

Proactive Risk Management Shift Helps EHS Software Beat Recession Fears

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The environment, health and safety software market will continue to grow this year, despite recession fears, with an increased focus on proactive risk management to support expansion – according to a new report from leading independent research and advisory firm Verdantix.

The Verdantix [Market Size and Forecast: EHS Software 2022-2027 \(Global\)](#) report forecasts that the market will hit \$1.57 billion this year. It will continue to expand at a CAGR of 11.9% to reach \$2.7 billion by 2027.

Tougher ESG regulations will underpin increased long-term spending on commercial EHS software, which plays a key role in providing investor-grade data for companies. The sector is also attracting private equity investment, helping to expand the market.

In addition, the EHS software market is benefiting from rising digitization in the aftermath of the COVID-19 pandemic, as firms switch to proactive risk management strategies that require investment in connected software and technology workflows.

Meanwhile, procurement teams are increasingly looking to consolidate EHS solutions into a single management platform, with the aim of centralizing ESG and EHS data. Larger deals in the offing are likely to further expand the market.

Chris Sayers, Industry Analyst at Verdantix said: “EHS software is steadfast and even through recessions, there is a low removal or replacement risk. Notwithstanding the potential impact of economic uncertainty, EHS software spend will continue to increase in the long term, driven by heightened demand for environmental management and ESG functionality.

“EHS vendors are in a superb position to deliver on core ESG competencies. This signals the long-term growth opportunity available to a sector that has already leapt at the lucrative ESG market through brand repositioning, strategic acquisitions, and in-house product developments.”

The North American and European markets will continue to dominate the sector, Verdantix finds, as increasing adoption of EHS software by mid-market firms drives growth.