



IAC

*Recruitment
with Purpose*

IAC SUSTAINABILITY SURVEY REPORT

2022

Foreword and background



Amy Hayward

IAC Sustainability Team
Recruitment Consultant

The impacts of climate change are plain to see and the physical effects are becoming increasingly extreme, notably flooding in Pakistan left an area the size of the UK under water earlier this year. Hence, the need for climate action has never been more salient. For many, this has permeated their whole lives, stretching far beyond good recycling practices, creating a sense of urgency to which more and more people want to dedicate their careers. Necessarily, in the case of climate action, to meet the Sustainable Development Goals and other targets, increased innovation and manpower are paramount. However, the boom of interest and demand for sustainability professionals has been exponential and has far outweighed the supply of qualified talent. This has created a job market entirely disparate to any other.

Every day we at IAC are fortunate enough to engage with values-driven, passionate individuals who are dedicating their careers to combatting the most important and existential issue of our time – sustainability. We've seen the transition from sustainability being a compliance issue to an intrinsic and respected function for an ever-growing number of businesses. In the wake of this change, different 'generations' of candidates with diverse portfolios of experience are applying for the same jobs and still trying to understand where they fit in this landscape. One such group is dominated by more senior candidates, largely environmentalists, CSR professionals and those from charities who were largely dismissed and had to fight to be taken seriously. Having graduated in the last 5 years, the second group have been able to tailor their education to sustainability and

climate and are taking up graduate and consultant-level roles. There is a third group who are looking to move into sustainability, having had a successful career in a different sector but are now wanting to utilize their skills in a more meaningful role. This can be highly beneficial in terms of diversity of thought, something which is going to be essential in creating holistic and effective sustainability solutions across the board. However, this has also contributed to the disparity in compensation that is characteristic of this market.



Chris Brooker

IAC Sustainability Team
Director

Thank you to everyone who contributed to the survey. Driven by exponential demand growth, compensation across sustainability has been subject to significant change over the last 24 months. With increased attention from the financial services sector, high valuations and availability of funding for new sustainability ventures and a desire to retain and augment existing talent within corporates and consultancies, there has been substantial salary inflation within the profession.

We hope that IAC's Sustainability Salary Survey provides useful insight that will help individuals better understand their value and enable employers to benchmark salaries of existing teams as well as budget for future hires.

Furthermore we hope that the report shines a light on diversity, equality and inclusion in respect of compensation and contributes to our collective effort of balancing pay across the sustainability community.

"I just want to say how valuable these reports are in supporting equal pay in our sector. In my opinion, there are too few recent resources to benchmark sustainability and environmental roles against, so IAC's report will be really helpful for both myself and my female peers who are struggling to provide employers with sufficient evidence on this issue. Thanks in advance for the work you and your team are putting into making this free resource available to our community."

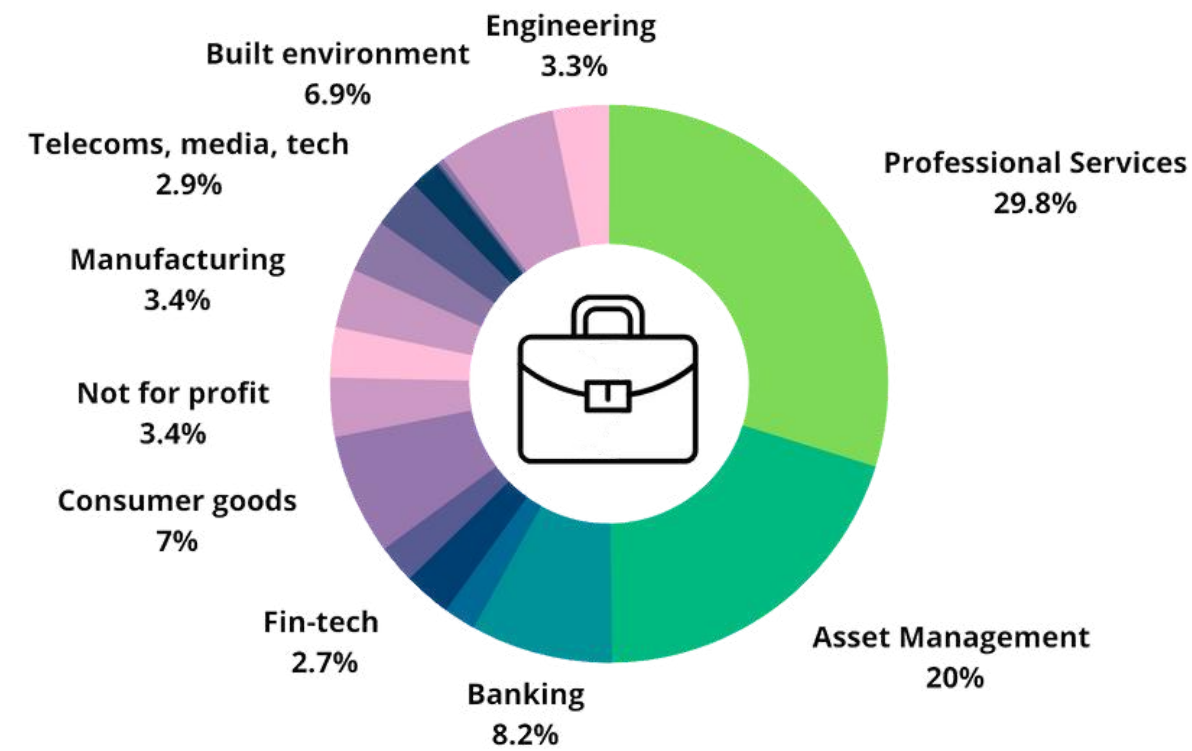
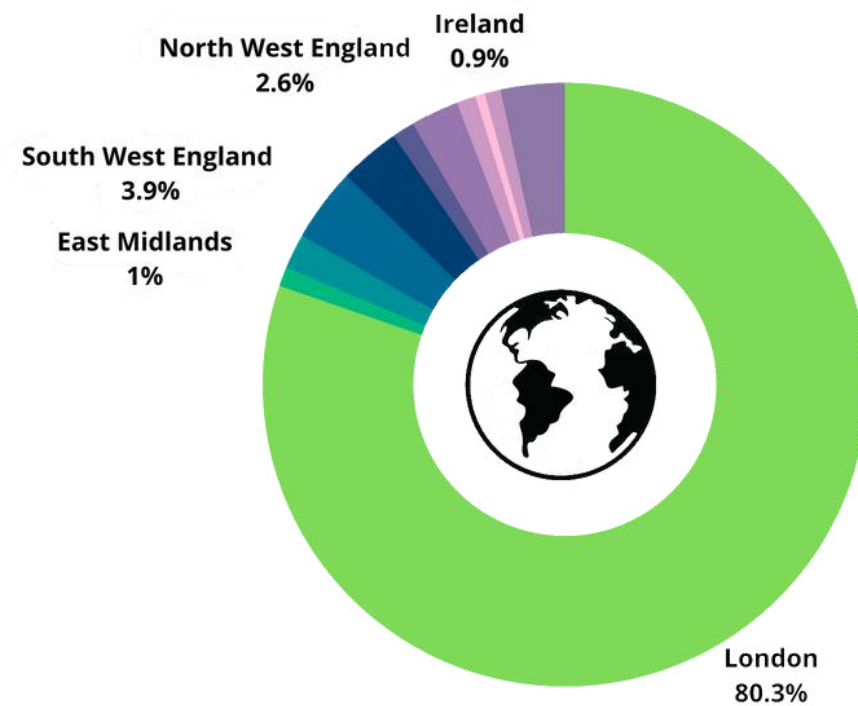
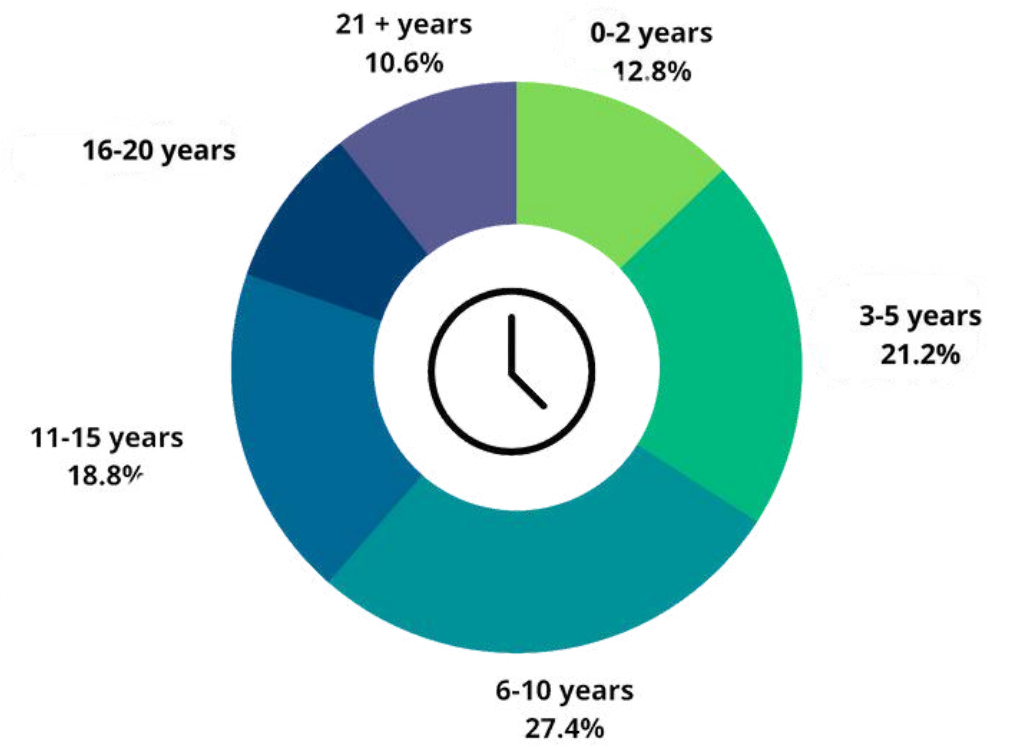
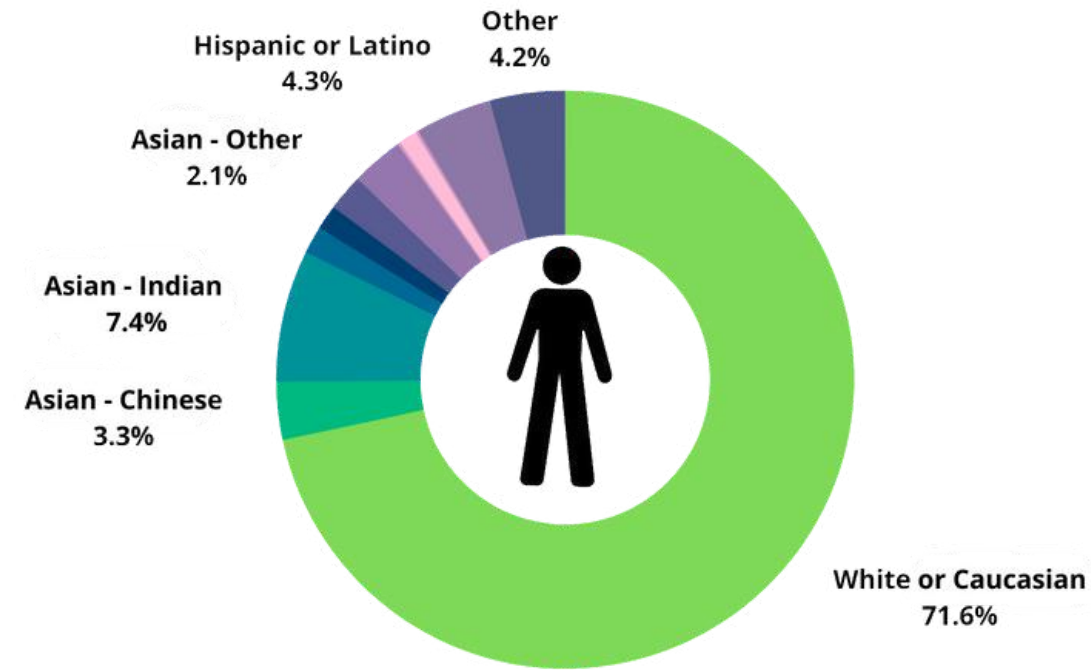
-Head of Sustainability, Building Materials Wholesale.

Sample

Respondents in this survey were approached via LinkedIn, directly by inMail or indirectly via links shared in posts by consultants at IAC. People were also able to complete the survey at Reset Connect and known contacts were approached directly. The sample was 52% male and the majority of the sample were white or Caucasian (72%). The sampling method was non-discriminatory by it's voluntary nature, which makes the majority-white sample interesting. Perhaps this is symptomatic of the sustainability talent pool in general.

Most respondents worked in either professional services (29%) or asset management (20%) and the largest proportion of people worked in an organisation that employed more than 10,000 people (28%). Most candidates had 6-10 years of experience in a sustainability-focused role (27%).

In terms of skillsets, the largest reported skillset was strategy with 41% and the second largest was sustainable finance/responsible investment. It is important to note that respondents were able to pick more than one skill as skillsets in this market are rarely independent or discrete.



How much should you be paid?

Below, we explore how seniority, sector, company size and skillset affect remuneration. The purpose of this is to provide some clarity for job seekers and employers on how different skill sets and years of experience are compensated in this rapidly evolving market. However, it is important to caveat that this data is based on averages and there is likely some nuance lost within these results. Extreme outliers were adjusted for as much as possible and the median was used to provide an average less influenced by any remaining extreme values. For specific roles, we are able to combine this with internal data to provide bespoke salary benchmarking for businesses.

Experience

As expected, average salaries increased in a linear fashion as years of experience increased.

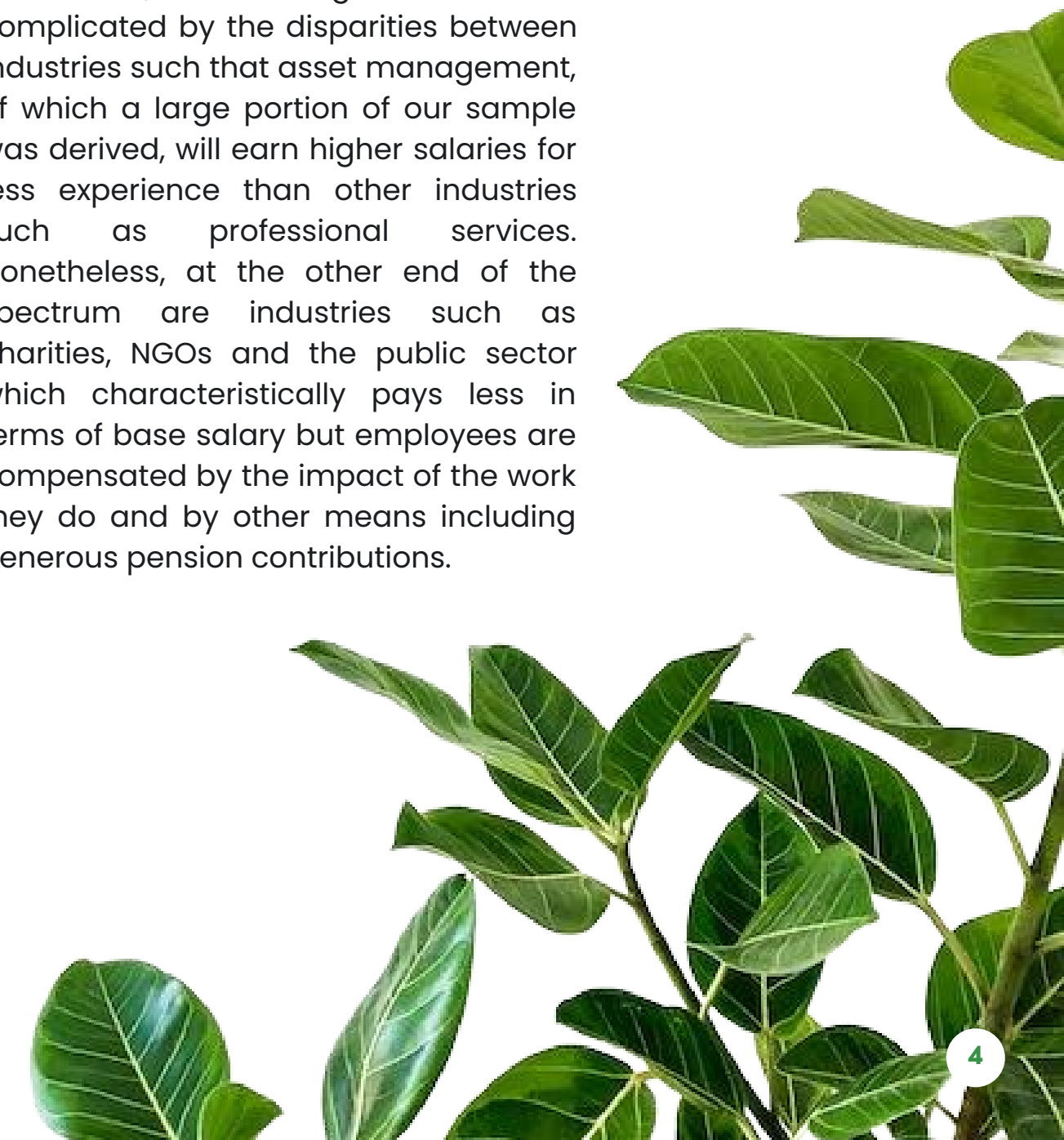
The average salary increase is approximately £15,000 every 2-5 years, with faster salary inflation earlier on. Broadly speaking, this is in line with what we and, more importantly candidates, expect. For this question, candidates were asked what their base salary was without bonuses or other benefits such as cash allowance.

Most companies now offer some sort of bonus in addition to the base salary which will increase with seniority from around 10% to 15-20%. In some larger firms, a cash/car allowance of between £2,000-£7,000 is available.

Aggregate average salaries across the sector

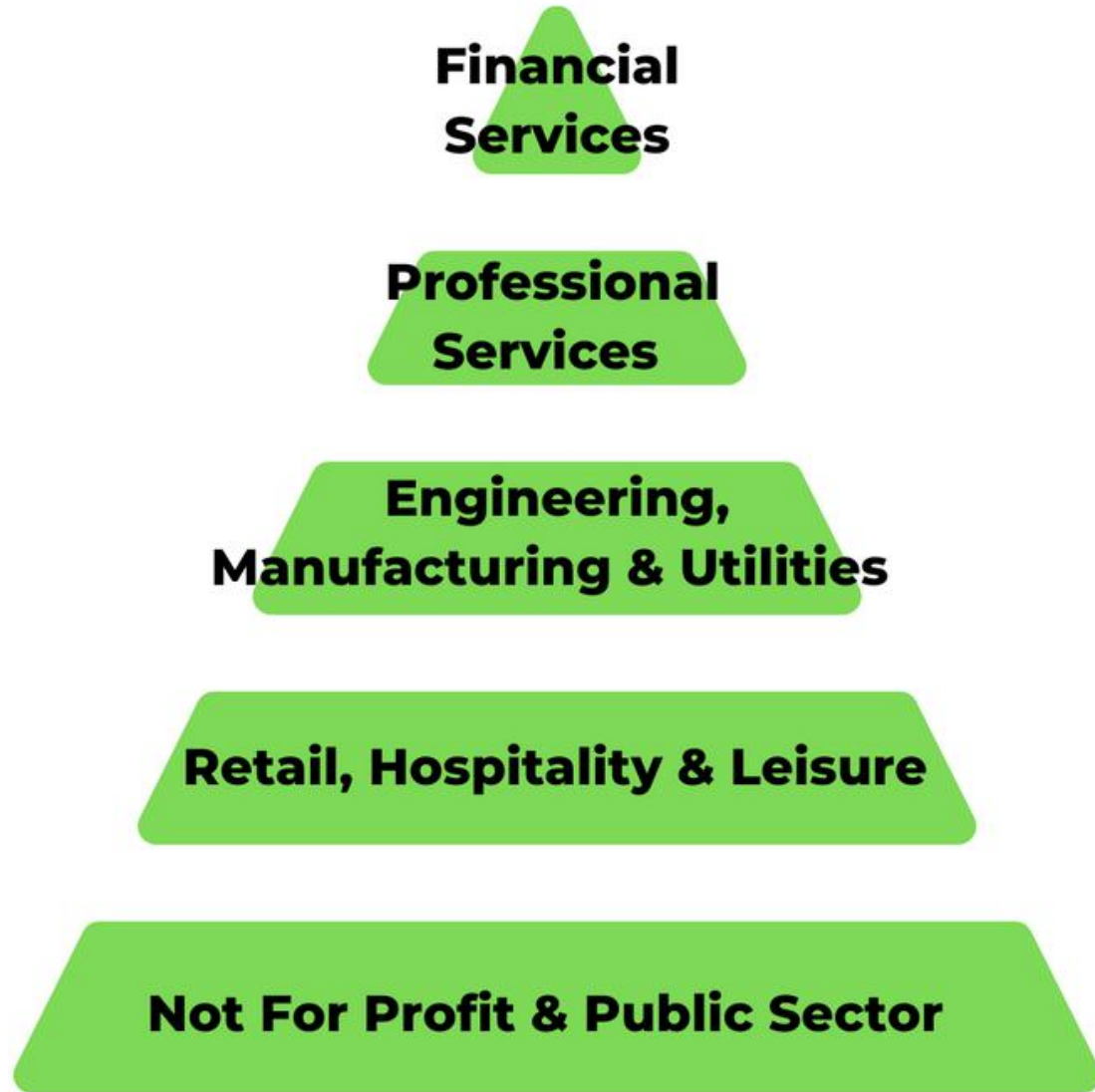
Years of experience	Average salary
0-2 years	£36,340
3-5 years	£50,900
6-10 years	£68,750
11-15 years	£85,320
16-20 years	£101,560
21+ years	£113,613

As noted, discussing salaries is complicated by the disparities between industries such that asset management, of which a large portion of our sample was derived, will earn higher salaries for less experience than other industries such as professional services. Nonetheless, at the other end of the spectrum are industries such as charities, NGOs and the public sector which characteristically pays less in terms of base salary but employees are compensated by the impact of the work they do and by other means including generous pension contributions.



Sector

It comes as no surprise that your base salary will be somewhat dependent on the sector you operate within. This is driven by how specialist the skills required are, the other businesses in the market, the scarcity of quality candidates and other factors including working hours etc. As such, we found that financial services including asset management and banking came out on top while the public sector and logistics were some of the lowest paying.



- 1 Asset Management
- 2 Banking
- 3 Fin-tech
- 4 Insurance
- 5 Professional Services
- 6 Start ups
- 7 Engineering
- 8 Manufacturing
- 9 Oil/gas/energy
- 10 Telecoms/media/tech
- 11 Logistics
- 12 Consumer goods
- 13 Healthcare/pharma
- 14 Built environment
- 15 Travel and Hospitality
- 16 Public sector
- 17 Not for profit

Financial Services

Financial services (banking, asset management, insurance and fin-tech) topped the charts for the highest-paying sector from the survey. This is much more apparent earlier on compared with the industry average.

Years of experience	Average salary
0-2 years	£54,000
3-5 years	£70,000
6-10 years	£93,000
11-15 years	£120,000
16-20 years	£150,000
21+ years	£200,000
Number of employees	Average salary
<100	£95,000
101-500	£77,500
501-1,000	£80,000
1,001-5,000	£84,000
5,001-10,000	£100,000
10,001+	£101,000

Sector Averages

Here we have taken a deeper dive into average salaries at each grade across sectors.

Engineering & Manufacturing

Years of experience	Average salary
0-2 years	£30,000
3-5 years	£45,000
6-10 years	£55,000
11-15 years	£72,000
16-20 years	£90,000
21+ years	£100,000

Retail, Hospitality & Leisure

Years of experience	Average salary
0-2 years	£35,000
3-5 years	£50,000
6-10 years	£65,000
11-15 years	£75,000
16-20 years	£90,000
21+ years	£100,000

Professional Services

Years of experience	Average salary
0-2 years	£40,000
3-5 years	£52,000
6-10 years	£75,000
11-15 years	£100,000
16-20 years	£130,000
21+ years	£150,000

Start ups, NGOs & Public Sector

Years of experience	Average salary
0-2 years	£30,000
3-5 years	£40,000
6-10 years	£55,000
11-15 years	£70,000
16-20 years	£90,000
21+ years	£100,000

Financial Services

Years of experience	Average salary
0-2 years	£54,000
3-5 years	£70,000
6-10 years	£93,000
11-15 years	£120,000
16-20 years	£150,000
21+ years	£200,000

Professional Services

While we have grouped professional services together in this survey, it is worth noting that professional services firms are distinct entities and pay can vary largely between them. For example, while the Big 4 consultancies (Deloitte, PwC, KPMG and EY) tend to largely set a benchmark for the market, other more boutique consultancies are sometimes able to pay higher salaries because of how specialist their work is.

Number of employees	Average salary
<100	£70,000
101-500	£65,000
501-1,000	£62,000
1,001-5,000	£74,000
5,001-10,000	£72,000
10,001+	£77,000

Engineering Consultancy

Years of experience	Average salary
Consultant 0-2 years	£27,000
Senior Consultant 3-5 years	£35,000
Principal Consultant 6-10 years	£50,000
Associate Director 11-15 years	£65,000
Director 16-20 years	£80,000
Head of 21+ years	£95,000

Boutique Consultancy

Years of experience	Average salary
Analyst 0-2 years	£35,000
Consultant 2-5 years	£43,000
Senior Consultant 5-9 years	£57,000
Principal Consultant 11-15 years	£75,000
Director 16-20 years	£100,000

Big 4 Consultancy

Years of experience	Average salary
Consultant 0-2 years	£35,000
Senior Consultant 3-5 years	£53,000
Manager 6-10 years	£75,000
Senior Manager 11-15 years	£90,000
Director 16-20 years	£150,000

Skills

Day in day out we speak to candidates looking to change roles or increase their compensation and, for many, this is a nod to upskilling. With no shortage of short courses such as the Cambridge Institute for Sustainability Leadership available, it can be unclear which course will be the most beneficial. We looked at which skill sets were associated with the highest average salaries to try and make upskilling a little clearer whether you're doing a course to make a move into sustainability or trying to plan your career straight out of university.

Given that sectors such as asset management, fin-tech and banking are some of the best paid in the market, it makes sense that skills within sustainable finance and responsible investment yield some of the highest average salaries.

Here we have ranked the skillsets associated with the highest average salaries across the market to guide you, next time you look to upskill.

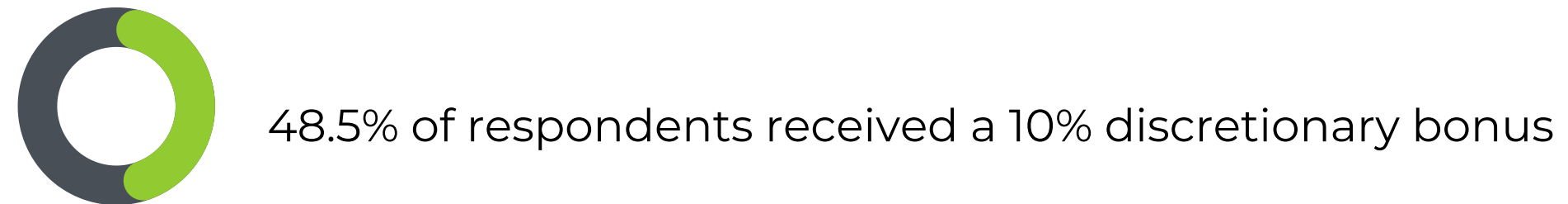
- 1 Sustainable finance/investment
- 2 Quantitative analytics and modelling
- 3 Generalist
- 4 Strategy
- 5 Risk
- 6 Natural capital/biodiversity
- 7 Decarb/energy transition
- 8 Reporting
- 9 Policy
- 10 Circular economy/supply chain
- 11 Communications
- 12 Assurance



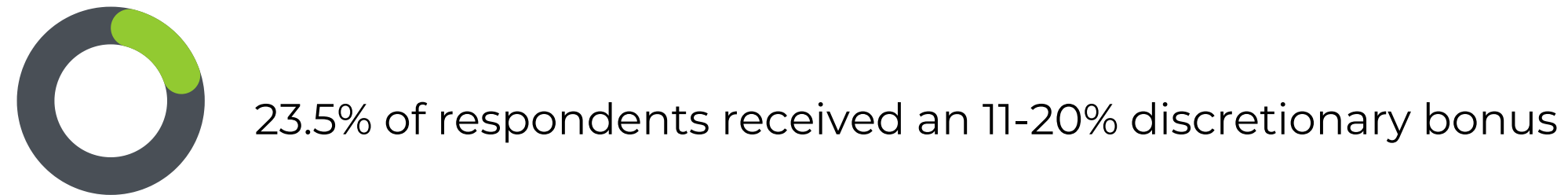


How should you be paid?

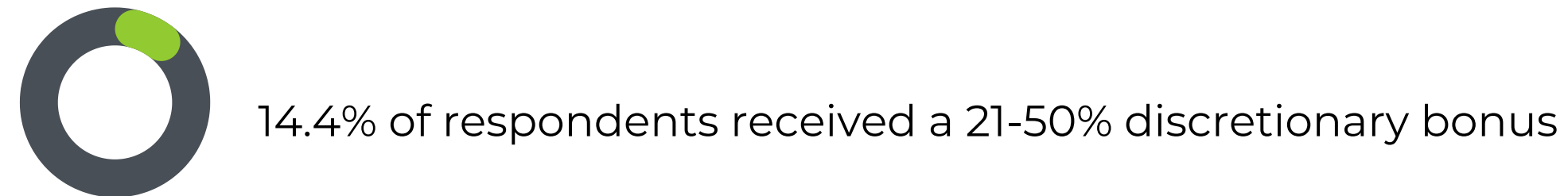
Bonuses are usually discretionary, based on company or employee performance and are most commonly paid at 10-15% of base salary. Aside from attracting and incentivising staff, bonuses can also be used to promote retention or to compensate for times of economic downturn. We are also seeing the use of additional benefits including volunteer days, well-being allowance and flexible working. Private medical insurance and increased pension contribution are also becoming more commonplace.



48.5% of respondents received a 10% discretionary bonus



23.5% of respondents received an 11-20% discretionary bonus



14.4% of respondents received a 21-50% discretionary bonus



8% of respondents received equity or stock

Other additional compensation

Wellbeing allowance.

Some companies have started implementing a £500-£1,000 wellbeing bonus

Flexible benefits.

Benefits packages that allow employees to switch out which benefits they feel add most value are becoming increasingly popular.

Inflation/retention bonus.

Additional one-off payments to compensate for economic uncertainty help promote retention.



Gender Pay Gap

Concerningly, we did find a significant gender pay gap with men earning 15% more on average than women in our sample. This could be influenced by the fact that the majority of respondents from this survey worked in the asset management sector, a profoundly male-dominated industry where women make up just 12% of employees on average.

On the other hand, the public sector, which typically pays lower than most other sectors, is dominated by females who make up 65% of the workforce on average. Nonetheless, this is a significant figure which should not be underestimated and employers need to do more to address this.

Ethnicity

There were no significant differences by ethnicity found in the data, which is a positive finding in the market.

Satisfaction

Salary satisfaction was rated as 2.9 out of 5 by respondents. This is a concern because a lack of salary satisfaction is linked with lower productivity and an increased likelihood of changing jobs.

This can be especially problematic in an industry that has a high demand and low supply of talent as strong candidates may be bought out and companies that cannot compete on salary will struggle to hire and retain talent.



67% of respondents in the public sector were dissatisfied with their compensation.

62% of people in start-ups were satisfied with their compensation.

53% of people working in oil, gas and energy were satisfied with their compensation.



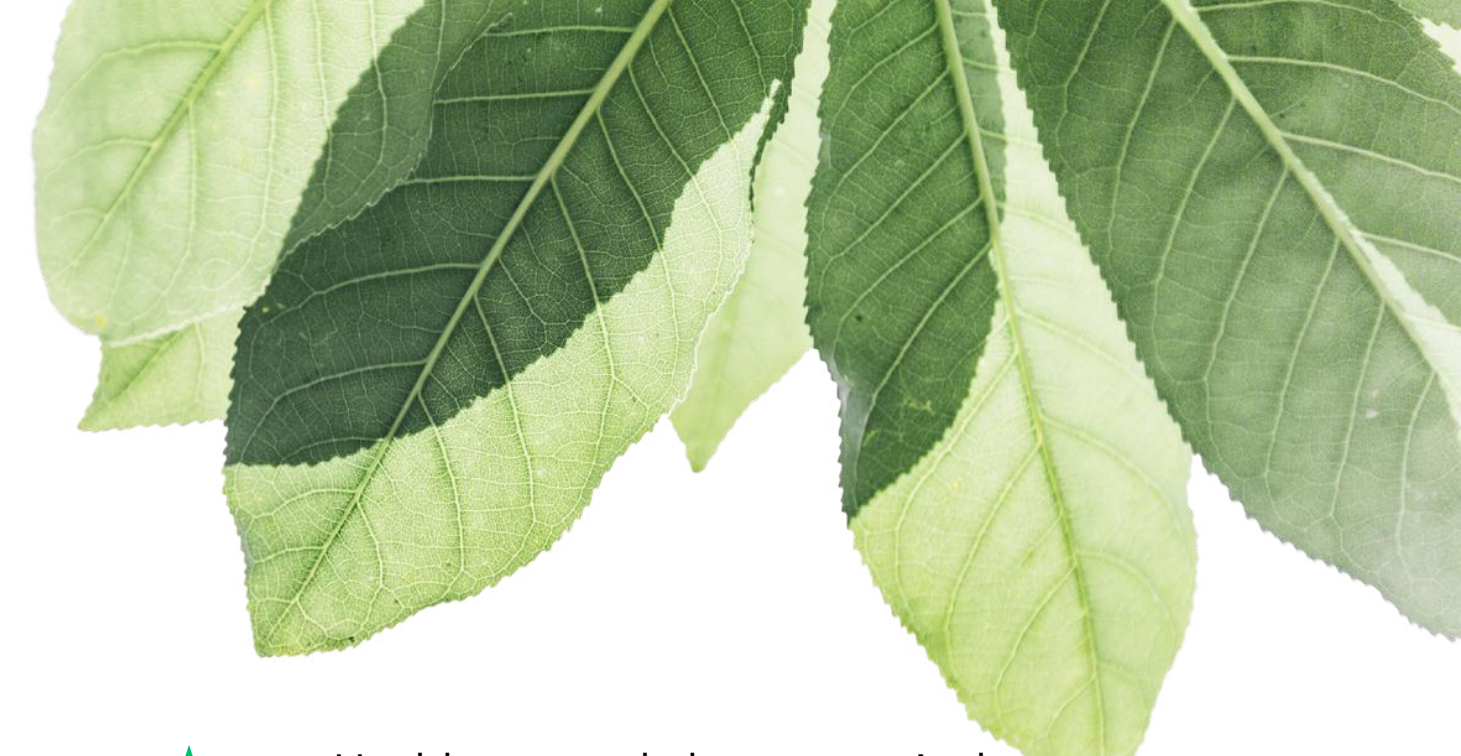
Healthcare and pharmaceuticals were most likely to be very dissatisfied with their salary.

Respondents in the public sector were most likely to be dissatisfied with their compensation.

Respondents in fin-tech were most likely to be neither satisfied nor dissatisfied with their compensation.

Respondents working in start-ups were most likely to be satisfied with their compensation.

Respondents from financial services were most likely to be very satisfied with their compensation.



Conclusion

The data collected in the survey serves to highlight the fragmented and evolutionary nature of compensation within the sector. We have presented averages but the spread at almost every intersection was notably significant. This is reflected in our conversations with businesses and individuals and is symptomatic of an industry that has expanded quickly, is in high demand and where new disciplines and roles have emerged.

In this respect, it is still incredibly difficult to gauge where any role should be benchmarked and no doubt there will be more change as 2023 unfolds. We hope, however, that this survey provides some guidance and highlights trends that are useful in steering remuneration conversations.

Thank you once again to everyone who contributed and if you require more bespoke benchmarking for specific roles, please do get in touch.

-Team Sustainability, IAC



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