Epson

Sustainable Working Environment
Index 2021

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Tomorrow's action on sustainability, **today**

At the start of 2020, companies and their employees were already conscious of the impacts of excess travel, the benefits of remote working and the role technology could play in enabling a more efficient, sustainable workplace. The COVID pandemic didn't create change, but it certainly accelerated it.

Lockdown gave us a glimpse of a different future. Dramatically lowered traffic volumes improved air quality and reduced noise pollution. Technology-enabled remote working reduced businesses' energy dependency and improved some employees' work/life balance. It also accelerated changes in customer behaviour and expectations around what constitutes a sustainable, technologically-enabled company.

As we enter an extended period of recovery, environmental sustainability will be a vital ingredient for business success. The Epson Sustainable Working Environment Index 2021 is the first in a series of benchmarking studies by which businesses can assess and measure their progress towards sustainability.

We believe the role technology has to play in building sustainable businesses is crucial. With that in mind we set out to understand the views and positions of others. Working with research company B2B International, we surveyed more than 4,000 employees across 26 countries[1] and hosted numerous panel debates to explore, even in the midst of a pandemic, the appetite for sustainable initiatives. What we found was encouraging. Here, we share insights from our research alongside analysis of the key trends and take-aways that every business can action.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

[1] Research conducted on behalf of Epson by B2B International, June 2020

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3/4

of employees want more focus on environmental and social issues, post-COVID.

4/5

employers believe sustainability's role in business is increasing.

BUT

Only

25% and 29%

of employees   and   of employers

believe it will be 100% embedded in their return-to-workplace and recovery plans, post-pandemic.

Employees are more enthusiastic about home working than employers - with 2 x more employees than employers wanting to retain flexible working.

There's no need to wait for the 'big initiative'. Companies can make behaviour changes and simple technology swaps

TODAY.

70%

of employees want home-working equipment to be either long-lasting, energy efficient or reduce waste – at the very least.

Culture strongly influences how reactive companies are to environmental and social issues.

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Culture plays an important role in environmental viewpoint but companies can break out of stereotypes with relative ease

Government appetite for sustainability and country culture influence how much organisations can and do engage with environmental and social issues. Businesses in countries with historically strong sustainability credentials may not seem in our analysis to be making big changes to their working practices, but this is almost certainly because flexible working, renewable materials and energy awareness are already embedded.

Countries with a lower score on our index (Nordics, Balkans) are historically attuned to these issues while others for example the Middle East have begun efforts to achieve their sustainability targets relatively recently. It would also explain why Greece scores so highly, despite being only 25th on 2020's Environmental Performance Index, compared to the Nordic nations, which are at numbers one, seven, eight, nine and 17 respectively. It's important to remember that this index is a snapshot of individuals' and business attitudes and views, and not those of the national ambition. With that said, it's interesting to see how as collective progress is made, attitudes have become less determined, which could signal a warning for a potential lapse in effort.
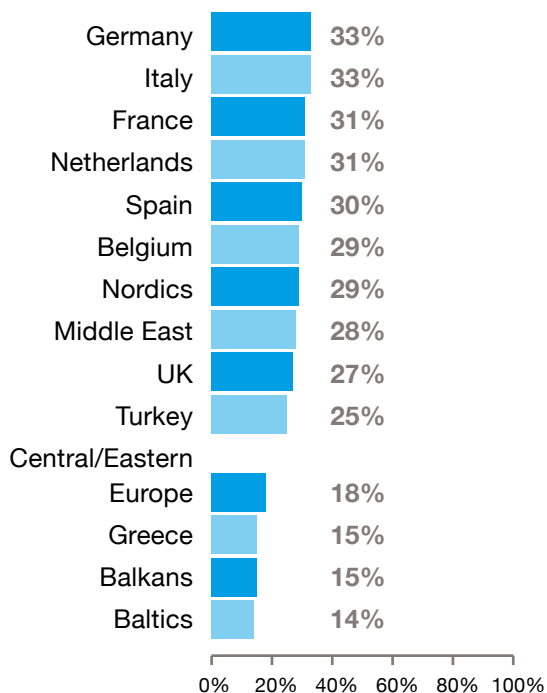
Where there is a history and reputation for sustainability, markets should take care that this doesn't translate to complacency. We've seen in one traditionally environmentally and socially-aware society, only 25% of employees rated being sustainable as essential compared to 48% of Greeks. Greece as a nation may face ongoing challenges in sustainability but there is a clear appetite for change.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

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"There are some big drivers influencing the electronics sector coming from government and that are pushing for sustainability. Providers will need to put their money where their mouth is to ensure they meet these and the changes will ripple through the supply chain."

SUSANNE BAKER, ASSOCIATE DIRECTOR, CLIMATE, ENVIRONMENT AND SUSTAINABILITY AT TECHUK.

Employees in countries with highly developed sustainability credentials tend to rank their environmental and social impacts highly, compared to those without:

Country	Percentage
Germany	33%
Italy	33%
France	31%
Netherlands	31%
Spain	30%
Belgium	29%
Nordics	29%
Middle East	28%
UK	27%
Turkey	25%
Central/Eastern Europe	18%
Greece	15%
Balkans	15%
Baltics	14%

0% 20% 40% 60% 80% 100%

"Future investment by the European Union must also be linked to integrated objectives. I am glad that business is investing in sustainable solutions but perhaps the state should support and contribute to sustainable goals."

LINA SABAITIENĖ, DEPUTY MINISTER OF ENERGY OF THE REPUBLIC OF LITHUANIA

Expect environmental and social impacts to be more important to business post-COVID:

Most employees:
Middle East (94%)
Turkey (90%)
Greece (79%)

Fewest employees:
Nordics (47%)
Balkans (41%)

Sustainability AND cost efficiency go hand in hand with home-working equipment - local cultures influence employee sentiment:

	Most desired:	Least desired:
Longevity	Greece (54%)	Belgium (37%)
Energy efficient	Germany (52%)	Belgium (31%)
Limits waste	Greece (51%)	Turkey (28%)

Environmental and social concerns 100% embedded in Return to Workplace plans:

Most likely:
Middle East (40%)
Germany (37%)

Least likely:
Balkans (14%)
Nordics (17%)

The preference for working remotely post-COVID is growing:

Most keen:
Netherlands (37%)
Spain (35%)
Belgium (34%)

Least keen:
Balkans (24%)
Middle East (17%)
Turkey (22%)

Companies most likely to allow blended working:

Netherlands (24%)
Spain (22%)
Belgium (21%)

The biggest gap in employee/employer expectations regarding blended working:

Germany (-16%)
Italy (-15%)
Baltics (-15%)
Balkans (-15%)

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Sustainability is both a point of **pride** and **differentiation** for employees

Return to the workplace and recovery plans post-COVID are a critical part of the business agenda in 2021. However, among the policies dedicated to remote-working best practice, workforces don't believe enough is being done in respect of social and environmental issues.

"The main focus will be on stabilising corporate finances and cash flow. The environment and sustainability will be in the background until we return to the situation before COVID." – Anonymous research respondent, Baltics, Millennial, Specialist, IT & Technology.

Clearly recovery programmes need to support the business's financial health, employee wellbeing and be mindful of sustainability goals simultaneously.

Sustainability delivers competitive advantage, enhancing brand consideration. In one study, 90% of sustainably-marketed products outperformed their conventional competitors. Additionally, more than 70% of employees choose to work at a company with a strong environmental agenda.

Employee engagement and retention is higher in companies with clearly defined and lived sustainability objectives. However, there is a perception that this comes at a cost. That doesn't have to be the case. Upgrading technology helps companies operate more efficiently as well as sustainably.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

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75%

want their organisation to focus more on environmental and social issues.

Regional differences in the belief that sustainability impacts business performance:

Strongest belief:
Greece
Middle East

Weakest belief:
Nordics
Baltics

Regional differences in attitudes to environmental and social issues:

Most attention:
Turkey
Middle East
Greece

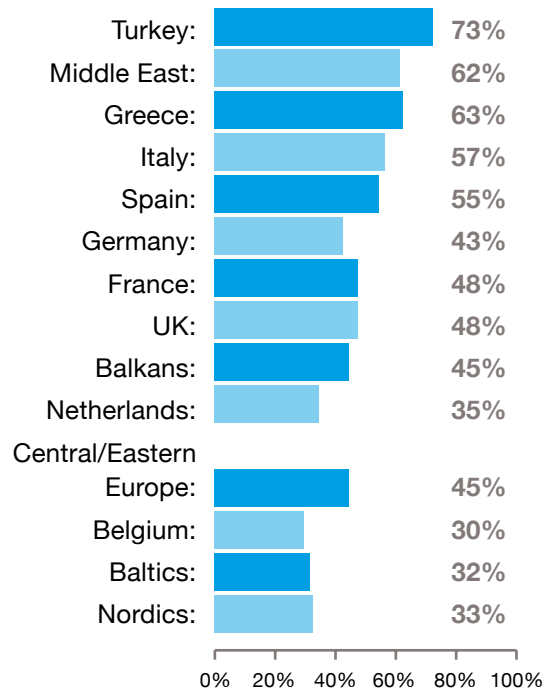**Least attention:**
Nordics
Baltics
Belgium

Not everyone believes organisations put sustainability at the heart of purchasing decisions: "I'm not seeing any movement within the larger corporates to make sustainability the number one priority. The stats can be amazing but clients don't buy the solution based on that."

MARK MOORE, MANAGING DIRECTOR AT IDOC SERVICES, UK

78%

believe strong sustainability credentials impact brand perception and performance.

Those who believe green technology should be used to improve their company's sustainability:

Country	%
Turkey:	73%
Middle East:	62%
Greece:	63%
Italy:	57%
Spain:	55%
Germany:	43%
France:	48%
UK:	48%
Balkans:	45%
Netherlands:	35%
Central/Eastern Europe:	45%
Belgium:	30%
Baltics:	32%
Nordics:	33%

0% 20% 40% 60% 80% 100%

"Technology makes communication more dynamic, provides more efficient work tools and reduces waste. However, it must be linked to the corporate culture and values of each company. It's a way, not a destination. Therefore, it's only useful if it helps the team to be more happy, agile and purpose orientated."

MARISA TENDERO, CEO NOABRANDS, SPAIN

65%

feel sustainability will be even more important, post-COVID.

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New ways of working make **new demands** on employer infrastructure

The move towards becoming a sustainable organisation is an exercise in culture change. Companies can make sustainable purchasing decisions but this is only part of the solution. Acting sustainably involves merging technological advances with behavioural change. The company's leadership is critical.

A study from Harvard Business School anticipates that around 16% of employees will be remote-working long after the threat from the pandemic has receded. The move towards the blended workplace means companies need to re-examine their infrastructure needs.

Across the company, decision-makers need to collaborate to understand the increased role of environmental and social impact issues on their choices. With so much change potentially enabled through technology, it is unsurprising that our research found it is IT decision-makers who are among those leading the charge.

This is a short- and long-term challenge. In the immediate aftermath of the pandemic, companies will be considering how to equip their hybrid workforce models. In the long-term, technological innovation will help power that blended workforce, driving both sustainability and efficiency in the future.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

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79% of IT decision-makers believe the role of environmental and social issues within business are increasing,

AND

75% of all business decision-makers seeing a rise.

....

Regional differences in importance of sustainability to business, post-COVID-19:

Most important:	Least important:
Middle East	Baltics
Turkey	Nordics
Greece	

However, employers are less than half as likely as their employees to believe green technology will improve their sustainability overall:

41% vs 83%

....

"Companies changed their workflows during the pandemic and mostly it will remain in the future. Working from home changes document and communication flow so finding the best technology represents both an opportunity and a challenge. It will have to be compact, energy-efficient, reliable and require fewer consumables in order to avoid servicing and not generate waste."

CRISTIAN CHELU, CHR ELECTRONICS BRAȘOV, ROMANIA.

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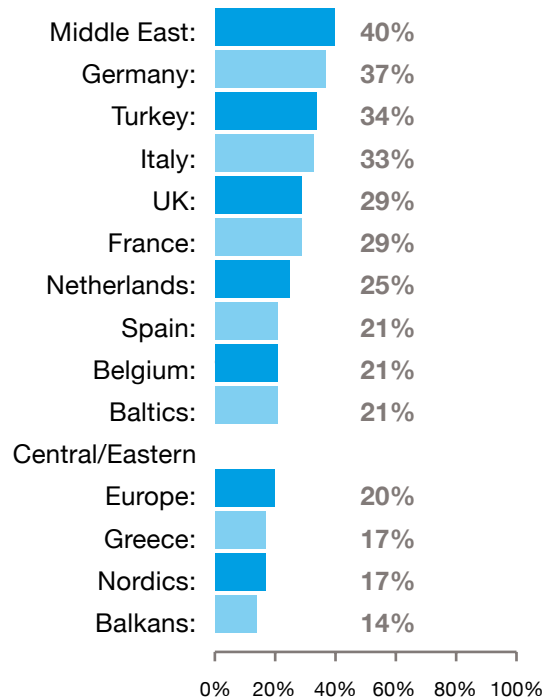
Remote working preference

Employees in Netherlands, Spain, Belgium and Germany have **the highest preference to work remotely.**

Employees in the Middle East, Central/Eastern Europe and Turkey have **the lowest preference to work remotely.**

Employees who believe their employer has fully embedded sustainability in return to work and recovery policies?

Middle East:	**40%**
Germany:	**37%**
Turkey:	**34%**
Italy:	**33%**
UK:	**29%**
France:	**29%**
Netherlands:	**25%**
Spain:	**21%**
Belgium:	**21%**
Baltics:	**21%**
Central/Eastern Europe:	**20%**
Greece:	**17%**
Nordics:	**17%**
Balkans:	**14%**

0% 20% 40% 60% 80% 100%

....

Coronavirus has encouraged **more than 50%** of decision-makers to pay **more attention to environmental and social issues**.

....

Regional differences in prioritising sustainable targets:

Highest priority:	Lowest priority:
Germany	Balkans
Italy	Baltics
	Greece

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Embracing **sustainability** need not be disruptive

Many businesses default to 'big picture' ideas when asked about sustainability: solar panels or electric fleets, for example. It appears disruptive and expensive. In reality, there are many simpler sustainable 'swaps' that can make a big difference to a company's ecological – and financial - success.

One is using recycled or low-impact materials. Alternatively, choose a long-lasting item that uses energy efficiently and produces low-to-zero waste. For example, lighting can make up 20-50% of energy costs. By swapping to LED bulbs and installing sensors, one company saved £9,400 a year and reduced its CO_2 emissions by 36 tonnes annually.

Encouraging sustainable behaviours such as only printing when necessary is important, but choosing the best technology for the company's needs is also critical. Printers make up around 10% of a company's energy consumption, so choosing one that delivers quality and sustainability is critical.

A simple switch from laser printing to Epson's Heat-free business inkjet technology could save European businesses enough energy annually to power 800,000 electric cars for a year, cut €152m in energy costs and lower CO2 emissions by 410m kilograms, an amount it would typically take 19m trees a year to absorb[2]. On top of the environmental benefits gained from reduced commuting time and energy demands from increased home working, businesses can continue to make sustainable choices that both improve their carbon footprint and the bottom line.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

[2] Based on Epson calculations. Methodology verified by TÜV Rheinland, based on 'Typical Energy Consumption', defined under and/or simulated with reference to the Energy Star test procedure and presented in kWh per year. Models identified using IDC HCP tracker 2019Q2 (2015Q1 to 2018Q4 data), and 2018 installed-base in EU22 businesses reported by IDC ("Installed Base by Vertical, 2019Q2"). Comparative calculations can be found here: https://www.epson.eu/neop-footnotes

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"We need look at how electricals and electronics fit within a circular economy; moving away from the take, make, dispose model to one where products are in use for as long as possible and are repaired and maintained, and have higher levels of energy efficiency."

SUSANNE BAKER, ASSOCIATE DIRECTOR, CLIMATE, ENVIRONMENT AND SUSTAINABILITY AT TECHUK

79%

of IT leaders see an increased role for environmental and social impact issues.

Anecdotal evidence from our survey shows that, many employees still can't see how technology can improve their environmental impact.

"People have the impression that the impact of sustainable technology is small, but if each of us did something small, the impact could be great."
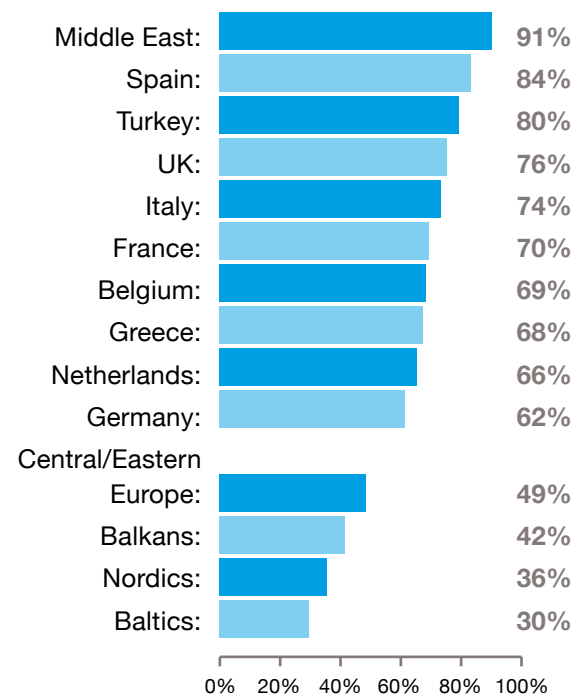
CRISTIAN POPA, EXPERT COPY SERVICE, ROMANIA

16% of employees expect to see more contactless or smart technology at work

AND

21% expect more devices for fewer users.

Countries most likely to see changes in device use:

Country	%
Middle East:	91%
Spain:	84%
Turkey:	80%
UK:	76%
Italy:	74%
France:	70%
Belgium:	69%
Greece:	68%
Netherlands:	66%
Germany:	62%
Central/Eastern Europe:	49%
Balkans:	42%
Nordics:	36%
Baltics:	30%

0% 20% 40% 60% 80% 100%

Sectors most likely to see changes in device use:

- IT & Telecoms
- Professional & Business Services
- Construction & Engineering

Least likely:

- Healthcare
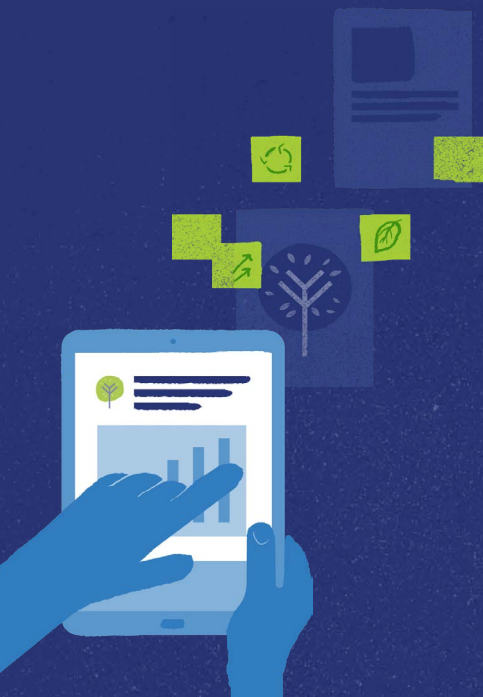- Government & Public Sector
- Retail & Logistics

Energy efficiency, longevity and minimum waste are the top sustainability expectations of employees.

Most demanded:	Least demanded:
Greece	Balkans
Germany	Belgium

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Safety, effectiveness and sustainability strongly influence future workplace **success**

There is no doubt that employees now view their work lives differently, post-COVID. Having seen the possible improvements in quality of life, sustainable behaviours and work/life balance, employees are keen to see these gains maintained and further improved upon.

Yet, of the many considerations' employers have included in their return to workplace and recovery plans, environmental and social considerations don't appear to feature highly on their list of priorities.

Employees favour remote working more than the companies that employ them, which could lead to dissatisfaction if expectations are not managed. Those who are able to maintain the remote working model are also aware of the need for responsibly-sourced home working technology. This is not least because, despite tax breaks and other initiatives, employees are using their own home energy resources.

Personal safety is high on employees' agenda and they will look for smarter working patterns and shared technology that allows for 'no-touch' interactions, such as remote printing, off-site servicing or the use of swipe cards to avoid touching machinery used by multiple people.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

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Employers are marginally more confident in their sustainability than employees:

25% of employees believe environmental & social concerns are 100% embedded in return-to-workplace plans

vs

29% of employers.

Employees are more than twice as keen to embrace remote-working than their employers:

28%
employees

VS

12%
employers

"The COVID health crisis has accelerated existing trends in our society and revealed the opportunity to move towards a more productive, more inclusive and environmentally-friendly economic and social model."

ALBERT CARNÉ, CORPORATE DIRECTOR OF SUSTAINABILITY AT BANC SABADELL, SPAIN

58%
More than half of returning employees expect there to be a review of shared equipment.

Remote-working employees want to make their contribution to sustainability:

70%
believe at least one of longevity, energy efficiency and waste reduction is important in home working technology.

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Younger employees and customers will be the **dominant voices** within the next decade

Age has a big impact on how organisations respond to the sustainability imperative but, as our research demonstrates, it is not as simple as age of respondent. 'Older' tends to mean more resistant to environmental and social issues, while 'younger' is often more receptive.

"With more millennials running businesses and becoming business decision-makers, they are taking sustainability really seriously," Mark Williams, sustainability and corporate director at BlueLeaf, UK.
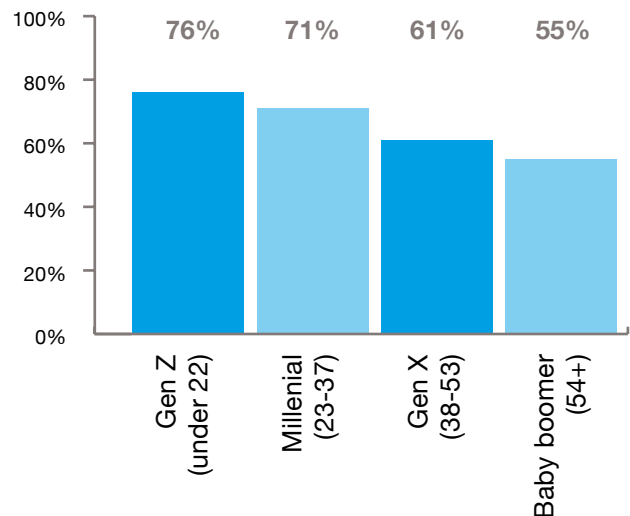
Both more established organisations (10 years plus) and Baby Boomers (aged 54 and over) were least likely to place importance on environmental and social issues, while Gen Z (<22 years) and Millennials (22-37 years) and start-ups overtly ranked these concerns as top priorities. This is important because those values are reflected in younger consumers too.

"More and more of our customers, especially young people, value the fact that companies have a purpose beyond pure economic profit," Elena Valderrábano, Director of Corporate Ethics and Sustainability at Telefónica, Spain.

The older demographic should not be discounted as 'unsustainable'. Despite ambivalence towards environmental and social issues, both the older employees and more mature companies valued longevity, energy efficiency and waste reduction highly.

DARREN PHELPS, VP OF BUSINESS SALES AT EPSON EUROPE

Gen z more likely to say environmental & social impact considerations will become more important post-covid:

76%	71%	61%	55%
Gen Z (under 22)	Millenial (23-37)	Gen X (38-53)	Baby boomer (54+)

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Conclusion

The coronavirus pandemic accelerated changes in business and consumer behaviours and expectations. During the main phase of the outbreak, organisations' focus was naturally on the financial stresses it had caused. However, as nations began to look towards recovery, environmental and social issues began to gain traction.

Our research discovered that there is a strong appetite among employees from almost every nation surveyed to see their organisations focus on initiatives that prioritise their personal welfare on returning to work, create structures that recognise the changing approaches to work/life balance, and do so in a way that preserves and even enhances the environment as a whole.

Critically, it is important that business leaders and decision-makers see these changes as an opportunity to improve their company's offering and brand perception, as well as delivering cost efficiencies that benefit the business financially, in addition to environmental and social impacts. Sustainability is a business-critical resource and the time to act is now.

Recommendations from The Epson Sustainable Working Environment Index 2021:

- Accelerate transition towards smart technology, promoting natural social spacing and productivity.

- Make use of remote diagnostic technologies to reduce equipment failure, downtime, service cost and in-person visits.

- Use collaborative technologies to allow teams to interact remotely without duplicating resources and facilitate more effective blended working.

- Choose technology that satisfies a 'full circle' approach to sustainability, including its manufacture, energy usage, robustness (ie longevity) and minimal waste operation.

"In the heat of the crisis we had to reorient and those priorities were social, and financial stability. But the green recovery is on the agenda. It is back and I think the Lithuanian business community is more conscious and open and more in-step with society than one might think."

KAROLINA SEMIONOVAITĖ, "SWEDBANK" SUSTAINABILITY MANAGER, LITHUANIA.

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