Defining and accelerating the business of sustainability.

GREENBIZ SALARY SURVEY 2011

by John Davies and the editors of GreenBiz.com

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GreenBiz Group

www.GreenBiz.com

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INTRODUCTION

Last year we launched the first GreenBiz Salary Survey as a means of furthering our mission of defining and accelerating the business of sustainability. We conceived this as a survey of working professionals who are involved in their company's sustainability efforts. This is not a survey of CEOs or general business people; rather it is a look at the emergence of the sustainability executive and their unique role in industry.

Late in the summer of 2011 we surveyed 536 members of our GreenBiz Intelligence Panel to find out how much they made, where they worked, and what they did in the course of their job. While there is no sea change in this journey, we are encouraged by some of the trends we're seeing. Here is what we found, in a nutshell:

Dedication. More executives than ever have a job that is 100% dedicated to sustainability. Eighty-six percent of large companies now have at least one full-time person spending all of their time on sustainability, compared to 81% last year.

Strategy Is Job 1, but Energy Rises. Strategy development - helping senior management develop a sustainability strategy that syncs with their company's overall strategy - is the primary task for all sustainability executives. But not surprisingly in this economy, "energy efficiency and facilities management" jumped into the top three tasks for those at the vice president level. This year we also asked if companies have a full-time dedicated corporate energy manager and 48% of large companies have this role at their company.

Staffs and Budgets Are Getting (Somewhat) Bigger. This year we see both budgets and, to a lesser extent, teams grow when compared to 2010. While those with no budget or one under $100,000 dropped a combined 10 points in 2011 when compared to 2010, companies with budgets ranging from $100,000 to under $10 million saw a combined increase of 11 points compared to last year.

Men in Charge (and Well Paid for It). Men dominate at the highest levels of sustainability inside companies, holding more than two-thirds of the vice president roles and nearly three-fifths of the director roles in large corporations. Compensation favors men as well. There is an 11% gap between a female vice president's average salary and a man's and a 20% gap between female and male directors. There is somewhat more parity for managers.

Optimism Is (or "Seems to Be") Waning. In 2010, 90% of sustainability vice presidents were either optimistic or very optimistic. That number dropped 6 points to 84% in 2011. Those at the manager level are also less optimistic, with 12% either pessimistic or very pessimistic about how sustainability will be valued in their companies in the future. In 2010, that number was just 1%.

THE GREENBIZ SALARY SURVEY
A PROFILE OF OUR RESPONDENTS

The 2011 GreenBiz Salary Survey was based primarily on a survey of the GreenBiz Intelligence Panel, consisting of executives and thought leaders in the area of corporate environmental strategy and performance. Panel members participate in brief monthly surveys, providing their expertise and perspective on corporate initiatives, laws and regulations, and scientific advances that are shaping the green agenda.

METHODOLOGY

Data for the Salary Survey was collected from July 26 to August 15, 2011. The survey was conducted online and an email link was sent to the panel's 3,199 members inviting them to participate anonymously in the survey. With 536 usable responses, the survey had a 16.8% response rate. The margin of error is plus or minus 3.9% at the 95 percent confidence level.

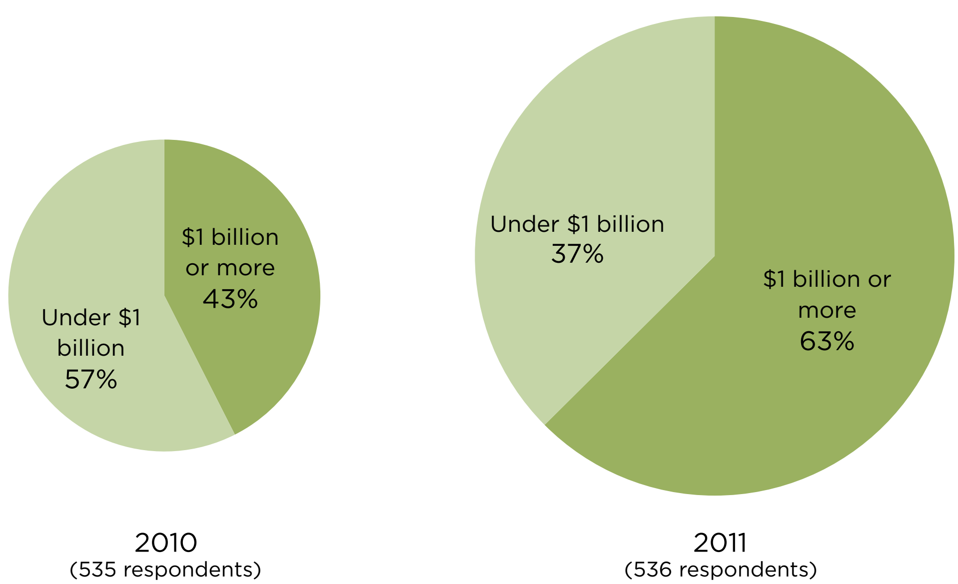
FOCUS ON LARGE COMPANIES

One of the biggest changes in the survey sampling this year is the response rate from large corporations (those with revenues greater than US$1 billion, see Figure 1). Last year, that demographic accounted for 43% of our 535 respondents. In 2011, 63% of our 536 respondents worked for large firms.

For both large and small firms, we asked if those surveyed considered their job to be a full-time environmental sustainability position. A large majority does, with 69% of those employed by large firms along with 64% of those working for small firms.

Figure 1: Focus on Large Companies

Sixty-three percent of 2011 survey respondents work for large corporations, those with revenues greater than US$1 billion.



This year we continue to report on salary and other data for managers, directors, and vice presidents at large and small firms alike. We are also providing additional insights relevant to sustainability leaders in large corporations as their roles mature to a point where responsibilities are becoming more clearly defined.

THE GEOGRAPHY OF RESPONSES

Eighty-six 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 (19.3%) with New York second (7%). Among other countries, 2.5% of the respondents hail from Canada and 2.1% from the United Kingdom. The remaining 9% responded from 27 other countries.

REVENUE AND INDUSTRY SECTORS

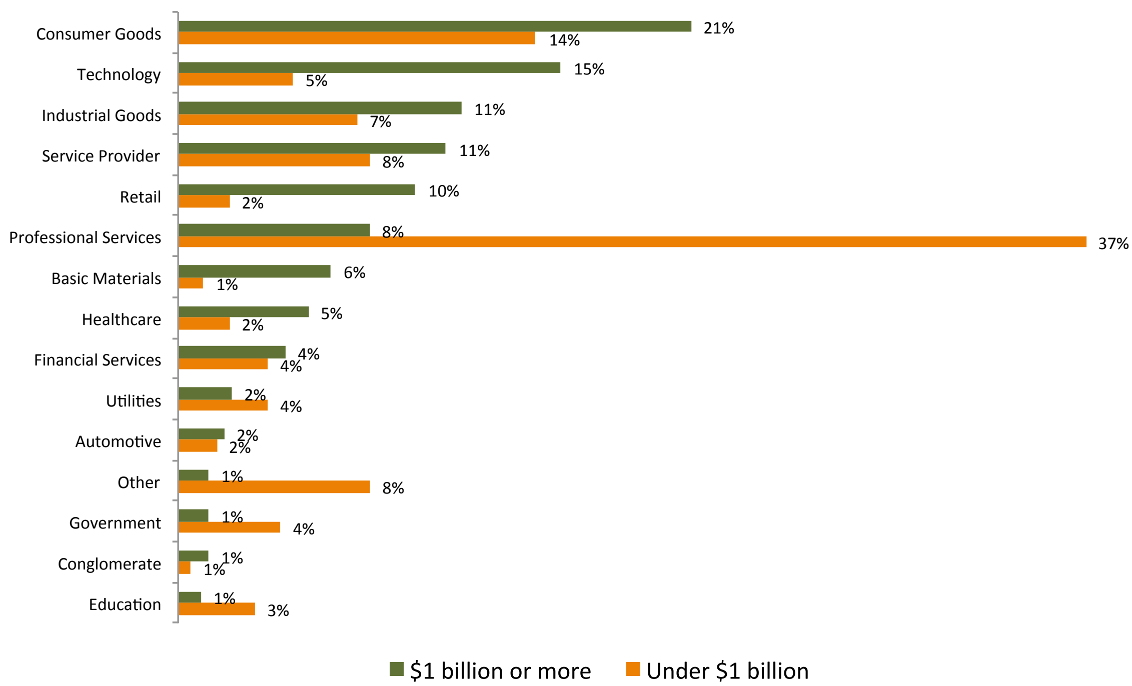
Responses from the survey have been analyzed based upon both company size and industry sectors. As mentioned, large companies with revenues greater than $1 billion represent 63% of the survey sample, whereas companies with revenues below $1 billion account for 37% of the responses.

Figure 2 presents an overview of the respondents by industry sector and segmented by large companies (revenues greater than $1 billion) and small to midsize companies. Professional services companies make up 37% of the overall sample of small to midsize firms, overweighting the aggregated results of companies with revenues under $1 billion.

Large companies are more evenly represented across all major industry sectors. A description of the types of companies included in each sector is provided in Appendix A.

Figure 2: Revenue and Industry Sectors

Large companies are evenly represented while small to midsize firm results are over-weighted by the professional services sector.



THE STATE OF THE PROFESSION
EXECUTIVES SPEAK

Pontificating on the role of sustainability in business has become a cottage industry. There are any number of articles and studies commenting from the sidelines, often with a one-size-fits-all approach pitting leaders against laggards or force-ranking the most sustainable companies. But it's just not that easy. Context and culture, industry sector and supply chain complexities, and competitive realities are just a few of the many things that defines each company's journey along the path of sustainability.

This year, instead of providing broad generalizations about the state of the profession, we're kicking off the report with four quotes from survey respondents who were kind enough to share their perspective.

"I believe businesses and corporations are increasingly viewing a commitment to sustainability, supported by creation of genuine policies and tangible actions, as a necessary component of leadership in today's business arena. In the past year, my company has assigned oversight of our environmental responsibility initiatives to a Board of Directors Committee and created a management committee, headed by the CEO, to establish policy and set direction. This was done because the past five years have shown us that investments in sustainability can bring significant value to us both in terms of top line profits and bottom line savings."

Senior Vice President
Services Industry

"Customers often push the sustainability agenda as we have seen here. We have also now seen that once our employees, in particular the sales people and market development managers, have seen the value of a more sustainable product offering, a partnership begins to develop with the customer. This dialogue helps to push the sustainability agenda for both companies even further than anyone could have originally imagined."

Director of Sustainability
Financial Services

"My personal view is that while sustainability is not and should not be a fad, having a chief sustainability officer as a separate function is temporary in nature. Longer term sustainability should be so integrated into the culture and operations that it is not only not a separate office, or even under the EHS department, but either shared by the strategy and operations office or integrated into the responsibilities of the executives reporting to the CEO."

Vice President, Safety and Environment
Healthcare industry

"This is a transition year for the company as we have begun to set the next 10 year sustainability strategy. As we work to expand and deepen the commitment and increase the clarity of [our] end game we are challenging core assumptions and beliefs about sustainability and its role in the business and in the world. I would say the commitment is deepening on the part of leadership but there is a desire to hit the easy button on the parts of sustainability practice and transparency that are difficult but most impactful."

Director, Global Environmental Sustainability
Industrial goods manufacturer

We couldn't have said it better ourselves. We're thankful for all of those who participate in our research and for the insights into what's on the minds of sustainability leaders today.

A ROSE IS A ROSE

Figure 3 provides a snapshot of the titles of the individuals responding to the 2011 survey. Eighty-four percent of the respondents from large companies are managers, directors, or vice presidents. But a title is more than just a level in the organization. Most come with a specific description of their responsibilities "after the comma." In addition to asking for their title from a list (e.g., manager, director, vice president), we also asked for the exact title as printed on their business card. We saw titles such as "Vice President, Environmental Sustainability" and "Manager, Corporate Responsibility" along with more unique titles such as "Director, Customer Sustainability."

It is clear that the term "sustainability" has become established as the preferred phrase for organizations to use in describing their environmental sustainability initiatives and the executives who lead them. In a recent NEEF/GreenBiz Group survey conducted in August 2011, we asked respondents what term is used at their company to describe "environmental" and "sustainability" activities. Over the course of the last three years, the term "sustainability" has become the standard-bearer for these activities, with nearly half (49 percent) identifying that term, up from 34 percent in 2008.

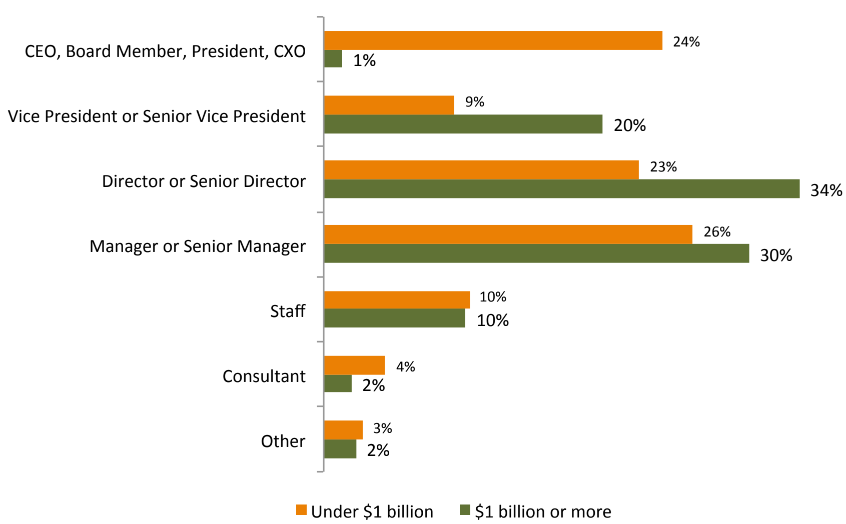
In just the past year, we've seen a shift in the results from our annual salary survey where the word sustainability is etched on a manager's or senior manager's business card more than twice as often as it was the previous year (56% of the time in 2011 and just 26% in 2010). Similarly, almost 50% more vice presidents and senior vice presidents have sustainability in their title compared to 2010 (59% in 2011 compared to 41% in 2010).

It appears that language is becoming more consistent across titles, and sustainability is the word most commonly used to describe a set of functions and responsibilities that were previously classified in terms of corporate social responsibility (CSR) or environmental, health, and safety (EHS). It's not that CSR and EHS functions are disappearing, but rather that a focus on sustainability is gaining currency.

It is clear that the term "sustainability" has become established as the preferred phrase for organizations to use in describing their environmental sustainability initiatives and the executives who lead them.

Figure 3: Titles of Survey Respondents

Eighty-four percent of the respondents from large companies are managers, directors, or vice presidents.



DEDICATED TO THE JOB

We asked our panel members to identify the highest-ranking executive whose job is 100% focused on the company's sustainability efforts (see Figure 4). We view this as a proxy of the importance of sustainability within large companies. We found that while there may be limited staff dedicated to their efforts on a full-time basis, the individuals leading their efforts are relatively high-ranking executives: 38% were at the vice president level and another 34% at the director level. Only 14% of large companies have no executives working 100% on sustainability. This represents a significant decrease from 2010, when 19% of large companies lacked even a manager dedicated full-time to sustainability efforts.

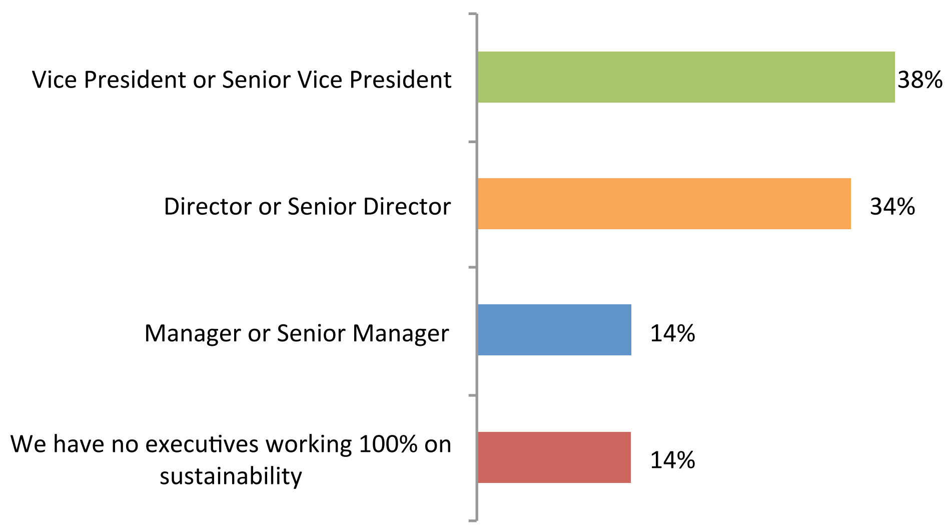
The highest-titled individual leading sustainability in a number of industries is the vice president. In the utilities sector, all but one of our respondents indicated that this was the most senior title dedicated full-time to sustainability. In the consumer goods sector, 50% of the highest-ranking executives dedicated to sustainability are vice presidents.

In other sectors, such as technology, fewer than 50% of the executives dedicated full-time to sustainability are at the level of director or senior director. All told, 72% of companies surveyed identified either the role of vice president or director as the most senior title dedicated full-time to sustainability.

In terms of our survey, 79% of the vice presidents who participated are the highest-ranking sustainability executives at their company. This is also true for 59% of directors and 39% of managers who responded to this survey.

Figure 4: Highest Ranking Sustainability Executive

While there may be limited staff dedicated to their efforts on a full-time basis, the individuals leading their efforts are relatively high-ranking executives.



READY TO REPORT

While job titles seem to have cohered around the word sustainability, no such standardization has emerged for where the function resides in an organization. As one of our survey respondents wrote:

> "My CEO needed a place to put sustainability so it fell in my lap."

The clearest answer as to where the sustainability executive reports is still "It depends." There are a number of factors that can influence that decision, ranging from the maturity of a company's efforts (that is, how long it has been engaged in environmental and sustainability issues) to its industry - chemical companies have historically put the role in EHS and retailers have often placed the role within facilities management. Interestingly, this is beginning to change in both sectors as they see opportunities for a broader customer-facing approach.

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Where sustainability reports may even depend upon the company's primary motivation for its sustainability efforts, whether if was cost reduction, revenue generation, reputational enhancement, or talent attraction and retention. Sometimes, this leads to a hydra-headed operational structure. As one of our survey respondents wrote:

> "Our organization separates social and environmental responsibility under three different organizations that work together but report up through different senior executives: Employee Health & Safety; Office of Environmental Sustainability; and, Corporate Social Responsibility. The last one, CSR, sits in Corporate Communications and focuses solely on the social aspects of responsibility. I and a small number of others located outside the U.S. work on initiatives associated with all three offices; we form the glue that connects the pieces."
>
> Manager, Global Communications
> Consumer goods manufacturer

At a 2011 GreenBiz Executive Network meeting, we asked members to describe where sustainability lived at their companies. Twenty-seven percent report to public affairs, 16% report through operations, 14% report through sales & marketing, and another 14% report through their general counsel or legal department. Others reported to human resources, EHS, product development, and strategy. But as one member noted "The org chart doesn't always reflect [sustainability's] reporting relationship within the company." To clarify, while sustainability may formally report into one organization (such as legal affairs), much of the effort may be directed by another, such as product development or operations.

We also asked our Network members how many layers of management existed between them and their CEO. Six percent of members report directly to the CEO while 39% report to an officer who reports to the CEO. Another 36% identified two layers between them and the company's CEO.

AREAS OF OVERSIGHT

We asked panelists to tell us about the functional areas they oversee either as part of their environmental sustainability role, or in addition to that role. The results for managers, directors and vice presidents were consistent. Responsibility for the company's CSR efforts ranked highest followed by responsibility for the company's EHS efforts.

We also tracked year-over-year changes in terms of oversight. The number of managers and directors with CSR oversight but not EHS rose by 8 and 7 points respectively (from 24% to 32% for managers and 28% to 35% for directors). For vice presidents, solely having oversight over CSR decreased from 35% to 30%.

When it comes to sole oversight of EHS activities, managers, directors, and vice presidents alike show a decline in this being their singular area of focus. Vice presidents and directors did see an uptick in combined oversight of CSR and EHS activity (from 24% to 25% for vice presidents and 17% to 23% for directors).

Two years of data do not make a trend, but we'll be following how sustainability, CSR, and EHS departments either diverge or converge in the coming years.

PUTTING MORE ON THE PLATE

We asked our panel members to tell us how they spend their time. Last year, the top three tasks were shared at all levels, from manager to vice president: strategy, reporting, and working with peers inside the company. This year (as shown in Figure 5), only strategy development is shared as a top tier task, and once again it is the primary task for sustainability executives. This is consistently identified across all titles, with 100% of vice presidents spending time on developing strategy, and 95% of directors and 89% of managers.

Figure 5: How They Spend Their Time

Strategy development is once again the top task for all level of sustainability executives.

Vice President or Senior Vice President	Director or Senior Director	Manager or Senior Manager
Strategy development	Strategy development	Strategy development
Reporting (environmental data, including carbon footprint)	Working with my peers	Reporting (environmental data, including carbon footprint)
Energy efficiency & facilities management	Employee education	Working with my peers
Working with my peers	Reporting (environmental data, including carbon footprint)	Marketing to internal audiences
Leading cross-functional committee	Leading cross-functional committee	Employee education
Employee education	Marketing to internal audiences	Leading cross-functional committee

Perhaps not surprisingly in this economy, "energy efficiency and facilities management" jumped 14 points (from 71% in 2010 to 85% in 2011) as a key task for vice presidents. But that wasn't the biggest increase in terms of additional tasks vice presidents are taking on. There were 22-point jumps for both "waste management & recycling" and "supporting external marketing and sales" (jumping from 53% to 75% in both cases).

This year, we also asked if companies have a full-time dedicated corporate energy manager focused on reducing energy consumption. Forty-eight percent of respondents from large companies indicated that a dedicated role existed at their company. Where that role is established, 47% are managers, 35% are directors, and 12% are vice presidents (another 6% represent a dedicated staff function).

The rapid growth in the number of corporate energy managers is consistent with several trends we've identified as part of VERGE (see below)

The one thing that is clear for all sustainability executives is that more responsibility is being put on their plate with little taken off. In fact, about the only item that was identified by fewer managers and directors than last year was addressing "climate change policy" – a drop of 5 percentage points in both cases (from 59% to 54% for directors and from 46% to 41% for managers). That's understandable given the lack of public policy on climate. Should things shift policy-wise, sustainability executives would likely get yet another task heaped onto their overflowing plates.

The one thing that is clear for all sustainability executives is that more responsibility is being put on their plate with little taken off.

VERGE
CONVERGING ENERGY, INFORMATION, BUILDINGS & VEHICLES

VERGE describes the convergence of four technologies — energy, information, buildings, and transportation — and the economic, environmental, and social benefits this convergence will bring to business and society.

Simply put, it has the potential to transform how we live, work, travel, shop, and play, by creating a new generation of smarter, innovative products and services. In some cases, VERGE technologies will radically improve efficiencies of today's vehicles and transportation systems, buildings, urban infrastructure, industrial production, and other energy- and resource-intensive activities. Beyond that, VERGE has the potential to invent new products and services, even new industries, much like other technologies — such as the Internet, broadband, smart phones — have done in recent years.

The VERGE opportunity also extends to the environment, with the potential to create gigaton reductions in carbon emissions along with dramatic reductions in other pollutants, all while reducing congestion, improving health and safety, and raising standards of living. And it extends to policy, where it could lead to the introduction of supportive standards and regulations, or the removal of existing regulations that stand as barriers to more widespread implementation of VERGE technologies. Finally, the VERGE opportunity extends to a wide range of business processes and operations, affecting such activities as facility management, supply chain, purchasing, information technology, manufacturing, logistics, even human resources.

More information: www.greenbiz.com/verge.

STAFFS AND BUDGETS GET BIGGER

We asked our survey panel members about the budget for their sustainability program as well as the number of employees dedicated fulltime to sustainability efforts. In a nutshell, budgets and teams are both growing. This might not be immediately obvious, as 38% of large companies and 57% of small and mid-size companies claim to have "no specific budget for their sustainability efforts." But this is down from 45% and 68% in 2010 respectively.

As we noted last year, it is not surprising to find 54% of large companies stating that while they have a budget, it is relatively small when compared to other departments — $10 million or less.

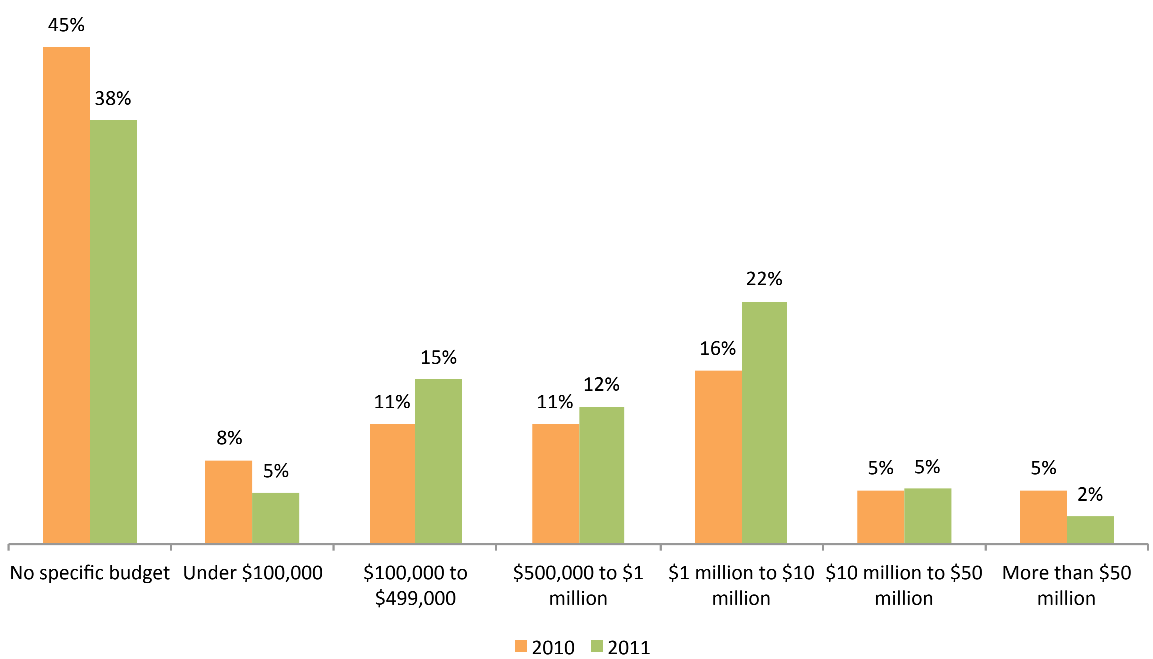
This year we see both budgets (Figure 6) and, to a lesser extent, teams grow when compared to 2010. While those with no budget or one under $100,000 dropped a combined 10 points in 2011 when compared to 2010. Companies with budgets ranging from $100,000 to under $10 million saw a combined increase of 11 points compared to last year.

Even though companies may not identify a specific budget for sustainability, it doesn't necessarily indicate the absence of a program. Another indicator can be found in the number of employees dedicated fulltime to the company's sustainability efforts (Figure 7). While 38% of large companies don't have a specific budget for sustainability, only 10% lack at least one dedicated resource.

Even though companies may not identify a specific budget for sustainability, it doesn't necessarily indicate the absence of a program.

Figure 6: Budgets are Growing

Those with "no specific budget" are fewer while the number of large companies with budgets between $100,000 and $10 million are increasing.



One of the attributes that sets the sustainability team apart from other functions that have ascended over the previous decades (such as those focused on supply chain or information technology) is that while sustainability executives are responsible for strategy, implementation often falls to other functions within the company. Thus, sustainability departments are typically lean, sometimes very lean, given the size and scope of their organizational mandates. It also can mean that sustainability executives operate more from a position of influence than from a position of power and authority.

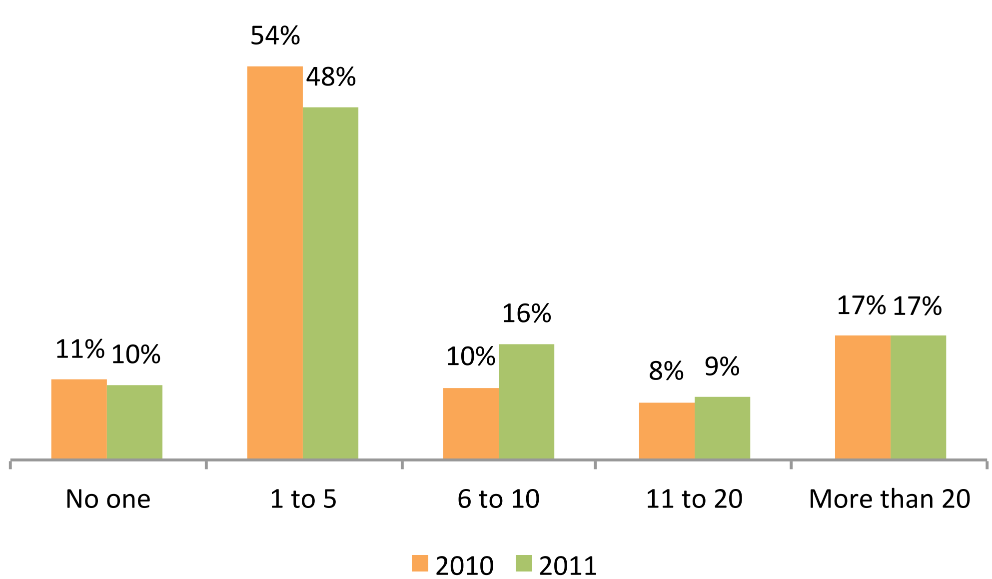
It appears, however, that greater responsibilities are also translating into slightly larger teams. While the number of teams made up of 1 to 5 people decreased from 54% of large companies surveyed to 48% (a 6 point decrease), the number of teams ranging from 6 to 10 members increased from 10% to 16%, a 6 point increase.

Another lens into team size is found by analyzing the number of direct reports managed by executives who stated their role as a full-time sustainability professional. Ninety-one percent of vice presidents and 60% of directors have one or more people reporting to them. Eighteen percent of vice presidents who are full-time sustainability professionals have teams of 6 to 10 while another 18% have teams of more than 20.

Greater responsibilities are also translating into slightly larger teams.

Figure 7: Teams Are Getting Bigger

While 38% of large companies don't have a specific budget for sustainability, only 10% lack at least one dedicated resource.



SHINY, HAPPY PEOPLE

Job satisfaction is high again this year for those working in sustainability-related jobs, with 85% satisfied or very satisfied in large companies and 79% of employees of smaller companies feeling the same way. However, there is a slight shift in their optimism about how sustainability will be valued at their companies over the next five years. While not seismic, there has been a five-point drop in the past year of those who were optimistic or very optimistic (83% were in 2010 while only 78% in 2011). At the other end of the spectrum, in 2011 7% said they were either pessimistic or very pessimistic compared to 3% in 2010.

COMMITTED TO THE CORE?

We asked panelists how their organization's commitment to sustainability – in terms of management attention and investment – has changed in the past year and is likely to change in the year ahead. The numbers are strikingly similar. Eighty-four percent said this past year's commitment was either significantly increased (21%) or somewhat increased (53%). Almost identical numbers reflect commitment for the year ahead.

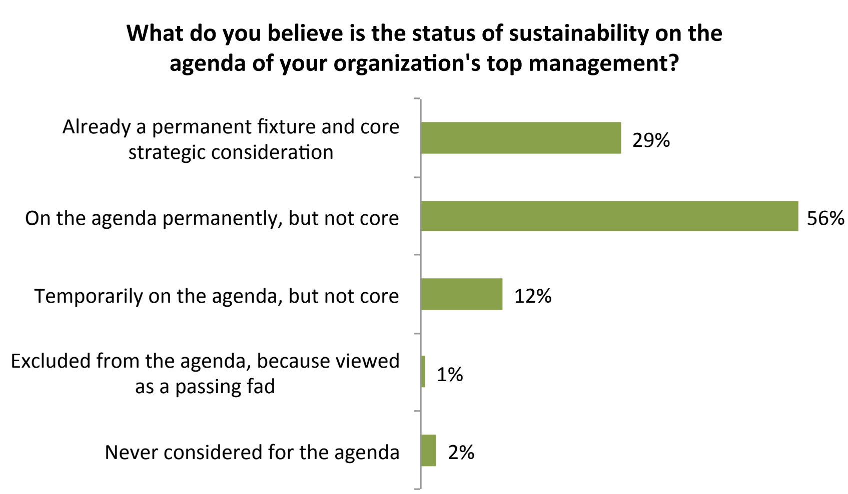
We also asked how panelists perceive the status of sustainability on the agenda of their organization's top management (Figure 8). The responses are consistent with recent MIT/ Boston Consulting Group (from which this question was adopted) and McKinsey surveys of where sustainability falls on the CEO's global agenda.

In the McKinsey survey, 26% identified sustainability as a top-three agenda priority. Twenty-nine percent of our panelists said sustainability was "already a permanent fixture and core strategic consideration." Forty-five percent of those surveyed by McKinsey identified sustainability as "a priority, but not top three." Fifty-six percent of GreenBiz panelists put sustainability "on the agenda, but not core."

Three sectors stood out in our research as having a deeper commitment to sustainability, viewing it as core to the company. Forty percent of consumer goods and automotive companies identified sustainability as a core strategic consideration as did 50% of basic materials companies. In contrast, only 20% of technology companies consider sustainability a core strategic consideration though an additional 65% say it is on the agenda permanently.

Fifty-six percent of GreenBiz panelists put sustainability "on the agenda, but not core."

Figure 8: Management's View of Sustainability



COMPENSATION
OVERVIEW

According to a survey of 773 U.S. companies conducted by Towers Watson Data Services "companies are planning pay increases that will average 2.8% in 2012 for their salaried non-executive employees. This represents a moderate increase from the average 2.6% raise workers are receiving this year and 2.6% they received in 2010. Similar raises for 2012 are planned for executives and nonexempt employees."

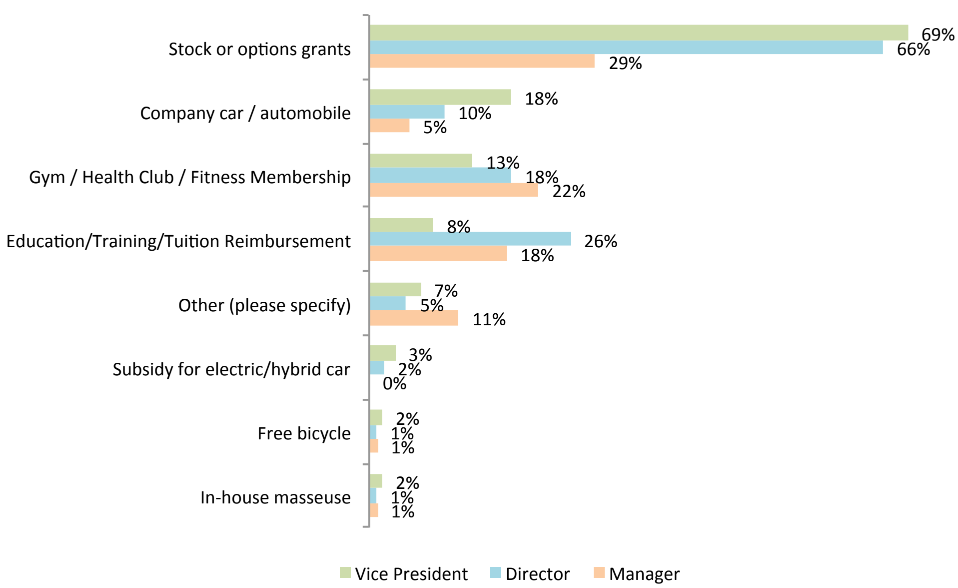
But salary isn't everything. This year we asked more detailed questions about bonuses, additional compensation, and whether sustainability played a role in performance evaluations or bonus calculations.

We dug more deeply into aspects of compensation beyond salary and bonus (see Figure 9). The most noted benefit for all levels of management consists of stock or options grants. For vice presidents, the next most popular benefit is a company car (18%). Second on the list for directors is education reimbursement while for managers it's a health club membership. As to those free bicycles and in-house masseuses, one company in each of the following sectors offers both of these benefits: consumer goods, basic materials, and healthcare.

We were also interested in whether sustainability metrics were being included in individual performance evaluations. While there are a few well-publicized programs (see box), it was somewhat surprising to find 30% of survey respondents saying their company is including these metrics in performance evaluations.

Figure 9: Additional Compensation

In addition to salary and bonus, sustainability executives are receiving other benefits.



We also asked if bonus compensation was based on individual or corporate achievement of sustainability goals. Twenty percent of those surveyed from large companies said yes. But not all management executives are fond of this idea. As one commented, "We found that a monetary incentive is not necessarily the most effective reward. Within our company, people who are leading change through sustainability efforts are getting recognized by their peers and promoted into other positions."

The pages that follow present detailed results in terms of what affects compensation for the three most identified titles in our survey of sustainability executives:

- Vice President
- Director
- Manager

Compensation for each of these titles is analyzed in terms of salary as well as additional forms of compensation such as bonuses and stock or options grants. The results are also analyzed to determine major factors that can influence compensation such as age, experience, gender, and education.

Sustainability Inside

"Intel has been pushed by investors for years to address issues of say-on-pay, the human right to water, and sustainability as part of a board's fiduciary obligation. So it's not surprising that Intel links employee compensation to sustainability results. What is surprising is that Intel is doing this for its entire workforce. Since 2008, every employee's annual bonus is calculated on the basis of the firm's performance on measures like product energy efficiency, completion of renewable energy and clean energy projects, and the company's reputation for environmental leadership. Last year, Intel added into the equation performance on reducing the company's carbon footprint. This is a smart move that will empower employees up and down the organization to find reductions big and small."

Mindy Lubber,
president of Ceres, writing in Harvard Business Review blog, April 2010

VICE PRESIDENT OF SUSTAINABILITY
EXPERIENCE REAPS REWARDS

The vice president of sustainability has a compensation package that includes performance-based bonus achievements and equity participation in addition to a base salary. Attaining this title at a large corporation requires experience. 88% of our respondents at this executive level have more than 16 years of experience.

The information presented here is based upon responses from vice presidents and senior vice presidents working at companies with revenues greater than $1 billion, unless specifically noted.

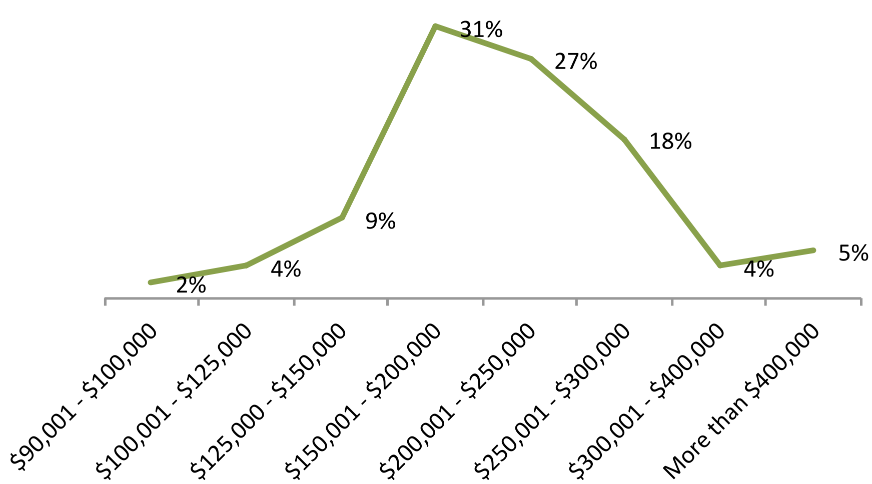
Compensation. Last year when we asked vice presidents to report their base salary, our scale stopped with "More than $250,000." That resulted in a lower calculation for the average salary of a vice president of sustainability. This year we expanded the upper boundary until it reached "More than $400,000."

Vice presidents of sustainability earn an average of $218,409 (with a median salary of $225,000). The chart below shows the salary range, including 27% of survey respondents who reported earning $250,000 or more. In terms of industry sectors, average salaries are highest for technology ($260,000) and retail ($244,786). The lowest average salaries are for service providers ($186.667) and industrial goods ($178,375). 76% of the vice presidents surveyed also reported receiving a raise in 2010.

For senior executives, salary alone is not an exclusive measure of compensation. Ninety-three percent of vice presidents reported receiving a 2010 bonus. The average bonus for

Figure 10: Vice President and Senior VP Salaries

Vice presidents of sustainability earn an average of $218,409 (with a median salary of $225,000).



vice presidents in all sectors was 37% of their base salary. Consumer goods executives averaged bonuses of 50%. In addition to salary and bonus, 69% of VPs reported receiving stock or options grants.

For vice presidents at companies with revenues below $1 billion, the median is $132,500, but the average salary is higher at $148,313. Fewer got bonuses and stock or option grants were rare.

Gender. Men dominate at the highest levels of sustainability inside companies, as can be seen below, holding more than two-thirds of the vice president roles in large corporations. There is an 11% gap between a female vice president's average salary ($206,316) and a man's ($231,731). Last year this wasn't as obvious because of the shortness of our scale (e.g., not distinguishing past "more than $250,000"). Surprisingly, this gap is less than that between female and male directors (a 17% gap with an even larger sample size).

Education. The level of education achieved by vice presidents doesn't account for much of a pay differential. Those with a master's degree actually earn about 2% less than their counterparts with a bachelor's degree ($219,758 and $224,028, respectively). However, 60% of those surveyed have a master's degree, while 34% have a bachelor's degree.

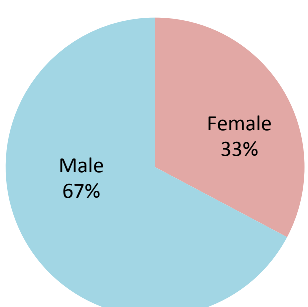
Age. Age appears to have an inverse effect on a vice president's salary. Seventeen percent are between the ages of 35 and 40 and earn an average of $232,500 and 29% are between the ages of 41 and 50 and earn an average of $238,971. In contrast, 45% of vice presidents are between 51 and 60 and earn an average of $213,942.

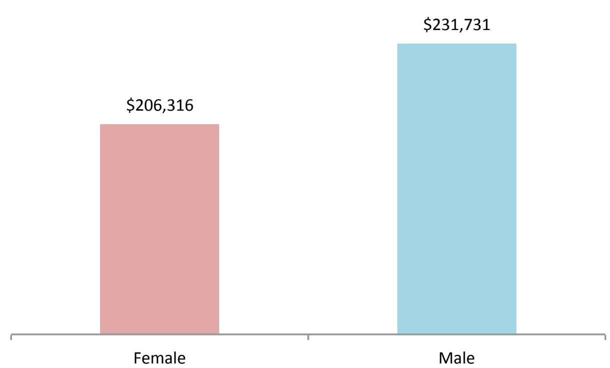
Experience. When it comes to reaching the senior levels of executive management, experience is what counts most. Thirty-six percent of VPs have 16 to 25 years of experience, and 52% have more than 25 years of experience. The takeaway is that paying your dues and putting in the time is table stakes for a senior executive role in sustainability.

When it comes to reaching the senior levels of executive management, experience is what counts most.

Figure 11: Gender Gaps

Men dominate at the highest levels of sustainability inside companies, holding more than two-thirds of the vice president roles in large corporations.





DIRECTOR OF SUSTAINABILITY

OLDER MALES DOMINATE THE ROLE

The director of sustainability in many companies is the highest-ranking sustainability executive. As such, director and senior director compensation programs are similar to those of vice presidents in terms of achievement-based bonus and equity participation. Age and gender appears to have the most direct bearing on compensation levels. Directors in their forties earn 24% more than their younger counterparts and those in their fifties earn even more. As to gender, male directors earn 20% more on average than their female counterparts.

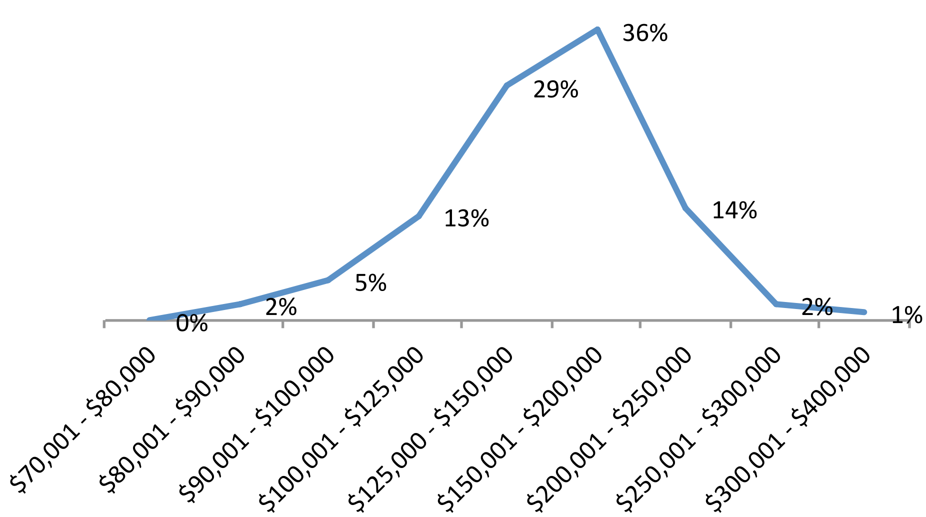
The information presented here is based upon responses from directors and senior directors working at companies with revenues greater than $1 billion, unless specifically noted.

Compensation. Directors of sustainability earn an average of $161,510 (with a median of $175,000). The chart below shows the salary range, including 17% of our survey respondents who reported earning more than $200,000. In terms of industry sectors, average salaries are highest for financial services, basic materials, and technology while the lowest average salaries appear for service providers and retailers.

Fully 91% of directors reported getting a bonus last year. The average bonus for directors in all sectors was 24.5% of their base salary. In addition to salary and bonus, 66% of directors reported receiving stock or options grants and 26% reported receiving education reimbursement.

Figure 12: Director and Senior Director Salaries

Directors of sustainability earn an average of $161,510 (with a median of $175,000).



For directors at companies with revenues below $1 billion, the median is $112,500 and the average salary is $116,915. Few got bonuses and stock or option grants were rare.

Gender. Similar to the gender gap at the vice president level, men dominate at the director level of sustainability as well, holding 59% of the director roles in large corporations. There's also a large gap in pay (see Figure 13), as men make 20% more than women on average.

Education. The level of education achieved by directors doesn't account for a huge pay differential, as those with a master's degree earn only 3.5% more than their counterparts with a bachelor's degree ($157,188 and $162,621, respectively). However, 61% of those surveyed have a master's degree while 32% have a bachelor's degree.

Age. Age appears to have a bigger impact on director salaries than it did for vice presidents (see Figure 14). Forty-one percent of directors are between the ages of 41 and 50 and earn an average of $165,774. Eighteen percent of directors are between the ages of 35 and 40 (earning significantly less at $134,079), while 29% are between the ages of 51 and 60 and earn an average of $176,250.

Figure 13: Gender Gap

For directors, men make 20% more than women on average.

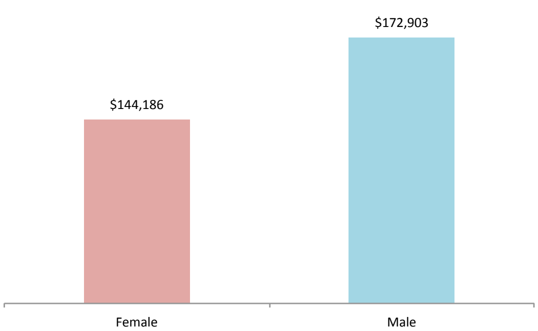
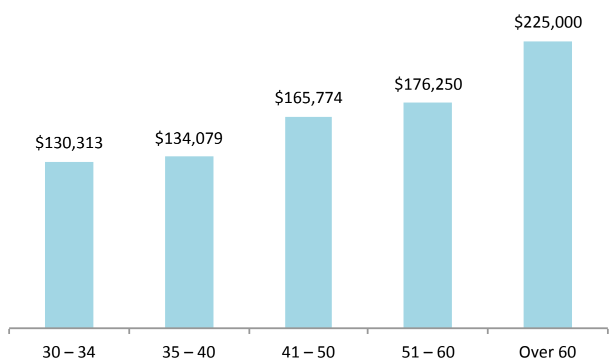


Figure 14: Experience Gap

Age (and experience) matters when it comes to a director's earning potential.



SUSTAINABILITY MANAGER

GET THAT MBA

Compensation for sustainability managers varies widely. While education plays a significant role, there are only minor disparities for manager and senior manager pay whether its gender, age, or years of experience.

The information presented here is based upon responses from managers and senior managers working at companies with revenues greater than $1 billion, unless specifically noted.

Compensation. Sustainability managers earn an average of $105,345 (with a median of $112,500). The chart below shows just how wide-ranging the compensation is for this position. In terms of industry sectors, average salaries are highest for utilities, service providers, and consumer goods, while the lowest average salaries appear for government, financial services, and retailers.

While managers aren't rewarded quite as richly as their superiors, 74% reported getting a bonus. The average bonus for managers in all sectors was 13.4% of their base salary (down from 24.5% in 2010). In addition to salary and bonus, only 29% of managers reported receiving stock or options grants, but 22% received health club memberships and 18% reported receiving education reimbursement.

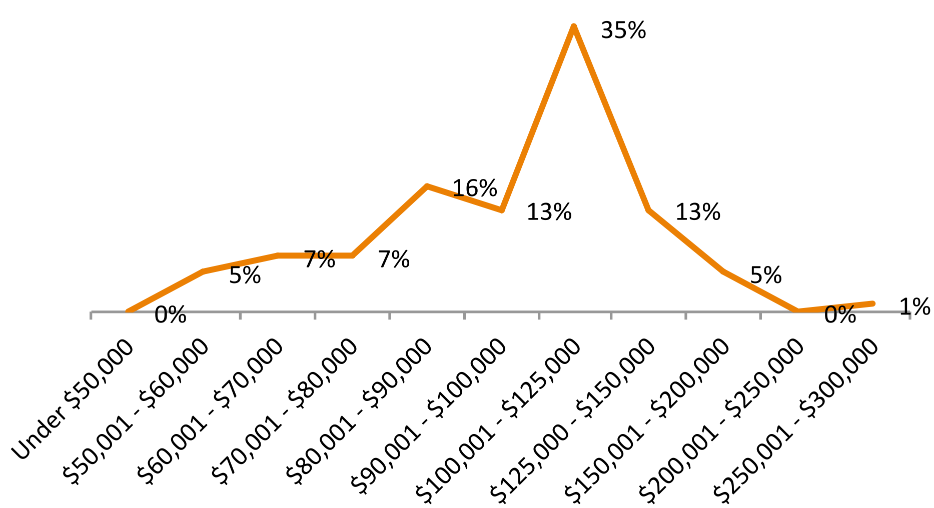
For managers at companies with revenues below $1 billion, the median salary is $75,000 and the average salary is $83,480.

Gender. Unlike the other titles we have reviewed, there is somewhat more parity between male and female managers and senior managers. 53% of managers are male while 47% are female. And if a single outlier manager (a male making between $250,000 and

Unlike the other titles we have reviewed, there is somewhat more parity between male and female managers and senior managers.

Figure 15: Manager and Senior Manager Salaries

Sustainability managers earn an average of $105,345 (with a median of $112,500).



$300,000 per annum) is excluded from the calculation, there is only a $1,000 discrepancy between what men and women earn (see figure).

Education. The level of education achieved definitely has an impact on a manager's salary. Those with a master's degree earn 15% more than their counterparts with a bachelor's degree ($111,625 and $97,273, respectively). Sixty-two percent of those surveyed have a master's degree while 34% have a bachelor's.

Age. There is not much of an age gap when it comes to manager salaries (see chart below) with one significant exception. Managers over 51 earn 29.5% more than their younger peers. But those over thirty are doing well, earning more than $100,000.

Figure 16: Gender Parity

If a single outlier is excluded from the calculation, there is only a $1,000 discrepancy between what men and women earn

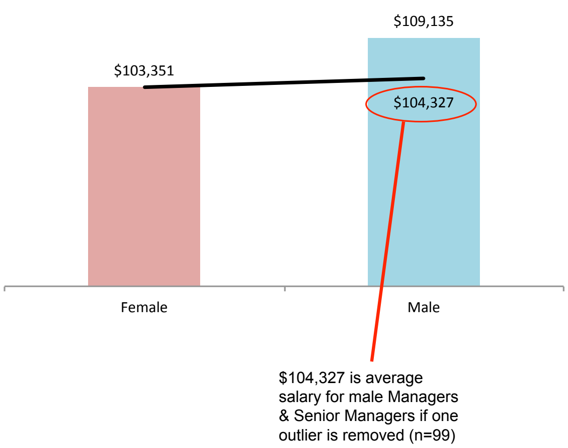
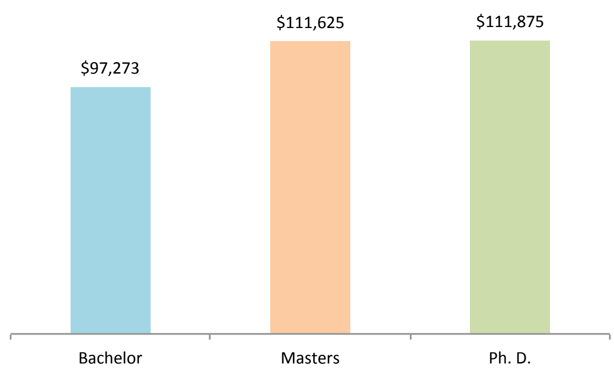


Figure 17: Educational Opportunity

Those with a master's degree earn 15% more than their counterparts with a bachelor's degree.



APPENDIX A - INDUSTRY SECTORS

The following is the list of industries and their descriptions presented to survey respondents for classification.

- Basic Materials (including chemicals, metals, oil & gas, specialty chemicals, etc.)
- Conglomerate
- Consumer Goods (including appliances, auto parts, food & beverages, business equipment, housewares, office supplies, paper & paper products, apparel & textiles)
- Education
- Financial Services
- Government
- Healthcare
- Industrial Goods(including aerospace, cement, machinery, building materials, industrial equipment, machine tools, and waste management)
- Non-profit or NGO
- Other (please specify)
- Professional Services (including accountants, architects, attorneys, business consultants, public relations. etc.)
- Retail
- Service Provider (distributor, wholesaler, packaging & labeling, logistics, airlines, hotels, media & entertainment, etc.)
- Technology (Hardware, software, telephony, etc.)
- Utilities (energy, water, etc.)

ABOUT GREENBIZ GROUP

GreenBiz group

Defining and accelerating the business of sustainability.

GreenBiz Group is a media, events, and research company whose mission is to define and accelerate the business of sustainability. It does this through a wide range of products and services, including its acclaimed website GreenBiz.com and e-newsletter GreenBuzz; twice-monthly webcasts on topics of importance to sustainability executives; conferences and events, such as the State of Green Business Forum, the GreenBiz Innovation Forum, and VERGE; research reports, such as the annual State of Green Business and the Green Building Market & Impact Report; and the GreenBiz Executive Network, a membership-based peer-to-peer learning forum for sustainability executives. GreenBiz Group was cofounded by veteran sustainability writer and speaker Joel Makower and B-to-B publishing executive Pete May. Eric Faurot, who has built and run some of the tech world's leading conferences and expos, rounds out the executive team.

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