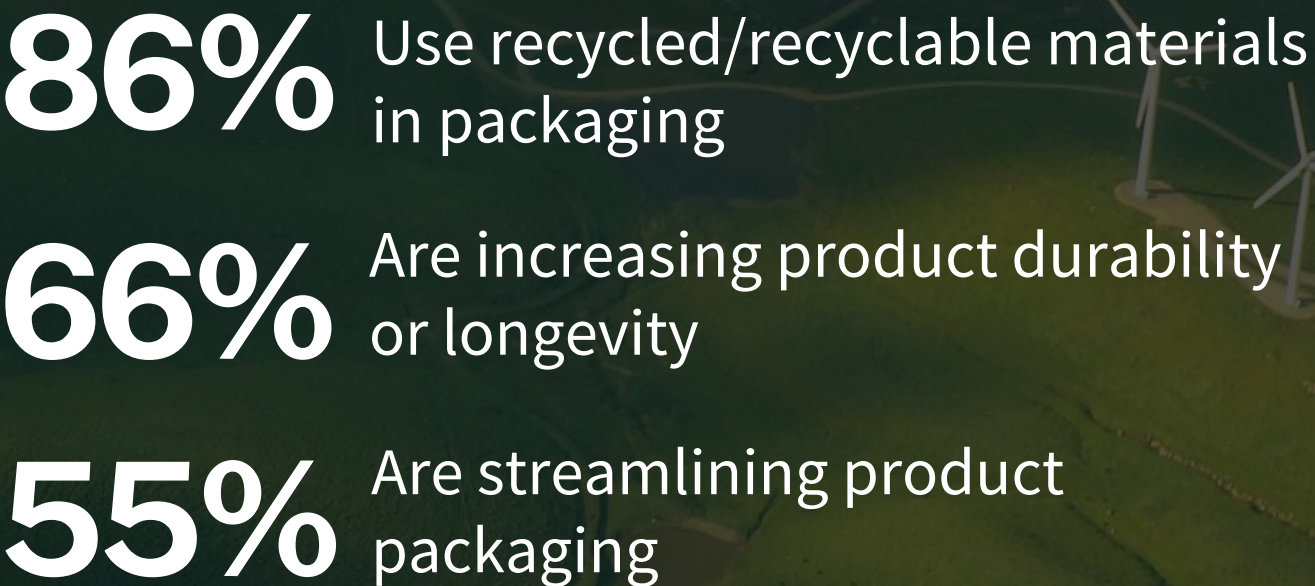
Not coincidentally, these are the practices most commonly employed by manufacturers of PPE/SE.



## End-Users: Sustainability attributes most important to purchase decision\*



## Suppliers: Sustainability practices most commonly used in PPE & safety equipment





# Although 70% of End-Users Consider it Important for Suppliers to Quantify Sustainability Benefits...



## KEY TAKE AWAY:

Companies that don't provide supporting data around a product's sustainability benefits (e.g. x% recycled materials in packaging, product made with y% recycled materials) **risk being perceived as engaging in greenwashing** (making vague, exaggerated or false claims about a product's environmental or sustainability benefits). Greenwashing is a real problem: a European Commission study discovered that 53% of green products were actually greenwashing.

Aside from being unethical, and also illegal in many countries, greenwashing is bad for business. Research published in Harvard Business Review shows that companies perceived to engage in greenwashing experience an **"economically significant blow" to customer satisfaction**.



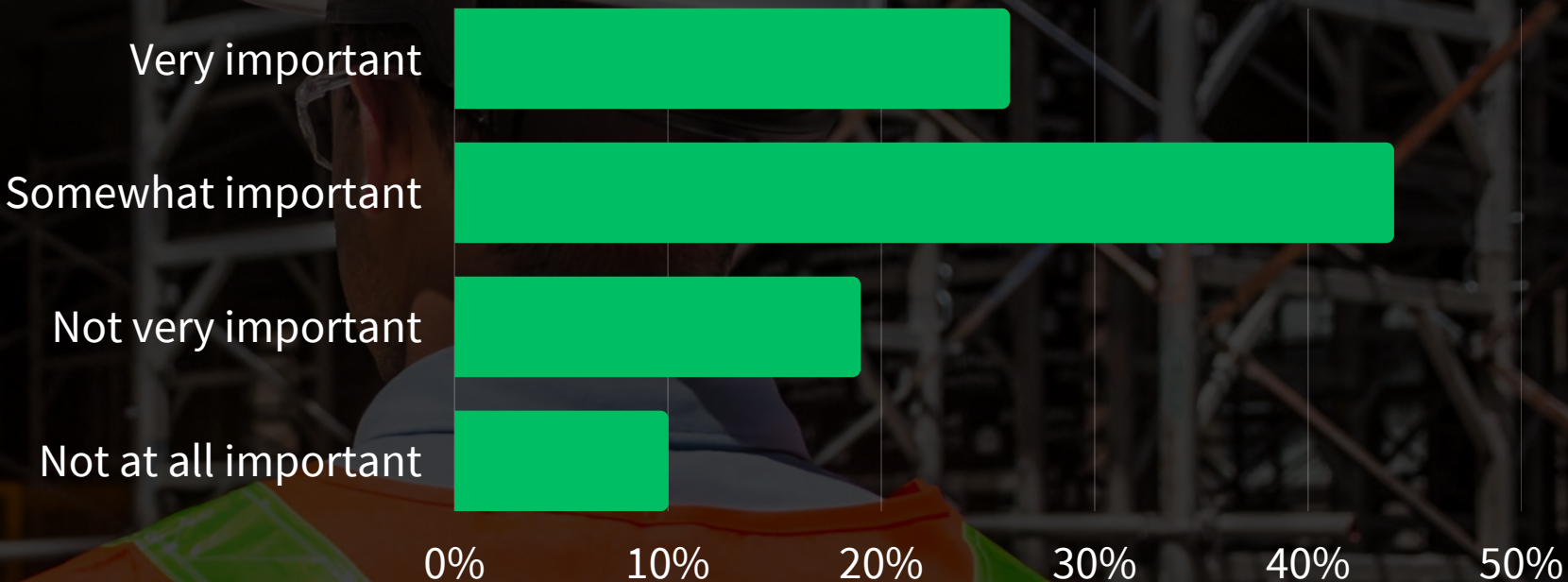
## END-USER PERSPECTIVE

"If there are tangible benefits, especially longer product life/durability, then **that should be quantified and communicated**. That will help change the current use & toss mindset that many have towards PPE."

*EHS Leader - Manufacturer*

Q:

How important is it for the PPE/SE supplier to clearly calculate sustainability benefits (e.g. x% recycled material)?



\*Share of respondents selecting very or somewhat important



# ...Only a Minority Are Very Likely to Pay a Sustainability Premium



## KEY TAKE AWAY:

Only 16% of end-users are very likely to pay a premium for PPE/SE that helps their company meet ESG or sustainability goals. This group is twice as likely to care about being provided quantification of sustainability benefits, suggesting that **quantification is a "must do" practice for ISEA members wishing to win a premium**. More broadly, there may be an opportunity to provide additional education and justification to the 39% of respondents who are "somewhat likely" to pay a reasonable premium.

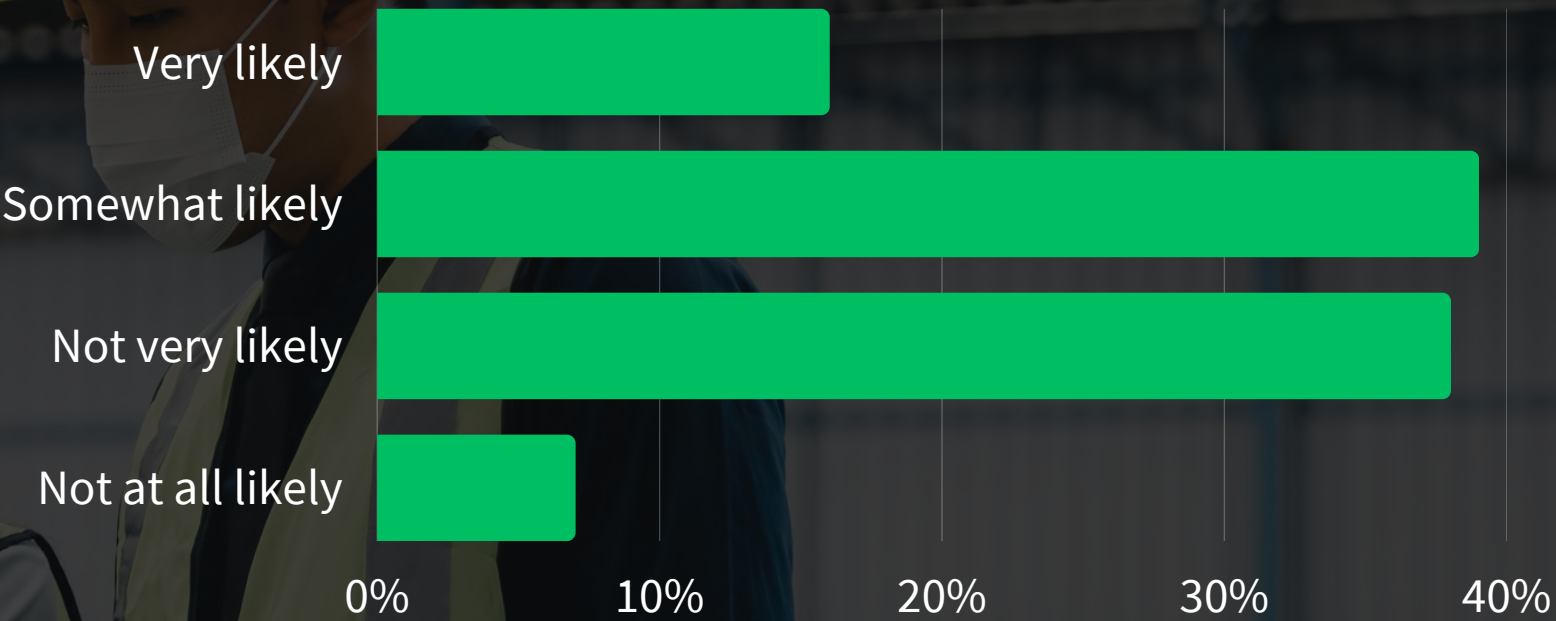
One caution: many procurement departments still prioritize lowest initial price above all else, even when it comes to sustainable products. To wit, a recent EY study showed that procurement executives consider **cost savings the #1 driver of sustainable purchasing practices** (even beating out compliance.)



## END-USER PERSPECTIVE

"PPE contributions to our sustainability goals are a plus. But justifying a premium is very difficult, since our **sustainability goals aren't part of our official procurement requirements.**"  
*EHS Leader - Chemicals Manufacturer*

**Q:** How likely are you to pay a reasonable premium for PPE/SE that helps your company meet its ESG / sustainability goals?





# Recommended Resources

**Benchmarking Sustainability in the Safety Equipment Industry** (ISEA, 2023)

**Buying Into a More Sustainable Value Chain** (McKinsey, 2021)

**Global Sustainability Study** (Simon-Kucher, 2021)

**How Companies Capture the Value of Sustainability** (McKinsey, 2021)

**Innovation in Manufacturing PPE: Toward Sustainability & Circularity** (Int'l Finance Corporation, 2021)

**Intersecting Sustainability: ESG and Smart Manufacturing Trends** (Manufacturers Alliance, 2020)

**Supply Chain Sustainability Report** (EY, 2022)

**Sustainability Opportunities, Risks and Technologies Survey** (Gartner, 2022)

**SEC Proposes Rule to Enhance & Standardize Climate-Related Disclosures for Investors** (SEC, 2023)





INTERNATIONAL SAFETY  
EQUIPMENT ASSOCIATION

AUTHOR  
Cam Mackey  
[cmackey@safetysafetyequipment.org](mailto:cmackey@safetysafetyequipment.org)

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ISEA is the voice of the safety equipment industry. For 90 years, we have been a recognized leader in the development of ANSI-accredited safety equipment standards. We advocate on behalf of the industry for policies that improve worker safety, deliver actionable insights on the safety equipment market, develop critical skills for safety sales professionals, and provide a unique forum for collaboration, learning, and growth.



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