



Sustainability & ESG consulting: a fast-evolving landscape

TICC insight

September 2023

The growing demand for advice

Ambitious, stakeholder driven corporate objectives on sustainability and ESG, combined with limited internal capability or capacity means that the demand for specialist advice is growing



Marleen Vermeer
Partner, Benelux

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ESG (Environmental, Social and Governance) practices of companies are becoming more important as focus in society is shifting towards doing good and being sustainable. Both large TICC companies and consultancy firms play a crucial role helping to advice and verify ESG practices.

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The demand for Sustainability & ESG consultancy and solutions is growing rapidly as these topics are prioritised by both corporates and investors with a focus on driving sustainable performance, delivering against reportable goals and metrics. Even against a more challenging economic backdrop, we continue to see significant market opportunity and increasing consolidation as firms look to meet this client demand and fast-track their development. In what remains a fragmented market with limited players of true scale, new entrants with a market leading niche, or international platforms with a differentiated and broad service proposition, leveraging data and analytics, are attracting particularly strong interest – from both private equity and strategic trade

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William Godfrey
Executive Director
M&A Advisory, London



The Sustainability & ESG market at a glance

Our insight on the key trends driving the Sustainability & ESG sector and what it means for consultancies and solutions providers across the market

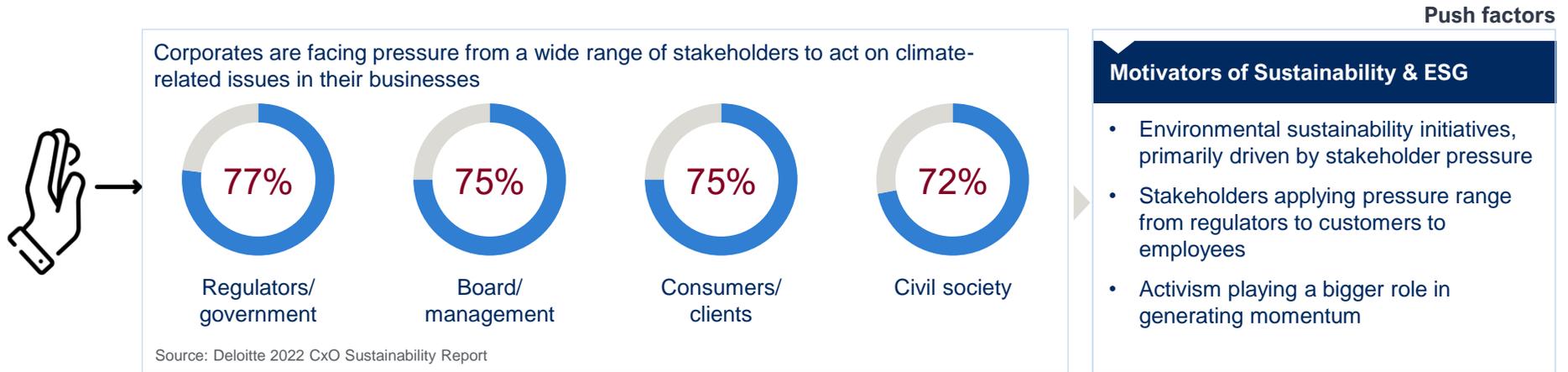
- 1 Rapid market growth**
 - The global Sustainability & ESG consulting market is expected to grow at 17% CAGR over the next five years
 - Demand is increasing from organisations, big and small, around the globe including governments, corporates and investment firms
- 2 Internal and external pressures**
 - Pressure from investors, consumers, regulators and other stakeholders is driving the prioritisation of Sustainability & ESG strategies
 - Structural factors are creating a necessity to implement sustainable operations to ensure resilience and longevity
- 3 Value creation opportunity**
 - The opportunity to drive additional value, rather than just protect it, through a Sustainability & ESG strategy is encouraging emphasis
 - Businesses are looking to consultancies for support in embedding Sustainability & ESG strategies into their long-term growth plans
- 4 Targeted capital allocation**
 - Sustainable finance and the ESG agenda are now key decision-making criteria for asset managers in allocating funds and investments
 - “Impact” or “Purpose” investing is increasing year on year, with over 25% of European AuM forecast to be allocated to ESG funds by 2025
- 5 Consolidation in a fragmented market**
 - The rapid evolution and breadth of possible solutions has led to a very fragmented market with many new entrants
 - Consolidation is becoming increasingly important to consultancy businesses looking to expand service line / geographic capability



Source: Verdantix Sustainability report, Deloitte 2022 CxO Sustainability Report, PwC EU Private Markets: ESG Reboot report

Stakeholder pressures are increasing

Companies are embedding Sustainability & ESG strategy into their cultures and operations, as leaders see both the benefits of change and risks of inaction



Pull factors



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