The State of the Sustainability Profession 2024

About the State of the Sustainability Profession

This is our eighth biennial State of the Sustainability Profession report. First published in 2010 (under our former name GreenBiz), the report looks at the evolution of the role of the sustainability leader in today's business world. We conducted an in-depth online survey of the Trellis Intelligence Panel in late 2023 to find out key trends in the field, including how much sustainability executives earn, where they work and what they do in the course of their jobs, and compared the findings to prior years. The results published here are based on 1,185 responses, 75 percent of which were from employees of large organizations with revenue greater than $1 billion. Most of the charts, statistics and conclusions in this report refer to companies with revenue greater than $1 billion, unless otherwise noted. All salary data refers solely to U.S.-based respondents. A profile of survey respondents is presented in Appendix A.

Acknowledgments

Trellis would like to thank Weinreb Group Sustainability Recruiting and the Global Reporting Initiative for their help expanding the reach of the audience survey that underpins this report. Trellis would like to thank Upwork, the online marketplace for freelancers, for contributing Section 4 "the Freelance Marketplace," including original data and insights, about freelance sustainability work.

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Introduction

When we conducted our first survey of the sustainability profession in 2010, sustainability was a relatively new concept in the corporate world. The role that we know now didn't exist at the turn of the century. Sustainability wasn't so much a profession as an aspiration, a handful of initiatives to lead a company "beyond compliance."

Even today, as we publish the eighth biennial State of the Sustainability Profession report, the playbook for sustainability executives is still being written. Whether you're new to sustainability or an industry veteran, the world around us is changing fast. The rise in regulations in the U.S. and abroad is moving the communication of a company's sustainability-related activities from a voluntary exercise to a mandatory requirement. General counsels and chief financial officers are becoming more involved as sustainability data needs to be assured to the same extent as financial data. New roles, such as the ESG controller, are being created to ensure regulatory compliance.

The profession is at a crossroads. The sustainability role will not fade away and there will be many more companies hiring such professionals in the next few years. The question for the profession is whether these jobs will be focused on meeting the minimum requirements of compliance or strategically focused on reducing a company's negative impacts and increasing its positive ones.

John Davies

President, Networks

Trellis Group

The Unprecedented Rise of Regulation

Sustainability professionals have long advocated for a common framework of sustainability metrics. A veritable alphabet soup of standards (GRI, IFRS, TCFD, CDP and many more) evolved but reporting remained voluntary. But the last two years have seen a dramatic shift. There has been a significant increase in mandatory sustainability-related legislation in Europe, the U.S. and elsewhere, much of it focusing on reporting sustainability initiatives and targets. As one sustainability professional shared, "It looks like the dog caught the car."

The caution for large companies considering how to respond to these regulations: "The car always wins."

In the EU, the governing European Commission passed legislation that requires large companies to publish regular reports on the social and environmental risks they face, and on how their activities impact people and the environment. Here is an overview of the Corporate Sustainability Reporting Directive (CSRD) and other EU regulations. CSRD will require nearly 50,000 EU companies and around 3,000 U.S. companies to report their climate and environmental impact.

In the U.S., the Securities and Exchange Commission (SEC), which has a mission to protect investors, adopted rules to enhance and standardize climate-related disclosures by public companies. (It's on hold as litigation makes its way through the courts.) California also passed legislation (Senate Bill 253 and Senate Bill 261) that will require companies with revenue above certain thresholds to make climate-related disclosures starting in 2026. The California legislation will affect more than 5,300 companies that do business in the state.

The SEC chose to bypass any requirements for reporting Scope 3 emissions data, which are the result of activities from assets

With the arrival of the most recent regulations, another boom time is upon us.

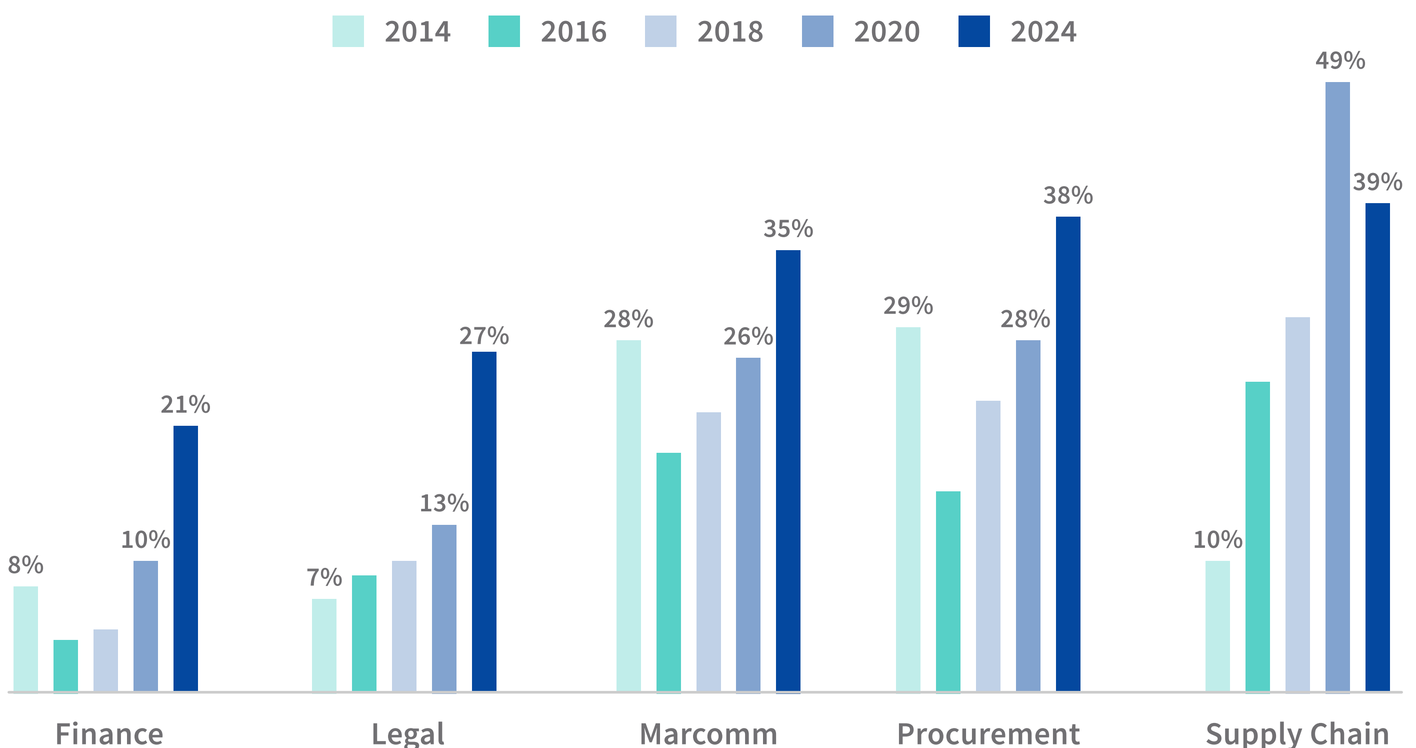
not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain via upstream and downstream activities. The CSRD and California legislation require the reporting of scope 3 emissions data, which will increase the need for more consultants and internal resources.

Assuring Sustainability: A $5.7 Billion Market

While timeframes have been set, there are already legal challenges that could delay implementation of some regulations. But most large companies aren't waiting for the dust to settle because they see the need to accurately respond to requirements for auditable ESG data — for their stakeholders, if not for their shareholders.

When it comes to sustainability data, spreadsheets no longer cut it. A little more than 20 years ago, when the Sarbanes-Oxley Act mandated certain practices in financial record keeping and reporting for corporations, one result of that legislation created a boom time for compliance and security software, and consultants to aid in implementation. With the arrival of the most recent regulations, another boom time is upon us.

Departments That Added One or More Dedicated Sustainability Resources, Either Full-Time or Part-Time



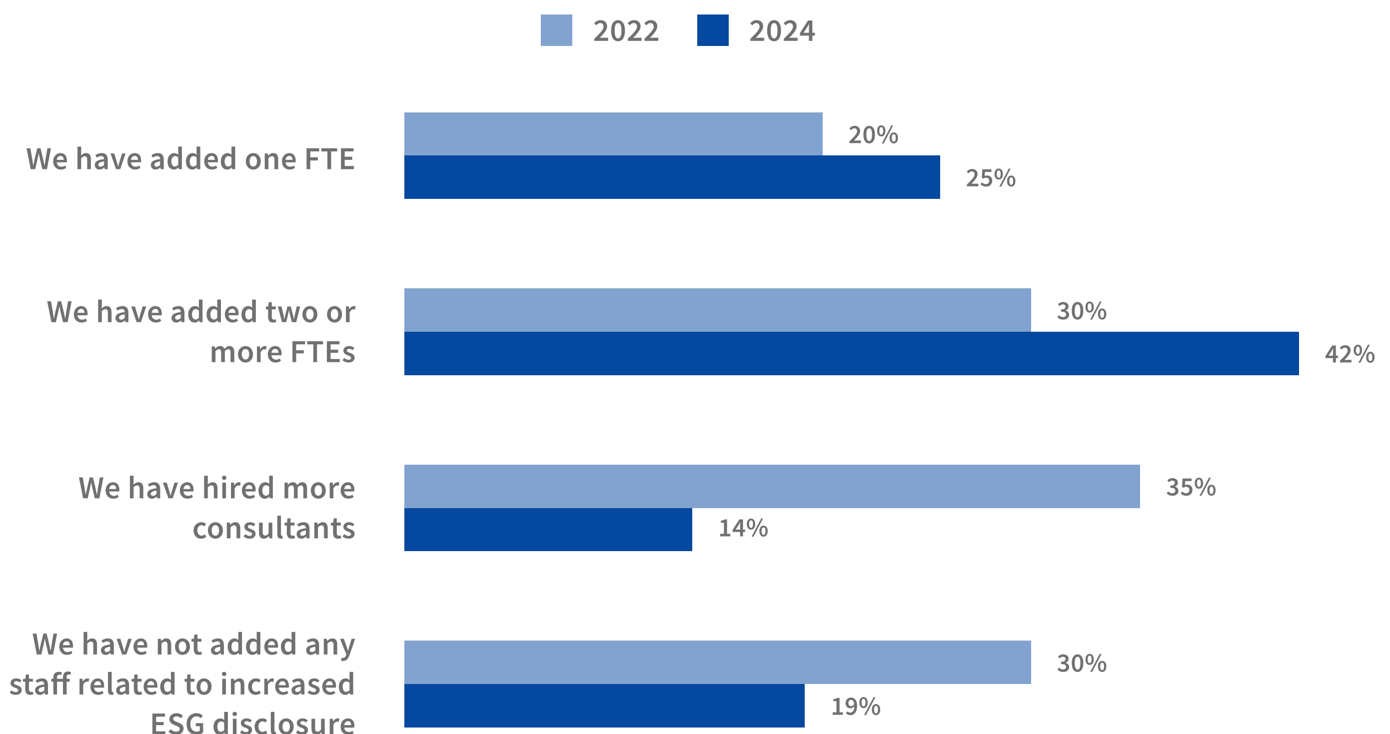
The ESG reporting software market was worth more than $905 million in 2021 and will grow to more than $4.34 billion by 2027, according to research firm Verdantix. It also found that global market spend on carbon management software surpassed $340 million in 2021 and is growing at a 28 percent compound annual growth rate, expected to reach $1.4 billion in 2027.

Staffing Response

Headcount continues to increase within sustainability teams at large corporations, as 74 percent of respondents reported increased staffing over the past two years, just 2 percentage points lower than 2022. Healthcare saw the biggest increase, with 88 percent of respondents reporting adding employees to their team.

Headcounts are increasing in other departments critical to sustainability efforts as well. We asked whether one or more dedicated sustainability resources were embedded within various functions, and the biggest increases showed up in the finance and legal departments. The number of companies embedding resources in the finance department grew by 11 percentage points. Companies adding sustainability resources to their legal teams grew by 14 percentage points.

General counsels and CFOs are becoming more involved in sustainability and new roles, such as the ESG controller, are being



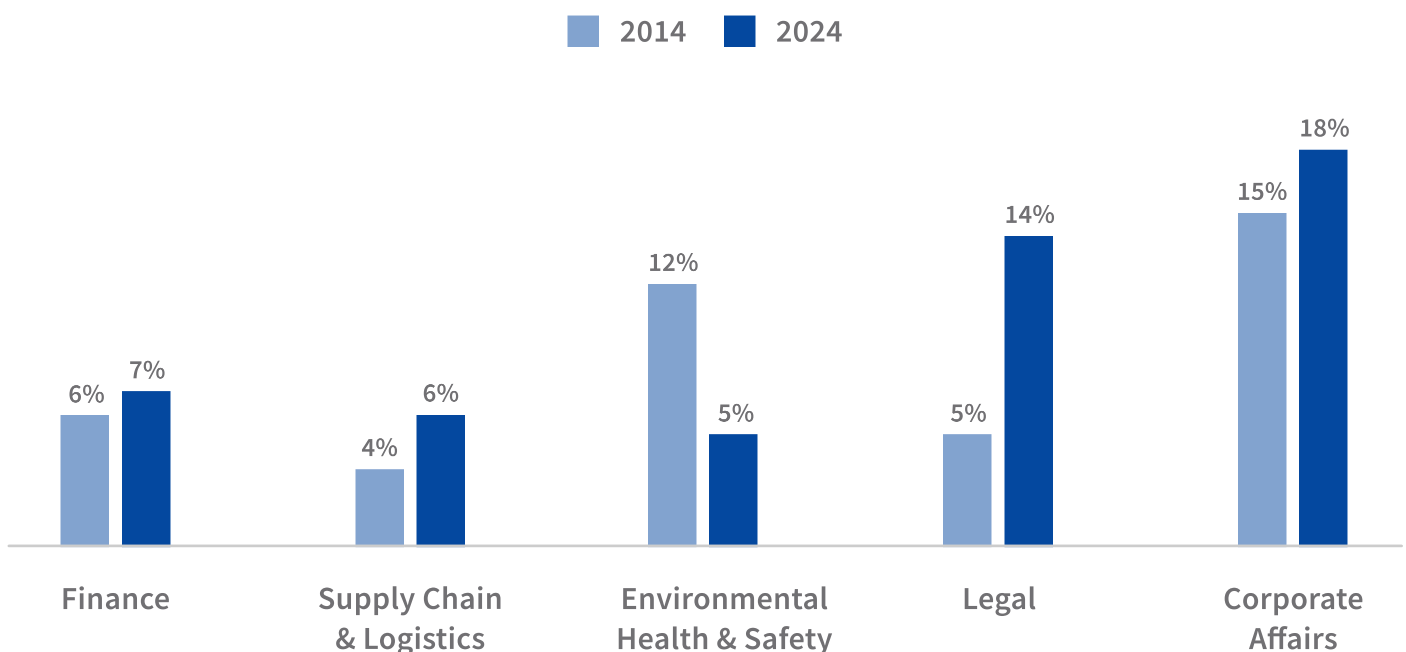
created to ensure regulatory compliance. The title "ESG controller" was virtually non-existent just two years ago. ESG controllers are on the payroll at more than half of the Fortune 100 companies now, where they oversee data systems and processes that underpin sustainability-related disclosures to regulatory bodies, Trellis reported in March 2024. Twenty percent of respondents in our most recent survey indicated that their organization has created the ESG controller function.

While sustainability staffing in the supply chain was down by 10 percentage points (likely due to COVID-related challenges having faded), the number of employees embedded in procurement rose by 10 percentage points.

Two years ago, we began asking if organizations added staff or consultants as a result of increased requirements related to ESG disclosure. In 2022, 35 percent of respondents had hired more consultants because of increased investor pressure related to ESG disclosures. Another 50 percent had added one or more staff. Two years later, the need for consultants setting strategy for ESG disclosure has decreased as more full-time employees are being brought in to gather data in an auditable way and implement

the systems required for reporting ESG data. Only 14 percent of respondents hired consultants, whereas 67 percent added one or more full-time staff.

Where Sustainability Reports Over the Past 10 Years



Restructuring for Regulations

Changes in the corporate sustainability field are also apparent when you look at how sustainability is structured within a corporation. The increase in pending regulations has caused several companies to shift their reporting structures to the general counsel's office. As recently as two years ago, just 7 percent of survey respondents indicated their team reported to the legal department. That has since doubled and this trend will likely continue.

Ten years ago, it was likely that you would find a CSR team reporting into the corporate affairs department or an environmental team reporting into the environmental health and safety group.

Sustainability executives are also rising in seniority within their organizations. The number of high-ranking sustainability executives who report directly to the CEO has risen from 22 percent to 30 percent in the
past two years. The industries where this is most prominent are construction, building and real estate, where 39 percent of sustainability executives report to the CEO, and the consumer goods segment, where 40 percent report to the CEO. In contrast, only 12 percent of retail and 17 percent of technology sustainability leaders report directly to the CEO.

Forty-nine percent of sustainability leaders report to an executive who reports to the CEO, while only 4 percent of respondents can count several layers between them and the CEO.

The elevated role of the sustainability leader doesn't stop with the chief executive. Thirty-one percent of respondents report that the board of directors is briefed on an annual basis about the sustainability program's risks and achievements. Thirty percent brief the board quarterly.

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2 The Long Game: Sustainability at a Crossroads

The aim of regulations is to ensure all large organizations report consistent environmental and social impact data, allowing for comparability both within and across sectors. Yet those same regulations can function as a throttling mechanism for more proactive companies. [Motivation is diminishing for sustainability "first movers" to set ambitious public goals] such as Science-Based Targets (SBTs) or participate in voluntary indexes and disclosures such as the Dow Jones Sustainability Indices or the Carbon Disclosure Project (CDP), noted Dylan Siegler, head of sustainability at Universal Music Group, in March 2024.

These sustainability leaders are likely rolling back their stated ambitions for fear of being held legally accountable for their outsized ambitions, or to avoid the legal ramifications of not meeting them. In our survey we asked about "greenhushing," the term used to refer to companies downplaying or under-communicating environmental or sustainability commitments and performance. Fourteen percent of respondents have started to cut back on the use of terms like "green" and "ESG" in their public communications while 3 percent have completely eliminated the use of those terms.

One of the questions we've been asking since 2016 is for respondents to rate on a scale from 1 to 7 how involved their CEO is in the company's sustainability program. This year CEO engagement is significantly lower than in 2022, falling nine percentage points for those CEOs who were reported to be "very engaged."

The biggest indication of support (or lack thereof) can be seen in the slower growth of sustainability budgets. In 2022, 74 percent

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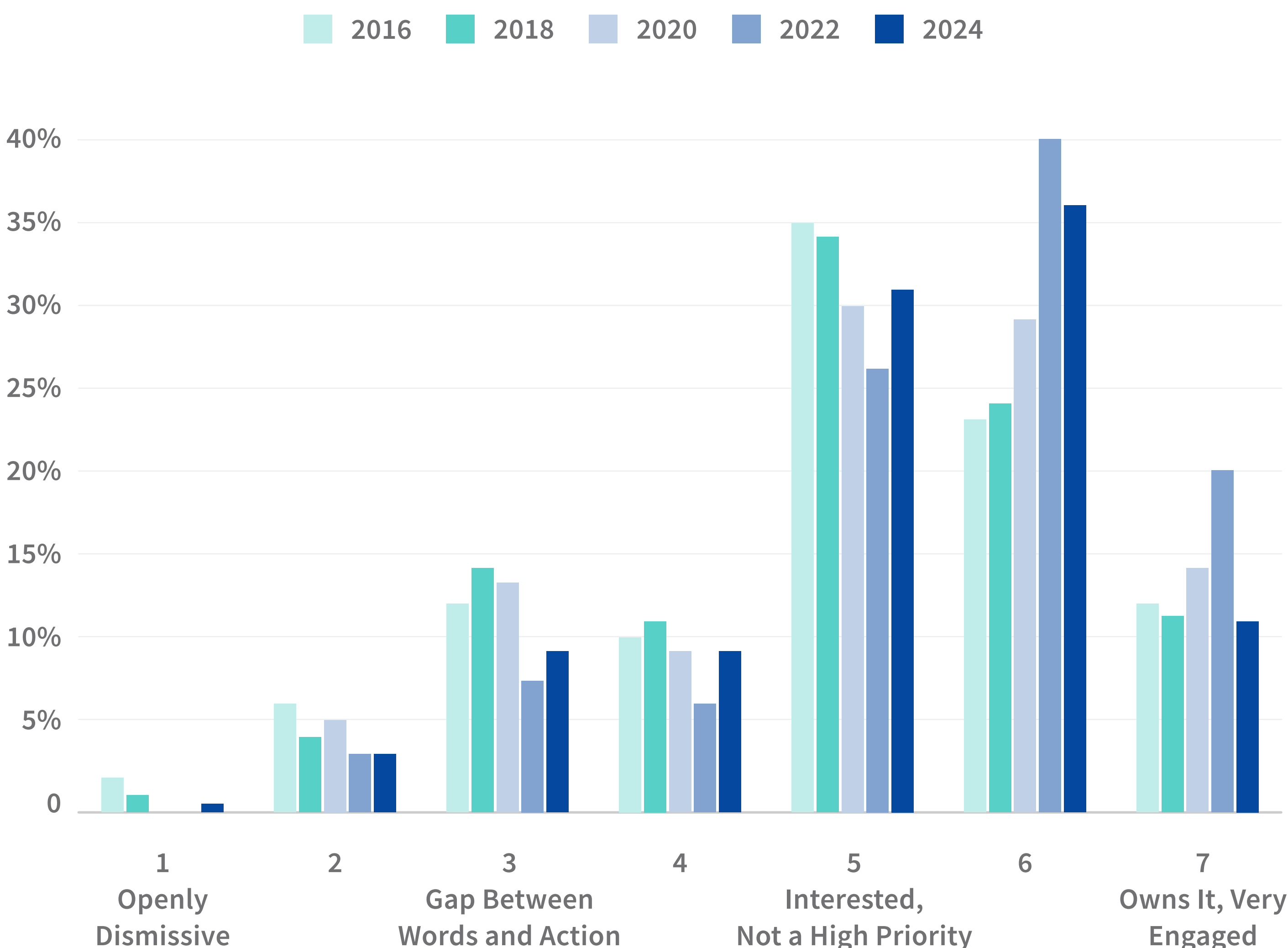
of respondents reported that their budgets had increased whereas only 4 percent saw it reduced. Two years later, only 57 percent saw their budgets increase while 9 percent were scaled back. Teams are being asked to do more with less; it's logical to assume that more of the budget is going to data collection and reporting, reducing the funds available to invest in more proactive measures.

What does all this mean for the sustainability profession? Siegler notes that the bar is being raised for "bottom-dwellers," corporate sustainability laggards dragged into the fray by regulated disclosures, the European Parliament's greenwashing crackdown, and rules such as the EU's Corporate Sustainability Due Diligence Directive that will govern environmental and human rights within corporate supply chains.

To get a reality check, we previewed some of these research results with our Trellis Network members. There's no question, they

A Look at CEO Sustainability Involvement Over the Past Eight Years



said, that raising the bar for sustainability laggards is a good thing and may even help the leaders collect better value chain data. Many members discussed automating the data collection and reporting processes and embedding (or should we say offloading) much of that work to other parts of the organization. But some wondered what the sustainability function will look like in 18 to 24 months once disclosure and reporting requirements are embedded elsewhere in the organization.

The next two years may be a slog through software implementations and data assurance fire drills. The best in the sustainability profession will remain positive with the hope that comparability of their program's performance distinguishes companies that have been investing in true progress from those that have barely done the minimum.

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As one of our network members noted, it's going to come down to how seriously individual companies are committed to true sustainability versus sustainability as simply a form of corporate reporting. They're asking themselves some existential questions about the types of capabilities they will need in their team, the number of people, and what their roles will be. Will they continue to remain deep in the weeds, focusing on operationalizing reporting and data gathering? Or will they return to focusing on innovation, incubation, and horizon scanning?

3 Hiring Demographics

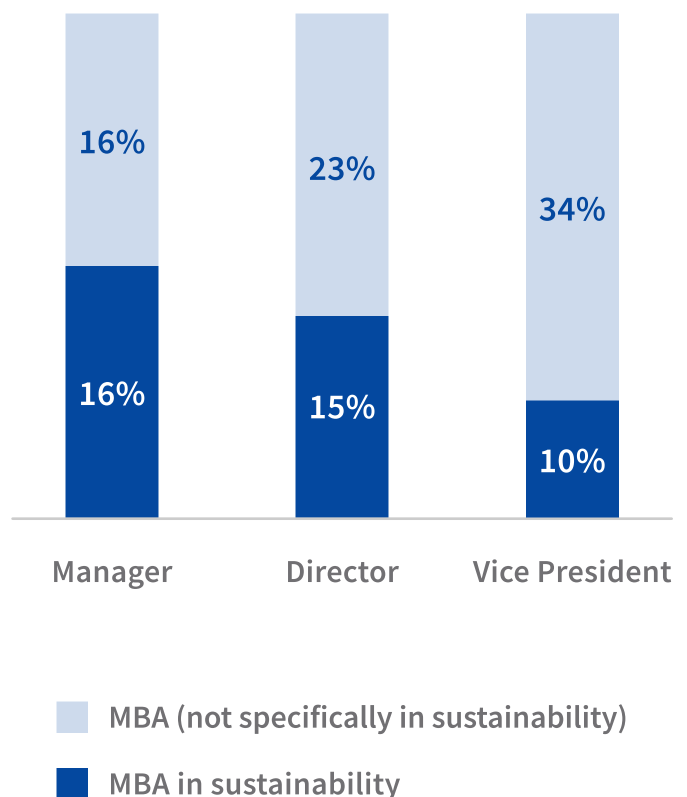
There is no doubt there will be more companies hiring sustainability professionals to meet the demands of increased regulation. For companies looking to staff up their sustainability department, the past 12 years have shown a marked increase in hiring talent from outside the enterprise. Forty-five percent of new team members were hired from the outside in 2012, whereas at least two-thirds have been brought in from the outside over the past 12 months.

We looked at how sustainability professionals found their jobs to understand how outsiders made it in. Online job boards can be effective entryways for individual contributors and managers (47 percent and 40 percent, respectively, heard about their job this way). At the other end of the spectrum, 39 percent of directors and 47 percent of vice presidents were directly contacted by someone from the company that eventually hired them.

Graduate degrees aren't necessarily the key to unlock these opportunities. Only 32 percent of managers have an MBA, whether specifically in sustainability or not. The numbers are a bit higher for directors and vice presidents (38 percent and 44 percent, respectively). For most professionals, an MBA is not a requirement for either a job in sustainability or a promotion.

There are some areas where sustainability professionals can benefit from specialized education and training. Year over year, the Global Reporting Initiative's training and certification programs are at the head of

A Look at Sustainability Professionals With Advanced Degrees, by Position



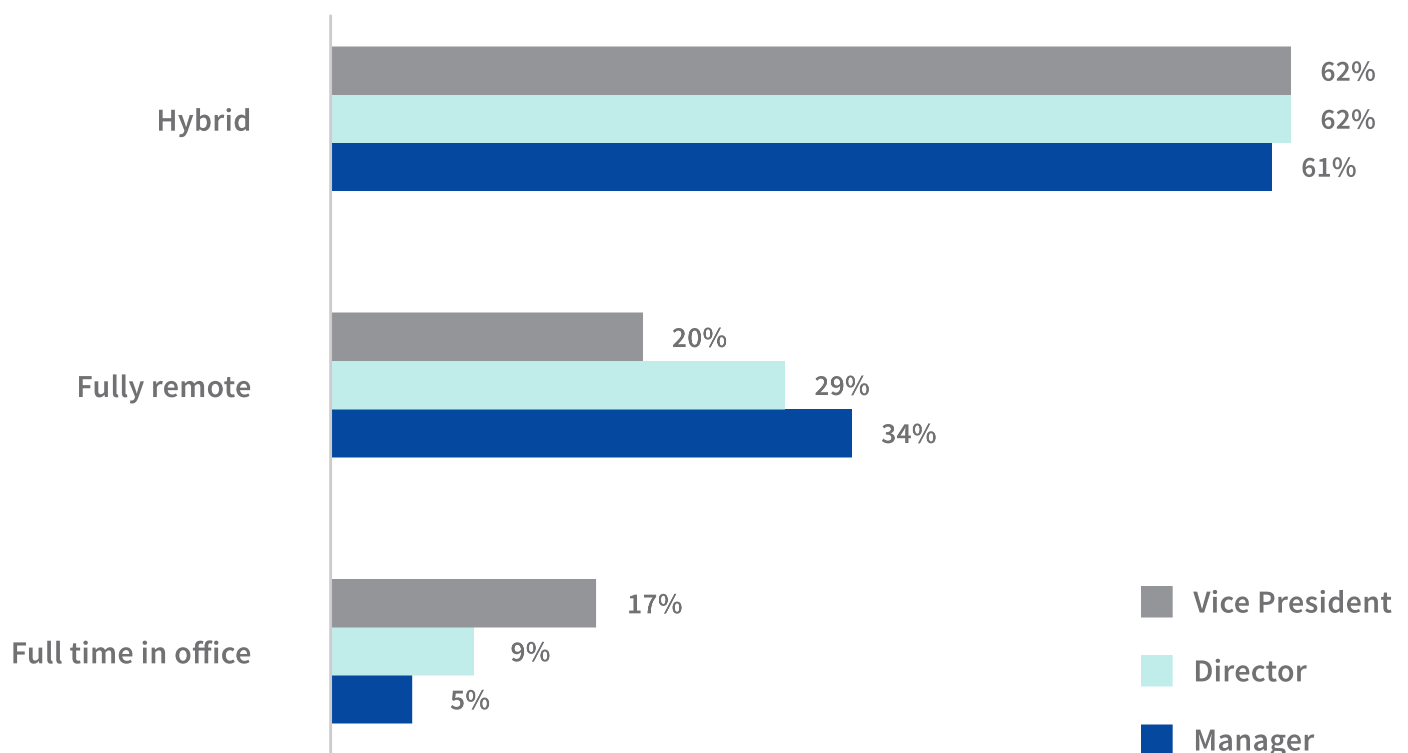
the class for all levels in an organization, according to survey respondents. University-based certification programs are next in line for vice presidents while the LEED green associate certification is most popular for directors and managers.

A key trait of the most successful sustainability professionals is seeking the next opportunities to move their program and their company forward. Vice presidents and directors are focused on understanding more about sustainable finance (40 percent and 38 percent of our respondents, respectively) while managers are more focused on environmental training than sustainable finances (31 percent and 28 percent respectively).

Once inside a company, there's an increasing expectation that a sustainability professional will spend some time working from the office. Anecdotally, we've heard from several candidates that jobs advertised as available for remote work become in-office roles when a local candidate is hired.

Close to two-thirds of sustainability employees are expected to spend some amount of time in the office. The higher the position, the more time in the office: Where 17 percent of vice presidents are expected to be in the office full time, only five percent of managers are expected to come in on a daily basis.

Percentage of Time Spent Working in Office, by Role



Once in the office, sustainability professionals are most likely sitting next to a white female. Sixty-four percent of respondents are female, 35 percent male and slightly less than one percent identify as non-binary, according to our latest survey. The growing number of women in sustainability is a long-term trend best exemplified at the senior-most level, where 31 percent of vice presidents were female in 2010 but doubled to 63 percent in 2024.

As we noted in every previous report, the sustainability profession is overwhelmingly white. Those identifying as Black or African American make up just 1 percent of sustainability professionals. Eighty-one percent identify as white, 10 percent as Asian and 6 percent Hispanic. This is consistent across all levels of the organization.

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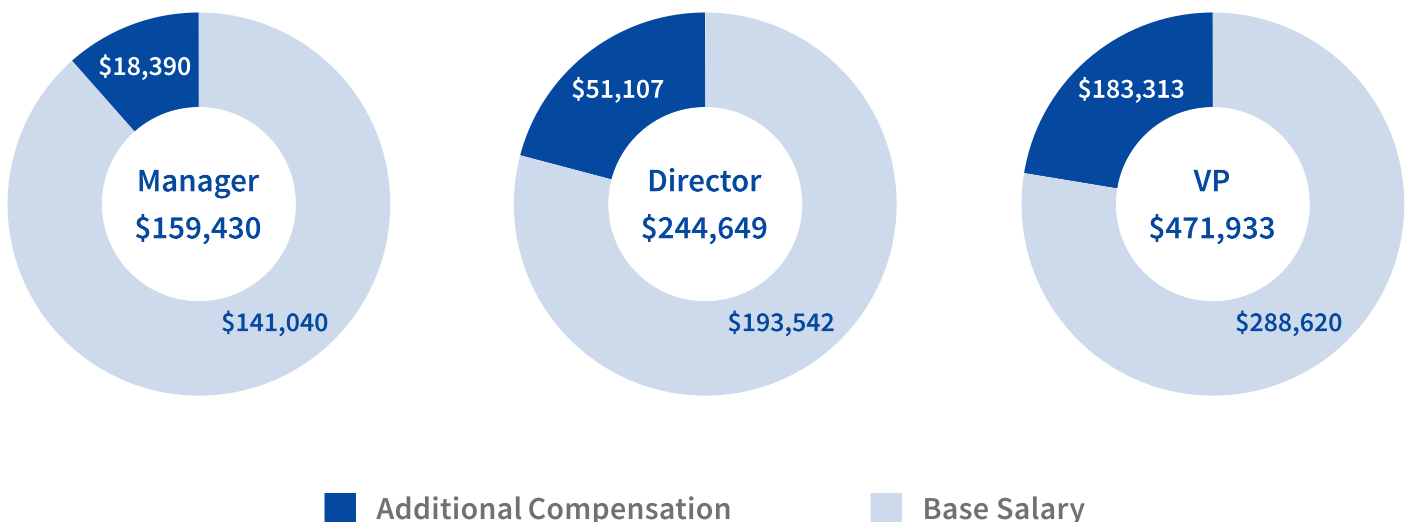
4 Compensation Trends

This biennial report has become the go-to benchmark for compensation trends for those working in the sustainability profession. It's not a perfect tally — titles and salary structures can vary across geographies and even within industries. But after 14 years of collecting and reporting data, our findings are consistent. The average total compensation (base salary plus additional compensation such as bonus, exercised options, etc.) for sustainability managers is $159,430. For directors, it's $244,649. For vice presidents, it's $471,933.

This represents the biggest increases — 37 percent for managers, 21 percent for directors, 50 percent for VPs — in salaries we have seen in the previous 14 years. The base salary in 2022 for managers was $124,398 and for directors it was $172,463. VPs took home a base salary of $253,518, or about $35,000 less than today.

For base salaries, the median is not far off the average for managers and directors: $139,500 versus $141,040 for managers, and $186,00 versus $193,542 for directors. There's a much larger base pay gap for vice

Total Compensation by Title



presidents, who have a median of $260,000 and average of $288,620. Thirty-four percent of vice presidents have an average base salary greater than $290,000, and 8 percent report a base of more than $400,000.

There are regional differences as well. We separated California from the West and New York from the East, as salaries for those two states are significantly higher than the rest of the country. The average salary for a vice president in California is $365,667, almost $100,000 more than elsewhere in the West, where the average is $268,125. The average salary gap is not quite as big between New York ($333,429) and the rest of the East ($286,167).

There are similar gaps between base salaries for directors in California and New York when compared to the other states in the region. The one difference is for managers. In California, managers on average earn $165,719, about $25,000 more than their peers in the West, who on average earn $140,694. But managers in New York earn on average $133,727, slightly less than their peers in the rest of the East, who earn $138,317.

Four industry sectors provided enough responses to highlight salary trends for their industries: consumer goods (16% of large company respondents), technology (13%), professional services (12%) and financial services (9%). Managers in the technology sector were paid an average of $167,975 while those in professional services were paid more than $148,000. Those in financial services and consumer goods averaged just more than $130,000.

Directors in the technology industry took home an average $229,000, far outpacing their peers in professional services ($208,310), consumer goods ($195,750) and financial services ($186,500). Average salaries for vice presidents in technology led the way again ($390,000), with those in consumer goods ($328,615) outpacing financial services ($277,700) and professional services ($244,167).

Other Considerations

There are other factors that can influence the salary and total compensation package for those working in sustainability:

Age. It shouldn't be a surprise that average salary tends to increase as one gets older. But we're also seeing a significant shift in demographics of sustainability professionals. Seventy-four percent of managers are younger than 40 compared to 66 percent two years ago. There hasn't been much change in the percentage of directors older than 40 (64 percent today versus 60 percent two years ago). Two years ago, 34 percent of VPs were younger than 40 and that has dropped to 20 percent today. The number of VPs older than 50 has remained fairly constant at 35 percent.

Gender. We noted earlier the increasing number of women in sustainability leadership positions — 64 percent of those working in sustainability today are women. Two years ago, female managers earned

slightly more (about $3,000) than their male counterparts whereas this year the average salary for a female manager is about $8,000 less than that of their male counterpart. The same disparity can be seen at the director level where men make $7,300 more than women in the same role. The one title where this disparity is flipped is that of vice presidents. Female vice presidents make roughly $22,000 more in base compensation than their male counterparts.

Education. It's difficult to say if education plays a role in salary level because more than 70 percent of those working in sustainability have some sort of advanced degree. Managers and directors with advanced degrees make slightly more than their peers with only a bachelor's degree. At the vice president level, there's close to a $50,000 base salary gap between those with a master's degree and those with a bachelor's.

5 The Freelance Marketplace

While green projects make up a small portion of all freelance jobs on Upwork, the steep growth in these projects in the past five years demonstrates a growing need for sustainability freelancers and an expanding environmental client base. For corporate sustainability teams that are stretched thin, freelancers offer highly specialized skills and project-level expertise. For smaller and medium-sized companies, especially those squarely in sustainability fields, freelancers help drive business growth while keeping overhead costs low.

Between 2019 and 2023, green freelance job posts on Upwork increased by over 500%. Upwork defines these as posts that have skill terms related to environmental sustainability. (For consistency, we use the same list of environmental sustainability keywords to query both job posts and freelancer profiles.)

In March 2024, Upwork evaluated job posts on its work marketplace to see which sustainability terms were most prevalent and evaluate trends across green work opportunities. Among 59 sustainability terms evaluated, Upwork found that "sustainability," "environmental science," and "sustainable energy" were most commonly used by clients in job posts. When grouping green job posts into functional categories, Upwork found that client demand was highest for the following:

- Writing and Content Creation
- Renewable and Clean Energy
- Graphic Design and Multimedia
- Business Consulting and Management
- Web, Mobile and Software Development
- Data Science and Analysis

Excluding the renewable and clean energy category, this list largely reflects the top project categories we typically see outside of green jobs on Upwork, with minor variations in rank. Though writing and content creation are the top skills demanded for green projects, this is not the case for general engagements across Upwork, where skills related to web, mobile and software development, and data science and analytics continue to be most in demand. While the renewable and clean energy category is organized more by topic than by work product, it makes up the second largest category based on key terms, showing that

expertise in renewable energy is in high demand, even if the ultimate deliverables requested by clients often relate to the other job categories listed above.

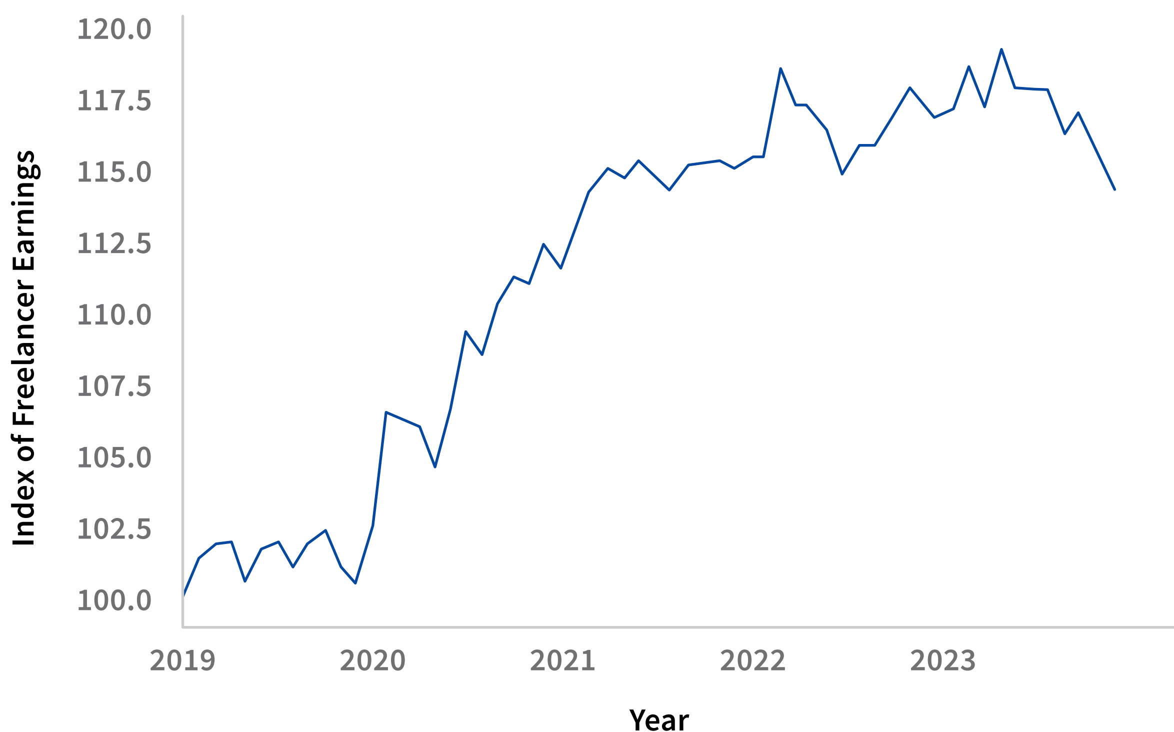
Sustainable Freelancer Earning Trends

Sustainability professionals collectively earned 460% more on Upwork in 2023 than they did in 2019. Growth in freelancer earnings from green projects increased most dramatically between 2020 and 2022 and earnings hit their highest point thus far in early 2023. Earnings growth over this time period was higher than the average increase seen across all job categories.

On an hourly basis, sustainability professionals on Upwork earned 47% more per hour in 2023 than the average freelancer on the platform, indicating that sustainability expertise is highly valued and that demand for sustainability professionals on Upwork may outweigh supply.

Who's Hiring Freelancers

While smaller clients are the largest source of green jobs on Upwork, companies with 51 to 200 employees and those with over 10,000 employees are hiring a larger portion of green talent than we typically see across the platform. Among jobs posted by the largest clients, we find that communications assets are the most in-demand deliverable, followed by market analysis related to emissions, waste streams, and ESG ratings.



Large clients tend to be more focused on creative and marketing projects, while projects posted by small clients require a broader range of technical and academic skills, such as circular economy expertise and accounting.

Clients spending the most to hire green talent are largely based in the U.S. and Europe. Though further analysis is needed to determine the cause for this, it is likely due to more established sustainability regulations, corporate responsibility programs, and consumer preferences in those regions.

Sustainability expertise is highly valued and that demand for sustainability professionals on Upwork may outweigh supply.

Conclusion

The sustainability profession is at a crossroads. As regulatory requirements for reporting ESG data increases, investors, value chain partners and consumers will be able to better assess the true performance of an organization. This is an important step that all mid-sized and large companies will be required to take.

The question as we move forward is whether that spells the end of the profession as we currently know it as companies rest on their laurels once they meet the bare minimum of aspiration. Or, as reporting becomes more automated and less onerous, will this baseline set the stage for a renaissance for sustainability professionals who can then lead us into the next green era iteration? We'll know in another two years if we are any closer to an answer.

Appendix A:

Profile of Survey Respondents

The 2024 State of the Sustainability Profession report was based on a survey of the Trellis Intelligence Panel, with additional respondents reached through partnerships with Weinreb Group Sustainability Recruiting and the Global Reporting Initiative (GRI).

Methodology

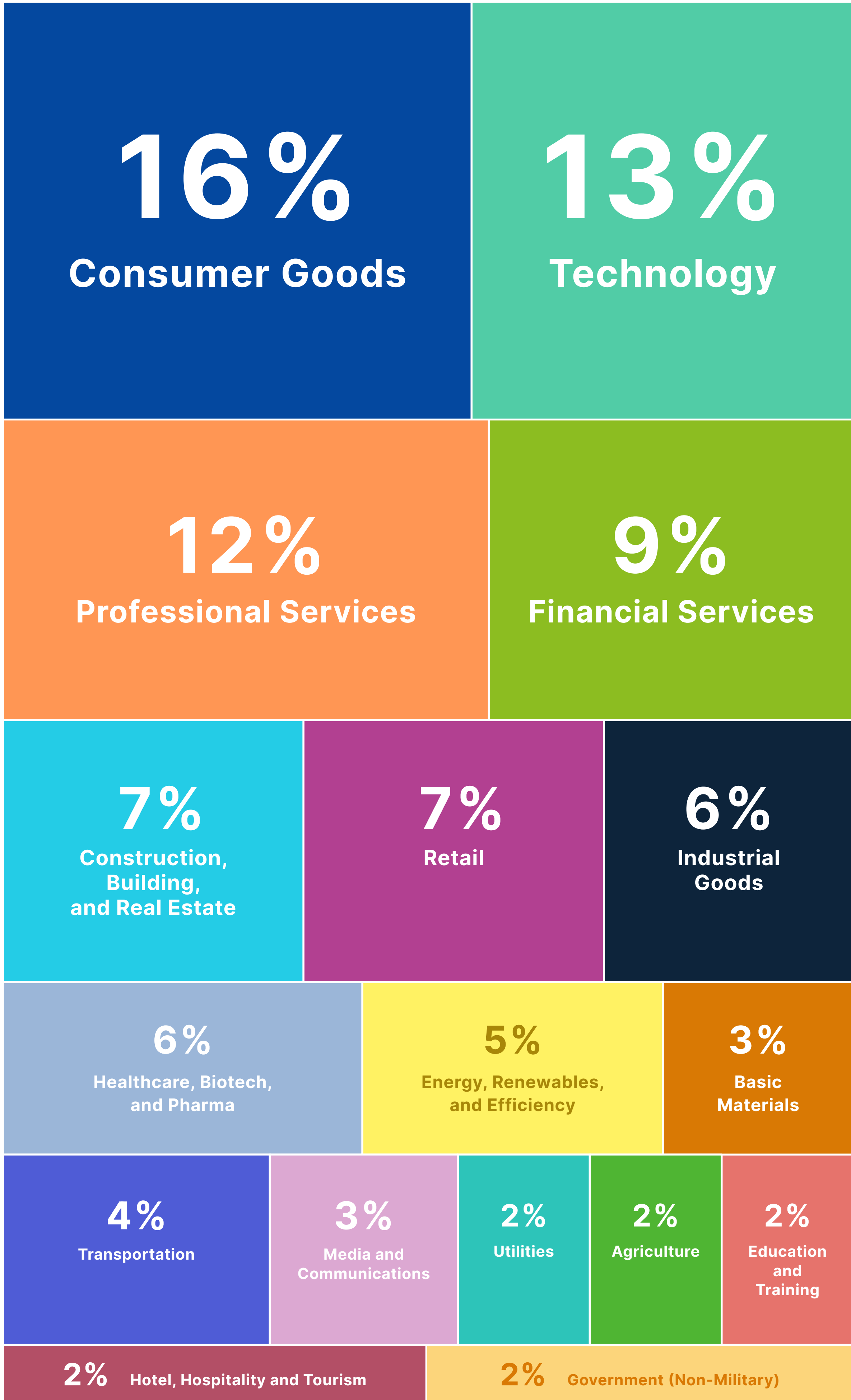
Data for the State of the Profession survey was collected during November 2023 and December 2023. The survey was conducted online and an email link was sent to the panel's members as well as to other participants reached via partnership organizations. All responses were anonymous, and Trellis does not share or sell any collected information.

Respondents

The final tally included 1,185 responses. Of those, 75 percent were employed by large organizations with revenue greater than $1 billion. Eighty-four percent of respondents from large organizations live and work in the United States.

In terms of individual respondents, the greatest number came from those at a manager or senior manager level, with the next most from the director or senior director levels. For the purposes of our salary analysis, we focused only on managers, directors and vice presidents working in the United States.

Responses from the survey have been analyzed based upon both company size and industry sectors. Below is a breakdown of the types of companies represented, including the percentage of respondents in each sector.


16%
Consumer Goods
13%
Technology
12%
Professional Services
9%
Financial Services
7%
Construction, Building, and Real Estate
7%
Retail
6%
Industrial Goods
6%
Healthcare, Biotech, and Pharma
5%
Energy, Renewables, and Efficiency
3%
Basic Materials
4%
Transportation
3%
Media and Communications
2%
Utilities
2%
Agriculture
2%
Education and Training
2%
Hotel, Hospitality and Tourism
2%
Government (Non-Military)