

WASTE MANAGEMENT INDUSTRY POSTS BIG GROWTH IN 2022

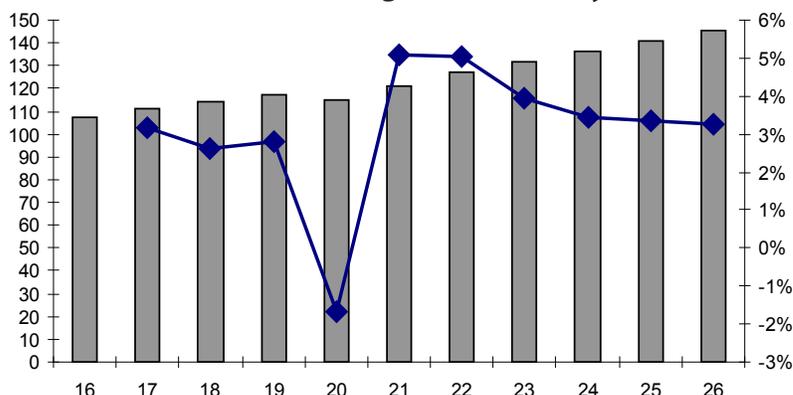
Investment and M&A activity reflect changing dynamics of segments facing challenges and transition

The waste management industry, like the environmental industry and much of the U.S. economy, has faced a whole series of new challenges since 2020. But 2022 looks to be a record year in terms of revenue growth, volumes and price increases and even business prospects for the future.

Inflation, increasing fuel and labor costs, the deglobalization of the global economy, supply chain challenges, labor shortages and other factors have conspired to challenge waste industry executives, their owners and strategic partners. But somewhat surprisingly and alarmingly for policymakers, Americans continue to generate steadily growing streams of municipal solid, commercial and industrial waste. Waste minimization was a noble sentiment 20 years ago. Zero waste objectives plastered all over corporate and government mission statements are also a noble cause, but they have hardly put a dent in the numbers.

Meanwhile the waste industry keeps up with the flow, continuing to collect, process, recycle and dispose of a multitude of wastestreams in a multitude of manners. Meanwhile selected wastestreams—plastics, food and electronic waste come to mind—remain underserved from a public policy standpoint, and an opportunity for the waste industry in the short term. At the same time almost entirely new categories, and distinct high-volume, potentially high-value wastestreams, in electric vehicle batteries, solar panels and other past and future elements of the energy transition promise to be challenge and long-term

Growth of the Waste Management Industry, 2016-2026



Source: Environmental Business International, Inc. Annual research on the environmental industry by EBI and EBJ derived from surveys, interviews and compilations of secondary data and published company data.

Inside EBJ: The Waste Management Industry

The **Waste Management Industry** accounted for \$121 billion in revenues in 2021 and high growth in 2022. Strategies vary across segments as leaders and financiers invest in consolidation, adjacent markets, technology and clean energy 1-15

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lenging than in the west because it's still a relatively new concept. While in the west regulation plays a major role in driving sustainability at both a corporate and asset level, many Asian countries face additional challenges such as extreme weather events, lack of public funding and natural disasters. The announcement at COP27 that a fund has been created to assist in supporting developing nations (many in Asia and Africa) should be a catalyst to help these regions when it comes to tackling the impacts of climate change and delivering more sustainable solutions.

EBJ: Tell us about your personal journey and commitment to the environmental and climate change industries.

Boyle: Growing up on the West Coast of Scotland, I've always been surrounded by nature. But it was seeing first-hand the transition from our healthy and abundant sea life to pollution in the local rivers that sparked my interest in the environment and what has evolved into a global climate crisis. I started organizing beach clean-up days with my daughter on Aberdeen Beach, which has suffered significant pollution due to the lack of environmental awareness, and the number of platforms and service vessels in the North Sea.

Over time, this awareness has also spilled into my home life with the introduction of energy saving technologies and a strict no-plastic-packaging policy at home (which hasn't always gone down well my family, who happen to be my toughest audience!). I committed to Plastics Free July this year and have sustained this since, despite the challenge of sourcing these products and the increased cost of weekly shopping. □

While the SEC proposed climate disclosure rule states alignment with the GHG Protocol, it's not yet clear how the SEC will handle restatement, so this remains a big question.

POINT B EXPANDS IN ESG WITH SUSTAINABLE BUSINESS CONSULTING ACQUISITION

Point B (Seattle, WA) is a global consulting firm solving the world's most complex business challenges through industry expertise and capabilities. Point B solutions are steeped in technology and help organizations realize their vision during times of change. Taking a people-centered approach, Point B gives customers a path to an inclusive and sustainable future. A diverse set of industry, capability and technology experts can be found across the United States, with international reach via a partnership with **Nextcontinent**.

Gwen Migita is Senior Principal in Point B's Environmental, Social, and Governance (ESG) Practice. Gwen advises executive leaders on the risks and opportunities associated with ESG performance. Her leadership role also involves enhancing connections between Point B's client-facing ESG Practice and internal Social Responsibility and Diversity, Equity and Inclusion (DEI) initiatives. Her work seeks to deepen purpose and belonging among Point B's 800+ employee owners and accelerate action by corporate, nonprofit and public sector customers to improve life on the planet.

EBJ: Tell us your origin story. Who founded the original business and what's behind the name?

Gwen Migita: Point B was founded in Seattle in 1995 by consulting industry veterans Tim Jenkins, Darran Littlefield and Jim Hodge. They started out focusing on project leadership services, primarily within the healthcare industry. The organization's name was chosen because it described the type of support that consultants often provide to business leaders, helping them get from point a to point b. Since then, Point B has grown and evolved into a national consulting firm focused on applying industry expertise and technology-enabled solutions to solve the world's toughest business challenges.

EBJ: What were some of your early wins in terms of major clients that launched the company to the next level?

Migita: Point B's early clients were regional healthcare payers and providers. We quickly grew to support leaders across multiple industries, including a global coffee retailer, a multi-national telecommunications provider, and a global computer technology company.

EBJ: What led to the acquisition of Sustainable Business Consulting?

Migita: Expanding our ESG practice aligns with our vision to make an impact by helping to solve the world's most

complex business challenges. In addition, we are seeing increased demand for ESG capabilities and expertise across both new and existing customers. This acquisition will help accelerate progress toward our vision as well as our ability to meet customer needs.

We have known SBC and their team for years based on our work in the Sustainability / ESG space, including a few mutual clients. SBC's team brings skills and expertise that will help expand our thought leadership and client services. In addition, they were a great match from a culture fit perspective.

EBJ: What kind of head count does the combined entity have now, and what new clients or service areas have been added to your platform?

Headcount: Point B has 896 employees, of which 34 are ESG experts.

New or expanded services: Climate Action: GHG Inventory, Scope 3 Strategy, Product Footprinting, Reduction Scenario Planning, Science-based Targets, Climate Risk and Resiliency Modeling, Net Zero and Climate Transition Planning

ESG Reporting and Disclosure: CDP, TCFD, SASB, ESG Ratings & Certifications, CSR & ESG Reports, Supplier Questionnaires and Disclosure

Integrated ESG Strategy: Baseline ESG

Assessments, Vision, Goals, & KPIS; ESG Strategy & Implementation Planning, Materiality and Stakeholder Engagement, Supplier Engagement Programming

Additionally, SBC created graduate-level ESG curricula for multiple universities including Harvard and The University of Washington. SBC's CEO Kevin Wilhelm is a well-known thought leader, with 5 books in this space including 2 that are used as textbooks on ESG in major sustainability programs.

New clients: At-Home, CarMax, Delta Airlines, Dutch Bros, Eddie Bauer, Estee Lauder Companies, Expedia Group, Match Group, New York Life, Nordstrom, PetSmart, REI, and Tommy Bahama.

EBJ: How virtual is your company and how do you plan to maximize interaction between all of your teams and project managers, and respect lifestyle issues that many have come to expect. And how do you feel about that?

Migita: All Point B employees, including newly added SBC team members, have the option to work from home or at any of our office locations. We prioritize flexibility and work-life balance as a critical part of our culture. We encourage interaction within teams, among Business Resource Groups (voluntary, employee-led groups that foster a diverse and inclusive workplace), and through in-person and virtual events held within our major geographic locations.

EBJ: Your list of clients is impressive. What are the factors of success in the 2020s in the airline industry, the cosmetics industry and other consumer-facing industries.

Migita: Many of these industries aren't new to the ESG space. They've been doing this for years and understand that to survive in an uncertain economy they need to lean into ESG, especially when it comes to resource efficiency, meeting customer expectations, and risk management. During the last economic recession and more recently the COVID-19 pandemic, successful companies leaned into ESG as a strategy to provide transparency and weather the storm. Those who had policies in place

to respond to supply chain issues and other disruptions were able to react appropriately. On top of this, many of our clients in the airline and consumer goods industries are facing increasing pressure from their customers and owners. Whether it's new climate disclosure regulation from the US SEC, investor demands, or corporate policy (such as Microsoft's supplier sustainability requirements), today's suppliers and customers must respond in order to keep business.

EBJ: Insurance and financial services is also a fascinating area. How has the broadening realization of climate change changed how insurance companies have approached their business?

Migita: It's likely that climate change impacts the insurance industry even more profoundly than other industries in terms of bottom-line impact. And unsurprisingly, they were one of the first to take climate risk seriously. Insurance companies are deeply aware of climate-related risks and are already acting on them, from increasing premiums to suspending coverage in certain high-risk areas. The loss of

coverage many California homeowners are experiencing due to wildfire threats is one noteworthy example.

EBJ: What are the data gaps in terms of needs for accurate information for supporting insurance providers and their consultants to make better decisions regarding policies premiums and other types of insurance?

Migita: Interestingly, the Treasury Department just proposed a new rule to gather climate risk data from insurance providers to give "an increased understanding of insurance market vulnerabilities" and help assess "how Americans are being affected by the increasing costs of climate change."

Insurance providers need to have a deep understanding of climate-related risks and their potential financial impacts in order to make decisions that reduce risk and increase equity. Climate risk analysis and scenario planning is one of the best ways to do this. Luckily, leading companies are already looking into how climate change impacts their business strategy and identifying ways to mitigate disruption. ■

Point B Expands ESG Offerings With the October 2022 Acquisition of Sustainable Business Consulting

In October 2022 Point B, a Seattle-based global consulting firm announced its acquisition of **Sustainable Business Consulting (SBC)**, a firm dedicated to providing ESG-focused solutions. This acquisition expands Point B's ESG offerings, particularly in the areas of climate action, supply chain risk, ESG reporting, regulatory compliance and integrated strategy.

According to Point B's Executive Director of ESG Gwen Migita, the demand for thoughtful, integrated climate action and social impact and justice consulting is increasing across industries, philanthropies and institutions. The SBC acquisition is a testament to Point B's commitment to providing solutions that connect expertise, climate action technology, social impact measurements, reporting and policy insights for its growing roster of clients.

Established in Seattle in 2004, SBC brings more than 240 clients across 11 industries to Point B's roster, including marquee names such as Delta Airlines, New York Life, Expedia, REI and Estee Lauder Companies. Acquiring SBC will further advance Point B's position as a thought leader in sustainability, ESG strategy and frameworks. SBC brings meaningful expertise in a talent-constrained environment, adding high-caliber resources with significant experience to Point B's existing team of experts. "The speed of change is increasing; programs and initiatives around transparency and reporting like deep Scope 3 assessments and meaningful supplier engagement will place a great deal of stress on organizations which have not begun to take steps to meet reporting requirements," said Ruth Lee, SBC's Senior Vice President. "We are doing the work now, building our capacity and talent to meet the challenge."