Blank is sustainable

Is your organization sleepwalking into a sustainability trap?

"Data storage may not seem an obvious climate villain, but with IDC forecasting data consumption to reach 221 zettabytes by 2026, reducing an enterprise's data footprint can go a long way in cutting greenhouse gas emissions."

Follow our investigation into how deeply enterprises are considering data storage within their sustainability game plan.

In March 2023, the Intergovernmental Panel on Climate Change (IPCC) released a major report that said the only way to secure "a livable, sustainable future for all" was through urgent climate action.

At the same time, we learned that global fossil fuel emissions had set new records in 2022, and more than a century of burning fossil fuels as well as unequal and unsustainable energy and land use was linked to global warming of 1.1°C (approximately 2.0°F) above pre-industrial levels.

In response to these and other indicators of climate crisis, many governments are issuing various sustainability reporting regulations.

The goal? To more accurately and more credibly represent how companies are faring against sustainability goals. These regulatory changes can be seen as an opportunity for ambitious climate action—and even competitive market differentiation.

Blank is sustainable. Being ambitious means looking into every part of a business and beyond—including its supply chain—to see where emissions can be reduced.

Data storage may not seem an obvious climate villain, but with IDC forecasting data consumption to reach 221 zettabytes by 2026, reducing an enterprise's data footprint can go a long way in cutting greenhouse gas emissions.

That's why data bloat, whether in onsite data centers or within the cloud, merits a closer look as organizations strive to reach and report on their sustainability goals.

Research Methodology

This report is based on a survey of 1,800 data retention and data disposal decision makers across the globe. Respondents are evenly split between Financial Services and Healthcare.

The survey, undertaken by independent research company Coleman Parkes between November and December 2022, gathers data from employees from six countries: the United States (U.S.), Canada, the United Kingdom (U.K.), Germany, France, and Japan. The countries represent the North America, Europe, and Asia Pacific regions in which Blancco operates.

Sectors represented by country

	Total	US	Canada	UK	Germany	France	Japan
Financial Services	900	225	75	150	150	150	150
Healthcare	900	225	75	150	150	150	150
Total Interviews	1800	450	150	300	300	300	300

Those questioned comprise: Head of Compliance/ Compliance Officer, Head of IT Operations, IT Asset Manager (ITAM), Head of IT Infrastructure, Senior Manager for IT Infrastructure, Chief Information Officer (CIO), Chief Technology Officer (CTO), Chief Information Security Officer (CISO), Head of Risk Management, Chief Data Officer (CDO), Data Protection Officer (DPO), Head of Data Governance, Environmental Impact Officer, and Sustainability Manager/Officer.

Eighty-one percent of respondents are at least part of a senior team involved with decision making regarding data retention and data disposal. An additional 19% are the ultimate decision maker.

Level of decision-making responsibility regarding data retention and data disposal

	Avg	US	Canada	UK	Germany	France	Japan
Ultimate decision maker	18%	12%	22%	21%	20%	21%	21%
Part of a senior team involved with decision making	22%	23%	17%	27%	21%	21%	23%
Influential in decision making	59%	66%	61%	52%	59%	58%	56%
Not involved with decision making	-	-	-	-	-	-	-

Of our 1800 respondents, 31% work for organizations between 1,000 and 4,999 employees, 21% between 5,000 and 9,999 employees, and 48% work for organizations with more than 10,000 employees.

Executive Summary

Are Organizations Sleepwalking into a Sustainability Trap?

To more effectively address climate concerns, new rules and regulations that will compel businesses to show how they are reducing emissions. Regulators are also cracking down on green efforts that sound impressive but do very little, also known as "greenwashing."

This more intensive focus is holistic and includes a greater emphasis on Scope 3 emissions—those produced indirectly by a business's suppliers and partners. Businesses therefore need to not just look at internal departments for emission reduction opportunities, but also at how their materials, equipment, and services are produced or delivered.

Our previous report revealed that many businesses are hoarding EOL data, increasing costs and the risk of regulatory noncompliance issues. Hoarded data also comes with an environmental cost: both the e-waste produced by the need to source and replace hardware and the energy costs necessary to power both on-premise and cloud infrastructure. The shift to the cloud has sustainability advantages thanks to scale, but these can easily be dwarfed by increases in the amount of data acquired and held. Plus, the focus on Scope 3 means cloud emissions are no longer simply a provider's problem.

The good news is that, based on our survey, many financial services and healthcare organizations are treating the problem seriously. Almost all reported that sustainability influences their approach to EOL

data to some degree, and that they were aware of the environmental impact of their data footprint.

Around two-thirds understand that managing EOL data is important to meeting sustainability goals, are concerned about the rising energy costs of storing data, and are working towards reducing the environmental impact of their IT. These stats broadly make for encouraging reading—though it does mean a third of businesses risk sleepwalking into a sustainability trap.

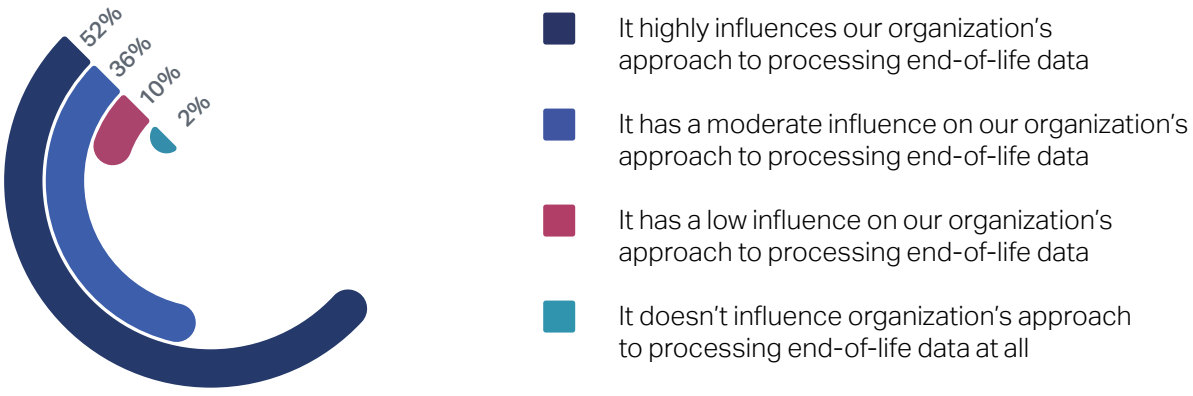
Organizations also fall into a 2:1 split when asked about their plans. A third are not confident in their plans, and a third have plans but have not implemented them. While almost every business says that it understands the issues, they may not be moving fast enough to meet regulatory targets, and by prioritizing other areas of the business or postponing action until a more convenient time, they may find that they are well behind the curve when it comes to meeting regulatory requirements. Regulations are being implemented now, and understanding is not enough—it needs to be followed up by comprehensive action, including giving consideration to "hidden" sustainability issues such as EOL data.

Reducing unnecessary data storage, limiting e-waste, and working with partners that are themselves sustainability-focused are key elements in cultivating a climate-friendly approach to data management. The good news is that businesses know they should be incorporating these strategies and why—it's now a matter of priorities.

Is Data Out of Sight, Out of Mind?

How much does sustainability figure into how an organization deals with EOL data?
Many think carefully about how they dispose of more tangible goods, but are they as careful with data?
It turns out that a majority report that they consider sustainability in their approach.

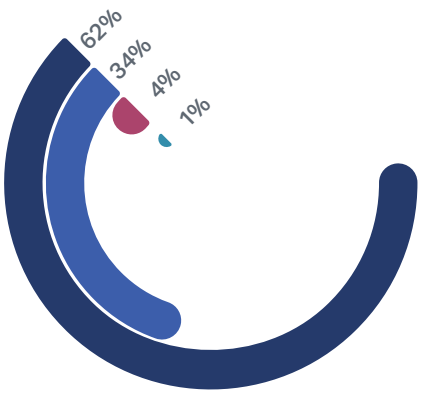
How much does environmental sustainability influence your organization's approach to processing end-of-life data?



Half (52%) of respondents said that sustainability highly influences their organization's approach to processing EOL data. There is some regional variation: U.S. (65%) and Canadian (59%) respondents ranked highest, whereas in the U.K., environmental sustainability had a more moderate influence (47%).

Almost no organization said that sustainability did not influence their approach to EOL data. While this was reassuring, one in ten respondents said that environmental sustainability had little influence on their approach to processing EOL data. The findings were similar regardless of sector.

Is your organization aware of the environmental impact of its data footprint and does it have a plan to reduce it?

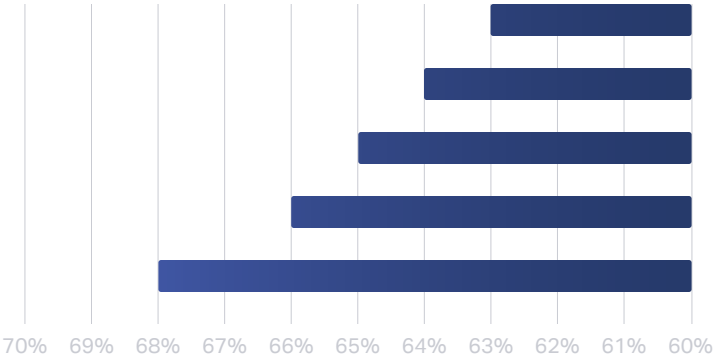


- Yes, we are aware of the environmental impact of our data footprint, and we have defined and implemented a plan to reduce our data footprint
- Yes, we are aware of the environmental impact of our data footprint, but have not yet implemented a plan to reduce our data footprint
- No, we have not calculated our data footprint but plan to
- No, we do not have any plans to reduce the environmental impact of our data footprint

Almost all respondents (96%) said they were aware of the environmental impact of their data footprint, while 62% have defined and implemented a plan to reduce it. A third (34%) have not yet implemented a plan.

It's reassuring that so many businesses are aware of their impact and that the majority are doing something about it—though a worrying number have not.

Do you agree with the following statements?



63% Managing end-of-life data is important in achieving our sustainability goals

64% I am concerned about IT-generated e-waste

65% I am confident that our organization is reducing the environmental impact of our IT

66% I am concerned about rising energy costs of storing large quantities of data

68% I am confident that our organization has a solid plan to meet Net Zero targets

This all seems very positive, with a great deal of awareness and plans being put in place to deal with the issue. But is this leading to the right action?

Two thirds of organizations (66%) are concerned about rising energy costs of storing large quantities of data—as they should be. Storing more data means using more power, generating more emissions. This is especially evident when organizations manage data in on-premise data centers, where they have direct oversight of the number of servers needed and see direct line items for operational costs. In some respects, moving to the cloud alleviates some of that burden. However, that doesn't tell the full story.

Our previous report revealed that, for 65% of organizations, the switch to the cloud has increased the volume of redundant, obsolete, or trivial (ROT) data they collect. This is a particular worry for financial and healthcare services providers, as regulation demands that they treat data very carefully. But excess data storage also has a financial and environmental cost, even in the cloud. No matter where the data is stored, on-prem or in the cloud or both, storing no-longer-needed data requires added capacity—even if that capacity is supplied by a cloud provider. So while these organizations have a plan, and many are enacting this plan, the pace of data collection enabled by cloud migration may be working against them.

There is also the issue of how far plans have gone from the drawing board to implementation, particularly for a third of businesses planning to make changes but not yet setting this in motion.. As we describe in the following section, there will soon be a need to report how well businesses are doing when it comes to sustainability, and while 68% of respondents said they are confident that their organization has a solid plan to meet Net Zero targets, some lag behind.

There are positive effects of adopting sustainable practice, more than just the need to meet regulatory demands: 44% of respondents believed that investors and customers favor sustainable companies, and 51% believe current and prospective employees favor working for sustainable companies. This can be partly attributed to a greater desire to work with more responsible businesses, but it means that sustainability is more important than ever. Even those who don't believe cutting emissions is urgent need to consider market drivers—because their stakeholders, as well as regulators, are increasingly seeing emissions reduction as a priority.

Does a Sustainable Future Hinge on Compliance?

These are examples of regulations coming into force or going through parliamentary process in 2023. This is not an exhaustive list, but it indicates where regulation is heading.

- The UK's Financial Conduct Authority (FCA) will soon demand sustainability disclosure through a comprehensive package that takes a holistic approach and introduces sustainable investment labels, disclosure requirements, an anti-greenwashing rule, and limits on using sustainability-related terms in product naming and marketing.
- The European Parliament will make it mandatory to report using the new EU Taxonomy. The purpose of this taxonomy is to combat greenwashing and assist investors in selecting environmentally conscious investments. This affects large companies and financial market participants offering products and services within the EU.
- The European Parliament's Corporate Sustainability Reporting Directive (CSRD) looks to fix key structural weaknesses in current ESG regulation around reporting.
- The German Supply Chain Due Diligence Act (the LkSG) requires large companies to observe social and environmental standards across their supply chain. Companies must monitor their own operations and their direct suppliers worldwide, taking action if any violations are found.
- A rule change proposal from the U.S. Securities and Exchange Commission (SEC) would require, in part, certain registrants to disclose climate-related targets,

goals, and transition plans, as well as upstream and downstream Scope 3 GHG emissions. These disclosures, required at registration and in periodic reports, would help investors gauge a registrant's standing in terms of climate change management and risk.

To meet these various sustainability regulations and reporting requirements, organizations will need to scrutinize every part of their business. As two of the most heavily regulated sectors, financial and healthcare service providers will need to be especially diligent.

Because of rapidly increased digital transformation within these sectors, enlarged approaches to sustainability should include consideration of how data is managed. Organizations can make significant gains through improved cyber hygiene, EOL data management processes that reduce ROT bloat, and more eco-focused tech disposal.

Avoiding a Narrow-minded View of Sustainability

Scope 1 involves greenhouse gas (GHG) emissions generated directly an organization, such as the fuel used by company vehicles. Scope 2 emissions are indirect, involving emissions generated offsite to provide the organization's purchased electricity, steam, heat, or cooling.

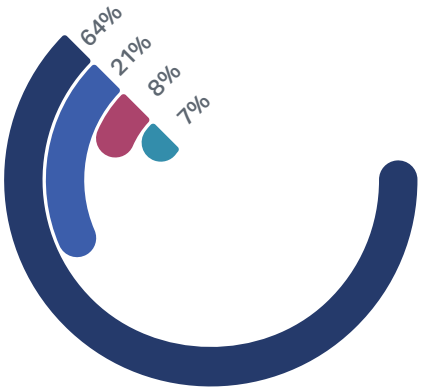
Enterprises have the most control over these first two categories because they can adjust usage and choose clean energy alternatives.

The challenge comes in Scope 3, which involves the energy consumed across the value chain. It varies from organization to organization, but for large organizations, Scope 3 emissions often exceed 70% of their total GHG footprint. For physical IT assets, this includes the manufacturing emissions used in the process of creating new hardware or readying devices for use. For cloud services customers, its the emissions associated with the data centers and infrastructure operated by the cloud provider. Cloud customers have an indirect influence on these emissions based on their choice of provider and level of demand for services.

In other words, a company that uses cloud services to harbor data unnecessarily increases its own Scope 3 calculations.

The International Sustainability Standards Board (ISSB) has **confirmed** a new standard which will require mandatory disclosures of Scope 3 emissions. Organizations will need to better understand the indirect impact they have—they can no longer see these emissions as someone else's problem.

Does your organization currently measure its Scope 3 emissions?

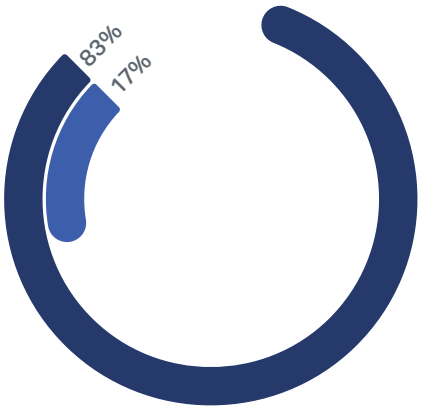


Again, there is good news—at least at first glance. Eighty-five percent (85%) of organizations surveyed are measuring their Scope 3 emissions. The U.K. and the U.S. are ahead, while it is less common in Germany (75%) and Japan (77%).

Among those respondents who measure Scope 3 emissions and had enough understanding of the process to answer further questions, the majority (66%) state that they ask their partners and suppliers to report on how they reduce their environmental impact.

Slightly less, 58%, ask their cloud provider to report on how they are reducing the environmental impact of cloud storage. This is particularly noteworthy when considering previous report findings: the use of cloud has increased the amount of ROT data being stored, and more than a third (35%) do not trust their cloud provider to appropriately manage EOL data on their behalf. This may be because cloud providers report on general operating procedures and sustainability initiatives, but not necessarily specific actions on behalf of a client—leaving them a little in the dark as to how effective this has been in cutting Scope 3 emissions.

Is there a directive in your organization that requires you to preferably work with partners that don't negatively affect the environment?



Right now, working with partners with good intentions is more important than having a plan: A Net Zero plan is not yet a major (37%) selection criteria for partners, while 83% say that there is a company directive to work with partners that do not negatively affect the environment—a laudable but far less measurable goal. Meanwhile, only 1 in 10 organizations have set goals in their sustainability plan on reducing Scope 3 emissions.

Given the need to measure and reduce Scope 3 emissions, it's instructive to ask who is responsible for doing this: 66% of respondents said that Scope 3 emissions responsibility fell to their Sustainability Manager, 58% to Environmental Impact Officer and 49% to Chief Sustainability Officer. Perhaps understandably, given the wider responsibility, there is no crossover with the roles for reducing the environmental impact of the data footprint, but this means businesses will need to communicate across departments to have a hope of reducing Scope 3 emissions.

Conclusion

There is a global push for better environmental stewardship from all industries—not just on the heaviest polluters. Organizations of all sizes and across all industries are increasingly required to demonstrate how they are reducing their impact on the planet.

Meanwhile, cloud adoption has, along with its myriad advantages, led to businesses stockpiling data they no longer need. This ROT data is costing businesses financially, putting them at risk of attack and regulatory noncompliance, and having a negative environmental impact.

With a global target to halve emissions, along with other sustainability initiatives regarding sound environmental stewardship, organizations must be more responsible in their handling of EOL data and digital waste—as outlined in our previous report on e-waste.

How can businesses do this? There are three main ways that organizations can reduce their data footprint:

1. **Reduce the data they are storing** to what is necessary and no more. This means removing data that is no longer required. This has added benefits—less data to lose in case of a breach, a smaller chance of falling foul of data regulations such as GDPR. This data reduction is also in keeping with data minimization mandates.
2. **Reduce e-waste.** Not all data is stored in the cloud, and for both on-prem and cloud infrastructure, data storage media needs to be disposed of responsibly. Not every data disposal method is environmentally friendly, especially if hardware is destroyed in the process. Making hardware available for reuse, while ensuring data is destroyed, is the best way to satisfy both data protection and sustainability requirements.
3. **Prioritize internal discussions between departments** on the impact cloud and on-prem data storage have on Net Zero goals. While those tasked with meeting those goals may understand why reducing their company's carbon footprint is important, they may not associate end-of-life data management as an area to look into. Likewise, IT and data management teams may not realize that "green" mandates can be affected positively or negatively by how they manage their EOL data.

Organizations can no longer afford to pay lip service to sustainability. Greenwashing will come under intense scrutiny by regulators who will want to show that their regulation has teeth. Fortunately, many businesses are keen to make sustainability a key plank in their future strategy.

For sustainability regulations, blank is best

When it comes to end-of-life data management, blank is sustainable. Through verified, certified data erasure, it provides a viable, secure solution for minimizing data and the emissions that come from excess storage.

Data sanitization next steps

Sustainably eliminating data in a way that provides enterprises with the utmost in security takes a few key ingredients: automated efficiency and scalability, adherence to industry best practices, and assurance that organizations stay on the right side of stringent data protection regulations.

At Blancco, those capabilities are at your fingertips. See how blank can help you get a handle on minimizing and documenting your sustainability progress.

Visit our content hub