



INTERNATIONAL SAFETY
EQUIPMENT ASSOCIATION

Protecting Workers and Planet

Sustainability in the PPE and Safety Equipment Industry

September 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



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.



ehstoday.com

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 calls 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 are also 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 inform future sustainability efforts of the PPE and safety equipment industry, ISEA partnered with ASSP and EHS Today to survey end-users regarding their experiences with and preferences on sustainability, PPE, and worker safety.

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 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.



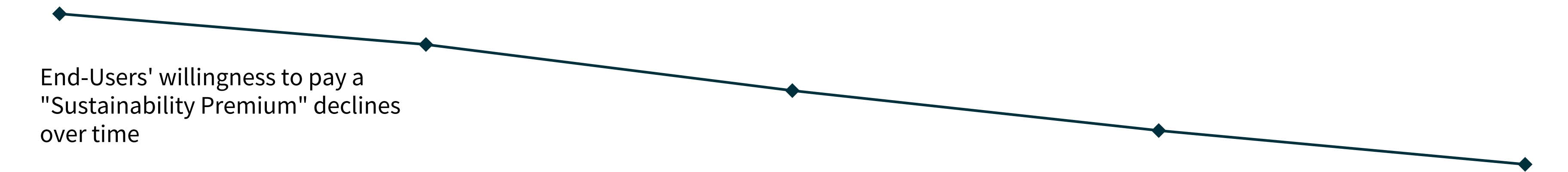
EU CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

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, suppliers themselves will have to employ (and attest to) a certain level of organizational sustainability practices (e.g. use of renewable energy in production facilities).

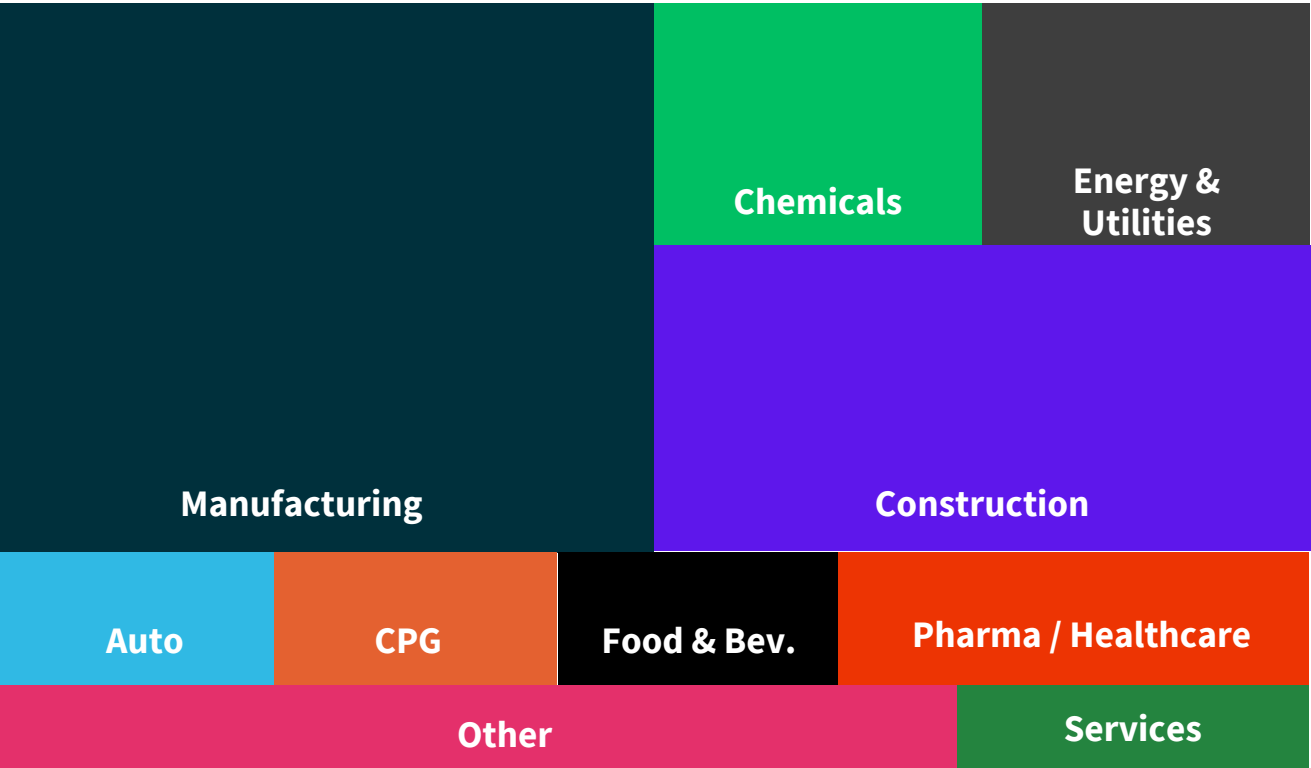
Today INFLECTION POINT Businesses adopting sustainability practices (and data reporting) start to take share in select segments & categories. Other businesses not adopting sustainability practices continue to grow.	Mid-Term DIFFERENTIATION Businesses adopting sustainability increase share in more segments.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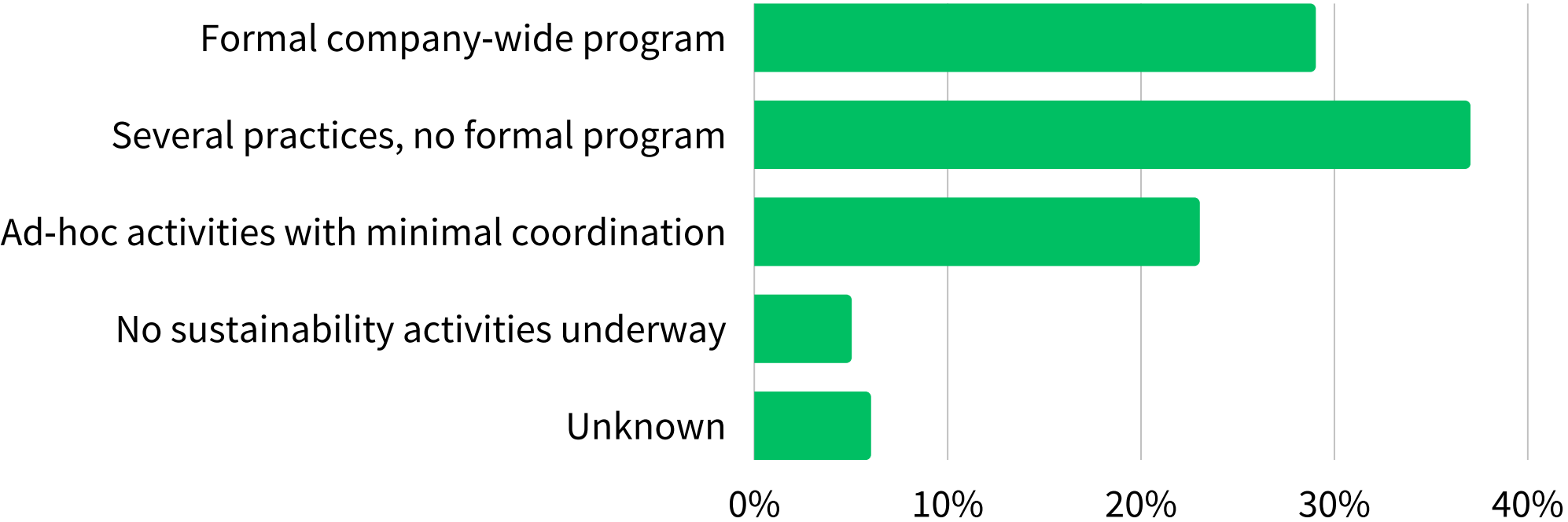
PPE/SE End-User Respondent Demographics

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

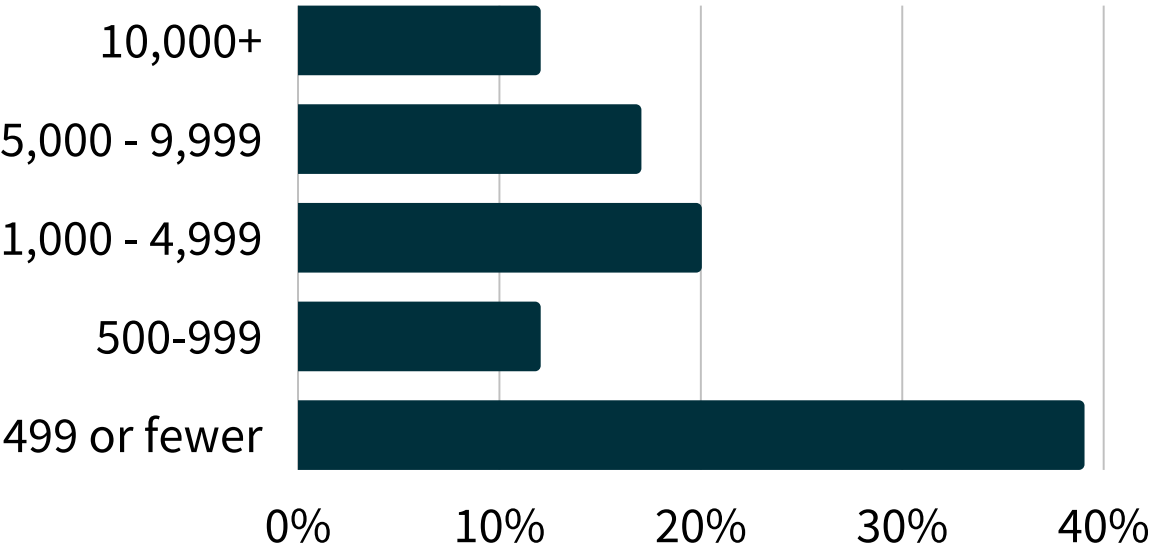
INDUSTRY



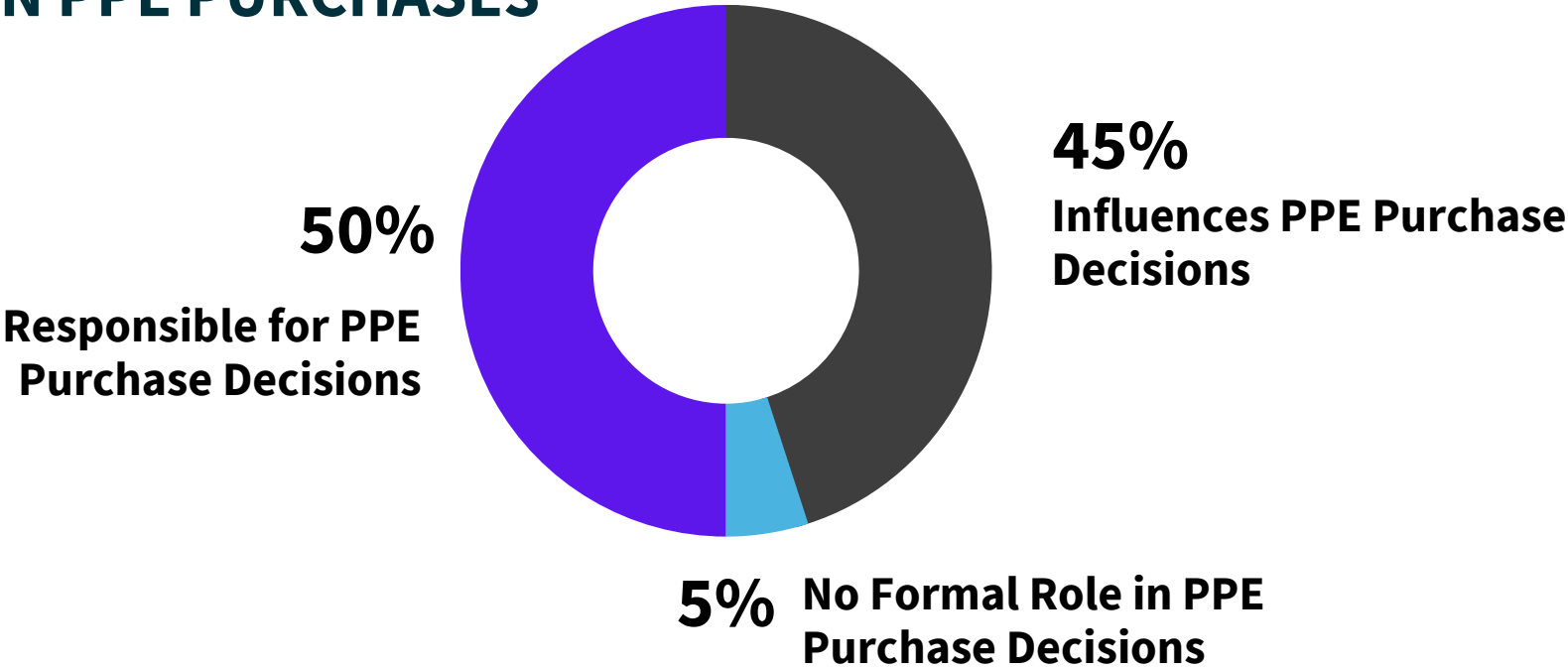
CURRENT APPROACH TO SUSTAINABILITY



NUMBER OF EMPLOYEES



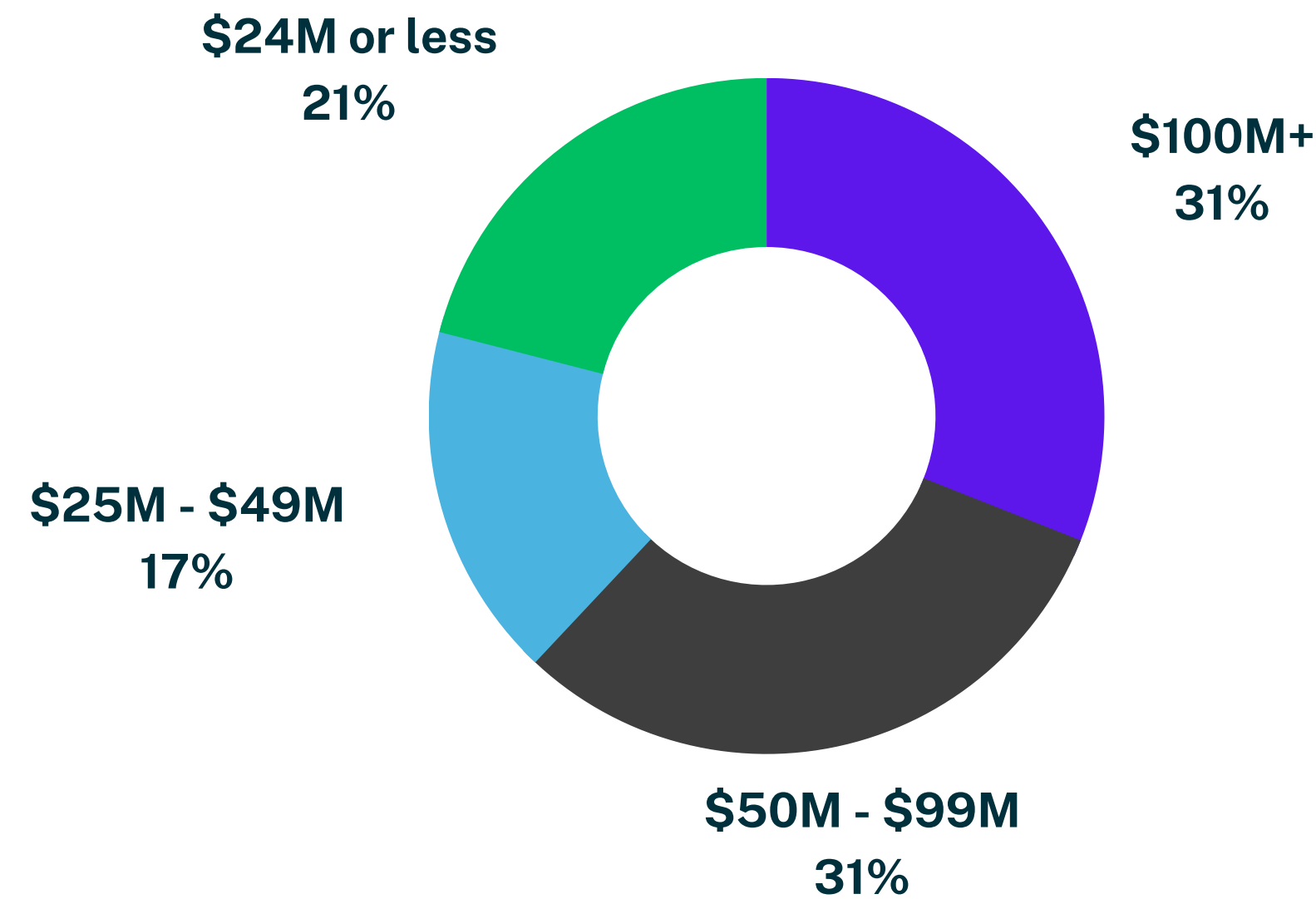
ROLE IN PPE PURCHASES



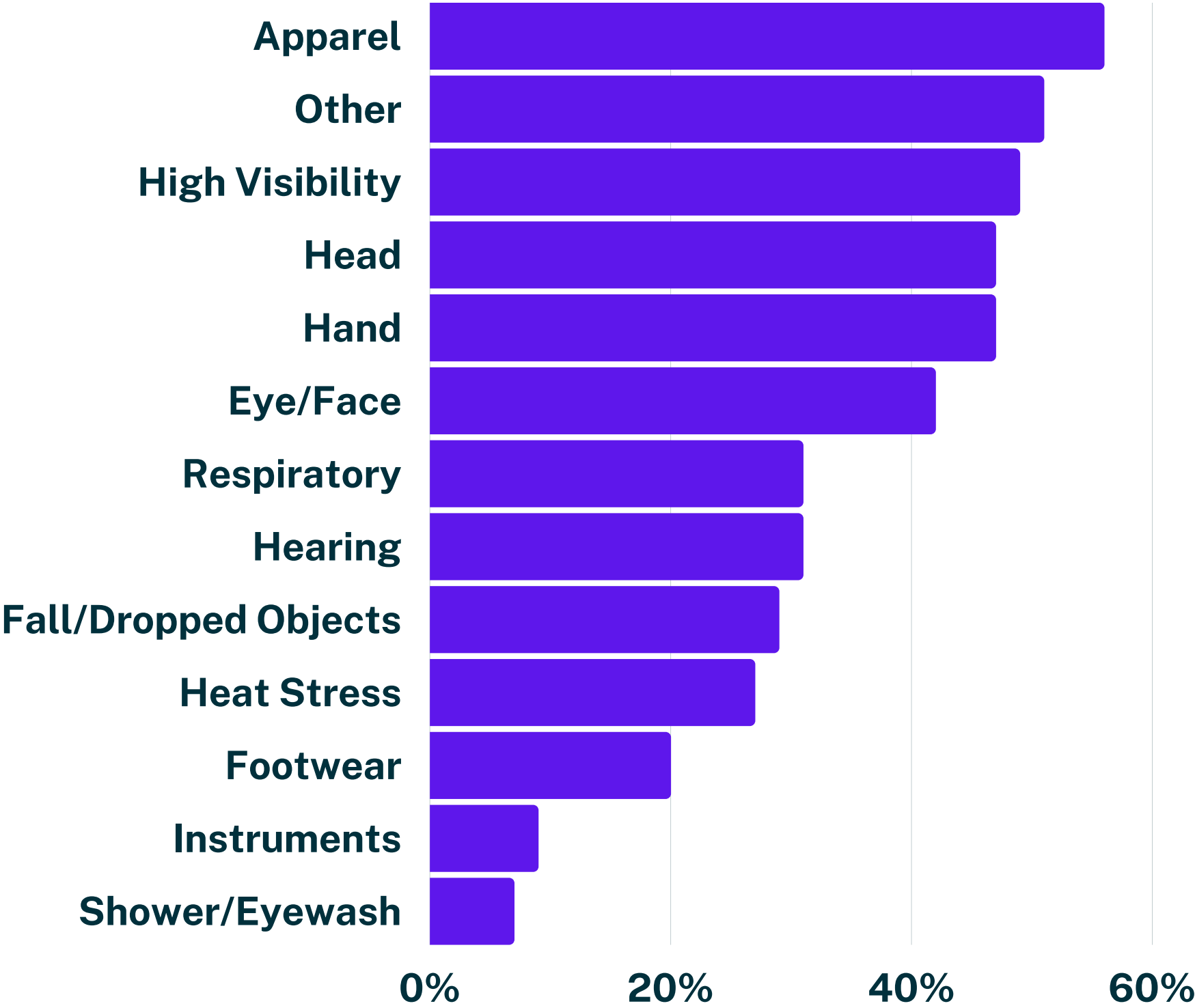
PPE/SE Supplier Respondent Demographics

47 ISEA member companies participated in a confidential survey distributed by ISEA in April and May, 2023.

Annual revenues from safety equipment & PPE



Safety equipment & PPE categories represented
(many companies offer more than 1 category)



Key Takeaways - PPE/SE Supplier Survey



1

The Industry is Embracing Sustainability - Nearly all ISEA members surveyed (96%) employ at least some sustainable business practices. 44% have formal, company-wide sustainability programs. Only 4% of companies have no sustainability activities underway.

2

Most Suppliers Are Adopting Multiple Practices - The sustainability practices most commonly used by PPE/SE suppliers relate to both **process** (e.g. supply chain optimization, energy and waste reduction) and **product** (e.g. recycled/recyclable packaging, increased product longevity, etc.)

3

Sustainability Isn't Generally a Critical Purchase Criteria - While end-users are increasingly **interested** in suppliers' sustainability efforts, suppliers have not (yet) seen that interest translate to **purchase criteria** for a majority of customers.

4

Suppliers Are Preparing for Coming Changes - Nearly all suppliers surveyed (89%) expect that their sustainability practices will only grow in importance to end-users over the next 3 years, and will become a far more important purchase criteria.

Key Takeaways - End-User Survey



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, suppliers 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**.

PPE/SE suppliers 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

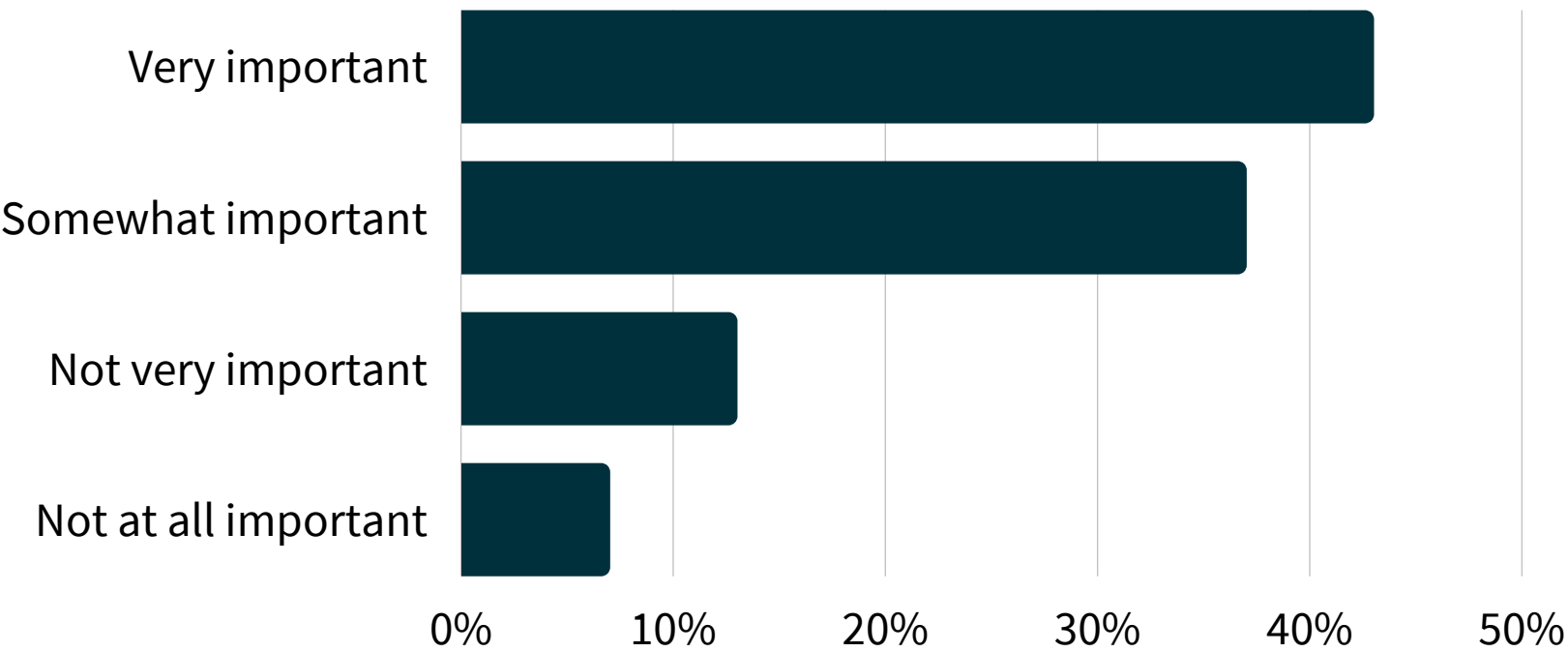
"The product's **safety attributes are most important**. However, I will always select a product that falls under the sustainability umbrella before another product, **cost notwithstanding**."

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



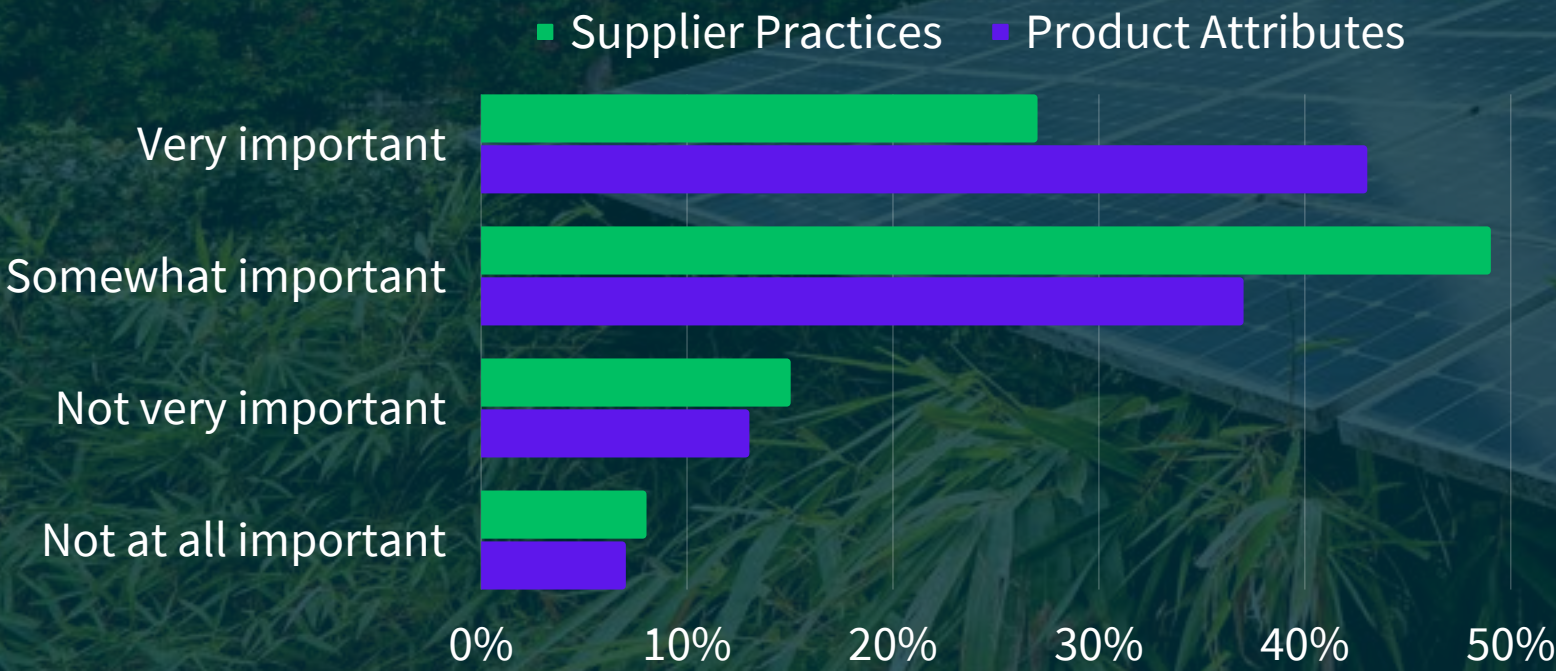
KEY TAKE AWAY:

Between engineering challenges (not every type of PPE/SE can be 100% recycled) and financial 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 PPE/SE suppliers continue to invest in **company initiatives** such as reduced resource consumption, GHG reduction, alternative energy, supply chain traceability, etc. Equality critical, suppliers will need to provide reporting, policies, and procedures to end-users and other third parties to substantiate their efforts.

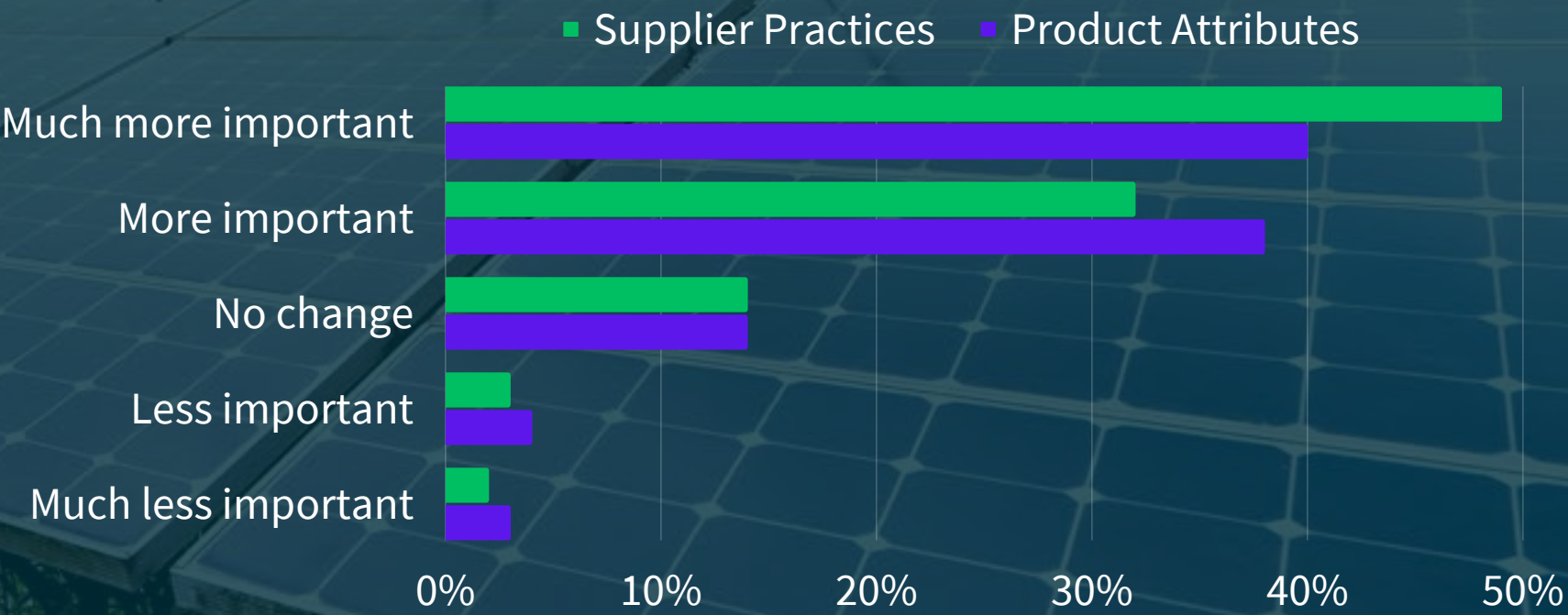
Q:

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:

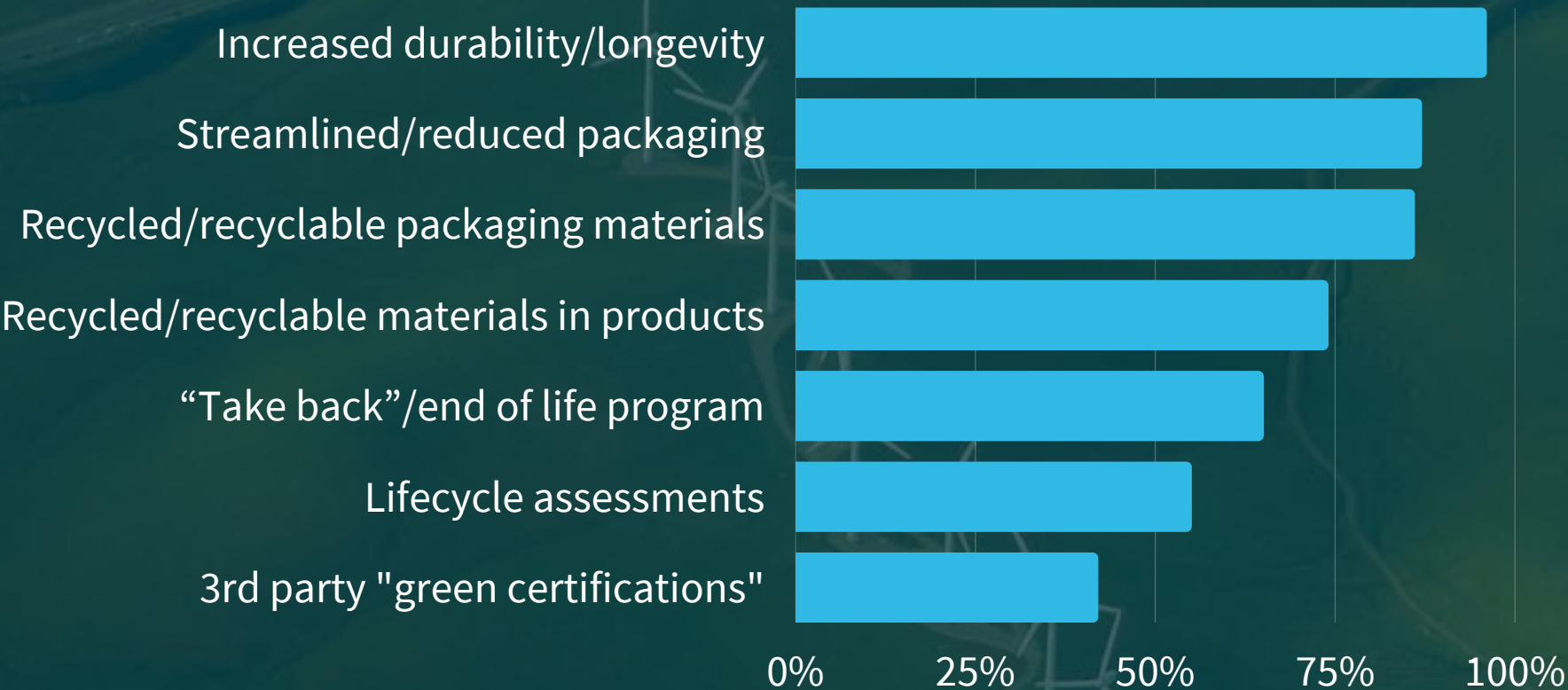
When it comes to sustainable PPE/SE, suppliers are meeting end-users' needs. The sustainability attributes most important to end-users are:

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

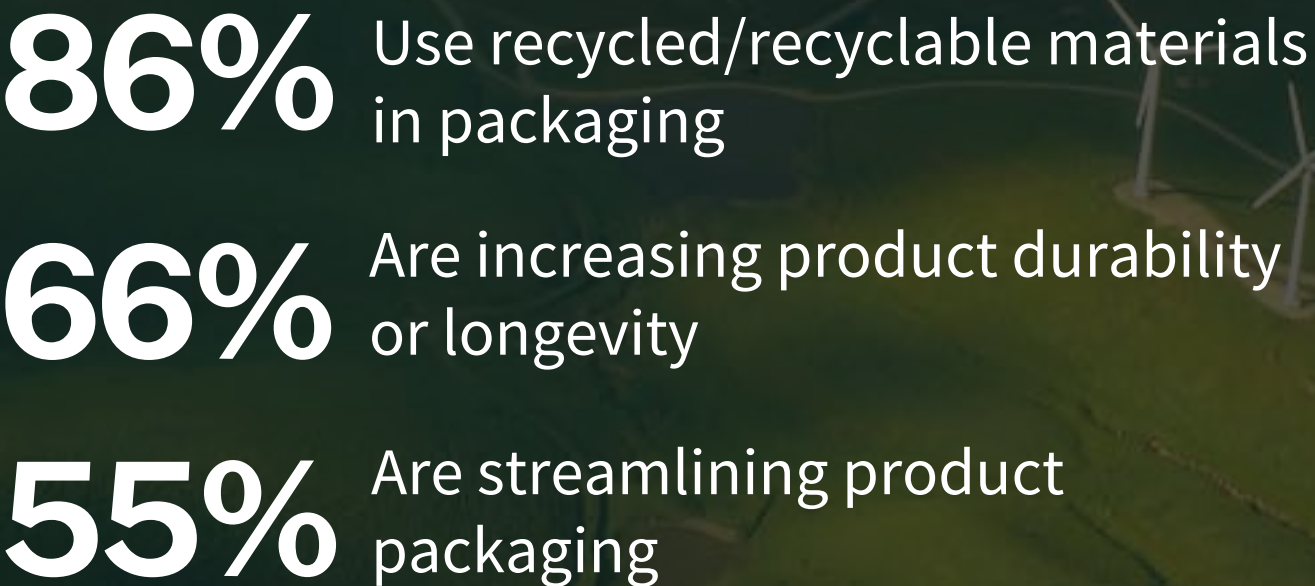
Not coincidentally, these are the practices most commonly employed by manufacturers of PPE/SE.



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



Suppliers: Sustainability practices most commonly used in PPE/SE



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**.

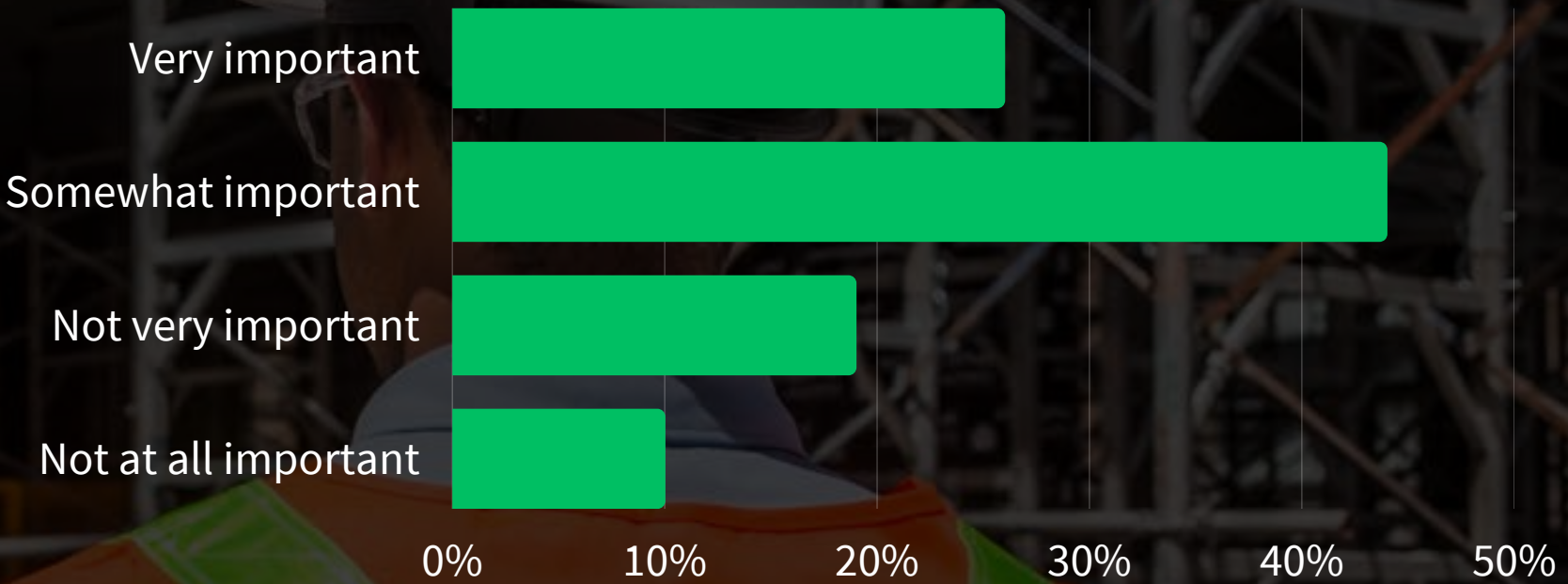


END-USER PERSPECTIVE

"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 PPE/SE suppliers 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.)

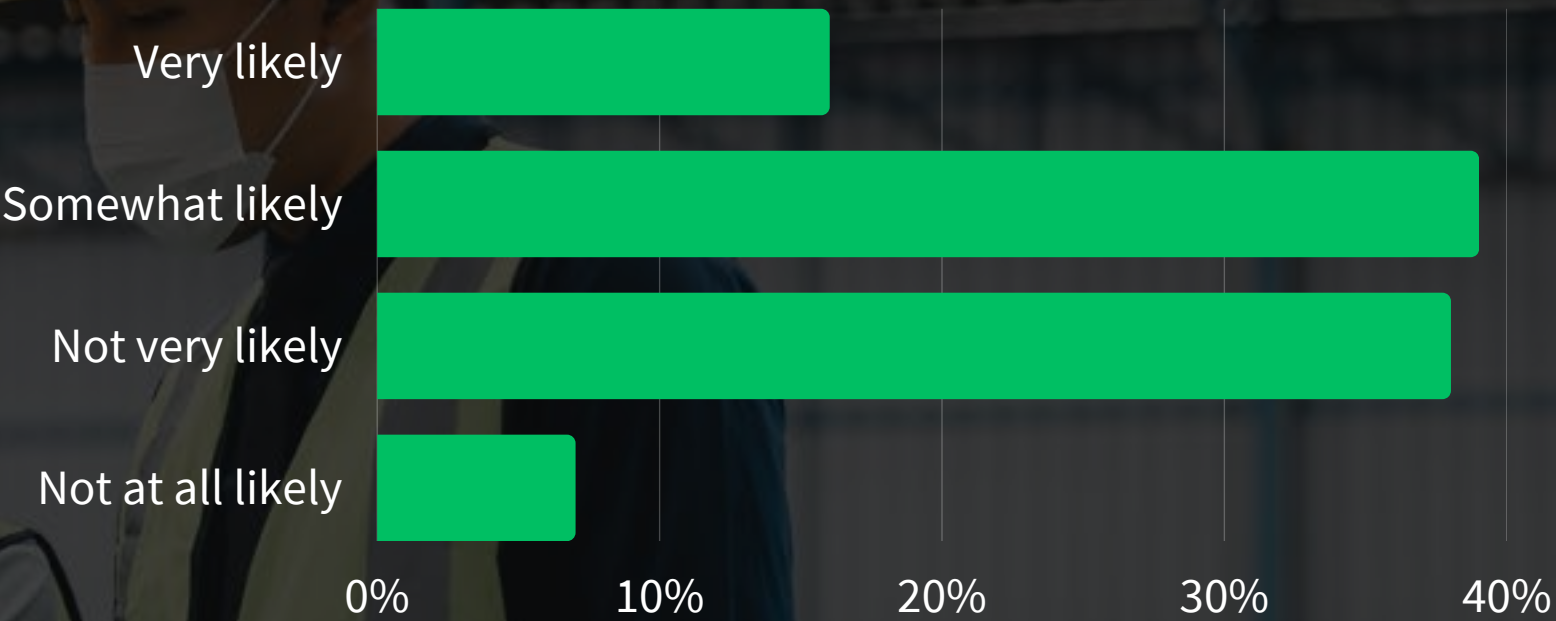


END-USER PERSPECTIVE

"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?





Proof Points

Examples of Supplier Practices

Practice #1 - Packaging Optimization



Kishigo

By forgoing individual packaging for the journey taken by top selling products between the manufacturing plant and imprinting shop, **Kishigo** is able to substantially reduce the volume of packaging used for its high-visibility products.

Ansell

Ansell's SMART Pack™ helps reduce the consumption of trees, printing inks, energy, shipping containers, trucks, and fuel. Customers can use an interactive **Environmental Impact Calculator** to determine the impact of SMART Pack™ on their environmental footprint.

MCR Safety

Thanks to packaging that includes recycled and thinner materials, for every 100,000 dozen gloves sold, MCR Safety is able to **reduce paper consumption** by 83%, saving an equivalent of 340 trees.

Petzl

Petzl was able to reduce the share of non-reusable plastic in packaging by nearly 70%, and for its headlamps over 90%. The company has established a goal to remove all non-reusable plastic from **packaging by 2025**.

Sqwincher® & KENT Precision Foods Group

All KENT Precision Foods Group products (including Sqwincher®) are shipped in corrugated paperboard cases made with recycled fibers. Their **packaging solutions** promote material source reduction, reduced environmental impact, supply chain efficiencies and lightweighting

Practice #2 - Product Longevity

Blåkläder

Many components of protective apparel are notoriously difficult to recycle. Blåkläder has made product longevity a key component of its sustainability strategy. Investing heavily in garment reinforcements, for example, can extend a product's life by 50% or more, yielding **3x the positive environmental impact** of simply sourcing alternate raw materials.

Carhartt

Through Carhartt Reworked, previously worn or slightly imperfect workwear is resold, extending the life of durable gear and **substantially reducing clothing waste**.

JSP Ltd.

JSP concentrates on developing innovative products which are reusable and have a **long product life span**. By designing PPE which is easy to assemble, disassemble, and can be cleaned easily, it lasts longer, thereby reducing waste and minimizing impact on the environment.

HexArmor

In addition to providing protection against cut, puncture, and needlestick injuries, SuperFabric® material can last up to **20x longer**, helping drastically decrease PPE waste at worksites.



Practice #3 - Product Sustainability

Bob Dale Gloves

As part of its BDGplanet™ line, Bob Dale Gloves offers a tri-polymer disposable glove that is compostable in industrial facilities, and achieves **85% biodegradability** within 92 days. Thanks to the Carbon Insetting production process of its Net Zero BDGplanet™ gloves, their ecologically responsible manufacturing partner is able to sequester 1.49 kg of greenhouse gas emissions for every pair produced.



Bolle Safety

Nearly 50% of the frame for the **Klassee safety eyewear** is produced from castor oil, a renewable material. Other Bolle Safety products are made from recycled materials, or have manufacturing processes optimized to reduce waste.

Bradley

Over 20 of Bradley's products hold Underwriters Laboratories' GREENGUARD Certifications, which help manufacturers create--and buyers identify--interior products and materials that have **low chemical emissions**, improving the quality of the air in which the products are used.

Delta Plus

Delta Plus has adopted Eco-Design principles for new products, with over 15% of PPE/SE product content being derived from recycled materials. Through its **lifecycle assessment work**, it uses an Eco Score methodology to assess packaging, material, origin, end of life and reuse.

DuPont Personal Protection

DuPont's **Tyvek® Garment Recycling Program** diverts used garments from landfills and gives them a second life in products like pallets and park benches. DuPont manages the program setup, collection, transportation, storage, and recycling. For every case of 25 Tyvek® coveralls that is recycled, 10 pounds of Tyvek® are diverted from the waste stream.

Practice #3 - Product Sustainability

Klever (Safety Products Global)

Klever's EcoXChange **safety cutter** is made from 95% recycled material. The reusable handle and replaceable blade head design allows users to reduce plastic waste.

Majestic Glove

Each pair of Majestic Superdex Extreme 30-1005 Recycled rPET General Purpose Gloves is made from one **recycled water bottle**. By utilizing recycled materials, this reduces plastic waste and reduces the carbon footprint.

MSA Safety

MSA Safety's V-Gard Green hard hat is produced from Green High-Density Polyethylene (GHDPE), **derived from sugarcane**. For every ton of GHDPE produced, 2.5 tons of carbon dioxide are captured from the environment.

Watson Gloves

Watson Gloves offer 70+ gloves using **sustainable materials** in diverse categories. Since 2018, they have been able to divert over 3 million post consumer recycled plastic water bottles (500mL) through the use of recycled polyester (rPET) in their WasteNot™ yarn. They recently launched a ESG calculator for customers to use against their scope 3 emissions.



Practice #4 - Green Operations

3M

Several 3M plants have converted to using 100% of their electricity from **renewable sources**, including plants that produce products across a wide range of the 3M PPE product line. These changes were coupled with significant energy usage reduction. In selected geographies, some product storage cases have been converted from plastic to recyclable cardboard packs.

Guardian Fall

Guardian has established environmental targets for all of its global sites with a best practice sharing session every quarter. So far year, they have recycled or reused over 14 tons of metal, in addition to a robust manufacturing waste reduction program.

Milwaukee Tool

Over 90% of electricity at the Wisconsin facilities of Milwaukee Tool is generated from renewable sources. As part of its internal energy audit program, the company has switched to energy efficient LED lighting, saved 500,000 kWh/year of electricity thanks to compressed air leak audits, and has upgraded to high-efficiency HVAC in more than half of its facilities.

Protective Industrial Products (PIP)

PIP Global Safety has engaged in SMETA audits for its factories and those of its partners. It employs supply chain traceability software and has developed more than a dozen new PPE products under its EcoSeries label.

Wesco

Among its sustainability numerous initiatives, Wesco refurbishes wood reels for resale or shreds them for animal bedding. Through a partnership with a reel refurbishment company at two Wesco locations, nearly **200 tons of reels** have been refurbished, and kept out of landfills.



Recommended Resources

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

Delivering on Carbon Neutral Goals (Manufacturers Alliance Foundation, 2022)

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 & The Circular Economy (National Association of Manufacturers, 2022)

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

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



INTERNATIONAL SAFETY
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