

Environmental Office Survey 2007



Table of Contents

Executive summary	3
Research methodology.....	5
Problematic policy	6
The great paper chase	8
Carbon jargon.....	9
Conclusion	10

Executive summary

In 1993, Kyocera conducted a market research project to establish perceptions towards environmental issues from large organisations in the UK. In 2007, the study was mirrored to ascertain what had changed.

Post millennium, both the public and commercial consciousness have been bombarded with messages surrounding climate change. In fact, the period from 1993 to 2007 has seen environmental causes evolve from a somewhat marginal issue to something that dominates an increasingly global, political and economic stage. The Kyocera research provides an interesting barometer as to how large organisations have responded to the general trends of environmental citizenship, challenging the consensus of 'greener' along the way.

The research confirms that environmental opinions have undoubtedly changed in response to the increasing focus on environmental issues from all corners of the corporate landscape. However, there are some standalone and comparative statistics that present thought provoking findings and challenge the status quo on what might be defined as the 'Environmental Office'. These findings can be summarised as follows:

Problematic policy

- Only 41% of respondents considered that they have a clearly stated policy on maintaining an environmentally conscious office. In 1993, this figure was a more positive 54% of the sample

Weak eco-supply chains

- Only 23% of organisations today state that they use environmentally conscious suppliers, with only 20% agreeing that they 'diligently scrutinise suppliers for environmental credibility

Recycle surge

- Despite trepidation around policy, organisations have much healthier rates of hardware recycling taking place in 2007, with 71% recycling printer toner cartridges (1993 - 39%) and 43% recycling PCs and other office equipment (1993 - 21%)

Premium rate environment

- Respondents take a harder line on the commercial cost of environmental practices in 2007, with only 31% stating that they would pay a 'moderate premium' for environmentally sound products and services. In 1993, this figure was 60%



Carbon jargon

- Only 18% of respondents are supportive of carbon trading as an issue, with the majority confused by the term, or sceptical of its value. A further 31% of respondents are also confused by the term 'carbon neutral', with only 14% expressing a clear understanding

As a comparative study, the research is clearly limited by the fact that no intermediate research has been undertaken to give a sense of trend. However, as a snapshot in time for two critical points in the pre and post era of (mass) climate change awareness, a great deal can be derived from the data.

During the period of 1987 - 1993, the main environmental challenge was the erosion of the ozone layer and subsequent push for a reduction in the production of CFC (chlorofluorocarbon) gases. In 2007 the complexity of the environmental debate has increased considerably. For example, the principal concern regarding printing paper in offices 15 years ago was that of recycling. Today, paper recycling, cartridge and printer disposal and the energy consumed in printing paper are all brought to bear on the equation. Taking this into account, complexity, rather than apathy is perhaps the most likely cause for a reduction in organisational environmental policy when comparing 1993 to the 2007 study.

An interesting example of this is shown by the efforts made across the respondent base to encourage reductions in paper and print-energy consumption, as shown in Figure 1. Though environmental policy may be in a transitional stage, there is an encouraging level of measures being taken, in addition to recycling, to avoid print wastage. Arguably, there is less need to scrutinise suppliers for green credentials as most businesses are all too keen to publicise their environmental efforts. However, it is striking at a corporate level that 80% of businesses engage with suppliers regardless of their green efforts.

The findings show that corporate UK has passed through the learning curve of environmental awareness and now faces the challenges of any maturing market, predominantly increased complexity and rising standards, set against tightening cost pressures. All efforts to surmount these challenges are undermined by a level of scepticism towards the motive and solutions to energy consumption and recycling provided by government. As a considerable consumer of energy and one of the nations seen on the 'front foot' of environmental issues at a global level, there appears to be evidence of 'green-fatigue' creeping into the UK office.

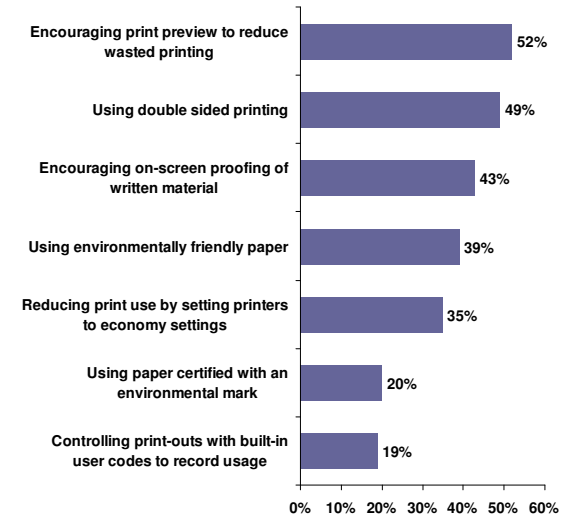


Fig 1: Does your office environmental activities include any of the following?

The research concludes by considering the way forward in sustaining enthusiasm for the environment at a corporate level. Evidently, as individuals we are keen to play our part with recycling etc. and we are also keen to encourage environmentally sound end user behaviour in the office. However, there is something of a log jam with the weightier operational demands of corporate policy and supplier management. With 42% of respondents stating that employees have a key role in shaping environmental policy, the solution to environmental practices is much more than a 'top down' approach. Fundamentally, the research shows that the environmentally sound decision must also be economically sound and operationally workable. Success resides in a workable intersection between financial, operational and environmental concerns, but current attitudes towards corporate environmentalism suggest it is a junction most businesses are struggling to cross.

Research methodology

The Kyocera/M-real survey was undertaken in June 2007, interviewing 300 representatives from large organisations in the UK – defined as those with over 1000 employees. The research methodology used a Computer Assisted Telephone Interview (CATI) system. To reflect the 1993 study 100 company directors, 100 company buyers and 100 employees (general staff) were interviewed using a quantitative questionnaire. The research was undertaken by Loudhouse Research, an independent research consultancy based in the UK.

The 1993 study referred to in this report was commissioned by Kyocera, a leading global printer manufacturer. The 2007 research was conducted by Kyocera in partnership with M-real, one of Europe's leading suppliers of paperboard and related services.

Problematic policy

Perhaps one of the most significant observations regarding the environmental office research is the contradiction of environmental policy shown in Figure 2. At first glance, it shows that there are less companies today with clearly stated environmental policies than there were in the original study, conducted in 1993. There are two ways to consider the result of the comparative findings in Figure 2; either environmental policy has become less of an issue for large organisations in the past 14 years, or the nature of environmental policy has changed. Common sense suggests that the latter may have a greater influence on the 2007 respondent group and its ostensible lack of enthusiasm for environmental issues.

It is striking that less companies are likely to have a clearly stated environmental policy today than they were in 1993. In order to shed light on what appears to be a contradiction, an evaluation of what an environmental policy constitutes today in relation to a policy set out in the early '90s is needed. The environmental landscape has changed considerably over the past 14 years. Landmark environmental agreements, such as Kyoto and a menu of EU directives, including the recently introduced *WEEE legislation, make 'policy' from a corporate perspective a much more complicated beast today. It is worth noting that the Maastricht treaty, essentially ratifying the political framework of the European Union was signed in 1993, a timely point of reference for how far the political landscape has changed over the period in question.

Another interesting contradiction can be seen in Figure 3 when looking at the area of selecting environmentally friendly suppliers against other aspects of 'green' corporate practice. The figure shows that recycling of PCs and IT hardware has increased significantly over the past 15 years, yet the use of environmentally conscious suppliers seems to have reduced as a percentage of the overall sample.

Although paper recycling has gathered momentum as an eco-friendly office practice, hardware recycling has gone through more significant change. PC recycling wasn't widely adopted because the PC itself was still a relatively new arrival to the office environment. Taking the average refresh rate of PCs as three to four years, at least four generations of PC hardware will have passed through most of the organisations taking part in the 2007 study since the 1993 research was commissioned.

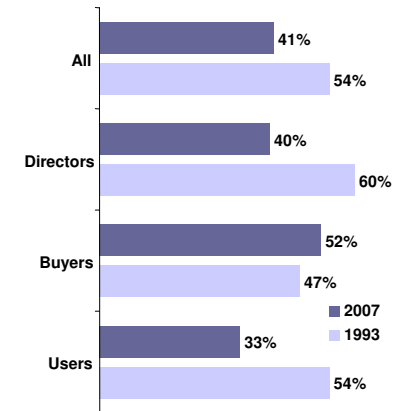


Fig 2: Does the company that you work for have a clearly stated policy on maintaining an environmentally conscious office?

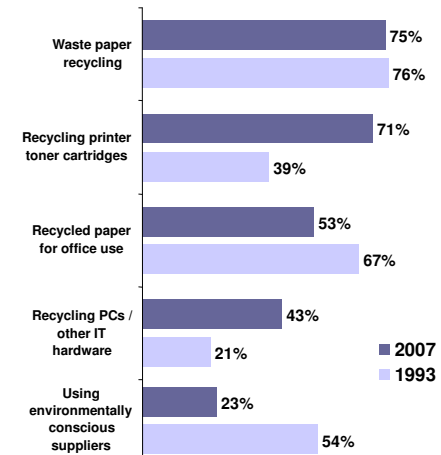


Fig 3: In which of the following environmental activities does your company engage?

Interesting as it is to reflect on the differences in the nature of IT use over the time periods stated, the most constructive observations to be made by a comparative review of 1993 and 2007 can be summarised in three points:

- Corporate environmentalism is a more complicated ethos to sustain today than it was in 1993
- Businesses are more informed on environmental issues and therefore more cautious and respectful of stating environmental credentials
- Technology itself and perceptions towards what constitutes energy efficiency or environmental awareness are very different

In addition to comparisons between the two studies, a critical view of the 2007 results in isolation of the previous research is still warranted. More should be done at a corporate level to increase the presence of environmental policy within large organisation and more emphasis should be placed in recycling, energy efficiency and the green supply chain (for example, the 2007 survey showed that only 20% of respondents believed that their organisation diligently scrutinised suppliers for environmental credentials).

It would be all too easy to believe that corporate UK was busy catching its breath in light of the Stern report and that a new raft of environmental measures are waiting in the wings of corporate UK policy review. Some businesses may state this to be the case, but for the most part there is a significant need to improve existing environmental practices in the office.

In addition to what could be seen as 'eco-fatigue', a phrase coined widely in the media in reference to public weariness surrounding environmental issues, the survey also shows the commercial view towards environmentalism is hardening. One of the most considerable spikes in opinion between the 1993 and 2007 survey is that only 31% of businesses today would be prepared to pay a modest premium for environmentally sound goods and services, in 1993 this figure was 60% [Figure 4].

Figure 4 also shows a slight increase in the number of respondents agreeing that their organisations will reject environmental practices where they have an adverse affect on profits. Businesses are less willing to pay a premium for something that is increasingly the 'norm' in terms of provision. Moreover, they are exposed to a wider array of environmental cost issues. However, the figure also shows that the financial impact of any measure of change in business cannot be underestimated when considering how organisational behaviour evolves.

A sobering thought for businesses in search of profits when weighing up environmental measures is that, as the Stern report indicates, climate change has 'moved the goalposts on profits and loss. Future commercial success may not reside in a favourable balance sheet if environmental measures are overlooked.

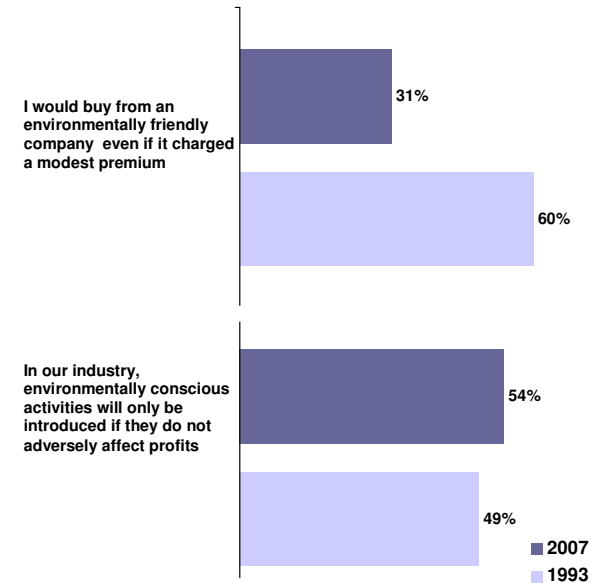


Fig 4: Percentage shows respondents either agreeing or strongly agreeing with the statements above

The great paper chase

Recycled paper is a well established feature of most offices today. Beyond the purchasing of recycled paper, many businesses are also keen to send waste paper to the recycling plant, rather than a landfill. Figure 3 [page 6] shows that we are very keen to recycle paper, though our enthusiasm for using recycled paper for printing seems to have waned somewhat.

Paper recycling is the most pervasive aspect of recycling undertaken by businesses today, but it is also understandable that over the past 15 years it has been superseded by other more 'fashionable' environmental trends. Clearly, recycling and energy issues are interlinked, falling under one environmentally sound office policy, but for many businesses paper recycling is perhaps considered a box that is already ticked. The survey discovers that three quarters of respondents are actively recycling paper and over half [53%] stipulate recycled paper for office use. However, additional findings suggest that the penetration of paper recycling is not as it seems. In fact, some of the issues presented when looking at corporate use of recycled paper are reflective of the environmental office dilemma overall. Useful learnings can be taken from three key issues:

Perception & reality: businesses believe that they use more recycled paper than they actually do. When asked what percentage of (office) paper use is recycled paper, the average from the survey sample was 42%. However, Figure 5 shows that recycled paper in UK offices makes up only 10% of overall use in terms of supply, 187,000 tonnes of recycled paper against 1,397,000 tonnes of paper produced in total. Evidently, a few boxes of recycled paper in the stationery cupboard goes a long way to changing perception, but does not equate to widespread use.

Apathy: keeping a business enthusiastic about paper use is a challenge. Recycled paper suffers from the 'mobile phone effect'; what was considered as advanced and trendy in the '90s is now standard, or even dated. In general, companies are renowned for short attention spans and it appears that apathy has crept into our approach to recycled paper. In 1993 only 5% of businesses stated that 'lack of company interest in recycling' was a barrier to recycled paper use, in 2007 that figure increases to 24% [Figure 6].

Dual standards: businesses are confused about issues of quality when using recycled materials. Though paper quality is shown as less of an issue in Figure 6 for the 2007 respondents group, there are still misconceptions surrounding the quality. For example, 40% of respondents felt that recycled paper was suitable for internal uses only, whilst 86% stated they would be happy to receive business correspondence on recycled paper. This suggests there is ample tolerance for more recycled paper use. However, this potential is tempered by the view that environmental products equate to poor performance – 60% of respondents associate some level of performance degradation with green office equipment.

Type of Paper	UK Production ('000 tonnes)	Recovered Paper Usage ('000 tonnes)
Newsprint	1095.4	1408.2
Printings & Writings	1387.9	183.7
Corrugated Case Materials	1532.3	1650.5
Packaging Paper	74.4	55.9
Tissue	806.2	486.6

Fig 5: Table shows the level of recycled/recovered paper used in the UK in 2006: source www.paper.co.uk



Fig 6: Why do you think your company is currently not using recycled paper? Base 161

Carbon jargon

In the final section of the report, the survey looks at some environmental issues that have surfaced since the first research was undertaken in 1993. This data is not open to comparative review but it does help to understand where the mindset of corporate UK resides in a post-Kyoto industrial landscape. Unfortunately, the general themes are still those of contradiction and confusion.

Figure 7 provides an indication of how familiar corporate UK citizens are with the climate 'jargon' of carbon neutrality and carbon trading. Though being carbon neutral is something that an individual (consumer) can aspire to as well as a group or organisation, carbon trading is the behemoth of environmentalism and a far more complex issue to grapple with. This is reflected in Figure 7, where a greater level of understanding is shown towards the term 'carbon neutral'. However, there is still a considerable percentage of the sample confused by both terms.

In practical terms, Figure 8 shows that little can be taken for granted when encouraging or even mandating environmental policy in the corporate world. Various media awareness campaigns have done a great deal to highlight the worth of carbon neutrality and, to a lesser degree, carbon trading, but there is still a long way to go in terms of understanding. Figure 8 suggests that we are some way from giving these efforts to offset carbon our full support. Fundamentally, it illustrates that, unlike the tangible world of recycled paper, much of the currency of post-Kyoto environmentalism revolves around abstract terms that are difficult to grasp and make the task of evolving change more difficult.

As a stand alone issue, it appears that carbon trading is given a lukewarm reception in the Environmental Office survey. Figure 8 shows that most people are sceptical, at least, towards the measure. Admittedly, it is a global framework that requires a great deal of unpicking in order to be understood, but, even in light of general awareness and complexity, only 18% of respondents see it as an 'important aspect of reducing carbon emissions...' Most respondents cite it as either a confusing measure, or one that lacks any inherent value in tackling climate issues.

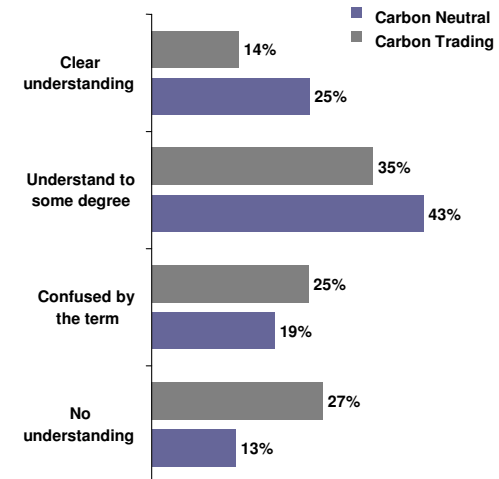


Fig 7: To what degree do you understand the term 'Carbon Neutral'
What level of understanding do you have of the issue of 'Carbon Trading'

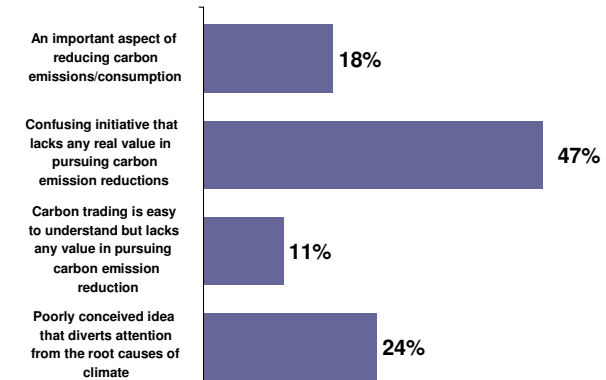


Fig 8: What do you think best reflects your sentiment towards carbon trading from the following statements?

Conclusion

Environmentalism and climate change are defining factors in the first decade of the new millennium. As the end of that decade approaches the economic implications of energy and commodity consumption are being sketched out, spiking our corporate consciousness. In some regards the Environmental Office survey describes the collision of the social and economic drivers associated with a proactive environmental approach. The 1993 corporation was roused by the need to recycle, buoyed by a commitment to CFC-free industries and only beginning to discuss the effects of carbon use and climate change. The 2007 corporation has passed the point of enthusiastic awareness and is now faced with a plethora of interdependent climate causes and effects, pressure groups, consumer opinion, best practice and legislation. As Kermit the Frog once sang, 'It's not easy being green', but in 1993 it is fair to say that it was easier.

There is a balance to be struck between the public appetite for green causes and some of the economic realities that dictate how large organisations should behave. The survey states that 42% of businesses believe employees have a key role in shaping environmental corporate policy, yet even the most inclusive organisation must acknowledge that other considerable factors will do more to shape future environmental approaches.

Tempting as it is to get carried away by macroeconomic issues when looking at eco-friendly businesses, the basics must not be forgotten. Some simple and startling facts serve to put the intricacies of climate change into perspective for today's corporate decision makers, for example:

- There are less businesses with environmental office policies today than there were in the 1993 survey. Even allowing for margins of error within these research 'snapshots', that trend provides cause for concern
- Use of recycled paper has not increased over the past 14 years and the amount of recycled paper that businesses perceive they use is far greater than actual usage figures suggest
- Scrutiny of environmental supply chains is poor. The step change in the way we approach environmentally friendly purchasing at a consumer level does not appear to be replicated in the corporate world
- Perceptions towards the new era of environmental measures are confused and for the most part sceptical, with many business users lacking understanding of issues such as carbon neutral and carbon trading

None of the issues stated require wholesale reengineering to bring about change. Office policies may be more complicated to develop and mandate, but that doesn't justify their absence from 59% of the organisations taking part in the survey. Today, supply chains won't turn green overnight, but more businesses should be taking those initial steps to ensure price alone does not dictate a purchasing strategy. Undoubtedly, there are success stories within the corporate world, for example greater recycling of IT hardware and printer toner cartridges, as well as guidelines on reducing wasted paper printing and unnecessary power consumption. It is notable that these measures could all be defined as simple, yet also highly effective and responsible acts undertaken by corporate UK.

It would be too critical to say that British businesses are ignoring environmental issues, but there are clearly identifiable holes in existing approaches that the majority of businesses taking part in the survey would do well to repair. Confusion through 'carbon jargon' and 'eco-fatigue' is not likely to disappear in the short-term and finding solutions to climate change problems is a long-term endeavour. Therefore, the corporation has to take responsibility for maintaining momentum behind a proactive approach to environmental affairs. If not for political or social reasons, the economic argument for staying ahead of government mandates on green office practices should form the basis of a convincing argument to stay on the front foot.

In the same way that the government has recently restructured to respond more effectively to environmental and commercial issues by dismantling the DTI, large corporations should also ensure that board structure does not abandon environmentalism between the gaps of operational, financial and human resource functions. Ultimately, it is a union between these three organisational pillars that will enable effective environmental corporate policy, governance and execution. To form the basis of any corporate efforts in support of a more environmental office, Kyocera has provided the following recommendations based on the 2007 research results:

Simple things first:

Focus on recycled paper, PC hardware and printer cartridges as 'easy targets' for a greener office, followed by energy efficient light bulbs, PCs and printers along with a more efficient use of paper and print resources

Ongoing policy:

A perfect policy is always difficult to realise in light of dynamic change, but businesses should ensure that clear guidelines are in place for employees, buyers and suppliers on what is considered best practice by the business

Scrutinise the supply chain:

Significant environmental and cost saving efforts can be achieved through supplier review. When next negotiating on price with suppliers, factor in a review of environmental approach

An achievable balance:

Understand what an achievable balance of operational, environmental and economic drivers are for your organisation. A successful union of corporate success and environmentally sound business practices can only be found if all three areas are satisfied

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**The Waste Electrical and Electronic Equipment Directive (WEEE Directive) is the European Community directive 2002/96/EC on waste electrical and electronic equipment which, together with the RoHS Directive 2002/95/EC, became European Law in February 2003, setting collection, recycling and recovery targets for all types of electrical goods.*

The directive imposes the responsibility for the disposal of waste electrical and electronic equipment (WEEE) on the manufacturers of such equipment. Those companies should establish an infrastructure for collecting WEEE, in such a way that "Users of electrical and electronic equipment from private households should have the possibility of returning WEEE at least free of charge". Also, the companies are compelled to use the collected waste in an ecological-friendly manner, either by ecological disposal or by reuse/refurbishment of the collected WEEE.