



A COVID-19 Market Analysis

FOR SUSTAINABILITY & SAFETY PROFESSIONALS



Part of the *Rising Sun* series

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Introduction

This is the first installment of Acre's Rising Sun series. Our aim is to provide, over time, commentary and context relating to the direction the sustainability and EHS professions are taking, and by doing so we hope to inform and drive forward their relative agendas.

In the midst of the COVID-19 pandemic, society is evolving and adapting at an exponential pace. As recruitment and talent development specialists, we feel uniquely placed to provide insight into the direction that our core markets are taking as we work our way through this changed environment. It is our hope that Acre's Rising Sun series will provide an informative platform to drive purpose-driven agendas forward and to support sustainability and EHS professionals to acclimatise.

Project Rising Sun shares with you a term we have adopted within Acre which describes our internal initiatives aimed at emerging from this pandemic in better shape than when we entered. It is so named for obvious reasons – we have maintained a strong preference for realistic optimism and have made decisions based upon this. Integral to this strategy, is the gathering and interpretation of a substantial amount of market data collected from our global office network, spanning the UK, Europe and North America.

It is this data, in various forms, that we want to share with you.

While we do not overlook the fact that a number of sectors and organisations have been severely impacted, we recognise that opportunities for growth and

recovery remain. For this reason, Rising Sun looks to the future and aims to support a collective resilience as we catalyse social and environmental improvements on a grander scale than ever before.

Sustainability, in its broadest sense, has an integral part to play in a post-COVID society.

This first installment provides a general orientation of our international market observations from the COVID-zone. In those that follow, we will delve deeper into specific role types across sustainability, Responsible Investment, Energy and EHS, paying close attention to the global economies we focus on.

Finally, it is our intention to scan the horizon, seeking context and commentary around the opportunities and challenges that we can expect to face in the wake of the pandemic.

Yours with hope and optimism,

Andy Cartland **Richard Wright**
Founder **CEO**

As the pandemic continues to stabilise, and society recognises the lifestyle changes that positively impacted the environment at its peak, purpose-driven agendas will need to carry this momentum forward.



Entering the COVID Zone

For most organisations, entering the COVID-zone has been like diving into murky water. The scenario, and its causes, have radically warped 'normality' as we knew it and tested organisations to adapt with virtually no reference points or concrete guidance to rely on.

From the outset, we refocused our strategy to conduct the most comprehensive campaign of market out-reach and intelligence gathering in Acre's history. As well as helping us to retain a sense of control, this has enabled us to gravitate towards opportunity and to offer support to organisations that have found themselves navigating more difficult territory.

In May, Recruiter International reported that by March, job vacancies had fallen by 46%. It has since reported that this decline is slowing as we moved into June.

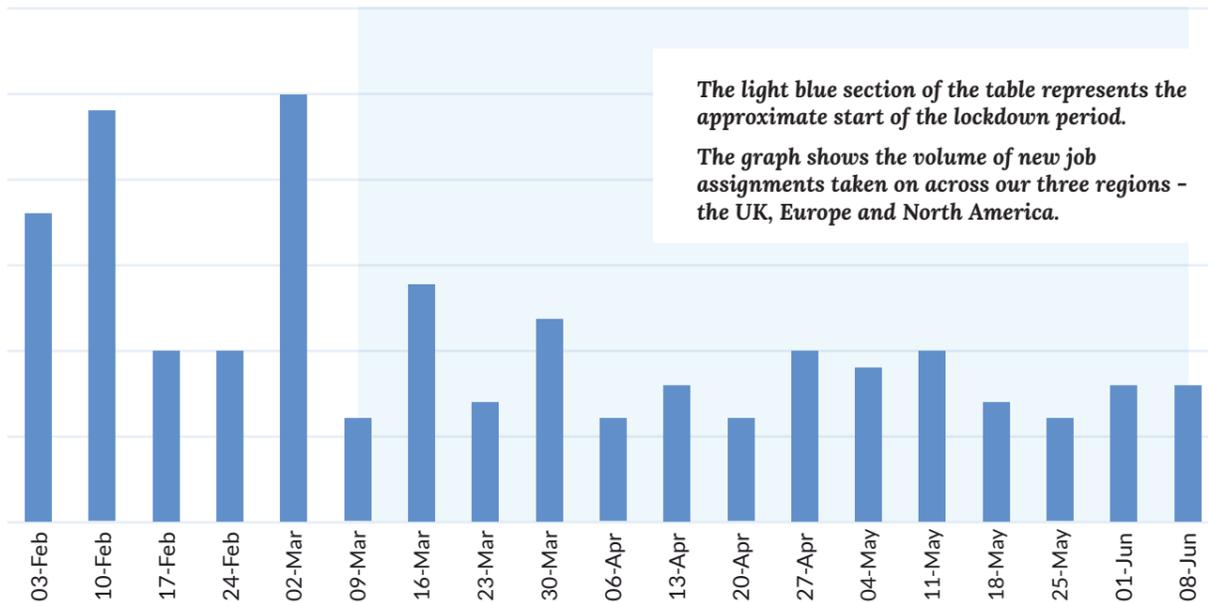
Inevitably, in line with the broader market, we saw an initial reduction globally in the

volume of sustainability, EHS and energy job vacancies – a drop of 35% from our pre-COVID run rate. Following this initial drop, however, we've seen these same job markets stabilise and we continue to receive new mandates weekly.

Where we have taken on new jobs, we have also observed high levels of commitment from the hiring company. This isn't unexpected; where companies have been looking to hire in the COVID-zone, there must be strong drivers to do so. Our revenues, therefore, have only dropped by less than 25%.

We note that many organisations are still positioning sustainability as a fundamental part of their strategy, despite economic pressures.

New Assignments During Lockdown



Throughout the period, we have also experienced a continued willingness from most companies to move ahead with making hiring decisions based on video-interviewing.

In some cases, clients have stated a preference to video interviewing, as you can hear in our interview [here](#), with Francis Sullivan, Deputy Chair of the Board at ResponsibleSteel.

The main points made by Francis highlight that there isn't as much risk in hiring remotely as had been perceived previously. ResponsibleSteel found remote recruitment processes to be advantageous

Is a video interview a second best to face-to-face? It probably is... But only just. RESPONSIBLESTEEL

in comparison to face-to-face meetings when it came to efficiency, convenience for the interview panel and providing a level playing field for candidates.

Other clients have agreed with the new-found benefits of virtual recruitment processes, stating that prior to the pandemic, they would have been hesitant to com-

plete an end-to-end recruitment process without meeting the candidate in person at some point.

As noted by Christina Raab, Vice President of Strategy and Development at Cradle to Cradle, this was a new experience for the business but it proved to compare almost identically to a face-to-face interview.

"We prepared maybe even better for the video interview than we might have done for a face-to-face, plus there is amazing video software out there these days that meet security requirements for our organisation - it worked well."



Industry Sectors

How have sustainability and EHS functions performed in the COVID-zone across each industry sector? We can now draw some conclusions, from qualitative data based on discussions with over seven hundred senior professionals spanning the last three months.

Markets linked to food and beverage have remained stable, as have markets linked to healthcare (*pharmaceutical and biotech, manufacturers of medical equipment and healthcare providers themselves*).

One Head of Sustainability from a global pharmaceutical firm reports that their function is busier than ever, that they have expanded their team in April, and that they are leaning on consultancy to bridge the gap.

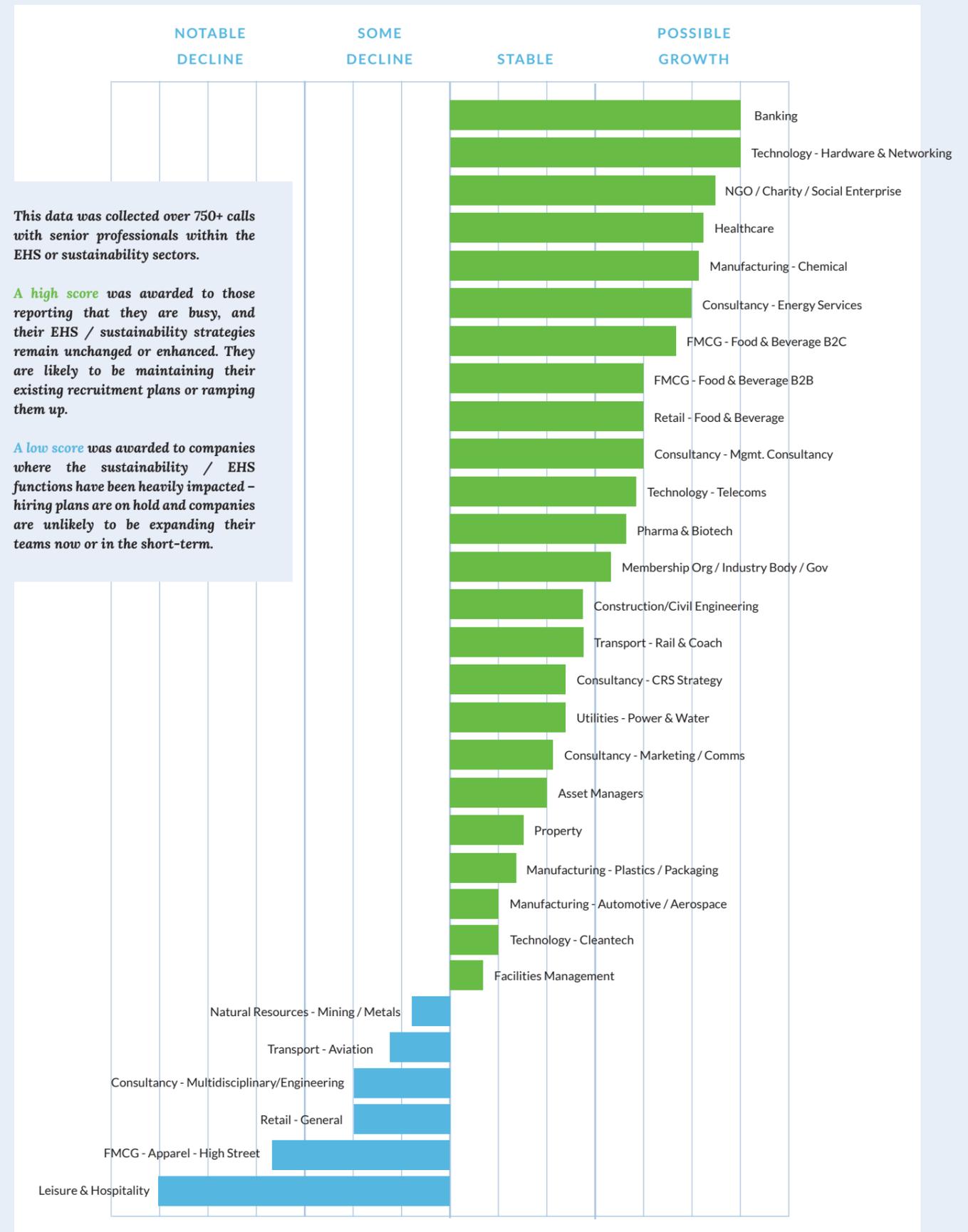
Financial institutions (*such as banks, insurance companies, asset managers*) have provided us with universal positive commentary; one bank commenting that “sustainability is more important now than ever from a risk reputation perspective”. This affects them both at organisation level but more so due to the complexity of the products and services they sell.

Many established service providers also appear stable – notably SMEs and those providing energy management services. We observed the same trend in 2008 when companies paid more attention to their own energy spend to create financial efficiencies.

At the other end of the spectrum, we have seen the greatest impact on apparel retailers/manufacturers and facilities management companies among others.

The apparel industry is a major employer of sustainability professionals due to the need to manage complex supply chain risk. As such, this has had a notable impact on the profession.

Sector Resilience During COVID-19



Hiring Trends

We've collected data on job creation across our markets within different industries by observing new vacancies appearing online. Based on this data, we can now draw some conclusions on how companies in each industry are building their teams and hiring during, and after COVID.

This data reflects our observations on hiring activity and job creation in Acre's four main areas of business, Health & Safety, CR & Sustainability, Energy & Clean Tech and ESG & Impact Investing, since the lockdown period began.

We used Google Jobs to aggregate live opportunities from multiple sources including LinkedIn, various job boards and those directly on company websites.

This allowed us to further gauge the relative health of each industry based on the fluctuating hiring volumes experienced because of - or in spite of - the pandemic.

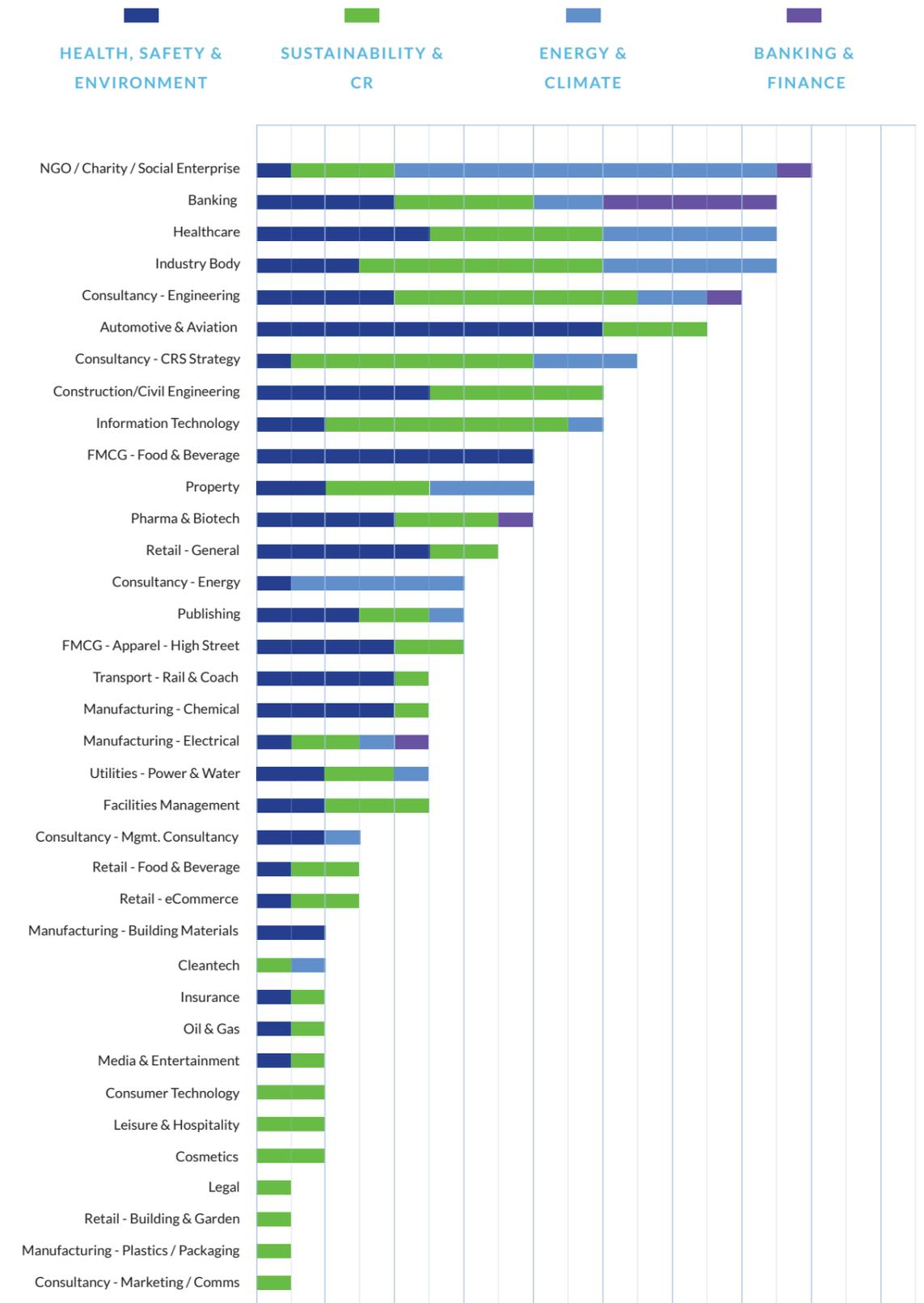
The data here largely agrees with our findings in assessing Industry Health Scores on the previous page. Those industries hit hardest by the pandemic, such as high street retail, leisure and hospitality, have unsurprisingly seen very few new jobs created.

At the other end of the scale, the large numbers of opportunities identified in the Banking, Charity and Healthcare sectors correlates with the scores assigned resulting from conversations with clients operating in those areas.

Interestingly, while conversations with clients in the Automotive and Aviation spaces were generally negative, job creation within these areas was amongst the highest in our study.

These jobs were predominantly related to Health & Safety, likely reflecting the fresh impetus given to personal safety to limit the spread of the virus. This necessity to hire for safety reasons, despite the negative outlook of the industry as a whole, was also found to a lesser extent in Retailers.

New Job Creation During COVID-19



Sustainability & ESG

Our Observations

This pandemic has placed an onerous strain on a number of sustainability role functions, particularly for those working in heavily impacted sectors such as apparel and hospitality. As the going gets tougher, some struggling organisations have begun to view sustainability initiatives as a 'nice-to-have' rather than an all-important necessity.

On the contrary, in most other instances, we've observed this global crisis elevate the vitality of sustainability roles and

demonstrate a profound need to press ahead with their respective agendas.

Pharmaceutical and healthcare providers are optimising the structure of their sustainability strategies to meet modern impacts to their businesses.

This includes how social and community-based sustainability will drive the agenda through the current situation at a time when access to care and medicines has never been more important.



Sustainability agendas continue to thrive in the pharmaceutical and healthcare markets, especially through a social and community lens

Finance is in the eye of the storm. From launching programmes that will help SMEs stay buoyant, through to the rise in ESG as investors look through the risk lens at the next biggest threat: climate change.

It is reported for instance that New York-based, Citigroup, will create an ESG Investment Banking Group over the coming months which is a strong sign that ESG factors are becoming increasingly relevant to investment decisions.

Technology will continue to be the catalyst for a quicker shift towards aligning our work and home lives, as the physical boundaries between the office and our homes continue to disintegrate.

For instance, companies like BT are enabling this transition by helping to bridge the digital skills gap in the UK.

There is obvious concern for the future of consumer goods retail - most noticeably apparel - and the impact it will have on the livelihoods of those tasked with producing the goods we consume. Brands will lean heavily on consultancies and multi stakeholder-funded coalitions, for their ability to unpick complex challenges and mitigate risks linked to systemic challenges. They will continue to be fundamental in solving supply chain challenges.

Ethical trade, climate change, biodiversity and, specifically, the focus on plastic reduction in supply chains will all continue to be highly pertinent issues which will be driven long-term by pacts, legislation and investor interests.



Climate change is high on the agenda, often touted as the next biggest threat to businesses and the economy

That said, it won't be enough to be a technical expert in these areas. COVID-19 will accelerate the need for responsible business roles to identify the strongest communicators, negotiators and commercial thinkers, ultimately ensuring that we drive and embed sustainability into the furthest reaches of the economic system.

On the whole, we are optimistic about the coming months. While COVID-19 has put the spotlight on those who need the most help in society, the pressing urgency of climate change coupled with increasingly sustainability-savvy investors will continue to bring sustainability further into the mainstream.

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Environment, Health & Safety

Our Observations

When the pandemic first hit, we saw the EHS role type experience the most pronounced impact out of all of our markets.

As EHS leaders entered into crisis management mode to respond to the immediate effects of the virus, the EHS job market underwent a near paralysis. Now, as countries and organisations begin to stabilise, the job market is slowly regaining traction in conjunction with the need for EHS professionals to actively lead 'return to work' planning and safety measures.

BUILT ENVIRONMENT

Initially, this sector was particularly impacted by COVID, with property, FM, commercial construction and residential

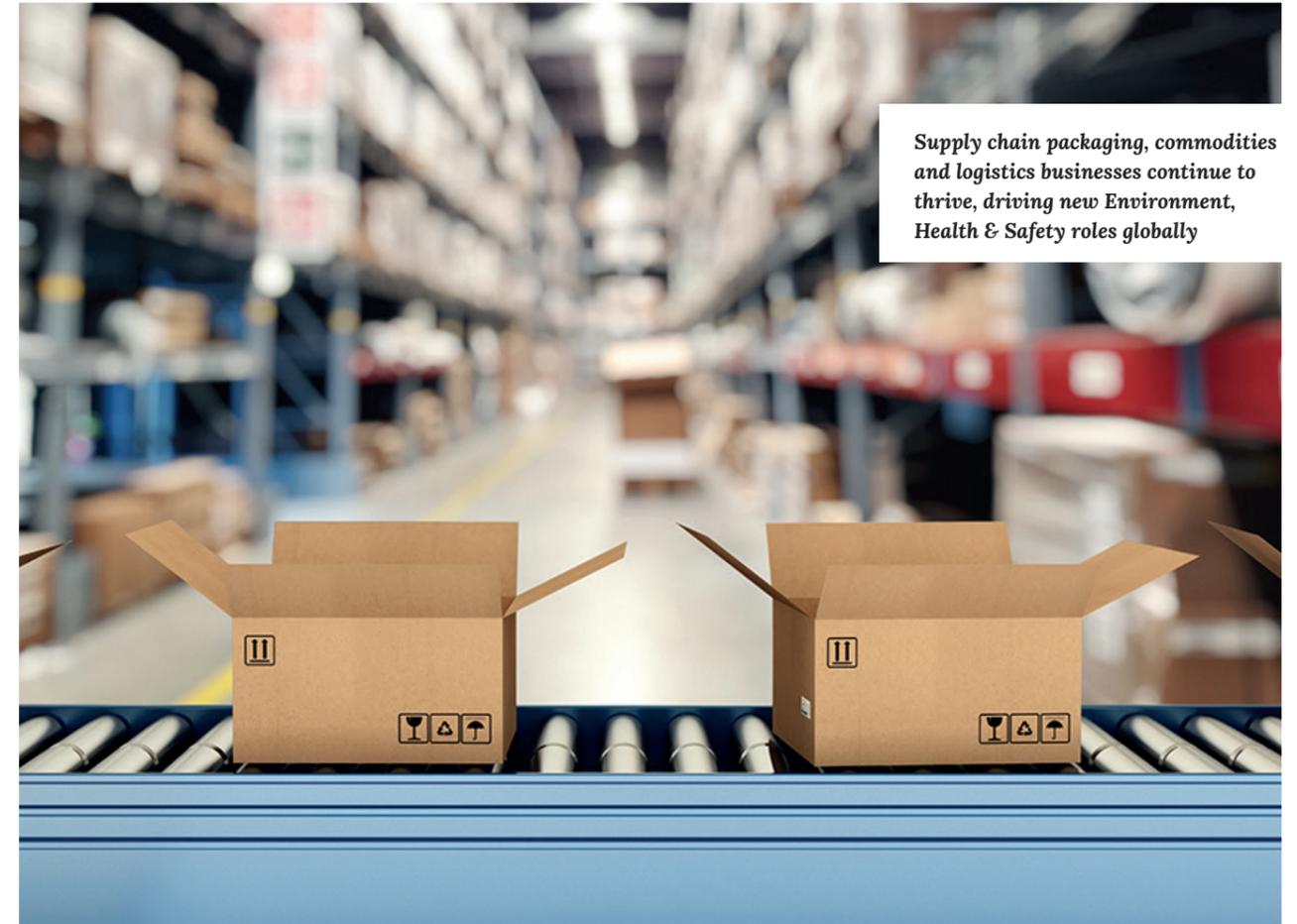
development seeing an abrupt end to ongoing recruitment compounded by an indefinite pause on all new hires. This was consistent across the UK, Europe, North America and we believe further afield.

INFRASTRUCTURE

Infrastructure has been quicker to recover. Government funded megaprojects such as High Speed 2 and Hinkley Point C, despite slowing down, have continued to operate in the UK. The EHS job market has started to re-build momentum in May and June with the number of jobs increasing significantly. We have experienced a particular uplift in contract and interim opportunities.



The market for EHS professionals in commercial construction and residential development is beginning to bounce back after an abrupt shut down earlier in the COVID-zone



Supply chain packaging, commodities and logistics businesses continue to thrive, driving new Environment, Health & Safety roles globally

MANUFACTURING

Across most manufacturing industries, we have seen a strong resolve with many businesses being deemed as "essential industries" and continuing with production during the pandemic. Demand has increased in the food and drink sector which has been followed by their supply chains, including packaging, commodities and logistics. This has translated into several EHS roles, with progressive businesses showing their agility around virtual recruitment processes.

PHARMACEUTICALS

The pharmaceutical industries have also seen a large increase in demand with some of our key clients working to find solutions to the new and unique day-to-day challenges the pandemic has unveiled.

Again, this has translated into the creation of EHS roles within the sector to assist with the complexities of creating safe work environments while keeping up with production and, in some cases, expansion.

THE RESILIENCE SPECIALIST - A NEW ROLE TYPE?

We're noticing the emergence of a new role type that will work closely with EHS and sustainability teams to act as a conduit to other business functions such as HR, Finance and Operations.

The role will focus on forward planning with the aim of ensuring business continuity, creating contingency systems and processes that the organisation can swiftly implement in the event of future shocks.

These roles may be called Resilience or Adaptability Specialists and will require a broad set of skills that could be well suited to progressive, innovative and forward thinking EHS or sustainability professionals.

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Energy & Clean Technology

Our Observations

CLEAN TECHNOLOGY AND RENEWABLE DEVELOPMENT

The most recent data on clean technology jobs shows that half a million people across energy efficiency, renewables, EV and green fuels sectors in the US lost their jobs in April. Those experiencing the heaviest impact were across residential and commercial solar construction, as well as installation and energy efficiency.

Obvious logistical constraints for new installation and construction has cost the sector three months of progress in the height of the season.

On the investment and development side, supply chain issues, permitting and inspection delays have affected existing commercial and industrial energy and utility scale projects while difficulty building top of the funnel pipeline in the midst of such uncertainty continues to affect project financing for new ventures.

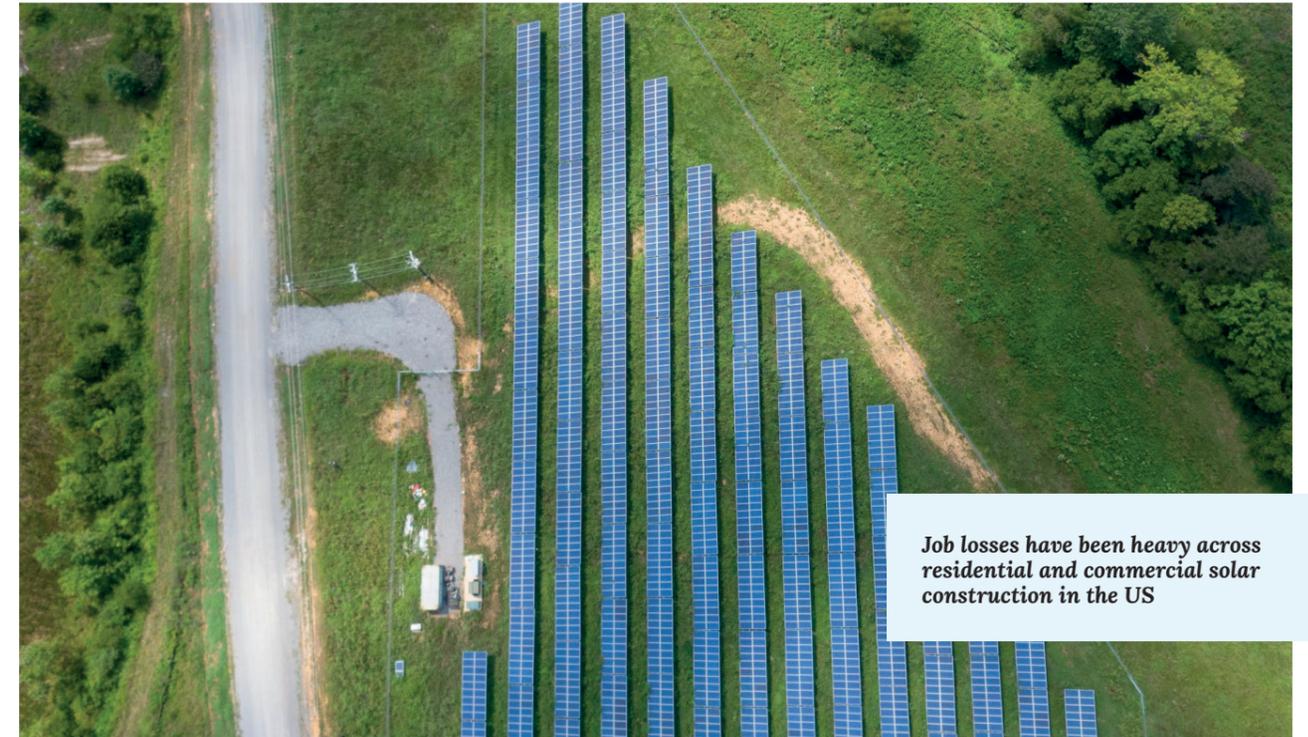
That said, the lion's share of large national players seem to be weathering the storm as large asset owners and utilities are continuing to make commitments which will bolster demand of renewable energy development. For instance, this May, the Southern Company joined peers like Duke, NRG and Xcel in committing to net zero by 2050.

We're also seeing the utility-scale battery storage industry grow at a record pace, in spite of the pandemic's effects, with increasing commitments ranging from a few hundred megawatts to multi-gigawatt projects, the most recent of which have been announced in Hawaii, California, North Dakota and China.

In Europe, countries such as Poland and the Czech Republic initially called for ditching the EU Green Deal to focus all efforts on the health crisis; however, the health and wellbeing of the global population is inherently linked to the health of our climate and environment.

The EU Commission President, Ursula Von der Leyen, has outlined that the European Green Deal should be considered as the 'new European growth strategy.'

It is now essential to create plans toward economic recovery and investment into new clean technology is emerging as a tool to achieve this. Not only will such investment create new jobs and reduce the potential impacts of climate change, they are likely to secure a strong return on investment in an economic system which is prone to instability.



Job losses have been heavy across residential and commercial solar construction in the US

ENERGY MANAGEMENT

Climate change, a board level priority for many organisations pre-COVID, has now been illuminated by some executive committees as the next big risk on the agenda.

Unlike COVID-19, climate change doesn't catch us off guard – it is a known risk already knocking on the door, which is resulting in some corporates accelerating their energy transition and making their commitments to net zero carbon even more ambitious.

Despite this being a known fact, other companies have, and will continue to, let climate change slip slowly down the agenda.

With the increased financial uncertainty, many corporates are looking at cost saving initiatives to endure this economic crisis. By reducing energy consumption, they can cut energy bills, which seems like a simple measure to take; however, there are major challenges for energy management moving forward.

Medical guidelines are recommending large increases of fresh air into buildings and a reduction of air recirculation technologies. Pumping fresh air into buildings is counterintuitive with numerous energy efficiency measures linked to heating and cooling systems.

This may result in the built environment, which is already responsible for a large percentage of carbon emissions, spending and emitting more when buildings are only partially occupied.

While there has been a downturn in energy opportunities that require on-site access during the lockdown, Acre has

seen a number of strategic climate roles, focusing on TCFDs, climate resilience and adaptation, alongside data analytics and knowledge management which have continued to be hired, onboarded and successfully delivered remotely without the need for site access.

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Acre has seen a 40% uplift in applications as people reflect on the direction of their careers post-COVID



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Candidate Experience

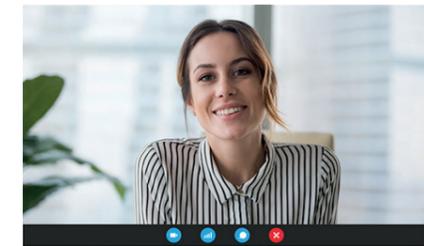
Our Observations

CANDIDATE ENGAGEMENT

There has been a mixed reaction from the candidate market during the COVID period. Not unexpectedly, there was an increased caution from job seekers during the initial periods of global lockdown. This has been particularly apparent with roles relating to supply chains, where candidates have been less inclined to leave their organisation during the current crisis.

Conversely, benefiting from additional time and privacy, we have been able to develop more open relationships with job seekers and have also seen a 40% rise in applications via our advertisements, with many candidates reflecting on the direction of their careers post-COVID.

For senior hires, in many cases, both candidates and those hiring have expressed concern at extending and accepting an offer without having met "in-person". This has led to some creative solutions to final 'distanced' in-person meetings, such as distanced walks, meetings in board rooms and in parks depending on the restrictions of the geography. As lock down eases, we suspect that this will become more straight-forward.



VIRTUAL INTERVIEWING

We have worked closely with our candidates to help them adapt to remote interviewing processes, with many job offers having now been made as a result of virtual interviews. Logistically this has been a success and has allowed a greater opportunity for candidates applying from a diverse range of locations

Many of our candidates have noted that it has been harder to build rapport during a video interview, without the ability to pick up on body language and vocal tone to the same extent.

INDUSTRY COMMITMENT

Across the UK and Europe we have not observed a significant trend in furlough or redundancy within sustainability and ESG roles which has been heartening and speaks to the "future focused" approach of the profession. While the corporate world has slowed on progressing their sustainability programmes during COVID, many of our clients remain committed to their long-term sustainability targets and have not decreased their ambition as a result of any immediate operational changes.

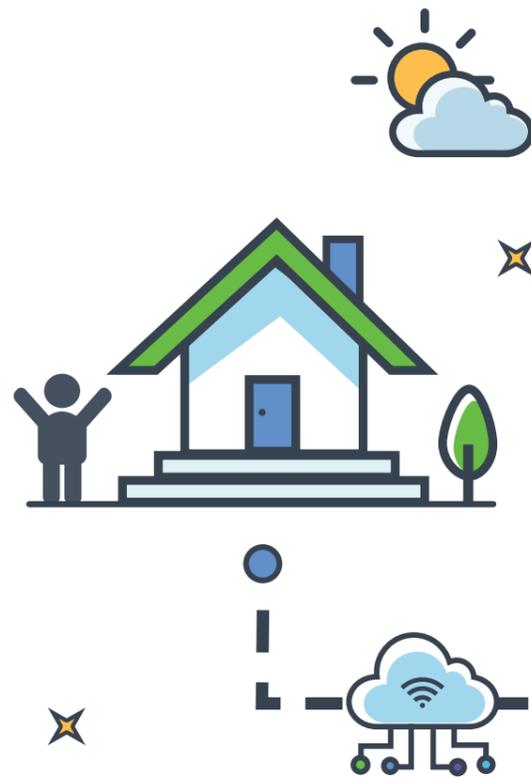
Our US business has reported a different trend; a higher level of furloughing within sustainability teams, especially in high-street retail and apparel. Those still working tend to have an increased focus on traditional CSR; philanthropy, community engagement and volunteering.

Three Positive Trends in Recruitment

1. CASTING THE TALENT NET WIDER

Prior to this pandemic, our clients have generally recruited individuals on the basis that they could accommodate a two hour or less commute to their designated office space or that they would be willing to relocate in order to do so. Oftentimes, this might require the hiring company to compensate candidates for moving, travel and/or living expenses. It can also prompt candidates to make relocation decisions that can have a significant impact on their existing lifestyle, as well as that of their families.

Now, organisations are re-thinking the need for their employees to live and work within close proximity to their offices, causing a dramatic shift in the way meetings and communications are being structured. This indicates that hiring managers will be in a position to attract talent across a much greater distance and hire candidates with the right skills in place to drive effective change remotely.

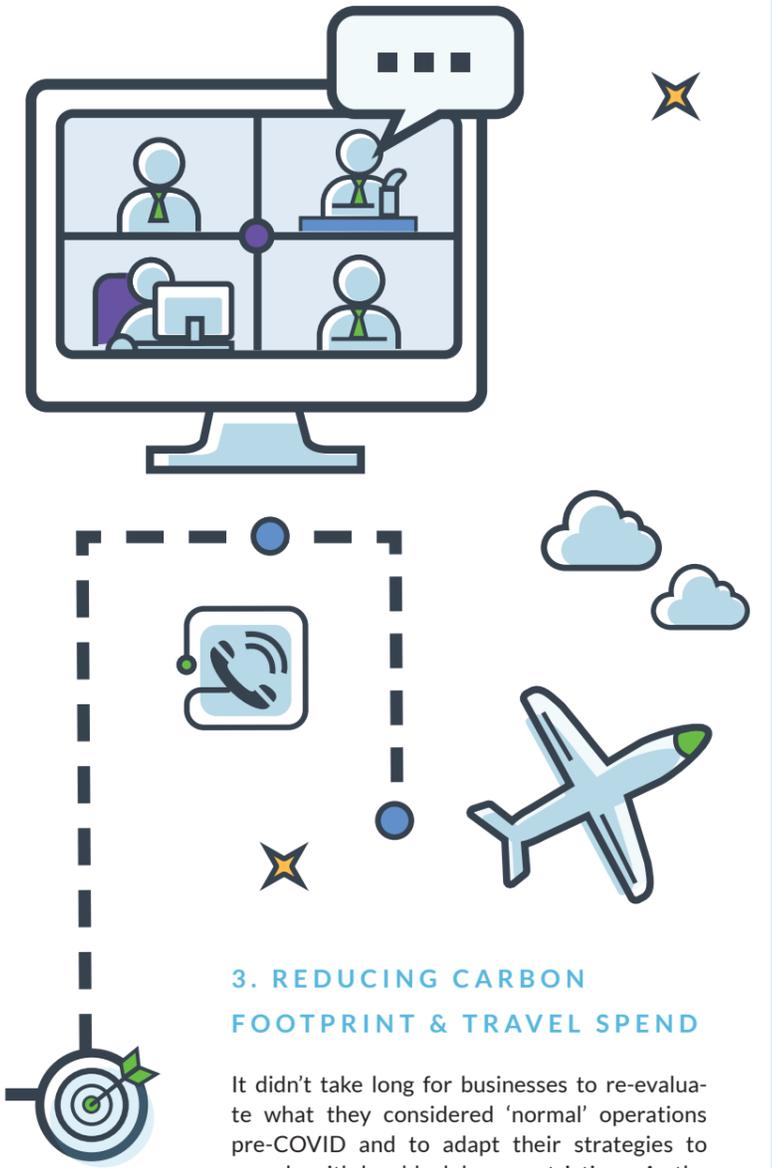


2. CHANGING WORK PATTERNS

Until now, despite the fact that flexible hours and homeworking aren't necessarily new concepts, most organisations have been relatively slow to adopt ways of working that stem beyond a traditional 9 to 5 o'clock structure. If the last three months have taught us anything, organisations are realising that there is no one-size-fits-all solution to an efficient workforce.

We believe that through the pandemic, employees have been able to demonstrate resilience far beyond what we may have expected, and that leaders who continue to invest in increased levels of autonomy and flexibility are likely to reap greater levels of productivity from their teams.

By offering flexibility in terms of working hours and expectations, organisations are able to safeguard the mental wellbeing of their employees, reduce the potential for burnout and ultimately, ensure that their organisation's output remains the same or better than it was before the disruptions of the pandemic.



3. REDUCING CARBON FOOTPRINT & TRAVEL SPEND

It didn't take long for businesses to re-evaluate what they considered 'normal' operations pre-COVID and to adapt their strategies to comply with local lockdown restrictions. As the virus swept our nations at an exponential pace, businesses responded rapidly by deciding who they needed on their frontline to keep essential aspects of their business afloat and who could support effectively from a distance.

As this distinction becomes clearer, organisations are already implementing new protocols around a reduction in 'in-person' meetings and employee travel. The early indication is that organisations will find online alternatives to group meetings wherever possible which, in turn, triggers a reduction in travel spend and carbon emissions.



Closing Thoughts

If the last half century has taught us anything, it is that there is a detrimental cost associated with inaction as it pertains to the environment & environmental preservation.

With that, for the most part, it is positive to see organisations working to ensure that the progress we've made in purpose-driven professions is not compromised in the midst of this crisis.

Where EHS professionals were often perceived as roadblocks, we're seeing a newfound reliance upon and trust in their guidance.

Where sustainability professionals may once have been considered an optional add-on, we're observing an increase in spend and consideration allocated to preserving their role function and a willingness to follow their lead in catalysing long overdue change.

By no means are we suggesting that we have arrived at our final destination; however, as with most defining moments in history, we must acknowledge the fact

that we will not grow if we repeat our mistakes and that we cannot progress alone.

This is not the first time Mother Nature has tested the human race and it will not be the last, but the difference is that now, more than ever before, we have the power to dictate how we prepare ourselves for the next disruption.

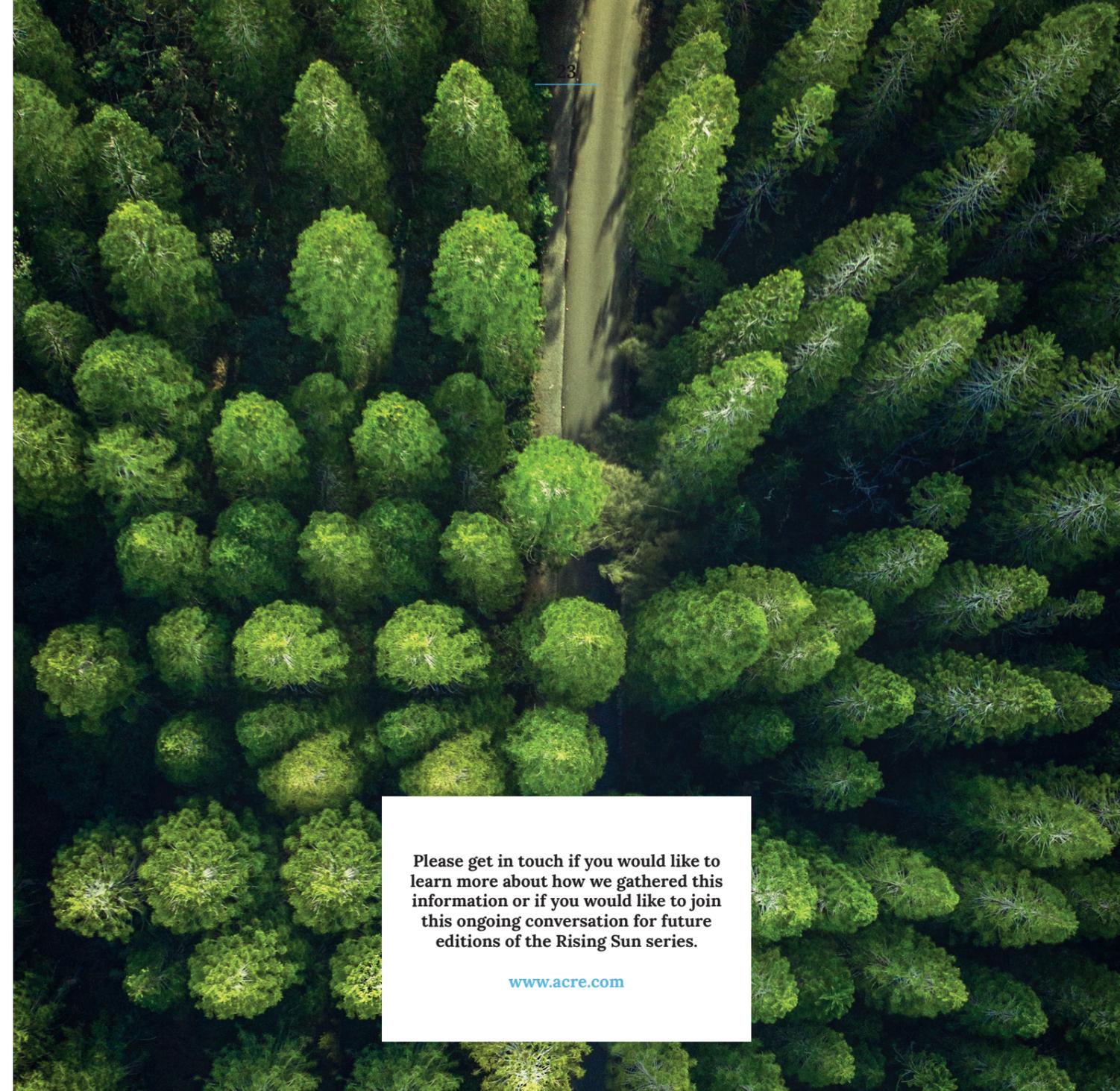
We must capture this moment as an opportunity to continue to build resilience in the face of adversity and to position purpose-driven professions as critical for ensuring a safe, sustainable future for generations to come.

There is still time, there is still hope and soon enough, the sun will rise again.

ABOUT ACRE

The market-leader in sustainability and safety recruitment for over 15 years, Acre has built a community of talented, dedicated professionals who daily create social and environmental value, while promoting good business.

We work with world-leading corporates and consultancies, non-profits and NGOs, deploying our extensive network to place impactful people, develop leading-edge teams and provide valuable business intelligence.



Please get in touch if you would like to learn more about how we gathered this information or if you would like to join this ongoing conversation for future editions of the Rising Sun series.

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