

BENCHMARKING

**Staffing, Structure
and Budgets:**

**EHS & SUSTAINABILITY
FUNCTIONS**





A Professional Community
Sharing Solutions
Cultivating the Power of Peers





120
Corporate
Members

4,200
Individual
Members

60
Affiliate
Members

Reaching an EHS&S
Community of
35K+

Connecting EHS & Sustainability Leaders





Today's Program

- Introductions
- Presentation & Discussion
- Q & A



Carol Neuvelt
NAEM Executive Director

Featured Speakers:

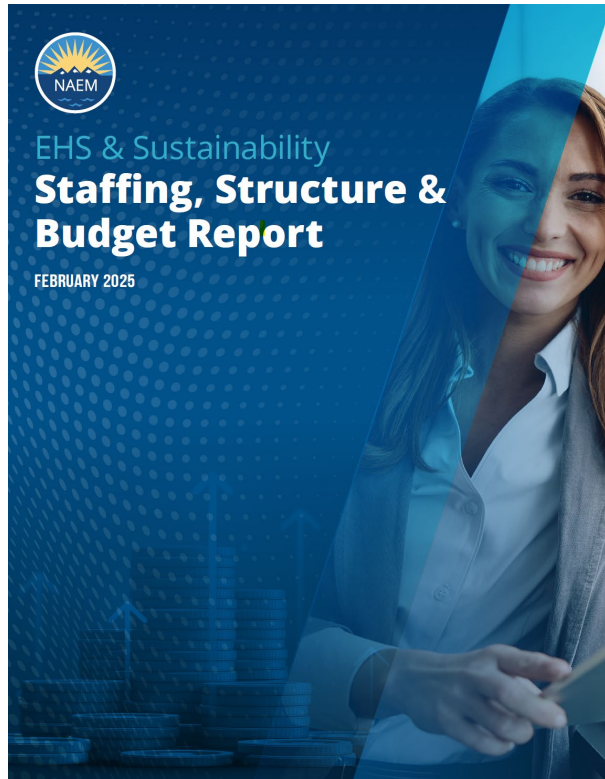


Kelvin Roth
VP EHS & Quality
CF Industries



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Research Manager
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Purpose of this Report



Support EHS & Sustainability (EHS&S) leader's assessment of what size & staff composition is appropriate for their organization as well as benchmark their budgets and responsibilities against other EHS&S functions.

- Fielded from July 2024 – November 2024

Distribution Partners:

THE CONFERENCE BOARD



About the Research

- To achieve the desired outcome the survey was split into the following sections
 - Demographics
 - Responsibilities
 - Structure
 - Staffing
 - Budgets
- Additionally, included are benchmarking trends from 2020 to 2024
 - This is the 6th edition of this report. The framework of the report has not changed but every four year the survey is updated as EHS&S functions mature and adapt to new demands.



Participant Demographics

- **Responses from EHS&S leaders from nearly 150 companies**
- **Annual Revenue**
 - Majority of respondents had annual revenues over \$1 Billion USD
- **Industry**
 - Manufacturing, Construction, Retail, Mining, Finance and Insurance, Utilities, Transportation and Warehousing
- **Geography**
 - Primarily based in the US and Canada, with global operations
- **Company Classification**
 - 59% publicly traded
- **Level of EHS Risk**
 - 67% medium risk



Responsibilities



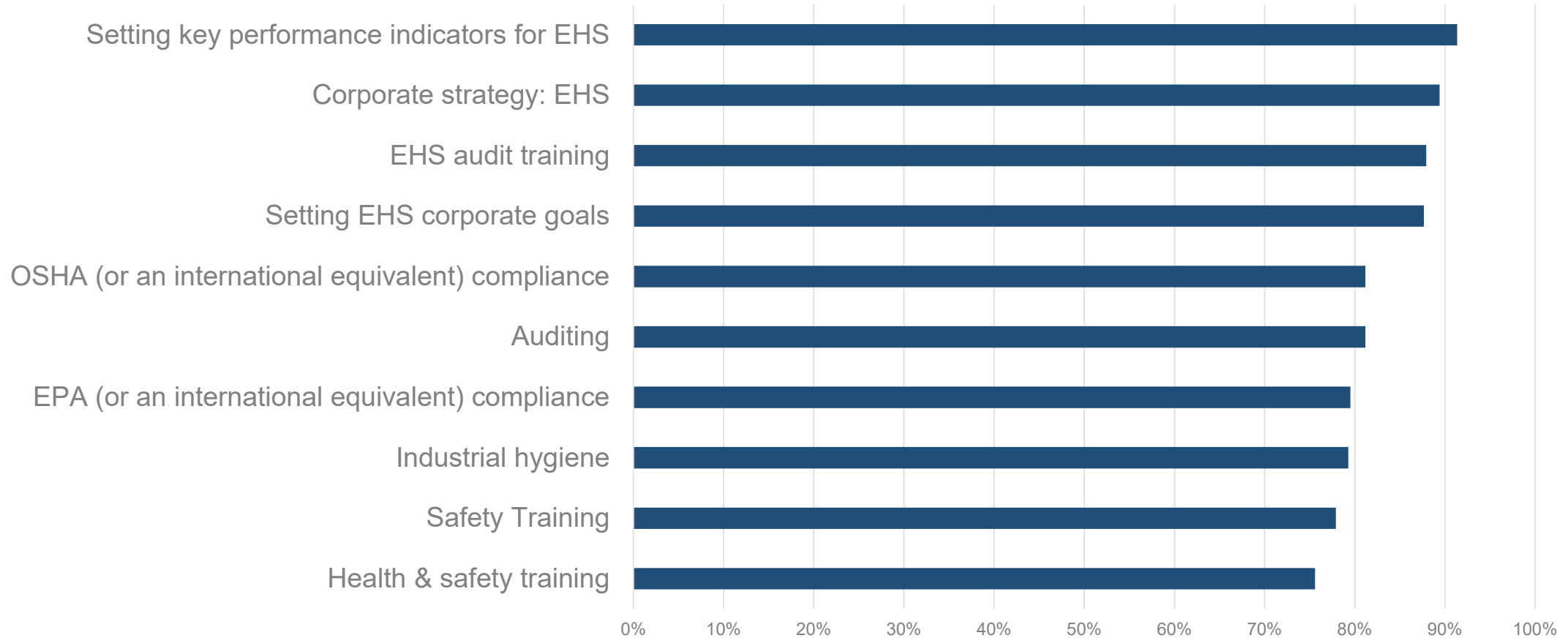
Defining the EHS & Sustainability Functions

- Survey participants responded on behalf of their function:
 - EHS&S
 - EHS
 - Stand-alone Sustainability
- Survey participants assessed 88 different responsibilities in the following 10 activity categories:
 - Prevention, Control & Disposal
 - Health & Safety
 - Compliance
 - Tracking & Monitoring
 - Energy Management
 - Product Stewardship
 - Strategy
 - Reporting & Communications
 - Engagement
 - Fleet Management & Transportation



EHS Functions: Lead Setting KPIs, Strategy, and Training

Top Areas that EHS Leads



N = 92

Sustainability Function: Leads Strategy & Goal Setting

Setting Key Performance Indicators

**Corporate Strategy:
Sustainability/ESG**

Setting Corporate Sustainability Goals

**Internal Sustainability,
H&S Communications**

**External (EHS&S) Marketing
Communications &
Sustainability Reporting**

**Annual
Sustainability/ESG
Corporate Reports**

**Supply Chain Function
Engagement**

Energy Data Management

Materiality Assessment



Structure



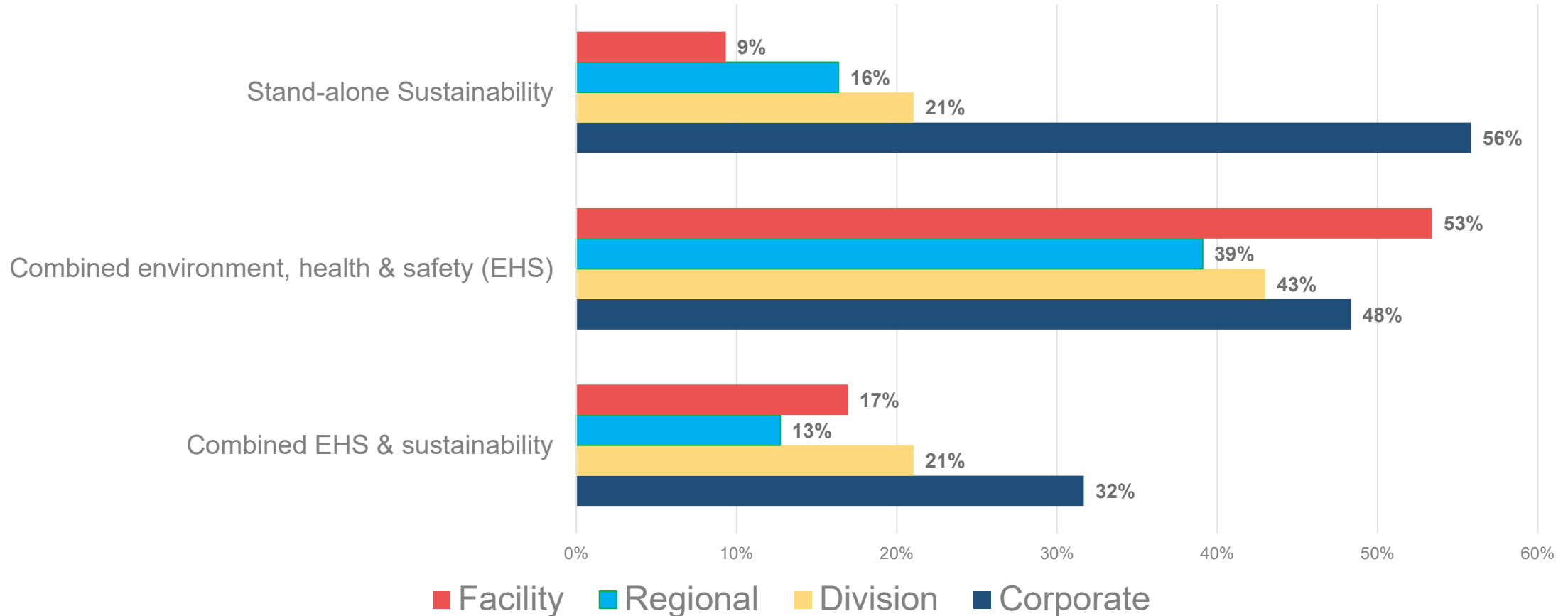
Structure Overview

- Respondents were asked about how their functions were embedded within their corporations as well as to whom their function reported
- 4 levels of structure within companies
 - Corporate
 - Business Unit
 - Regional
 - Facility



EHS is a Commonly Integrated Function

Frequency of Combined EHS&S Departments



N = 120

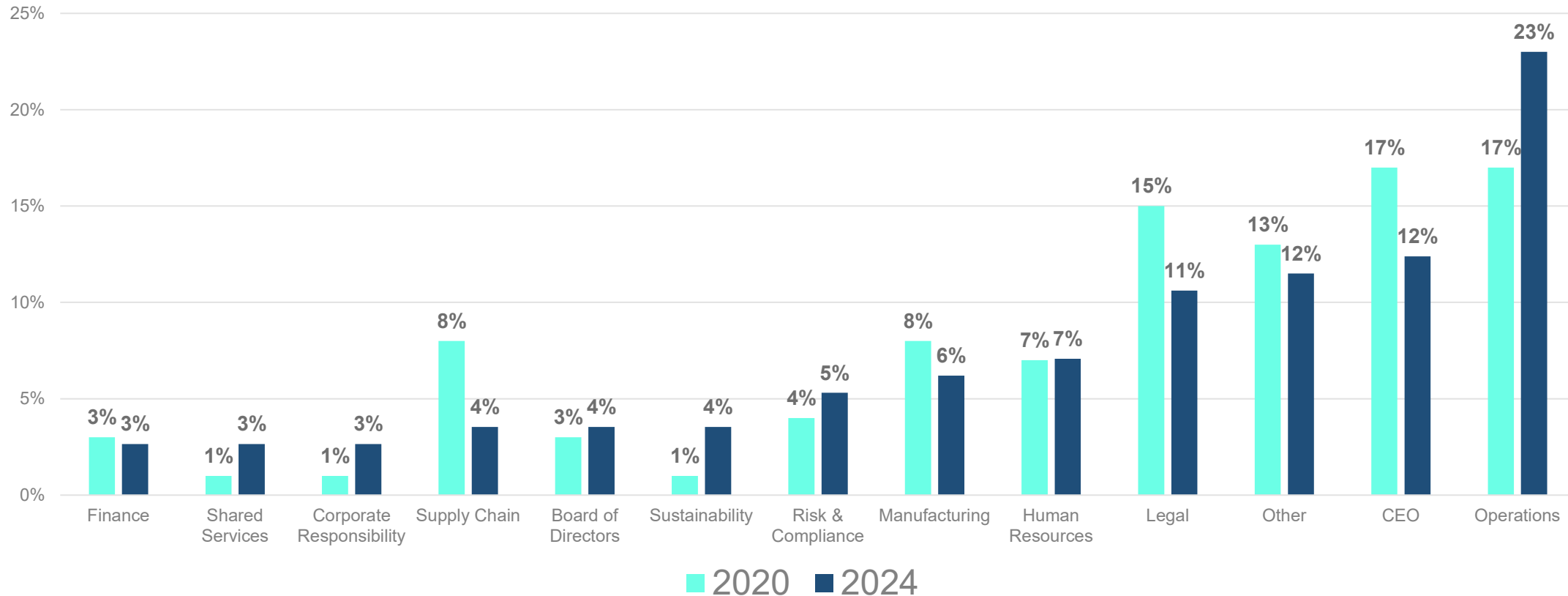
Integrating Sustainability into EHS Increases Likelihood to Report to the CEO

To Whom EHS / EHS&S Reports

	Environment, Health & Safety (EHS)	Combined EHS & Sustainability
CEO	12%	36%
Legal	14%	0%
Operations	24%	18%
Manufacturing	0%	7%

EHS/EHS&S Functions: Increasing in CEO Visibility

To Whom EHS Reports, 2020 vs. 2024



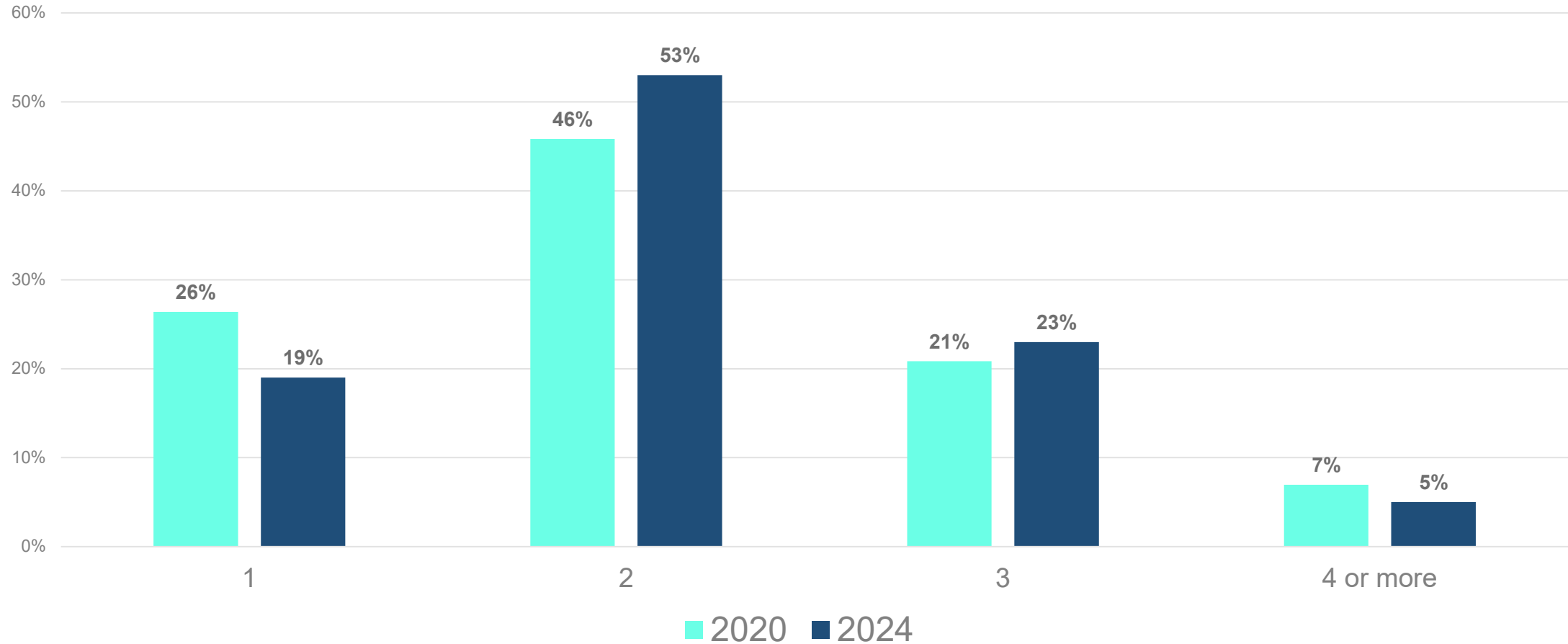
N = 113

**Other includes: Real Estate, Quality Control, as well as reporting to multiple other functions*



The Value of EHS/EHS&S is Stable

Levels between EHS Leader and CEO: 2020 vs. 2024



N = 115

Staffing & Budgets



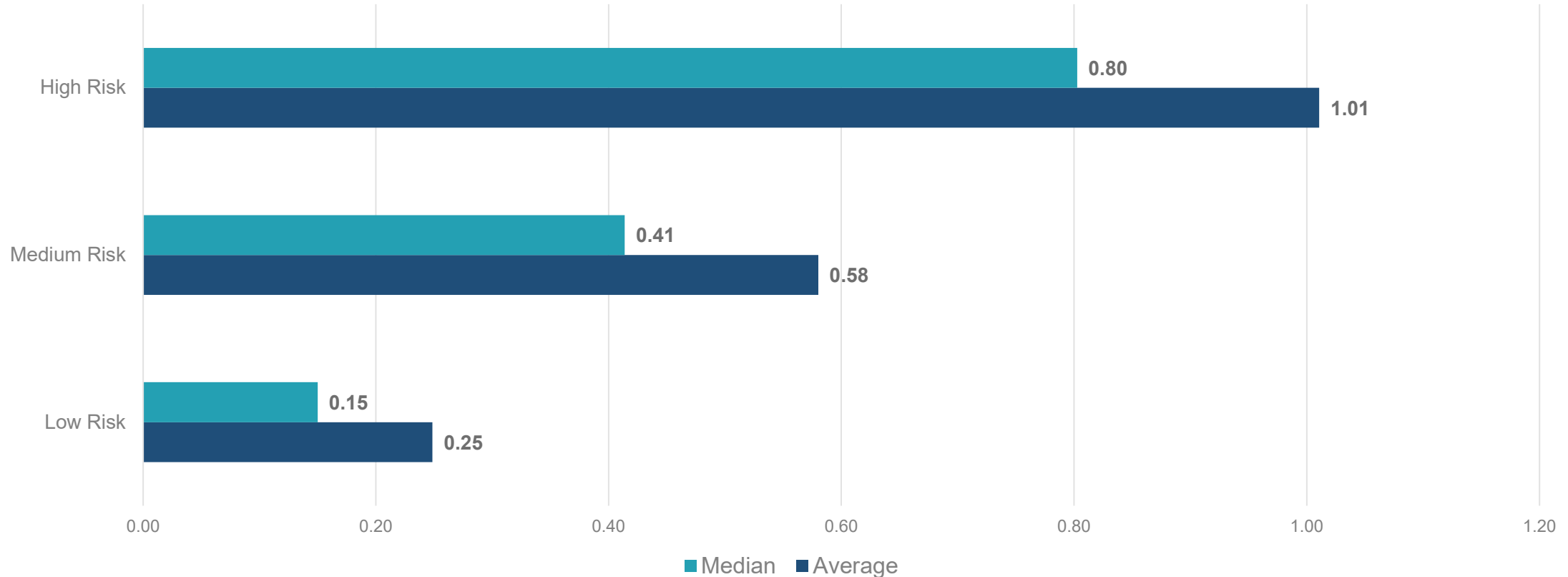
Staffing & Budgets Overview

- These two sections were combined because there is a strong correlation between staffing and budgets given that a large portion of EHS function budgets go towards staffing costs
- Staffing and Budgets of EHS&S functions are driven by 3 factors:
 - Risk
 - Industry
 - Revenue



High Risk Operations Require More Staff

EHS Staff by EHS Risk Profile



N = 130



Change in EHS and Sustainability Budgets

	Changes, 2023 to 2024	Expected changes, 2024 to 2025
Increase	38%	39%
Decrease	13%	11%
No Change	39%	40%
Don't Know	10%	9%

N = 87



Much More Data Available!

Demographics

Figure 1: Function on Behalf of Which Respondents' Answered the Survey	11
Figure 2: Annual Revenue	11
Figure 3: Total Number of Employees	12
Figure 4: Geographic Presence of Operations	12
Figure 5: Industry Sector	13
Figure 6: Primarily B2B or B2C	14
Figure 7: Company Type	14
Figure 8: Company Classification	15
Figure 9: EHS Risk Profile	15
Figure 10: EHS Risk Profile by Industry Structure	16

Structure

Figure 11: Variations in Structure	20
Figure 12: Variations in Function	21
Figure 13: To Whom EHS Reports	22
Figure 14: Top Reporting Structures for EHS by Function	23
Figure 15: Top Reporting Structures for EHS by Annual Revenue	24
Figure 16: Title of Senior-most EHS Leader	25
Figure 17: Levels between EHS Leader and CEO	25
Figure 17.1: Levels between EHS Leader and CEO: 2020 vs. 2024	32
Figure 18: Have an EHS Steering Committee, 2024	26
Figure 19: Have an EHS Steering Committee, 2020	26
Figure 20: Centralization of the EHS Function	27
Figure 21: Number of Divisions	27
Figure 22: Function Organized the Same Way Across All Business Units	28
Figure 23: Why Divisions are Organized Differently	28
Figure 24: Presence of a Dedicated EHS Leader	29
Figure 25: Presence of a Dedicated EHS Leader by EHS Risk Profile	29
Figure 26: Presence of a Dedicated EHS Leader by Annual Revenue	30
Figure 27: To Whom Sustainability Reports	31
Figure 28: Title of Senior-most Sustainability Leader	31
Figure 29: Levels between Sustainability Leader and CEO: 2024	32
Figure 30: Have a Sustainability Steering Committee	33
Figure 31: Management of Sustainability Function	33

Budgets

Figure 32: 2024 EHS Budgets	36
Figure 33: EHS Budget by Annual Revenue	36
Figure 34: EHS Budget by EHS Risk Profile	37
Figure 35: Average EHS Budget Allocation (as % of Total Budget)	37
Figure 36: EHS Budget by Industry	38
Figure 37: EHS Budget by Company Type	39
Figure 38: Changes in EHS Budget	39
Figure 39: 2024 Sustainability Budget	40
Figure 40: Sustainability Budget Allocation	40
Figure 41: Changes in Sustainability Budgets	41

Staffing

Figure 42: EHS Staff by Annual Revenue	44
Figure 43: EHS Staff by Total Number of Employees	44
Figure 44: EHS Staff by Company Type	45
Figure 45: EHS Staff by EHS Risk Profile	45
Figure 46: Average EHS Staff by Organizational Level and Position Types	46
Figure 47: Average EHS Staff by Annual Revenue and Position Type	47
Figure 48: Average EHS Staff by Risk Profile and Organization Level	47

Responsibilities

Figure 49: Full List of EHS Activities	51
Figure 50: Top 20 EHS Activities by Level of Involvement	52
Figure 51: Top 20 Activities that EHS Leads	53
Figure 52: Top 20 Areas that EHS Collaborates	54
Figure 53: Top 20 Areas that EHS Participates	55
Figure 54: Top Activities Not Applicable to the EHS Function	56
Figure 55: EHS Involvement in Prevention, Control & Disposal Activities	57
Figure 56: EHS Involvement in Health & Safety Activities	57
Figure 57: EHS Involvement in Compliance Activities	58
Figure 58: EHS Involvement in Tracking & Monitoring Activities	58
Figure 59: EHS Involvement in Energy Management Activities	59
Figure 60: EHS Involvement in Product Sustainability Activities	59
Figure 61: EHS Involvement in Strategy Activities	60
Figure 62: EHS Involvement in Reporting & Communications Activities	60
Figure 63: EHS Involvement in Engagement Activities	61
Figure 64: EHS Involvement in Fleet Management & Transportation Activities	61
Figure 65: EHS Involvement in 'Other' Activities	62
Figure 66: Most Contracted Out Responsibilities	62
Figure 67: Top Activities Where Sustainability Leads	63
Figure 68: Top Activities Where Sustainability Collaborates	63
Figure 69: Top Activities Where Sustainability Participates	64
Figure 70: Top Activities Not Applicable to the Sustainability Function	64
Figure 71: To Whom EHS Reports, 2020 vs. 2024	65
Figure 72: To Whom Sustainability Reports, 2020 vs. 2024	66

ESG's Impact on EHS and Sustainability

Figure 73: How New and Anticipated Mandatory ESG Reporting/Disclosure Requirements Affected EHS Staffing	68
Figure 74: How New and Anticipated Mandatory ESG Reporting/Disclosure Requirements Affected EHS Budget	69
Figure 75: Organizations that Created a Separate Function to Address ESG Concerns	69



Key Takeaways



Closing Perspectives

- EHS professionals continue to be highly productive and efficient
- EHS budgets are not being negatively impacted by ESG
- EHS responsibilities are expanding in scope and intensity
- Flexibility in EHS staffing is key to support companies for the long term
 - Having EHS professionals that are more “generalists” give a company more flexibility to adapt to changes and/or growth. Any specialized needs can be obtained by 3rd party consulting services
- EHS increasingly is embedded into operations (or manufacturing) showing the integration of EHS
 - Having EHS professionals “spread out” across Corporate, business unit, region and site level give a company more flexibility to adapt to changes and/or growth



Wrap-up



NAEM Offers a Variety of Programming:

- Learning & Networking
- Problem-Solving
- Showcasing

In-Person and On-Line



Upcoming Events

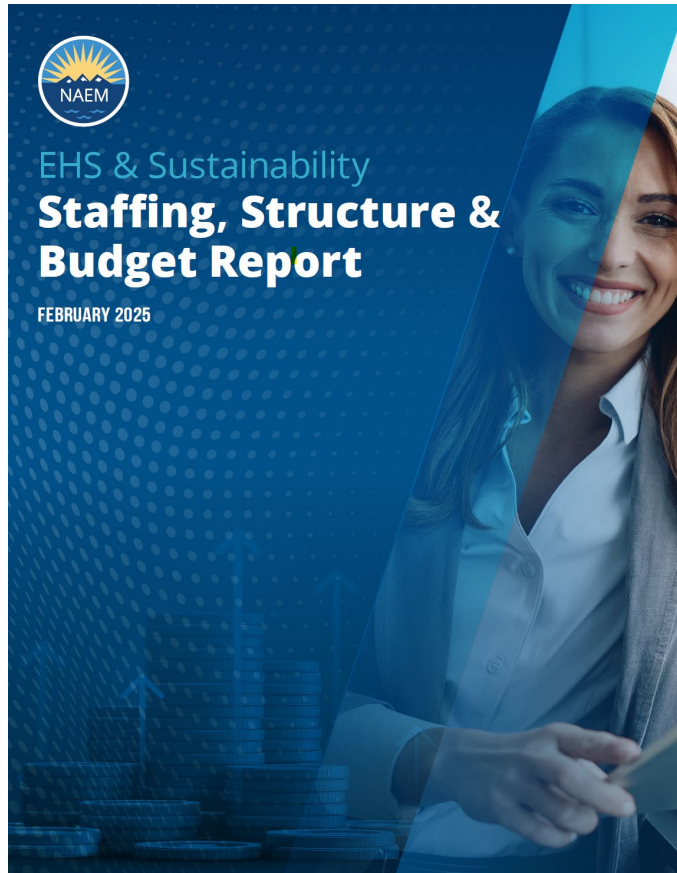
In-Person



Virtual



Thank you for your Time & Attention



How to Get this Report

- Purchase your own copy!
- Discounts for NAEM members and Survey Participants
 - If you participated, you should already have received a code* for a 40% discount off the retail price

**If you believe that you participated, but did not receive a code contact: sean@naem.org*



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