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2017

EHS & SUSTAINABILITY SALARY REPORT

Letter from the Executive Director

The responsibilities of those managing the environment, health and safety, and sustainability (EHS&S) function in large corporations continues to grow. To succeed in this field, EHS&S managers need to have a strong command of technical issues as well as be agents of change and strategic business leaders within their company. To meet these demands, the EHS&S field is full of highly educated professionals pursuing continuous education as they advance in their career.

Salaries can be an important component of benchmarking yourself among the community of practice as well as competing for top talent to grow your organization. So, how much is the right amount to offer? And at what level?

Given that the largest portion of an EHS&S functional budget is earmarked for personnel, it's certainly a question that hiring managers are eager to understand better. And if there is one question that ambitious EHS&S professionals wish they could openly ask it's: "Am I being compensated appropriately for the impact I'm making?" This report is a first step toward helping our members answer that question. Compiled from NAEM's robust data set of more than 300 survey responses, this report provides a look at the EHS&S salaries of individual professionals from more than 198 companies.

Going forward, NAEM will be investing more regularly in this type of dedicated salary benchmarking to broaden the value of our research to human resources managers, recruiting firms, our members and the broader community of EHS&S professionals. If you have any feedback for us about this report or any ideas for advancing this initiative going forward, I hope you'll share them with us. For now, we hope that this inaugural report will provide some insight into the factors that influence salaries, and to the opportunities you have to market your talents over the course of your career.

On behalf of NAEM, I'd like to thank you for the work that you do to improve environmental health, advance workplace safety and promote long-term sustainability. We value your contributions to the business community, to your professional community and to the world.



Carol Singer Neuvelt
Executive Director, NAEM



About NAEM

The National Association for Environmental Management (NAEM) empowers corporate leaders to advance environmental stewardship, create safe and healthy workplaces and promote global sustainability. As the largest professional community for EHS and sustainability decision-makers, we provide peer-led educational conferences, benchmarking research and an active network for sharing solutions to today's corporate EHS and sustainability management challenges. Visit NAEM online at www.naem.org.

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Methodology

BACKGROUND

Between August 2014 and May 2015, NAEM fielded a comprehensive survey of the skills, knowledge areas, aptitudes, educational experience and salaries of 498 individual environment, health and safety, and sustainability (EHS&S) professionals at 309 companies. The survey was fielded through the NAEM network, to members of The Conference Board Chief EHS&S Officer’s Council, members of the World Environment Center and members of the American Industrial Hygiene Association (AIHA).

Those who responded were in-house professionals within U.S.-based companies; consultants and service providers were excluded. The association initially analyzed these results for the purposes of understanding the fundamental skills required for professionals at each level of their career development. The salary data in that report was analyzed in terms of education, years of experience and certifications. To provide a more detailed look at EHS&S salaries and the variables that seem to influence them, NAEM conducted a fresh analysis of this data set.

The following report is based on the responses from the 308 individuals from 198 different companies who answered the salary questions.

PURPOSE

This analysis was developed to assist NAEM members, HR professionals and members of the EHS&S community to benchmark salaries for the purposes of developing staffing plans, negotiating their own salaries and understanding the impact of changing roles on salaries.

ANALYTICAL APPROACH

To create this report, NAEM compiled analogous salary data from the more than 300 respondents who contributed to the two main data sets. The analysis in this report provides salary averages and salaries by quartiles according to key demographic characteristics. NAEM selected these demographic attributes due to their influence on salary:

- Industry
- Years of Experience
- Function
- Education
- Title
- Certifications

For the analysis by job title, NAEM grouped job titles into the following categories:

Analyst/Specialist-level

- Environmental Specialist
- Sustainability Analyst
- EHS Professional
- Industrial Hygienist
- Safety Engineer

Manager-level

- EHS Manager
- Sustainability Programs Manager
- Process Safety Manager
- Environmental Compliance Audit Program Manager
- Sr. Manager - Energy & Environmental Programs

Director-level

- EHS Director
- Director of Regulatory Affairs
- Global Leader-Environmental Programs
- Director, Corporate Responsibility & Sustainability
- Corporate Director, Environmental Excellence

VP-level


- Vice President, Environmental Health & Safety
- Head, Corporate Responsibility & Community Affairs
- AVP Compliance Services
- Vice President, Loss Control
- AVP Environmental Affairs


DEMOGRAPHIC SUMMARY


The respondent pool from which this data comes from represents companies with mostly global operations in a variety of industries from Manufacturing, Pharmaceutical and Chemical to Oil and Gas, Utilities and Mining. In alignment with other NAEM research, responding companies represent mostly large companies with an annual revenue above \$1 billion USD. In addition, respondents were asked to characterize the degree of their company’s EHS risk relative to that of companies operating in other industries. According to this self-assessment, over half of responding companies have a “medium” degree of EHS risk.


Summary of Key Takeaways


The following is an overview of the key insights from the data analysis in this report.


 **Experience drives salaries:** The more years of professional experience respondents have, the higher their salaries. EHS and sustainability professionals with 11-15 years of experience on average make 25 percent more than professionals with 6-10 years of experience. Not surprisingly, Executive Leaders and Directors have the highest salaries among respondents.


 **Professionals in diversified manufacturing tend to earn more than their peers:** The highest salaries among respondents were those who work within diversified manufacturing, with a median salary of \$130,000 and an average salary of \$151,036. Respondents from the mining industry, on the other hand, had the lowest salaries in the data set, with a median salary of \$71,750 and an average salary of \$80,250. This underscores the finding that an industry's risk profile does not seem to be strongly correlated to salary.

 **For top earners, there are two key stages for salary growth:** While most respondents tended to increase their salaries at a consistent rate, those in the top quartile tended to see a dramatic increase in their salaries at the 11-15 mark and when they had achieved 21 years of experience or more.

 **Sustainability responsibilities tend to boost earnings:** An analysis of salary based on job function revealed that those with sustainability responsibilities tended to earn more than their counterparts.

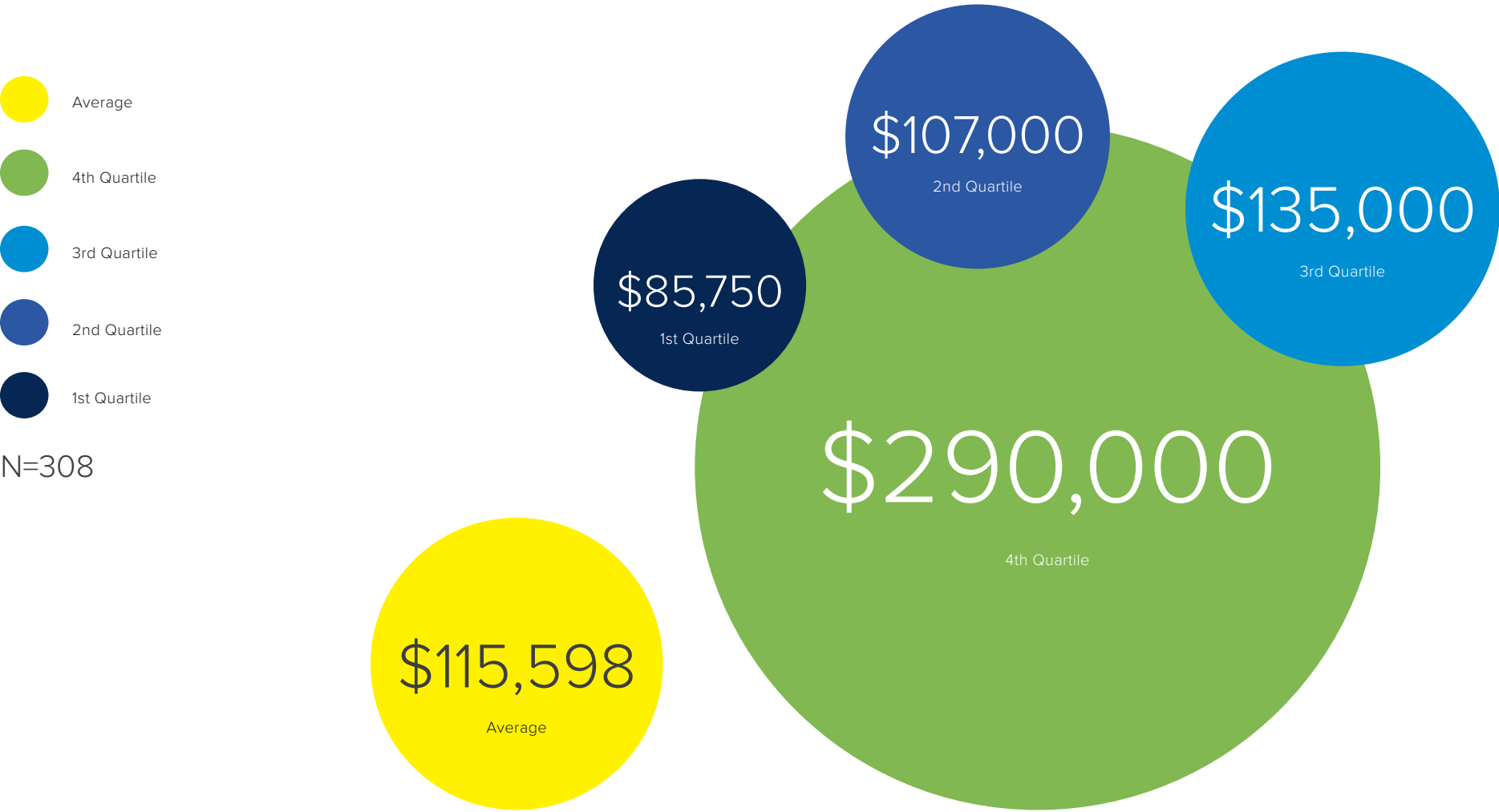
 **EHS&S salaries increase by about 25 percent with each career advancement:** As EHS&S Professionals move up through their organizations, their salaries tend to increase by about 20-25 percent at each promotion.

 **Education may be important to career success, but not to salary potential:** There is little difference in salary between those who earned a bachelor's degree alone and those who hold both a bachelor and a master's degree. Thus said, those with an advanced degree do earn about 10 percent more per year through 20 years of experience, which represents an advantage over the course of a career in EHS.

 **Certifications bolster salary among mid-career professionals:** Those who hold a certification may gain a competitive advantage, particularly early in their careers, but the biggest impact on salary is among those with 6-10 years of experience. Among this group, the presence of a certification increased both median and average salaries by 14 percent versus those who did not hold a certification.

Quartiles Overall

The annual base salary for an EHS or sustainability professional ranges from about \$85,750 at the top of the first quartile to \$290,000 at the top of the fourth quartile.



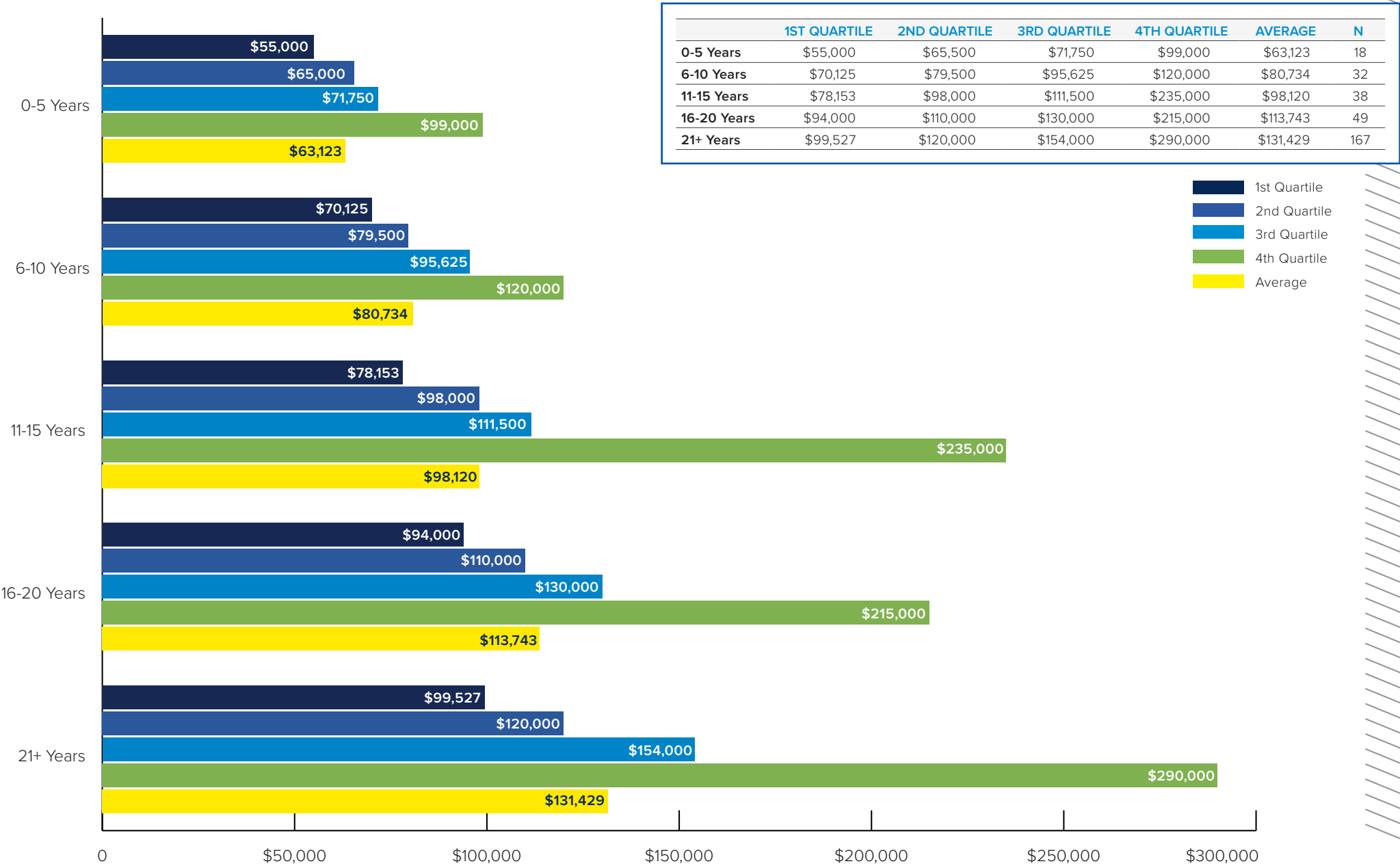
Salary by Industry

	MEDIAN	AVERAGE	N
Aerospace/Defense	\$101,000	\$111,212	38
Automotive	\$95,500	\$96,500	4
Chemical	\$120,000	\$121,779	25
Consumer Products	\$120,000	\$120,579	7
Diversified Manufacturing	\$130,000	\$151,036	15
Electronics	\$116,152	\$135,340	14
Financial/Insurance	\$125,000	\$120,333	3
Food/Foodservice	\$113,000	\$132,692	13
Healthcare	\$92,000	\$111,100	5
Heavy Equipment/Appliances	\$86,500	\$90,924	4
Hospitality	\$135,000	\$125,000	3
Manufacturing	\$100,000	\$107,538	64
Mining	\$71,750	\$80,250	6
Oil and gas	\$102,000	\$118,900	17
Pharmaceutical/Medical Products	\$119,000	\$133,227	22
Retail/Commercial Service	\$122,500	\$124,931	8
Telecommunications	\$120,000	\$137,333	3
Transportation	\$86,500	\$101,538	8
Utility and Energy Services	\$107,000	\$113,191	28
Other	\$90,000	\$88,725	20



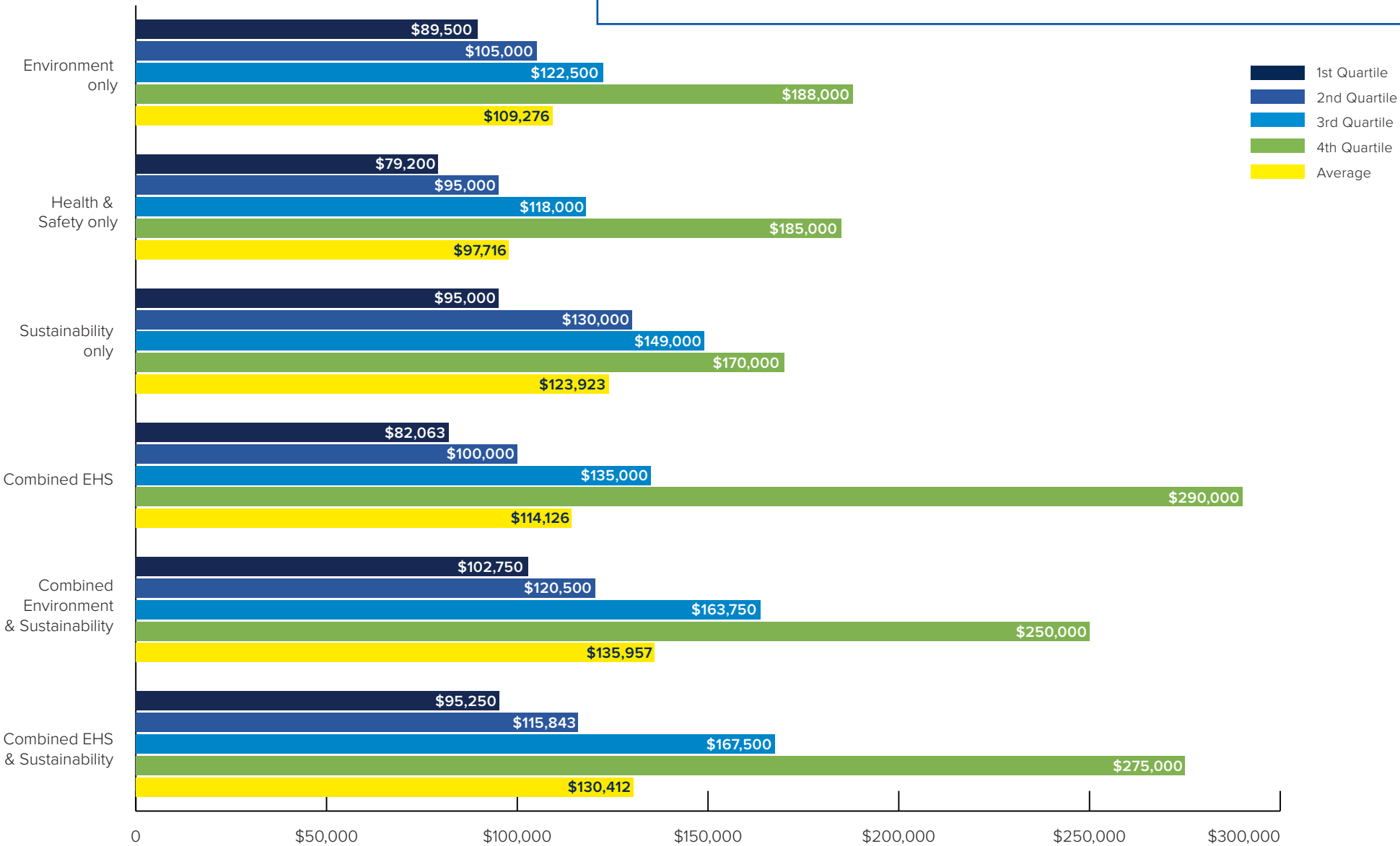
The vast majority of survey respondents are geographically based in the United States, two thirds of which are working for companies with global operations.

Salary by Years of Experience



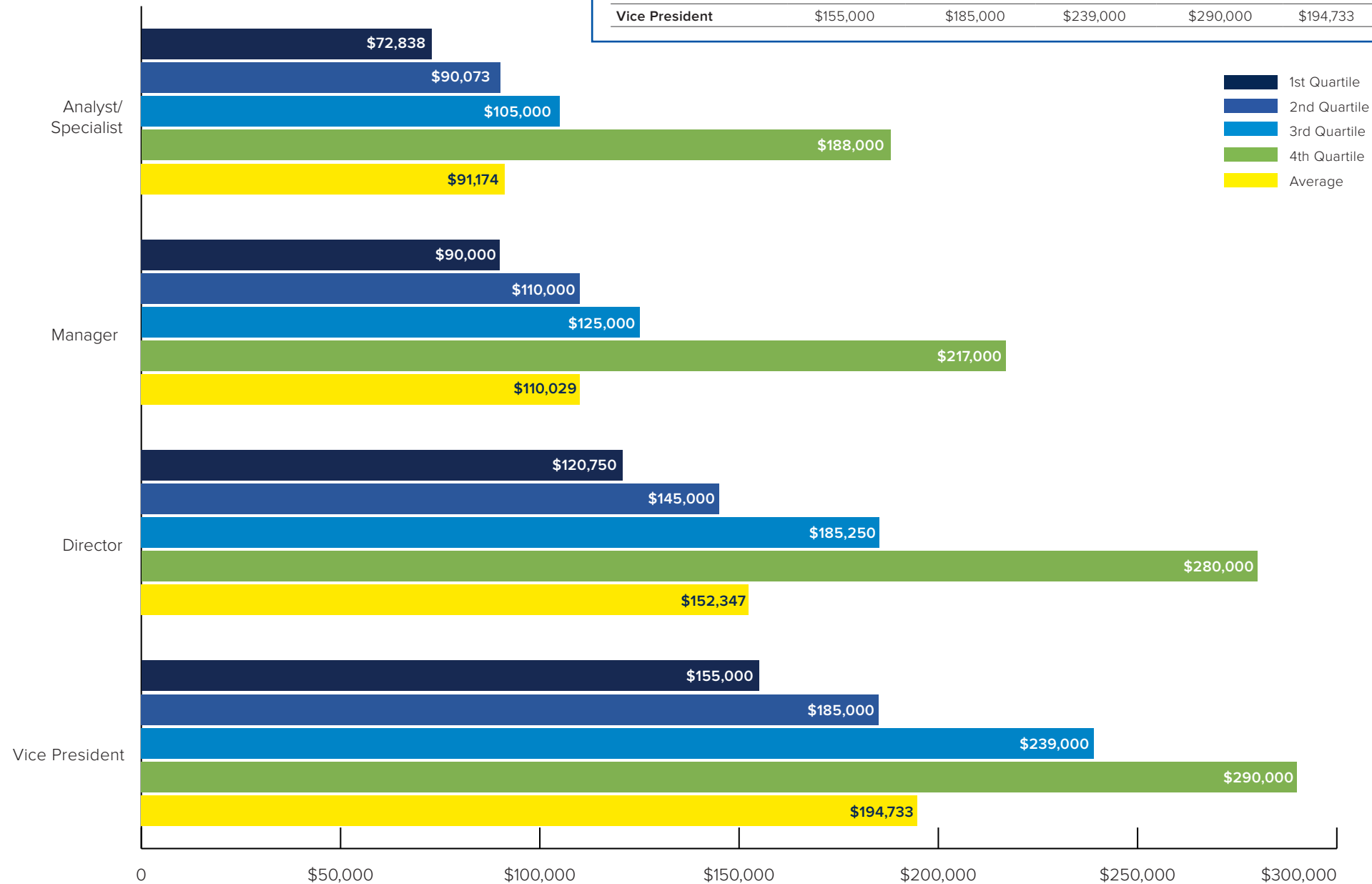
Salary by Function

	1ST QUARTILE	2ND QUARTILE	3RD QUARTILE	4TH QUARTILE	AVERAGE	N
Environment only	\$89,500	\$105,000	\$122,500	\$188,000	\$109,276	47
Health & Safety only	\$79,200	\$95,000	\$118,000	\$185,000	\$97,716	41
Sustainability only	\$95,000	\$130,000	\$149,000	\$170,000	\$123,923	13
Combined EHS	\$82,063	\$100,000	\$135,000	\$290,000	\$114,126	118
Combined Environment & Sustainability	\$102,750	\$120,500	\$163,750	\$250,000	\$135,957	22
Combined EHS & Sustainability	\$95,250	\$115,843	\$167,500	\$275,000	\$130,412	58



Salary by Job Title

	1ST QUARTILE	2ND QUARTILE	3RD QUARTILE	4TH QUARTILE	AVERAGE	N
Analyst/Specialist	\$72,838	\$90,073	\$105,000	\$188,000	\$91,174	124
Manager	\$90,000	\$110,000	\$125,000	\$217,000	\$110,029	97
Director	\$120,750	\$145,000	\$185,250	\$280,000	\$152,347	68
Vice President	\$155,000	\$185,000	\$239,000	\$290,000	\$194,733	15



Salary by Education + Years Experience

0-5 Years

	MEDIAN	AVERAGE
Bachelor (N=9)	\$59,200	\$58,995
Bachelor + Master's (N=6)	\$66,000	\$65,833
Percentage Difference		10%

6-10 Years

	MEDIAN	AVERAGE
Bachelor (N=9)	\$75,450	\$77,539
Bachelor + Master's (N=22)	\$84,000	\$84,405
Percentage Difference		8%

11-15 Years

	MEDIAN	AVERAGE
Bachelor (N=23)	\$86,125	\$91,339
Bachelor + Master's (N=14)	\$99,000	\$101,730
Percentage Difference		10%

16-20 Years

	MEDIAN	AVERAGE
Bachelor (N=24)	\$97,000	\$107,438
Bachelor + Master's (N=24)	\$120,000	\$122,746
Percentage Difference		12%

21+ Years

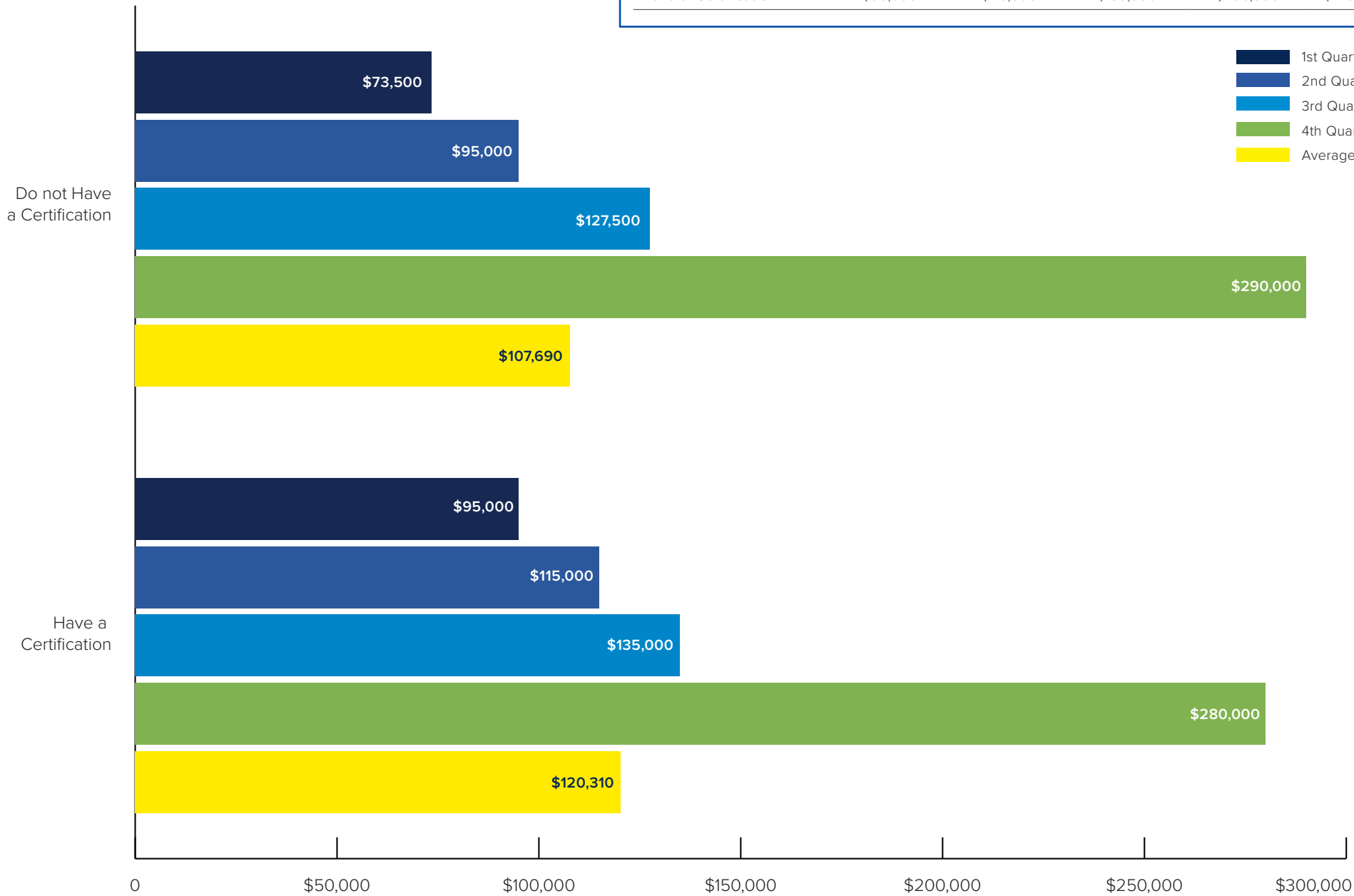
	MEDIAN	AVERAGE
Bachelor (N=69)	\$120,000	\$131,986
Bachelor + Master's (N=91)	\$123,550	\$135,084
Percentage Difference		2%

54%

Over half of survey respondents hold at least one Master's degree, typically in the field of engineering, environmental science, business administration, public health, environmental management or industrial safety.

Salary by Certification

	1ST QUARTILE	2ND QUARTILE	3RD QUARTILE	4TH QUARTILE	AVERAGE	N
Do not Have a Certification	\$73,500	\$95,000	\$127,500	\$290,000	\$107,690	115
Have a Certification	\$95,000	\$115,000	\$135,000	\$280,000	\$120,310	193



Salary by Certification + Years Experience

0-5 Years

	MEDIAN	AVERAGE
Do not Have a Certification (N=15)	\$66,000	\$64,750
Have a Certification (N=3)	\$59,696	\$54,985
Percentage Difference		-18%

6-10 Years

	MEDIAN	AVERAGE
Do not Have a Certification (N=13)	\$75,450	\$75,473
Have a Certification (N=19)	\$95,000	\$88,085
Percentage Difference		14%

11-15 Years

	MEDIAN	AVERAGE
Do not Have a Certification (N=15)	\$90,000	\$83,734
Have a Certification (N=22)	\$99,000	\$107,388
Percentage Difference		22%

16-20 Years

	MEDIAN	AVERAGE
Do not Have a Certification (N=16)	\$116,000	\$119,472
Have a Certification (N=33)	\$105,000	\$110,965
Percentage Difference		-8%

21+ Years

	MEDIAN	AVERAGE
Do not Have a Certification (N=49)	\$123,000	\$131,803
Have a Certification (N=119)	\$120,000	\$130,650
Percentage Difference		-1%

64%

Growing more common as EHS and sustainability professionals progress through their career, almost two thirds of all survey respondents hold a professional certification.

The certifications held most commonly include:

- Six Sigma Green Belt
- Certified Hazardous Materials Manager
- Certified Safety Professional
- Professional Engineer
- Certified Industrial Hygienist
- EMS-LA –ISO 14001 Environmental Management
- Six Sigma Black Belt
- Leadership in Energy and Environmental
- Certified Professional Environmental Auditor



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