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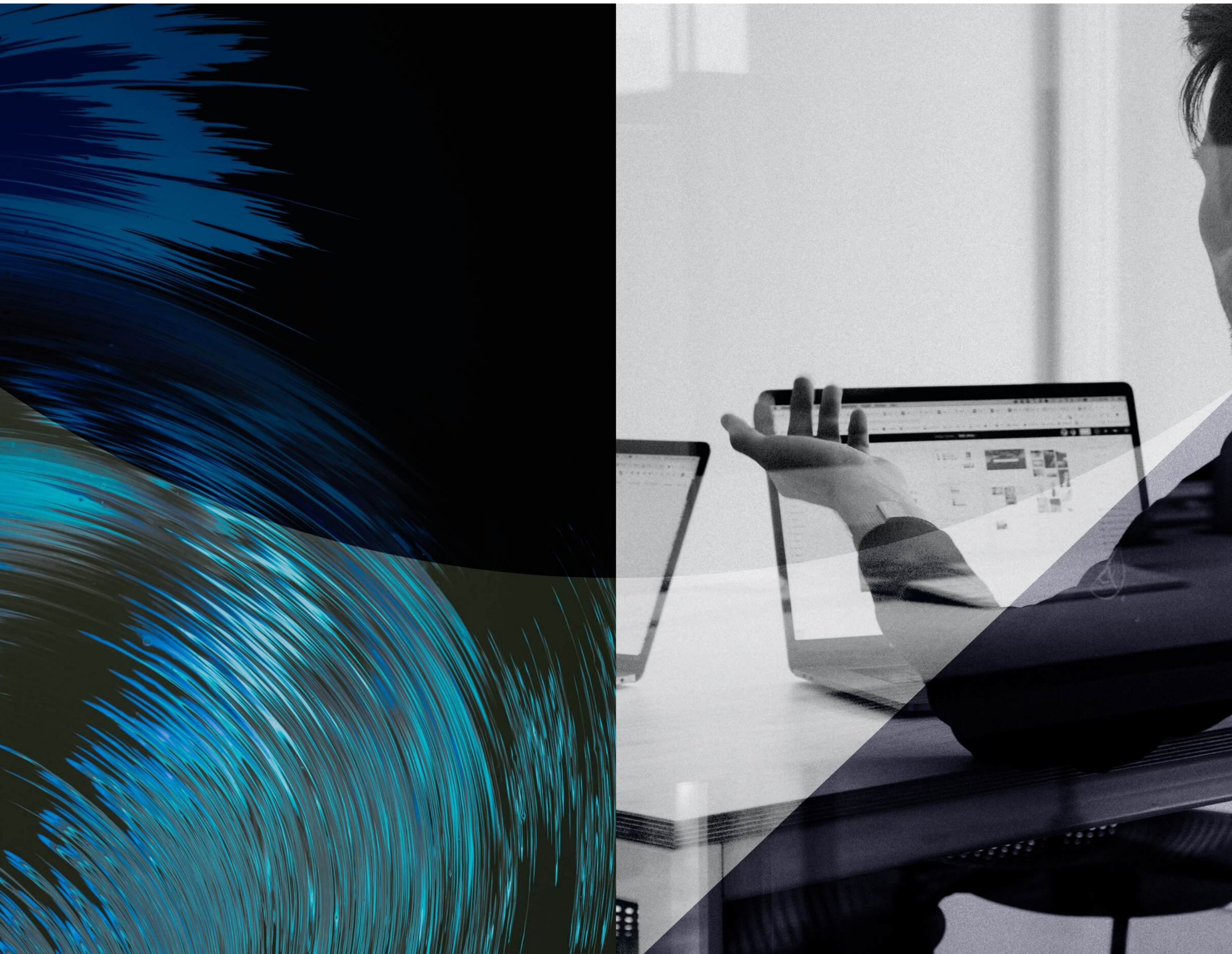
Global Corporate Survey 2022: EHS Services Brands Recognition

By Tom Brown
With Bill Pennington

March 2023



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This report helps CEOs, chief marketing officers and business development directors at EHS service firms understand the strength of their brand, in terms of customer preference and brand awareness, from the perspective of 300 corporate EHS leaders across 31 countries and 25 industries.

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Organizations mentioned

Accenture, AECOM, AFARA, Airport Authority Hong Kong, Arcadis, Attalea Partners, Avalande, Capgemini, Cardno, Clean Harbors, DEKRA, Deloitte, dss+, ERM, EY, Frostbyte Consulting, GHD Environment, Golder, Huco Consulting, Jacobs, Langan, Linx-AS, Lloyd's Register, Microsoft, Network Rail, Planet Labs, Ramboll, SAP, Stantec, Tetra Tech, Toshiba, Trinity Consultants, Wood (John Wood Group), WSP.

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Corporate Perception Of EHS Service Providers

This report helps CEOs, chief marketing officers and business development directors at EHS service firms understand the strength of their brand, in terms of customer preference and brand awareness, from the perspective of 300 corporate EHS leaders across 31 countries and 25 industries. The brand assessment was conducted as part of the Verdantix global corporate EHS services survey, via telephone interviews with senior EHS executives with direct responsibility for corporate-wide EHS management strategies and initiatives (see Verdantix Global Corporate Survey 2022: EHS Services Budgets, Priorities And Preferences).

Global Survey Of EHS Decision-Makers Provides Granular Insight Into EHS Service Provider Preferences

The EHS service vendor landscape is made up of firms from a wide array of backgrounds. How do these service providers rank in terms of brand preference and awareness, according to EHS executives? To determine this, Verdantix annually surveys EHS decision-makers for their perspectives on the capabilities of leading EHS service vendors. For the 2022 version of the Verdantix corporate services survey, we targeted:

- **300 respondents with revenues of at least $250 million.**
  Of the cohort of EHS decision-makers interviewed, 75% were employed by organizations with annual revenues of at least $1 billion. The demographics of respondents comprised 25% from firms with revenues of $250 million to $1 billion; 42% from firms with revenues of $1 billion to $10 billion; and 33% evenly split between firms with revenues of $10 billion to $20 billion and firms with revenues of over $20 billion. The seniority of respondents divided evenly into three tiers: SVP, VP or head of function roles; senior director or director roles; and senior manager or manager roles.

- **25 industry groups, weighted towards high- and very high-risk verticals.**
  The 2022 global services survey covered 25 distinct industry groups, segmented into four categories based on perceived EHS risk: very high, high, medium and low risk. In aggregate, 20% of respondents were from firms within very high-risk industries; 25% belonged to organizations within high-risk industries; 43% were from firms within medium-risk industries; and 12% came from low-risk industries.

- **31 countries, with a focus on regions with higher EHS services spend.**
  The 300 respondents who participated in the 2022 survey were spread across 31 countries, grouped into five geographical regions: Asia-Pacific (APAC); Europe; the Gulf States and Africa; Latin America; and North America. The regional split in respondents was tied to industry spend, with the highest spenders – North America and Europe – representing a larger percentage of the surveyed respondents.

Deloitte, EY, Capgemini And Accenture Are The Top Firms For Brand Preference

In 2022 Verdantix interviewed 300 EHS decision-makers representing firms across 25 industries and 31 countries. In an excerpt of the survey study, we asked respondents for their perceptions of the offerings of 23 EHS service providers. Brand preference was defined by respondents perceiving that an EHS services vendor had either market-leading or strong capabilities (see **Figure 1**). In order to accrue insight into brand awareness as well, Verdantix grouped all responses indicating awareness of brands to create a binary evaluation of 'awareness vs lack of awareness' (see **Figure 2**). Based on these two analyses, Verdantix found that:

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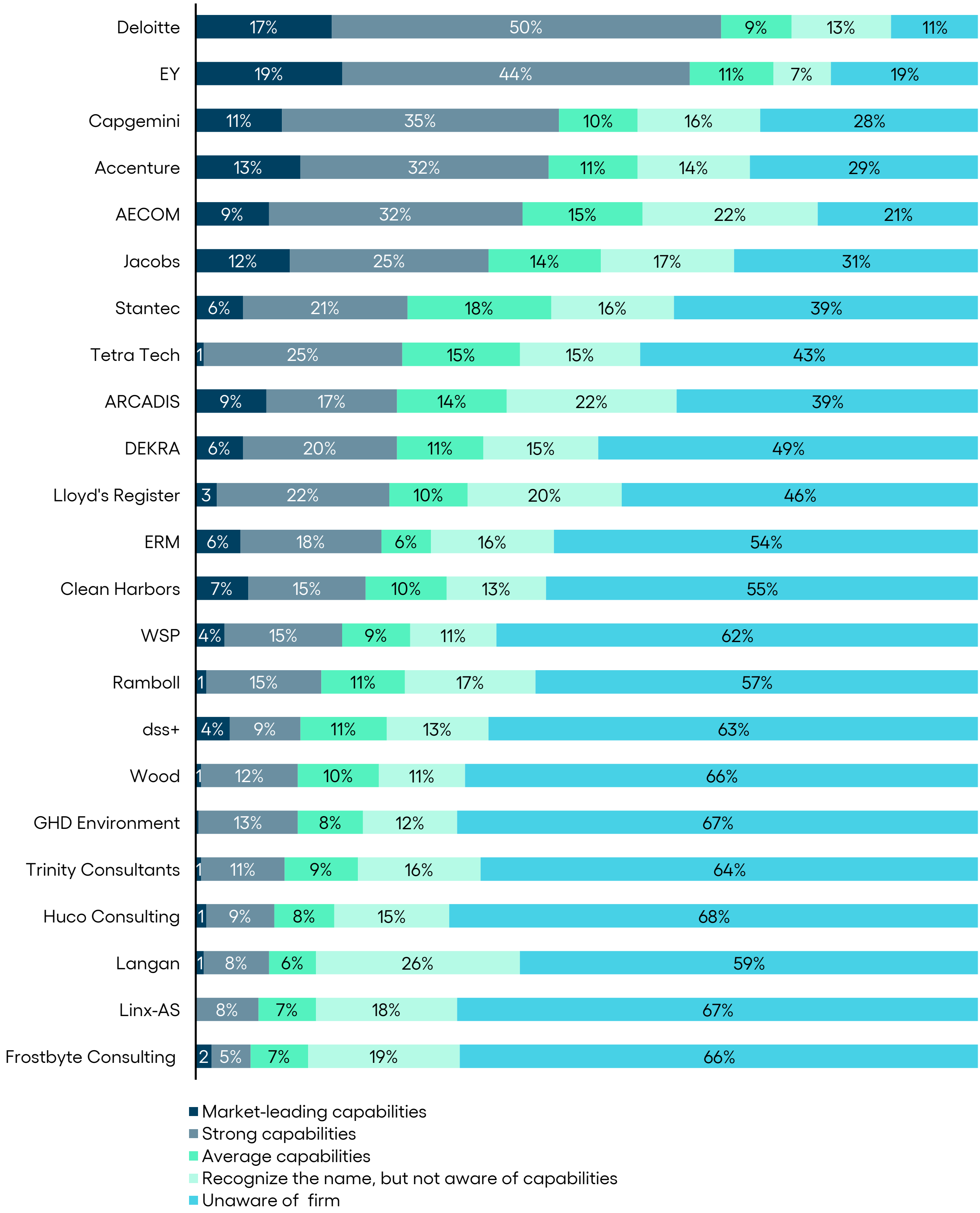
Figure 1

EHS Service Firms: Brand Perception

What is your perspective on the capabilities of the following EHS services providers?



Note: Data labels are rounded to zero decimal places; percentages less than 5% are written as numbers.

Source: Verdantix Global Corporate EHS Services Survey 2022

N=300

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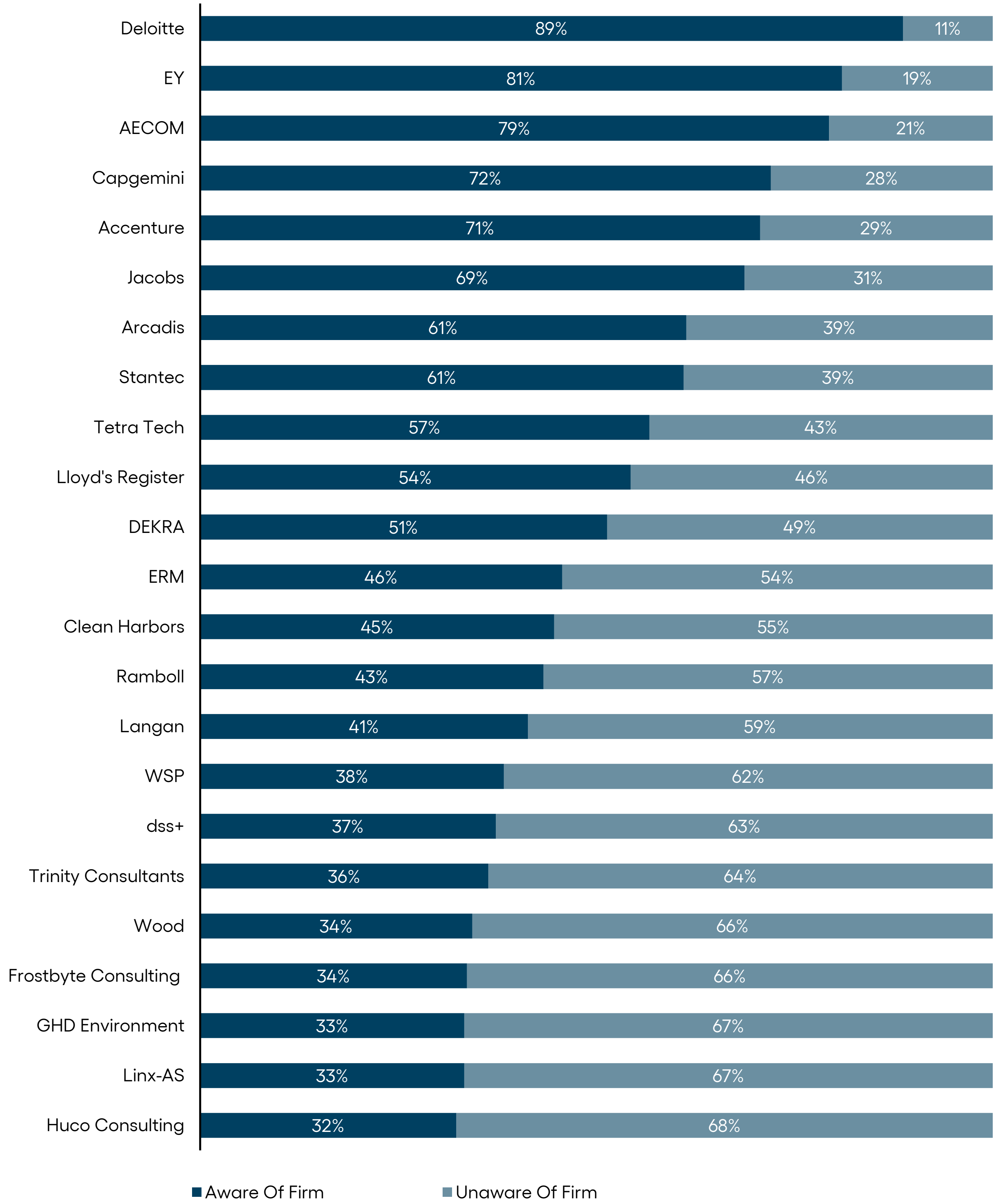
Figure 2

EHS Service Firms: Brand Recognition

What is your perspective on the capabilities of the following EHS services providers?



Note: Data labels are rounded to zero decimal places.
Source: Verdantix Global Corporate EHS Services Survey 2022

N=300

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- **Highest brand preference was reserved for multifaceted service providers.**
  Four vendors – Deloitte, EY, Capgemini and Accenture – received a brand preference ranking of 45% or over. Deloitte, scoring 67%, and EY, 63%, were frontrunners in terms of brand preference, having seen large increases in EHS brand perception compared with previous studies. Over the past year, both firms have targeted ESG market opportunities and subsequently invested heavily; EY, for example, has acquired two regional ESG consultancies – AFARA in Canada and Attalea Partners in Spain – in addition to investing £100 million into a new UK-based offering, EY Carbon. Scoring 46% and 45%, respectively, technology consultancies Capgemini and Accenture have seen their brand preference rise significantly from last year, off the back of strategic expansion into ESG and sustainability in the space. Accenture, already regarded as a reliable digitization facilitator, has recently formed strategic partnerships with the likes of Avalande, Microsoft, Planet Labs and Toshiba, to provide technology solutions for prominent ESG issues such as Scope 3 emissions and supply chain sustainability.

- **AECOM, Jacobs, Stantec and Tetra Tech scored above average in brand preference.**
  Four other firms – AECOM, Jacobs, Stantec and Tetra Tech – scored above the average of 26% for brand preference. The four firms describe themselves as engineering, design and technical consultants, but all have identified high-growth environmental and sustainability-focused sectors as targets for expansion. Having developed its ESG practice in 2021, AECOM has benefitted from increasing demand for environmental services alongside sustainable development projects for clients such as the Airport Authority Hong Kong and Network Rail. Jacobs, whose brand preference rose to 37% from 17% in our 2021 study, has looked to leverage its existing heavy industry domain expertise, along with data science, to solve pressing environmental challenges. In his first press release after being appointed in January 2023, the firm's new CEO, Bob Pragada, reaffirmed Jacobs's strategy of realigning its existing service portfolio to target high-value sustainability sectors, such as water infrastructure, energy transition and environmental resiliency.

- **Specialized EHS consultancies are thriving off a dedicated client base.**
  Whilst top performers must attribute some of their high brand preference to their reputations across a diverse service portfolio, our study revealed that specialized EHS service providers – DEKRA, Clean Harbors and ERM – are likewise held in high regard by a smaller, yet significant portion of respondents. Clean Harbors, a specialist in waste management, was considered to have market-leading capabilities by 7% of our survey respondents. The firm's revenues have grown in the last year in the wake of increased scrutiny around industrial waste in the US, with its 2022 Q3 revenue increasing by 43% compared with the same period of 2021. Similarly, specialized sustainability consultancy ERM has benefitted from strong, longstanding client relationships amidst booming demand for ESG services. To better serve client needs, the organization has followed a rapid growth trajectory, acquiring 13 firms in areas such as safety, energy transition and carbon management since January 2021.

Consultancies Must Capitalize On Demand For Environmental Sustainability Services

The 2022 edition of the Verdantix EHS services survey placed Deloitte, EY, Capgemini and Accenture as the brands enjoying the strongest preference amongst survey respondents. In an evolving EHS services market, Verdantix has identified several areas in which vendors are looking to grow. We find that:

- **An EHS services portfolio is the perfect platform to tackle client sustainability needs.**
  According to the Verdantix survey of 300 EHS leaders, sustainability management is the area set to experience the largest increase in service budgets over the next year (see Verdantix Global Corporate Survey 2022: EHS Services Budgets, Priorities And Preferences). Although the term 'sustainability' has far and away transcended the scope of traditional environmental services, EHS service providers are well-placed to serve the new demand, prompted by an ever-increasing ESG focus. Service firms have been quick to repackage

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existing expertise and offerings, through product development and marketing, to align with the needs of under-pressure chief sustainability officers (CSOs). WSP, for example, has been very active in bolstering its environmental offering, having acquired environmental consultancy Golder in 2021, in addition to the environment and infrastructure business of the John Wood Group in 2022.

- **Mounting environmental regulations boost regional expansion opportunities.**
  In a recent market size and forecast study, Verdantix identified increased environmental regulation scrutiny as a primary driver for rapid growth in EHS services spend in the APAC region (see Verdantix Market Size And Forecast: EHS Services 2022-2028 (Global)). In December 2022 the Australian government committed to establishing a new environmental protection agency and to imposing new national standards to assess developments. EHS service providers have pinpointed this region as having strong potential for growth. Stantec, for instance, acquired Cardno, an environmental consultancy that subsequently doubled its presence in Australia. ERM has also targeted the APAC region, with the acquisition of the Australian climate change consulting firm Point Advisory in March 2022.

- **Technology is crucial to scaling EHS service offerings across a wider customer base.**
  During the turbulent pandemic years, leading executives at EHS consulting firms highlighted the need to reduce overheads and improve the profitability of their service portfolios. With innovation an ever-greater necessity, providers are looking to integrate technology within their offerings, allowing them to improve and streamline resource-intensive service lines (see Verdantix Smart Innovators: Digitally Enabled EHS Field Services). In a period of increased market growth, EHS service firms have accelerated their efforts to digitize service lines, with the aim of boosting their scalability and profitability. Deloitte has worked alongside SAP to develop a full suite of sustainability tools, allowing it to deliver scalable solutions to support clients in developing ESG strategy, managing ESG reporting, expediting decarbonization plans, and managing supply chains in a sustainable manner.

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