
State of the Profession 2018

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Executive Summary

GreenBiz Group's fifth State of the Profession report once again takes a look at the evolution of the role of the sustainability leader in today's business world. As in years past, we conducted an in-depth survey to find out how much they earned, where they worked and what they did in the course of their job. Here are a few of the highlights from this year's report.

Sustainability programs are sustainable.

We added a new question this year and asked whether programs would continue on their current trajectory if an organization's sustainability leader and CEO both left. Only 17 percent said their programs would not continue, while 58 percent said it would carry on (25 percent didn't know). One of the supporting reasons for this may be that almost two-thirds of those surveyed in both large and small companies (64 percent and 68 percent, respectively) replied that the head of sustainability at their organization regularly reports to the board of directors on their progress.

Rise of the specialists.

CSR and EHS departments have historically been aligned with sustainability efforts. The past few years have shown a marked increase in dedicated sustainability personnel in facilities (increasing from 7 percent to 22 percent since 2014) and supply chain departments (an increase from 10 percent to 31 percent over the same period).

Talent coming from the outside.

Two-thirds of vice presidents, managers and individual contributors reported being hired from the outside for their sustainability role, while 56 percent of directors were brought in from the outside. In terms of specific sectors inclined to seek fresh perspectives, financial services, consumer goods and technology companies top the list for looking outside for talent.

Gender pay parity.

Some of the more encouraging findings from this year's survey are associated with gender equity. Women from companies with revenues greater than \$1 billion constitute a majority of managers and directors responding to our survey (57 percent and 52 percent respectively) and 48 percent of vice presidents are women. Female managers and directors also out-earn their male counterparts, albeit by a small amount. The average pay for a female vice president is still 5 percent less than that for a male, but that's a marked improvement from past years.

We hope you enjoy this year's edition of the GreenBiz State of the Profession report.

Introduction

This year, in addition to surveying members of the GreenBiz Intelligence Panel, we partnered with Weinreb Group Sustainability Recruiting to expand our reach of those surveyed. We nearly doubled the number of respondents from outside the United States with the help of organizations such as CSR Europe, 3Shifts, the American Apparel & Footwear Association and other organizations that we have listed in the Appendix. (We would welcome participation from additional organizations when our survey is again conducted in late 2019.)

Before we get into the presentation of our results and analysis, there are a couple of points to make about the data presented in this report. Most of the charts, statistics and conclusions refer to companies with revenues greater than \$1 billion, unless otherwise noted. One of the primary reasons for this is that many of the firms with revenues of less than \$1 billion are either professional services firms or NGOs (21 percent and 18 percent respectively). To provide additional perspective, 45 percent of these smaller organizations have revenues of less than \$10 million. An in-depth profile of survey respondents is presented in Appendix A.

521 COMPANIES RESPONDING TO OUR SURVEY HAD REVENUES GREATER THAN \$1 BILLION



Much of the inspiration for topics discussed in this report comes from members of the GreenBiz Executive Network (GBEN), our membership-based, peer-to-peer learning forum for sustainability professionals. Because member meetings are held under the Chatham House Rule, meaning that conversations are on a not-for-attribution basis, we selected a few of our members to get their on-the-record perspective on industry trends and the evolving role of the sustainability executive.

We hope you enjoy the report and find it useful to your work. We welcome any and all feedback as we strive to make all of our efforts at GreenBiz, from our website to our events, webcasts and research offerings, compelling and instructive.

The State of the Profession – Rise of the Specialists

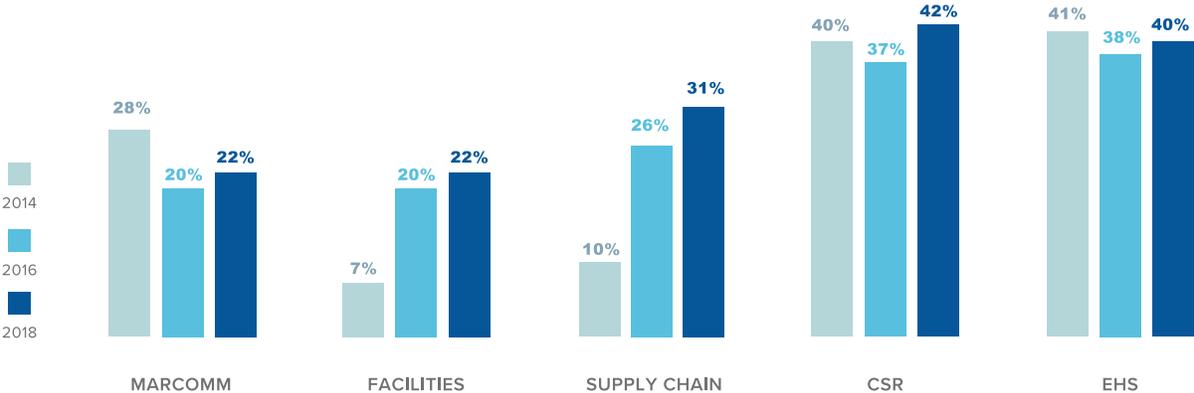
Yogi Berra is known for many great aphorisms, but one of our favorites is, “If you come to a fork in the road, take it.” Corporate sustainability programs have arrived at a fork in the journey that can be characterized by the three major themes in this year’s report. As some companies seek to claim a leadership role by investing in bold initiatives, others are choosing a business-as-usual approach that could risk putting them at a competitive disadvantage.



The biggest change in the profession since we first began conducting this research has been the evolution from the early role of sustainability generalists to an increasing demand for sustainability specialists. We believe there will always be a leadership role for a centralized sustainability executive overseeing an ever-changing landscape of environmental and social challenges and opportunities. But the profession has evolved from its tactical origins of reporting and stakeholder engagement to that of business strategy, change management and on-the-ground execution.

This is most evident in our current survey, when we asked respondents from companies with revenues greater than \$1 billion whether their organization has one or more dedicated sustainability resources embedded in other parts of the organization. Historically, CSR and EHS departments have been aligned with sustainability efforts. The past few years has shown a marked increase in dedicated sustainability personnel in facilities and supply chain departments.

DOES YOUR ORGANIZATION CURRENTLY HAVE ONE OR MORE DEDICATED SUSTAINABILITY RESOURCES EMBEDDED IN ANY OF THE FOLLOWING DEPARTMENTS (EITHER FULL-TIME OR PART-TIME)?



The shift from tactical to strategic, the investments to take programs to the next level, can be illustrated by three major themes.

- Reporting Moves from Content to Context
- Renewables Point to 100
- Sustainability Initiatives Create Opportunities

Reporting Moves from Content to Context

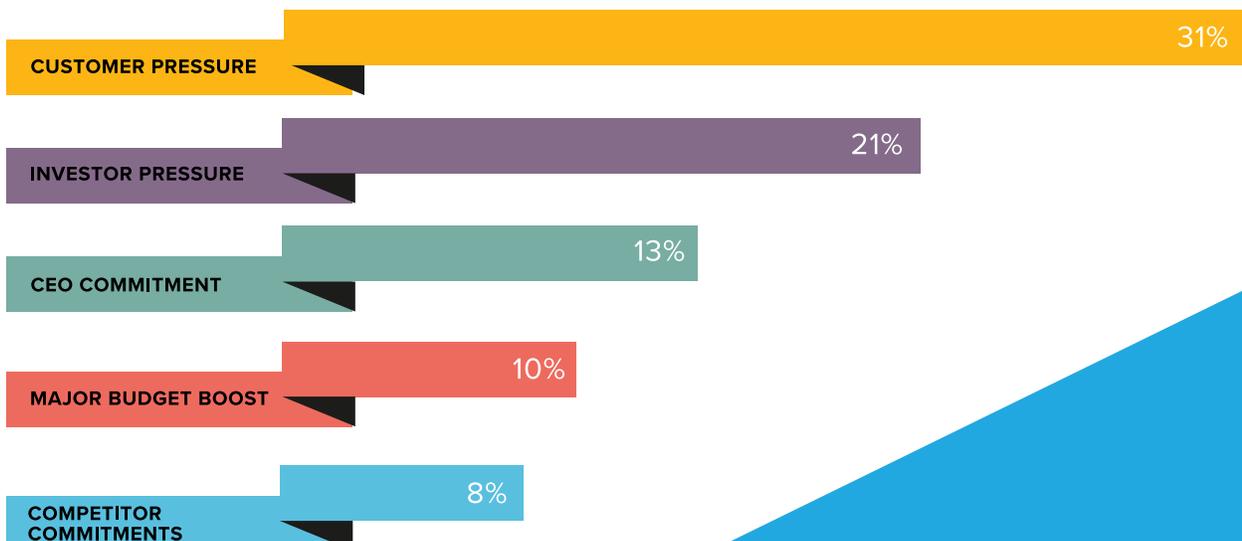
It is difficult to imagine asking a sustainability executive what could take their program to the next level and having them respond, “more reporting.” Research from the Governance & Accountability (G&A) Institute has found that 85 percent of the companies in the S&P 500 Index published sustainability or corporate responsibility reports in 2017. That’s a significant change from 2011, when G&A’s researchers found just under 20 percent of S&P 500 companies publishing such reports.

Corporate sustainability reports are now mere table stakes. When we asked respondents from large companies about what factors would most impact their sustainability program, the top two responses were pressure from customers and investors.

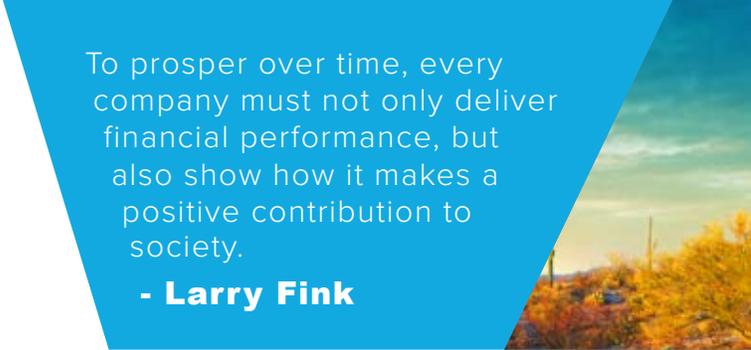
Both customers and investors are asking for much more than a glossy marketing brochure. For many years, the CDP looked for detailed information about greenhouse gas emissions, water use and supply chain impacts. Trucost, MSCI, RobecoSAM and others have also requested environmental, social and governance (ESG) data from corporations. Lately, the game has been changing.

Corporations are no longer just being asked to supply ESG data, they are being asked to provide context for the numbers, specifically the financial implications of ESG performance. [The Task Force on Climate-related Financial Disclosures](#) (TCFD), set up by the Financial Stability Board, recommends that companies and investors publish forward-looking information on the financial implications of climate change in annual reports and financial filings. Sustainability leaders have often fretted about their efforts languishing when it comes to Wall Street, but efforts such as TCFD should foster greater shareholder engagement and a broader use of climate-related financial disclosures.

WHAT FACTOR, IF IT WERE TO OCCUR, WOULD HAVE THE GREATEST IMPACT TO PUSH YOUR ORGANIZATION’S SUSTAINABILITY PROGRAM TO THE NEXT LEVEL?



The TCFD asks companies to report how climate impacts affect business strategy and financial planning. One of the ways in which sustainability professionals can get ahead of this movement is to focus data collection and reporting on decision-useful information investors want. Metrics should address material [ESG performance](#), risk management, cost reduction and revenue growth opportunities.



To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.

- Larry Fink

The desire for greater contextualization of ESG data has led to efforts such as the [Science Based Targets initiative](#) (SBTi). [Science-based emission-reduction targets](#) are those in line with the level of decarbonization required to keep global temperature increases below 2° Celsius compared to preindustrial levels, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

Setting a science-based target for climate is comparatively easy because greenhouse gas emissions are equally destructive no matter where you are in the world. However, work conducted by [World Resources Institute](#) points out that land and [water impacts](#) depend on location. A gallon of water used in drought-stricken southern California is more consequential than a gallon of water used in rain-soaked Scotland. Luckily, groups such as the Center for Sustainable Organizations developed a [context-based metric](#) that relies on a deep understanding of the available renewable water supplies to determine the ecological sustainability of an organization's water use.

Social issues are also coming under scrutiny as organizations attempt to develop metrics for what have typically been considered “soft” issues. [Companies](#) and [NGOs](#) alike are now being asked to [measure and manage](#) efforts to support [diversity and inclusion](#), equal pay, community engagement and social impact programs.

Blackrock CEO Larry Fink may have best summed up the shift toward the importance of establishing the context of an organization's sustainability efforts when he [wrote](#), in a 2018 letter to CEOs:

“Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate.”

Scaling Renewables

Corporate sustainability groups are typically out on the edge of the frontier, sensing trends and searching for opportunities to increase business competitiveness. One of the areas where

specialization has occurred in sustainability departments is in energy procurement.

From 2008 to 2013, only four companies signed deals for renewable energy: Google, Apple, Walmart and cleaning products maker S.C. Johnson. From 2013 to 2018, though, 51 more companies joined the trend. In 2017 alone, U.S. companies signed contracts for at least [2,090 megawatts of solar and wind power](#), through September, up 30 percent from all of last year, according to the Business Renewables Center at the Rocky Mountain Institute.

Our annual State of Green Business report identified recent examples, including Apple achieving 100 percent renewable electricity powering its global facilities across 43 countries in April 2018. Autodesk achieved its goal to source its operations entirely by renewable power in 2016. Across the pond, Marks & Spencer committed to sourcing 100 percent renewable electricity across its global operations and achieved this target in 2016, four years ahead of schedule. Microsoft has been 100 percent renewably powered since 2014.

One of the resources helping companies achieve their energy goals is the [Renewable Energy Buyers Alliance](#) (REBA), a consortium of four NGOs that helps companies understand the benefits of using renewables, connects large buyers to renewable energy

suppliers and helps utilities understand and serve the needs of clean-energy buyers. This year REBA's annual conference will be held in conjunction with [VERGE 18](#) in Oakland, California, just as it was at VERGE 17.

Sustainability initiatives create opportunities

The biggest area of budget growth over the past two years has been in sustainability product and service innovation, which rose from 46 percent in 2016 to 54 percent this year. A number of initiatives show how early efforts are now expanding, turning from pilots to production.

Some of these have a circular economy bent to them. Last year, C&A, the Dutch-based chain of retail clothing stores, [launched a line of T-shirts certified to the Cradle to Cradle standard](#), meaning that they were designed and manufactured in a way that is benign to the environment and human health, and whose materials can be recirculated safely back into industrial materials or composted into the soil. The key difference between this initiative and pilots that result in small production runs is that C&A put 1.3 million Cradle to Cradle T-shirts on the shelves and is now taking this experience to other, more complex apparel items.

Plastic waste is another area of opportunity aligning sustainability initiatives with new product development. Consumer packaged goods (CPG) company Procter & Gamble is





[developing and scaling the recycling infrastructure for soiled disposable baby diapers](#), feminine sanitary napkins and adult incontinence napkins. The technology can turn 100 percent of diapers into valuable material, like plastic cellulose and absorbent material. This is just one of many initiatives underway by CPG, packaging and other companies seeking solutions to a rapidly growing threat of plastic pollution — and to the public’s growing concerns about brands that contribute to it.

Other companies are shifting to [selling products as services](#). Steelcase launched programs to help companies evaluate their furniture inventory and identify options for reuse, donation and recycling. Car manufacturers such as BMW and General Motors are piloting car-sharing programs and any number of other companies are looking at how they might leverage their internal sustainability initiatives into more profitable business.

These are just a few examples of how companies are working to get ahead of potential business disruption. In almost every sector, startups are challenging incumbents and forward-looking companies are tapping into sustainability efforts to explore new opportunities for growth and profitability.

JILL KOLLING

**Global
Sustainability
Leader
at Cargill**

John Davies: What are the big sustainability trends in the food and agriculture sector?

Jill Kolling: There are three big trends I'm seeing: transparency, scalability and technology. Transparency is nothing new, but it continues to ramp up exponentially in terms of what our customers are asking about the products and ingredients they're buying from us. It's a challenge facing the entire industry. How do you provide that transparency in supply chains that don't have complete traceability and try to do that without inserting costs in the system?

Another is scalability. There have been a lot of pilot projects and cool things in the food and Ag industries, but a lot of times it's in specialty supply chains - supply chains that are frankly a bit easier to work with. Scalability is something our customers want from us to more quickly and effectively reach our shared conservation targets. This will require significant collaboration across the sector.

The third thing is technology. We see technology continue to grow in the food and Ag space around sustainability. Things like satellite monitoring to track the commitments that some of us have made in our supply chains around eliminating deforestation as well as the emergence of blockchain and other technologies to enable that traceability and transparency that people are looking for.

Davies: What is driving these three big trends?

Kolling: It's both the end consumer as well as the B2B retailers and food companies. We are constantly hearing that from our customers that people want to know where their food comes from. And to tell a story around the food and be able to feel like you're eating something that was sustainably produced recognizing there are a variety of ways to define what that means.

In the B2B arena companies want to minimize risk, especially in supply chains where there are social or environmental issues. They want to minimize their risk by buying from suppliers that have good processes in place and the kind of transparency they desire.

Davies: Where do you see the role of the sustainability executive evolving?

Kolling: I see it evolving with a closer tie to data and analytics. I think we'll move away from being reactive on the issues to being proactive based on data that provides us with a factual foundation from which we can make decisions. Whether it's a decision to make a new commitment around sustainability so that you can go into it with eyes wide open or using the analytics and insights to develop new customer offerings, I see a lot more data-driven decision making and innovating in the space.

I think sustainability executives are going to have to continue to have a closer tie to commercial operations and sourcing. This allows for sustainability strategies are aligned with business strategies and embedded within the business planning process.

* The interview has been edited for length and clarity.



DAVE STANGIS

**Vice President
and Chief
Sustainability
Officer at
Campbell Soup**

John Davies: What are some of the big sustainability trends in the CPG sector?

Dave Stangis: In the consumer packaged goods sector, I'm seeing strong alignment around macro issues like sustainable agriculture or packaging, where we're all working – Campbell, Kellogg's, General Mills – on partnerships that drive systems change.

I'm also seeing more strategic alignment from the leaders in the sustainability office with the business strategy so that one is enabling the other. We've always worked with the business in our sector on topics like resource reduction and partnerships. But what I'm seeing now are sustainability professionals and the other disciplines actually enabling the business strategy – in our case, around real food and transparency – but, also across the sector around health, wellbeing, recycling, plastics. The sustainability teams are unlocking more value for the business now.

Davies: The State of the Profession report identifies one of the levers that would most move a program is customer demand. In the CPG industry are your peer companies and Campbell seeing consumers really driving a change in the industry?

Stangis: The one thing we're seeing from consumers that's driving real change is the demand for transparency. And that alone puts tension, a positive tension, across a range of drivers for our world including ingredients, where they come from, how they're raised, how they're grown, what's used in the crops, where did they travel from around the world. All sustainability topics but driven from the consumer's demand for transparency.

It's also forced us all to be more transparent on public policy positions, on where we stand in the world, what we stand for, what we stand against. All of that, from the consumer side, is being driven by transparency. We're seeing it a little bit different from the customer side because CPG companies sell to retailers and to other outlets. We're there trying to help them achieve their strategies. Wal-Mart's Project Gigaton is probably the best example of where we've matched some of our work with some of their goals.

Davies: You've been involved over the years with Boston College and some other schools, talking to students and graduates. What do you tell them when you're in front of the class?

Stangis: When I'm speaking to business school students, I try to broaden their perspective, make them look way beyond what they believe sustainability is now and to think like junior CEOs. If you're going to run the business, what are the drivers for the business? What are risks and opportunities in the whole value system? How do you find the risks? What could crop up next week or next month? No matter what it is. Whether it's environment, whether it's societal, whether it's something else. I think that really resonates with students because it gives them many more ways to get in.

Davies: I think focusing on the business is the overriding theme in the book you wrote with Katherine Valvoda Smith.

Stangis: In that book we really tried to dissect every function of the business; every P&L, to help the sustainability professionals see how they could add value – whether it's adding value to HR or marketing or procurement. That's my approach. Maybe it's not the only approach and maybe it's not the best approach, but it's worked for me and I believe it's a good way for people to look at it.

Davies: What would you say to a recent graduate coming out of school if they want to get engaged in corporate sustainability?

Stangis: My message is consistent. View the companies, agencies or wherever you want to be employed from a value perspective; an affinity perspective. Would I want to work at this place? Does it sound like an organization where I can leverage my strengths and skillsets? Do I like the leadership? Am I dying to go work there?

Then, once you're there, figure out how to talk to people and how to drive a more sustainable business. You can do it from any seat now instead of trying to get the one sustainability job at the one company you think is going to hire you. I have kids that are college age. I want them to go places they're passionate about, where they can drive change, and where their skillset fits.

* The interview has been edited for length and clarity.



GreenBiz¹⁹

FEBRUARY 26-28, 2019

JW MARRIOTT DESERT RIDGE RESORT, PHOENIX, AZ

The sustainability profession is evolving, with new concerns and concepts cropping up faster than ever. To keep up, you need to know the trends, tools and insights shaping your job and company today — and tomorrow.

GreenBiz 19 is the premier annual event for sustainable business leaders, bringing together more than 1,000 professionals from business, government, academia and NGOs. Gain actionable insights on the emerging trends and tools impacting your profession and company, and make valuable new connections with peers and thought leaders.

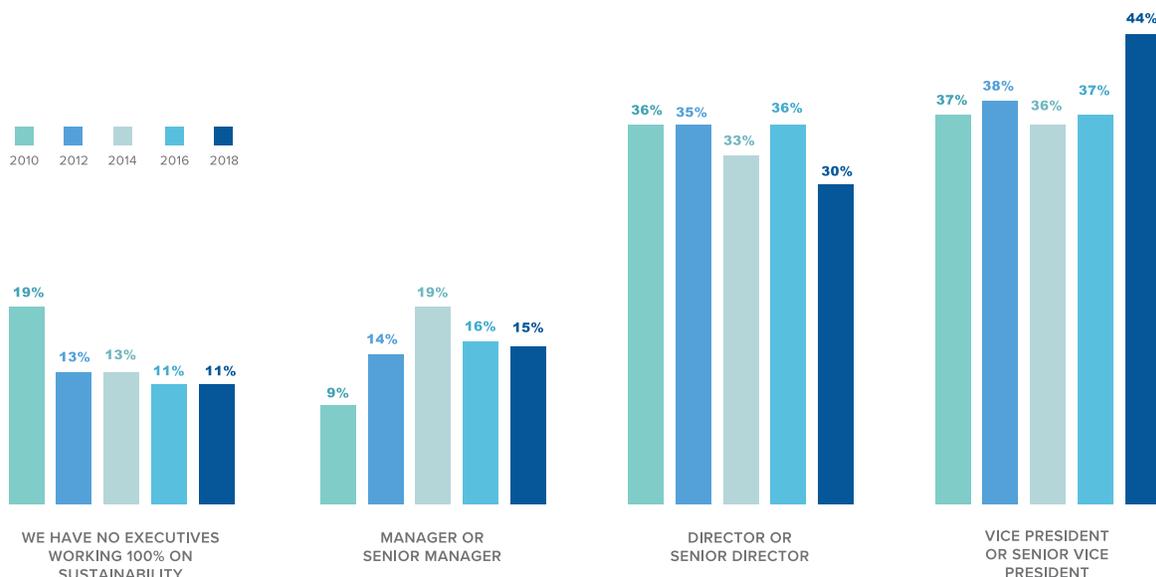
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The Sustainability Leader's Role

In the past, we've noted that a majority of sustainability professionals identify their top three priorities as developing strategy, working with peers and reporting on progress. Earlier, we noted that reporting, while perhaps becoming more onerous, is also requiring greater focus on the detail and context of what is being reported. The same can be said in terms of strategy and collaboration.

In the past few years we've seen a number of promotions and new hires for sustainability roles at an executive level. It's easy to anecdotally note that food giants like Tyson, Cargill and Land O'Lakes have promoted or hired high-ranking sustainability executives. In years past, the same could have been said of the technology, hospitality, consumer goods and other sectors. This year's survey results show a significant increase in the number of large-company sustainability programs being led by a vice president or senior vice president. After years of consistently hovering between 36 and 38 percent, the number increased to 44 percent. That number is even higher in sectors such as consumer goods (54 percent), basic materials (52 percent) and financial services (50 percent).

WHAT IS THE TITLE OF THE HIGHEST-RANKING EXECUTIVE WHOSE JOB IS 100 PERCENT FOCUSED ON THE COMPANY'S SUSTAINABILITY EFFORTS?



As to where these sustainability executives reside within the organization, the answer is as disparate as it has always been. Even within sectors, there is no consistent home for the sustainability group. Members of our GreenBiz Executive Network (GBEN) note that when it comes to reporting structure, the “where” is less important than the “who.”

In years past we have sought out org charts and interrogated GBEN members to sort through reporting structures. This year, we decided to include a question in our survey to understand how many people stand between the highest-ranking sustainability executive and the CEO.

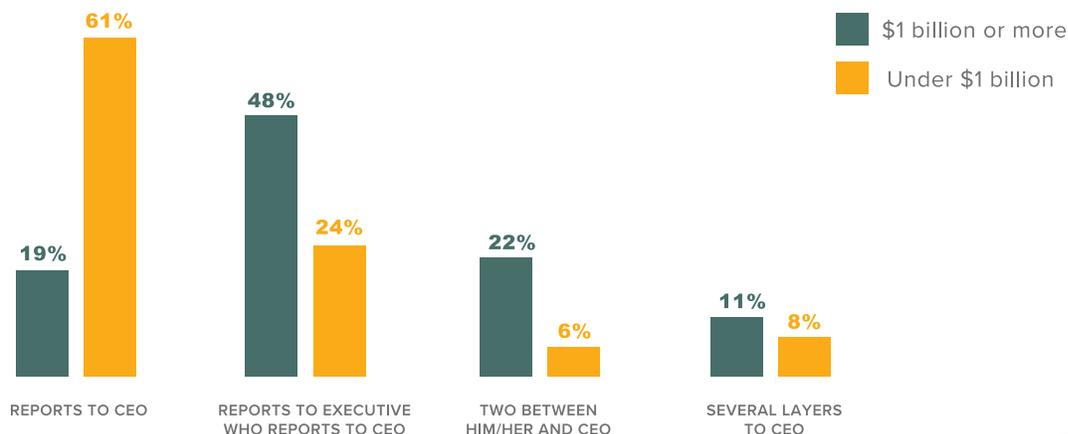
It’s not surprising that in smaller companies (41 percent of all respondents report revenues below \$25 million) that there is a direct line to the CEO. Most respondents from smaller organizations tend to consider sustainability core to their mission. More encouraging is that 67 percent of respondents from companies with revenues greater than \$1 billion either report directly to the CEO or to someone who reports to the CEO.

In a separate question, we asked vice presidents where they report and 46 percent report to the C-suite or board of directors. This is up from 33 percent in 2012.

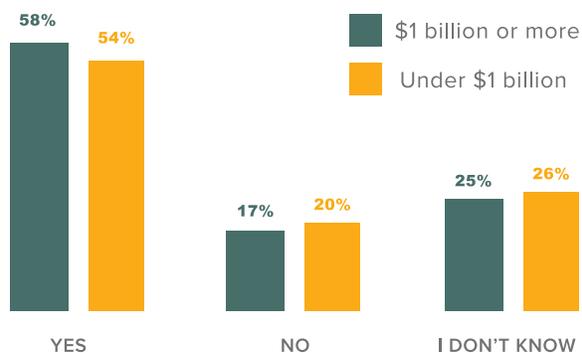
Speaking of the top job, CEO activism has received greater [media attention](#) as more CEOs are speaking up on sustainability issues. When President Trump withdrew from the Paris Climate Accord in 2017, more than 1,900 companies responded [“we are still in.”](#) Once again, we asked how involved CEOs are in their company’s sustainability program. While only 11 percent said their CEO “owns” sustainability and is “very engaged,” an additional 59 percent of CEOs are supportive, a finding consistent with years past.

CEO involvement isn’t a necessary prerequisite for a successful sustainability program. According to a recent [Equilar study](#), the average tenure for a CEO at a large-cap company is 7.2 years, with almost half of large-cap CEOs serving few-

IN YOUR ORGANIZATION’S REPORTING STRUCTURE, HOW MANY PEOPLE STAND BETWEEN THE HIGHEST-RANKING SUSTAINABILITY EXECUTIVE AND THE CEO?



WOULD YOUR PROGRAM CONTINUE ON ITS CURRENT TRAJECTORY IF BOTH YOUR ORGANIZATION'S SUSTAINABILITY LEADER AND CEO WERE TO LEAVE?



er than five years. As such, we wondered how corporate sustainability programs would fare if the CEO and sustainability leader were to leave.

A majority of both large and small companies said they would see established sustainability programs continue on their current trajectory. One supporting reason for this may be that almost two-thirds of those surveyed in large and small companies (64 percent and 68 percent respectively) replied that the head of sustainability at their organization regularly reports to the board of directors on the company's progress.

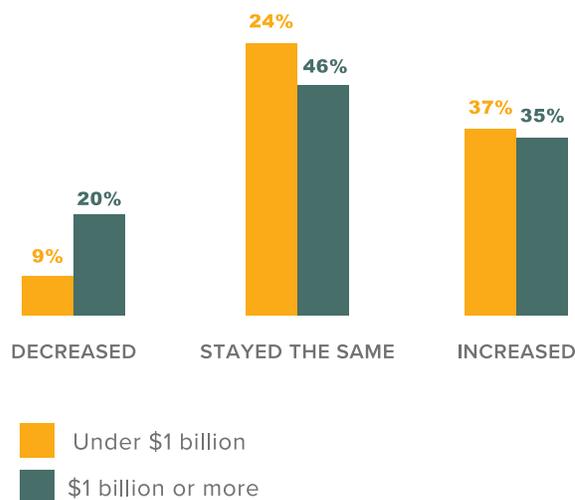
Teams and Budgets

It may seem like an oxymoron that while sustainability is becoming a greater focus for many of the Global 2000 it is getting more difficult to track the growth of sustainability departments. The establishment of many programs starts

with the creation of a cross-functional council comprised of senior executives and led by an internal C-suite champion. As collaboration across functions grows, department heads often take over responsibility for pilots initially funded by the sustainability team and begin embedding resources within their group to carry these efforts forward. As we noted earlier, there is a significant increase of embedded resources in supply chain and facilities management and it is happening in other areas as well. This phenomenon makes our biennial survey collecting data on budgets and team size that much more difficult to assess.

In our latest survey, 26 percent of companies with revenues greater than \$1 billion have sustainability budgets of \$1 million or more. This is down by six percentage points from 2016 but

HAS YOUR BUDGET INCREASED OR DECREASED IN THE PAST TWO YEARS?





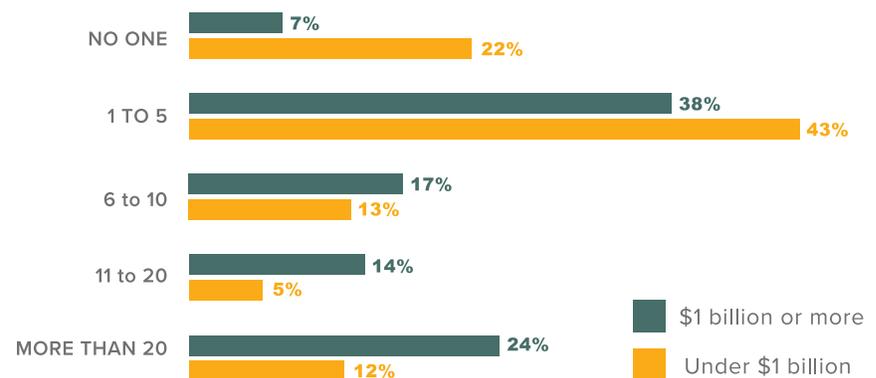
consistent with the years between 2010 and 2016. The biggest change is from the 32 percent who cited having no specific budget, a sharp decrease from 2010's 45 percent.

A better indicator may be the response to whether overall budgets had increased, decreased or stayed the same over the past two years. Eighty-one percent of large companies have either held the line or increased their budgets. While 20 percent of firms have lowered their budgets, the sectors where the greatest number of organizations cite decreased budgets are financial services and technology (35 percent and 28 percent respectively). In the case of technology firms decreases may have come as the result of reassigning resources to supply-chain management initiatives.

We drilled down into the budget question by asking how firmwide budgets will change for a number of different categories. The top two activities traded places since 2016. Investments in sustainable supply chains dropped to No. 2 while the number citing increased spending rose to the top spot, ratcheting up from 47 percent to 50 percent. The more significant change is in sustainability product/service innovation, which rose from 46 percent in 2016 to 54 percent this year. This reflects our earlier assertion that new business models are being developed.

Teams are getting a bit bigger. Eighty-seven percent of large companies report that headcount has either stayed the same (38 percent) or increased (41 percent) in the past two years. One interesting finding is that team size has little correlation to industry sector. There are both large and small teams in companies within all the major sectors surveyed.

HOW MANY PEOPLE ARE DEDICATED FULL TIME TO YOUR COMPANY'S SUSTAINABILITY INITIATIVES?



VAL SMITH

**Managing Director
and Global Head
Corporate Sustainability
at Citi**

John Davies: What are the big sustainability trends in the banking and financial services sector?

Val Smith: Two key trends that stand out for me relate to sustainable finance and the greening of financial products, and a renewed focus on climate risk disclosure. Within sustainable finance, there is growing attention on how traditional financial products – such as project finance, bonds, commodities hedging, loans – can be adapted to serve green and sustainable purposes.

You see project finance becoming project finance for renewable energy projects and green infrastructure. You see bonds that have become green bonds, as well as sustainability bonds and social bonds. Green loans are a newer product that we're also starting to see. And we have our commodities group providing hedging for renewable energy projects in the form of virtual power purchase agreements.

On the other side of the coin, climate risk disclosure has become an area of increased focus. This has been an area of development for a while, but it's being driven in a new and more powerful way by the recent recommendations from the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

Banks are increasingly being asked by a number of stakeholders, including regulators and investors, about how we are analyzing and reporting on climate risk with regard to our business and lending portfolios. This is an area that Citi has been working on in collaboration with UNEP FI and a number of different financial institutions, including developing climate scenario analysis.

Davies: Are there broader trends you're seeing?

Smith: I see a number of institutions and companies beginning to align some of their business aspirations around external frameworks and goals such as the Paris Agreement and the Sustainable Development Goals. There's also been an increase in the use of the corporate voice from companies. A number of companies are taking more public positions on social and environmental issues, ranging from immigration and equality to firearms and the Paris Agreement.

Davies: How do you see the role of the sustainability executive evolving in the finance sector?

Smith: I joined Citi in 2004. At that point we were very focused on reporting on our operational footprint, such as our energy use and greenhouse gas emissions performance. But in the last five years, sustainability teams have moved from being primarily tactical to being more strategic. The tactical pieces have not gone away -- reporting, stakeholder engagement, and driving specific initiatives and goals. That's still really important. But, we see -- and I think my colleagues at different companies would agree -- the infusion of sustainability in more senior level discussions around business strategy.

I think the other way that the role of the sustainability executive has evolved is that while you still have centralized sustainability teams, you also see more specialized teams. In a bank you might find that you have specialized banking teams that are responsible for green bonds or for renewable energy project financing. And you also have operational teams that are dedicated to the greening of facilities.

So, you have a more complicated structure in terms of the sustainability executive and a central team with a global and overarching remit, and you also have specialized teams that are driving this further into the business.

Davies: What advice would you give to new graduates interested in sustainability?

Smith: I think that the field of sustainability is no longer one-size-fits-all. I would encourage graduates to really look at all of the options and think about where their skillset naturally can add the most value. The other thing to think about is the type of organization where you want to work; in the private sector it might be a pure-play company whose mission is completely focused on sustainability like an EV charging company or a sustainable foods company, or it could be a company that has sustainability as a piece of their business and you can be an internal change agent. Either way, the field is growing, and it's great to see the range of emerging opportunities available to graduates who are interested in working in sustainability.

* The interview has been edited for length and clarity.



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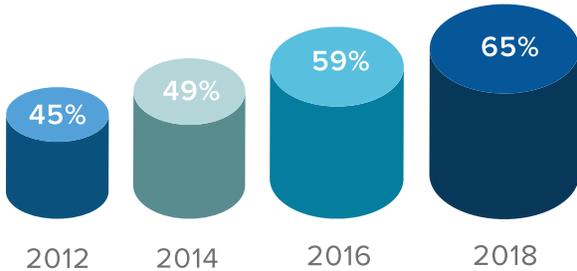
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The Right Profile: Jobs in Sustainability

Ten to 15 years ago, companies exploring the opportunity to leverage sustainability as a strategic business initiative typically placed someone from inside the organization, preferably an individual with connections and respect across the firm. Since then, we have witnessed the mainstreaming or “professionalization” of the sustainability role. Nowhere is that more apparent than in the dramatic increase in hiring from outside the company.

PERCENT OF THOSE TAKING SUSTAINABILITY ROLE AT LARGE COMPANIES HIRED FROM THE OUTSIDE RATHER THAN PROMOTED FROM WITHIN

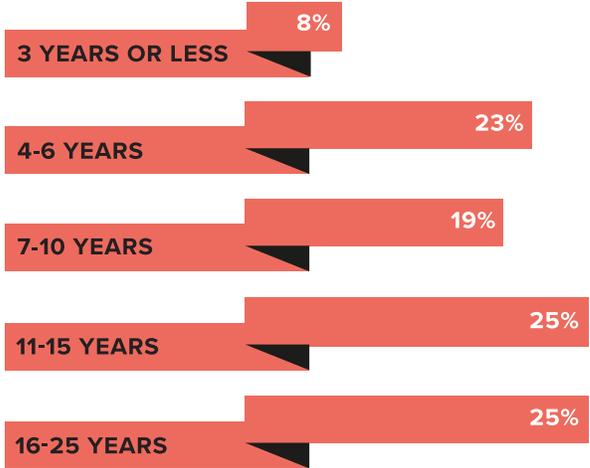


Two-thirds of sustainability vice presidents, managers and individual contributors, and 56 percent of sustainability directors, reported being hired from the outside. In terms of specific sectors inclined to seek external perspectives, financial services, consumer goods and technology companies top the list.

In the recent past, 40 to 50 percent of managers, directors or vice presidents who got their sustainability role through an internal move at their company did so

through the creation of a new position. These days, that appears a much less likely path. The top paths for sustainability professionals who have been at a large company for three years or less applied for a position posted on an online job board (32 percent), word of mouth (24 percent) or by being contacted by someone from the company (22 percent).

YEARS WORKING FOR CURRENT EMPLOYER BY THOSE WHO CREATED THEIR ROLE AT THE COMPANY



That means that for both internal and external sustainability job seekers, there is one key strategy: networking. When we asked those coming from the outside to their sustainability role, one quarter of external hires heard about their job through word of mouth and another 30 to 40 percent were contacted directly by the company. Executive search firms play a role in senior hires (22 percent of vice presidents heard about their job through a recruiter) but the best approach comes from professionals continually expanding and updating their networks.

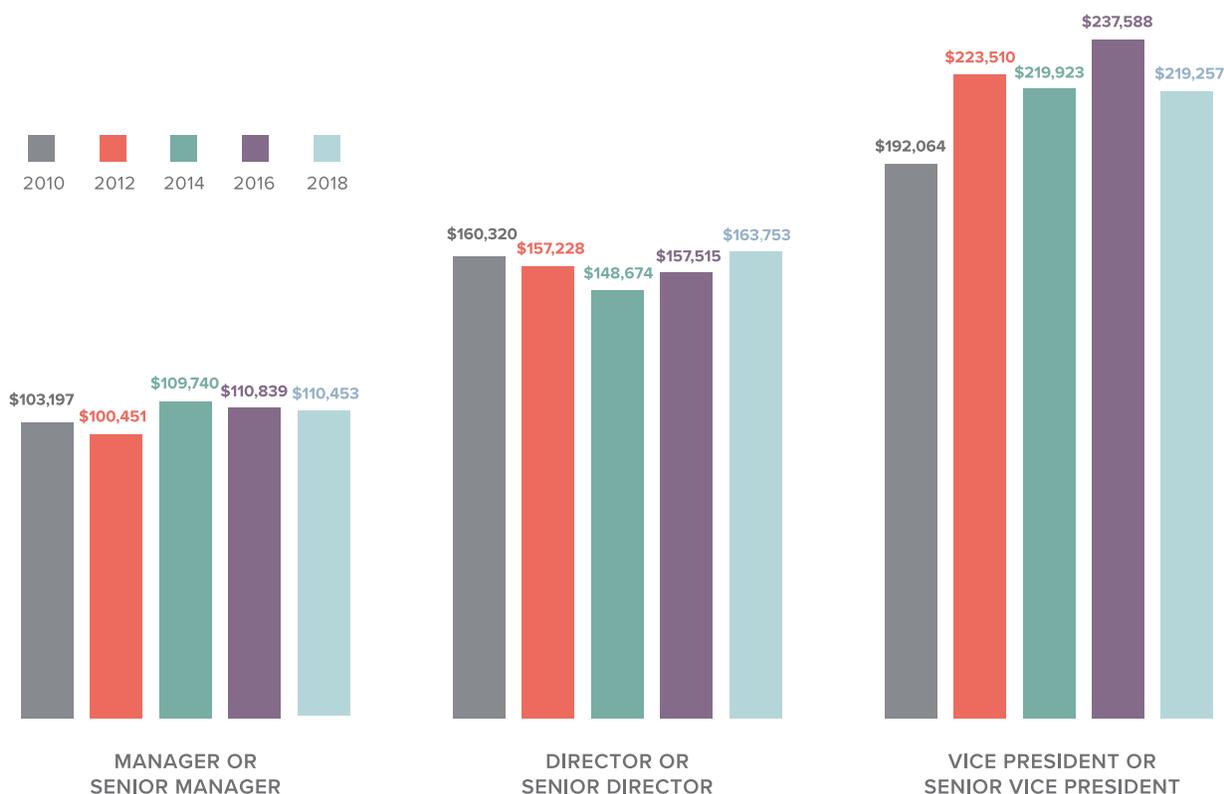


That means that for both internal and external sustainability job seekers, there is one key strategy: **networking.**

How Much Do People Make

The most requested data from our biennial State of the Profession survey is best expressed by the voice of Tom Cruise in the movie “Jerry Maguire”: “Show me the money!” On the face of it, not much has changed in sustainability professionals’ compensation from previous years. Our 2016 survey showed a slight blip in average salary for vice presidents, but that was likely skewed by a handful of respondents reporting very high salaries in 2016. In fact, the median salary (\$225,000) has remained flat since 2012.

HISTORICAL AVERAGE SALARY FOR SUSTAINABILITY LEADERS



Averages tell only part of the story. The following chart provides a better indication of how managers, directors and vice presidents at companies with revenues greater than \$1 billion should view their base compensation in comparison to their peers.

MANAGER AND SENIOR MANAGER



While the average salary for managers is \$110,453 and the median is \$112,500, 26 percent of those surveyed made more than \$125,000. A similar result can be seen for vice presidents, where 29 percent earn more than the average salary (and that doesn't take into account bonus pools and stock options, which can sometimes surpass base salary for senior executives).

With increased survey participation from European Union professionals, we did assess salary differences between the EU and the U.S. but the data pool is still too small to make definitive assessments. Suffice to say, U.S.-based managers and directors are better compensated than their European counterparts and, as we gain greater participation outside the U.S. in our next report, we will be able to provide more insight.

Raises and Bonuses

While salaries appear to remain stagnant, we've also seen a slight decrease in the number of respondents receiving raises. That said, 69 percent of managers, 78 percent of directors and 75 percent of vice presidents received raises in the past year.

On the plus side, many more in each job category received bonuses. Only 78 percent of managers

ELLEN WEINREB

**CEO,
Weinreb Group
Sustainability
Recruiting**

**A sustainability
recruiter's
perspective**

Sustainability Careers of the Future Require Depth and Breadth

This year's GreenBiz State of the Profession report reveals that as the field of sustainability has matured, sustainability careers are growing in terms of breadth and depth: There's an expanding need for executives who have a diverse background to lead on myriad issues, and there's also a higher demand for specialists.

This is good news for both practitioners and leaders because it means there are pathways for generalists and specialists alike.

Breadth: Companies need more sustainability generalists.

One of the report's main findings is that companies are looking outside their business for talent: Today, two-thirds of vice presidents, managers, and individual contributors, and 56 percent of directors, are being hired from other companies and industries. In the past, up to 50 percent of these roles were filled internally. This change is due in part to the fact that companies recognize the benefit in bringing in leaders from outside who offer broad perspectives based on having successfully built sustainability programs elsewhere.

This speaks to the need for people with a breadth of experience. The issues under the sustainability umbrella keep growing, and sustainability professionals' responsibilities have also transformed, from tactical roles like publishing reports and engaging stakeholders, to more strategic roles like change management and innovation.

These changes are seeding the demand for the corporate sustainability generalist: someone who sees the bigger picture, understands the trends affecting business, people, and the planet, and has great management skills. These are the essential skills for next-generation CSR leaders—including the ability to create capacity, catalyze conversations and behavior change, and collaborate across the business, industry, and sectors.

What does all this mean for aspiring sustainability generalists? Develop the breadth of your skills. Create sustainability success stories at your current employer. Learn about your business and be able to explain to anyone at your company why sustainability matters to their function. Track trends affecting other industries and consider how they might eventually affect yours. Engage people across your company, in your industry, and beyond to develop strategies for shared value and net positive impact. I also encourage junior sustainability professionals to seek out mentors who embody these skills, and for leaders to cultivate these skills in rising stars.

Depth: Companies need more specialists, too.

Even as companies look for more sustainability generalists, the opportunities for specialists are also growing. According to the GreenBiz report, the number of sustainability personnel in facilities has grown by 15 percentage points since 2014, and the number of sustainability people in supply chain departments has gone up even more, by 21 percentage points. Not surprisingly, the size of sustainability teams is also growing: 41 percent of report respondents at large companies said their team increased in the past two years.

The growth of specialists is happening in part because the field is becoming more sophisticated. Companies are tackling more issues, increasing their ambition for scale and impact, improving their transparency, developing more holistic programs, forming more partnerships, collecting more data, and seeking to make greater change deeper in their supply chains and across the value chain. All of these changes require specialists to manage, implement, and track progress.

As this report shows, one of the areas of specialization has been in energy procurement. Between 2008 and 2013, only four companies had renewable energy deals. Since 2013, 51 more companies have pursued similar deals. Other new opportunities that could develop a need for specialists include the circular economy, gender, equity, sustainable finance, and plastics.

My advice for people looking to specialize? First, let your passion be your guide. Then focus on areas in your industry where customers and investors—the two stakeholder groups GreenBiz report respondents said have the greatest influence over their company's sustainability program—are asking questions and exerting pressure.

Ultimately, the generalists and the specialists are working hand in hand: As the generalists forge a leadership path on bold initiatives, the specialists ensure programs are implemented for real, on-the-ground impact. And as these trends advance, I believe the number and diversity of sustainability jobs will only continue to grow.



received a bonus but 92 percent of directors and a whopping 97 percent of vice presidents received a bonus. On a less optimistic note, once again only 20 percent received bonuses based upon individual or corporate achievement of sustainability goals.

New Arrivals Earning More

It is the nature of our audience that a significant number of survey respondents from organizations with revenues greater than \$1 billion have more than 10 years of work experience. When MBA students see this data, they are concerned that it reflects a high barrier to entry into the profession. Nothing could be further from the truth. It is simply a reflection of those responding to the survey.

That said, MBAs and mid-career job-changers should be heartened by the fact that managers and directors hired within the last three years at their current employer are making more than those

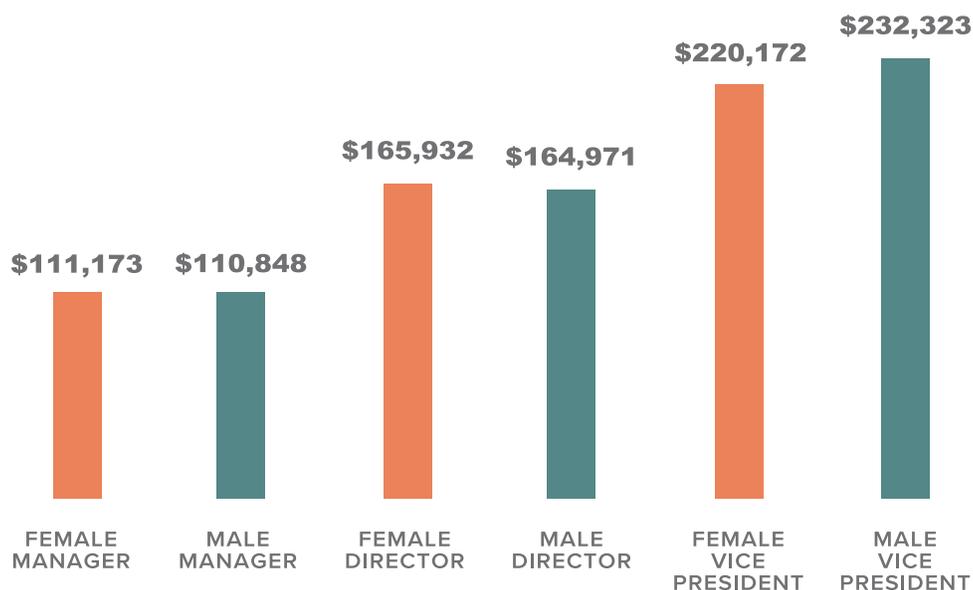
with longer tenures. Sustainability managers are averaging \$4,200 more than those with four to six years of tenure. Newly hired directors are averaging \$6,100 more than those with four to six years of tenure and \$24,000 more than those with seven to 10 years' experience.

Gender Pay Parity and Ethnicity Gap

Some of the more encouraging findings from this year's survey are associated with gender equity. Women from companies with revenues greater than \$1 billion constitute a majority of sustainability managers and directors responding to our survey (57 percent and 52 percent respectively) and 48 percent of vice presidents are women.

Female managers and directors also out-earn their male counterparts, albeit by a small amount. The average pay for a female vice president is 5 percent less than that for a man, but that's a marked improvement in gender inequity from past years.

GENDER PARITY IN PAY FOR SUSTAINABILITY LEADERS



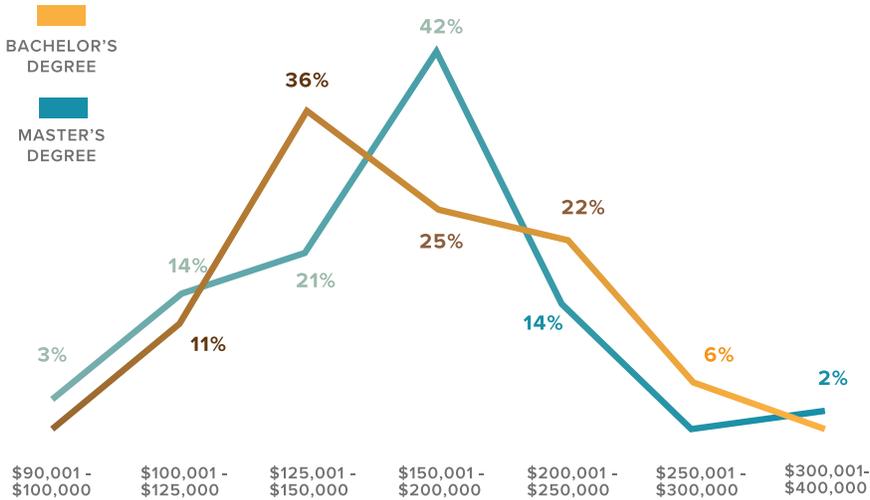
A persistent gap for the sustainability profession is associated with race. The profession continues to be predominantly comprised of Caucasians, including 83 percent of managers, 90 percent of directors and 86 percent of vice presidents. GreenBiz has over the past few years introduced an [Emerging Leaders](#) program to encourage greater ethnic diversity in the profession but there is much more that needs to be done.

Hire Education

Sustainability leaders from large companies responding to our survey are a well-educated bunch, with at least 97 percent having completed at least a bachelor’s degree. We are often asked if continuing on to get an MBA is a wise investment. If we consider the average salary for a manager or director, the answer would be a cautious “no” as managers with a master’s degree earn a few hundred dollars more than their bachelor’s degree peers. The MBA advantage is even worse for directors, who earn \$7,000 less than their peers with a “only” a bachelor’s degree.

But averages don’t tell the whole story. More than two-thirds of managers and directors (72 percent and 69 percent, respectively) have a master’s degree. At the higher end of the pay scale for directors (see chart below), there appears to be a slight upside for those who have received a master’s degree.

DIRECTORS WITH MASTER’S DEGREES HAVE GREATER EARNINGS UPSIDE



In a separate question, we asked whether respondents had earned an MBA and, if so, whether it was specifically in sustainability. Thirty-one percent of managers got their MBA with a concentration in sustainability while only 23 percent of directors and 20 percent of vice presidents who earned an MBA focused on sustainability.

Conclusion

Sustainability, both as a profession and a career path, is continuing to evolve. As we have noted in this year's report, there is a greater focus on specialization. More than half of large company sustainability teams are between one and 10 members, and team size is growing slowly. The good news is that companies are looking for candidates with a passion for sustainability and skills that can help elevate more embedded efforts, such as increasing supply chain transparency or designing new and innovative products and services.

One of the key attributes we have seen in successful sustainability professionals is that they are constant learners. The world is changing faster than ever before, as are society's social and environmental expectations of companies, and the requirements of future sustainability professionals are only partly known. We look forward to continuing to track this dynamic and evolving profession.



Appendix A: Profile of Survey Respondents

The 2018 GreenBiz State of the Profession was based on a survey of the GreenBiz Intelligence Panel, with additional respondents reached through partnerships with a number of other organizations. The [Weinreb Group Sustainability Recruiting](#) was a significant partner in these efforts and close to half of our respondents were contacted based upon relationships developed by them. All of our partner organizations are listed in Appendix C, but [CSR Europe](#) deserves a special mention for their help in increasing the number of respondents outside North America.

Methodology

Data for the State of the Profession survey was collected from November 13, 2017 to February 14, 2018. This is longer than typical as we recruited additional partners to broaden the geographic scope of the responses. The survey was conducted online and an email link was sent to the panel's members as well as other participants that were reached via partnership organizations.

Demographics

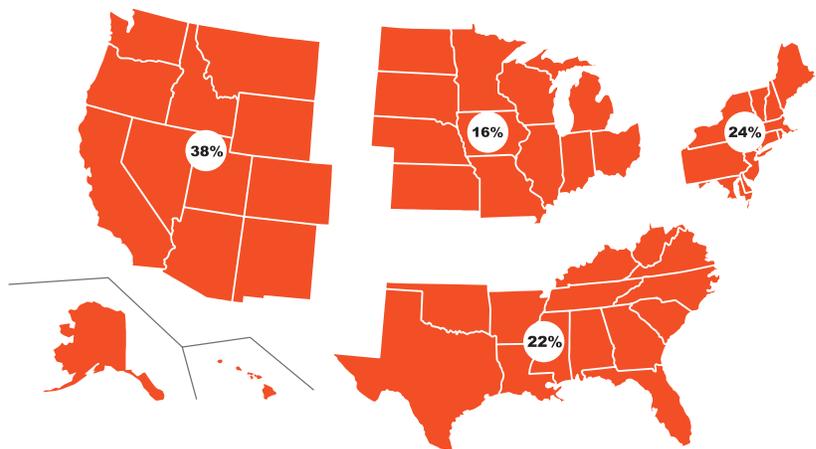
The final tally of those responding resulted in 1,248 usable responses, a 25 percent increase in responses compared to our 2016 survey. Of those responding, 42 percent were employed by organizations with revenues greater than \$1 billion.

Sixty-eight percent of the survey respondents live and work in the United States. Responses came from 41 of the 50 states, with the most coming from California (23.7 percent of U.S. responses) and New York (9.6 percent). Internationally, the European Union accounted for 18 percent of total responses.

REST OF WORLD



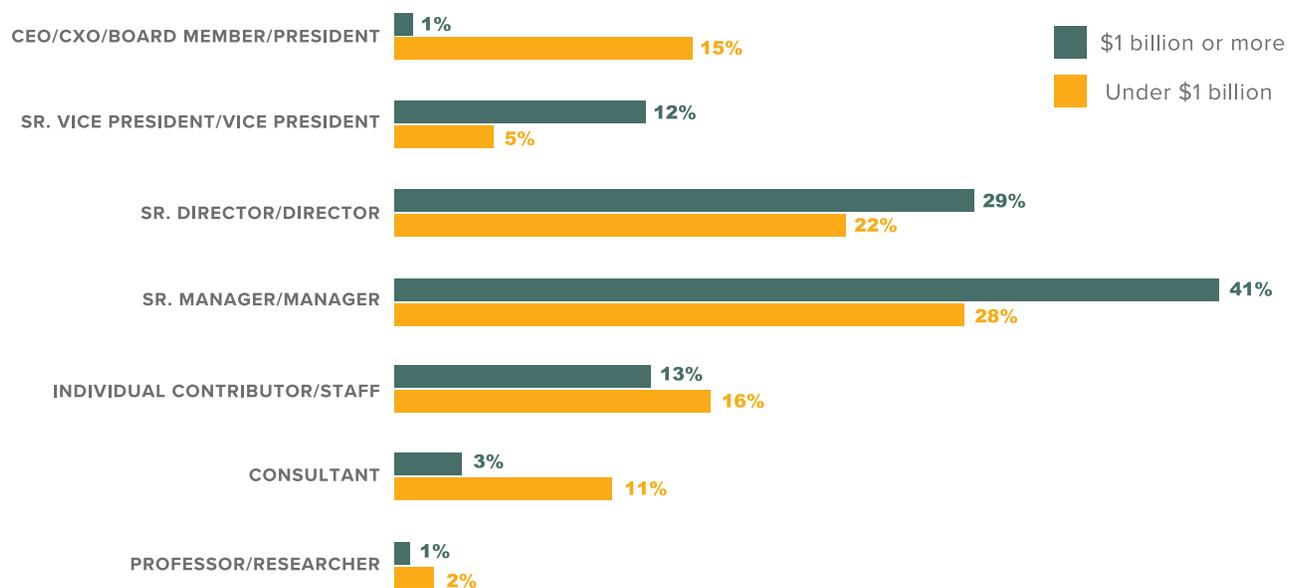
UNITED STATES
68%



Responses from the survey have been analyzed based upon both company size and industry sectors. As mentioned, large companies with revenues greater than \$1 billion represent 42 percent of the survey sample, whereas companies with revenues below \$1 billion account for 58 percent of the responses. Large companies are more evenly represented across all major industry sectors. A description of the types of companies included in each sector and the percentage of respondents in each sector is provided in Appendix B.

In terms of individual respondents, the greatest number of responses came from those at a manager or senior manager level as well as director or senior director. The chart below presents an overview of those responding to the survey. For the purposes of our salary analysis, we primarily focused on managers, directors and vice presidents.

FROM THE LIST BELOW, WHAT IS THE TITLE OF YOUR JOB LEVEL?



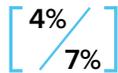
Appendix B: Industry Sectors

The following is the list of industries and their descriptions presented to survey respondents for classification. The percentages in brackets below each sector identifies the percentages of respondents from large companies (revenue over \$1 billion) and smaller companies (revenue under \$1 billion) [large percent/small percent].

AGRICULTURE



ENERGY/ RENEWABLES/ EFFICIENCY



HOTEL/ HOSPITALITY/ TOURISM



RETAIL

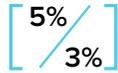


BASIC MATERIALS



(including chemicals, metals, oil & gas, specialty chemicals)

FINANCIAL SERVICES



INDUSTRIAL GOODS



(including aerospace, cement, machinery, industrial equipment, machine tools and waste)

TECHNOLOGY



(including hardware, software, telecom)

CONSTRUCTION/ BUILDING/ REAL ESTATE



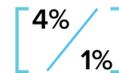
GOVERNMENT (NON-MILITARY)



MEDIA/ COMMUNICATIONS



TRANSPORTATION



CONSUMER GOODS



(including appliances, auto parts, food & beverages, housewares, office supplies, paper products, apparel & textiles)

MILITARY



NON-PROFIT/NGO



UTILITIES



EDUCATION/ TRAINING



HEALTHCARE/ BIOTECH/ PHARMA



PROFESSIONAL SERVICES



(including accountants, architects, attorneys, business consultants)

OTHER



Appendix C: Survey Outreach Partners

The following organizations provided outreach to their members to help us reach a greater number of sustainability professionals.

[Weinreb Group Sustainability Recruiting](#) is an executive search firm that places full-time sustainability and CSR employees at leading global companies. Weinreb Group specializes in finding talent with leadership and change-management skills, functional expertise, and sustainability fluency to fill the growing number of sustainability roles across all business functions.

[CSR Europe](#) is the leading European business network for Corporate Social Responsibility. Through our network of 45 corporate members and 41 National CSR organisations, we gather over 10,000 companies, and act as a united platform for those businesses looking to enhance sustainable growth and positively contribute to society.

[3shifts](#) is a highly skilled collective of consultants offering solid responsible sourcing solutions. Through supporting our clients we improve the efficiency and sustainability of the supply chain.

[American Apparel & Footwear Association](#). Representing more than 1,000 world famous name brands, we are the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its nearly four million U.S. workers, and its contribution of \$384 billion in annual U.S. retail sales.

Finally, while not a sustainability organization per se, we'd like to thank our friends at Canadian Loto Quebec. If you would like to help us in 2019 when we conduct our next salary survey, please email jdavies@greenbiz.com.

