SUSTAINABILITY ESSENTIALS FOR CORE FUNCTIONS: BUSINESS DEVELOPMENT

THE WHY AND HOW OF EMBEDDING ESG INTO BUSINESS DEVELOPMENT



Global Compact Network UK

CLYDE&CO

INTRODUCTION

Embedding sustainability into business development is critical because it shapes the deals, partnerships, and revenue that a company will carry for years. Many clients, investors, and regulators now treat sustainability criteria as a baseline requirement, so a lack of understanding and integration poses the risk of losing pitches and contracts, facing higher costs of capital, or inheriting legal and reputational liabilities.

Conversely, business development teams with sustainability literacy can spot new markets that competitors may miss, from clean energy and the circular economy to social value-led contracts and nature-based solutions. In short, integrating sustainability within business development turns compliance into a source of competitive advantage, rather than a costly afterthought.

Recognising the critical intersection of business development and sustainability, the UN Global Compact Network UK hosted an event in September 2026 to explore how the two functions impact each other, what business development teams should know to support the integration of sustainability throughout the business, and what sustainability and business development functions can do to work together towards sustainability goals, while generating commercial value.

The event, supported by Clyde & Co, featured the following speakers:



Alaric Marsden
Partner, EMEA Corporate Sustainability & Climate Change, ERM



Joanna Gilroy
Group Sustainability & Innovation Director, Balfour Beatty



Steve Kenzie
Executive Director, UN Global Compact Network UK



Dan Dexter
Global Client Development and Commercial Officer, Sustainable Transformation Practice, Kantar



Alexandra Florea
Head of Sustainability, Medik8

Why sustainability and business development?

Achieving a company's sustainability targets, from net zero to living wage accreditation, cannot be accomplished by one person or even one team. Sustainability is complex and requires consideration of a multitude of factors across the business, supply chain, and whole economy. Yet in many companies, sustainability still operates in a silo, without active engagement from the functions whose decisions shape the outcome.

Business development is the company's front line with its customers – scoping opportunities, shaping the proposition, responding to tenders, and building the relationships that matter most. By responding efficiently to client asks and market trends, business development determines how much of the company's sustainability work translates into revenue, a differentiation factor, and long-term resilience.

The question is not whether business development has a role in sustainability, but whether the company turns its sustainability performance into client trust and new business, or treats it as a reporting exercise.



"Sustainability has just become deeply operational and deeply financial."

Alaric Marsden, ERM

Where the two functions meet

Sustainability and business development now sit closer together than most organisational charts suggest. Key areas where sustainability and business development intersect include:

Value proposition & differentiation

Although regulation still drives the agenda, the economic case is now equally strong. Sustainability supports key value creation drivers such as reductions in operating costs, revenue enhancement, lower cost of capital, stronger market position, and better access to public funding.

The same applies to risk mitigation drivers such as supply chain resilience, energy security, climate-resilient assets, and business continuity. The 2025 UN Global Compact and Accenture CEO Study finds 88% of CEOs believe the case for sustainability is stronger than five years ago. Business development is where that case has to be translated for the client, in commercial language that speaks to a prospect's bottom line, not just its conscience.

Winning new business & tenders

Across sectors, buyers increasingly use sustainability criteria, such as ESG scorecards, carbon disclosure requirements, supplier codes of conduct, and social value commitments, to choose between suppliers. Business development teams that know the company's credentials well can respond to requests for proposals (RFPs) quickly and credibly, and stand out from competitors who cannot.

This is reflected in public procurement too: the Procurement Act 2023 requires public buyers to consider a National Procurement Policy Statement that prioritises social value and environmental sustainability, and the NHS Net Zero Supplier Roadmap will require suppliers to report Scope 1, 2, and relevant Scope 3 emissions from April 2027.

Client and partner due diligence

Larger clients increasingly vet suppliers on sustainability performance before signing contracts, asking for emissions data, product carbon footprints (PCFs), packaging data, supply chain transparency reports, and certifications before they agree to purchase.

Credentials such as B Corp certification, net zero target validation from the Science Based Targets initiative, ISO 14001 certification, and Living Wage accreditation stand out as trusted evidence of progress. Business development teams should know which documents they may be asked for, so the sustainability team can prepare them in advance.

Regulation & green claims

Regulations such as the EU's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) push sustainability requirements down through client-supplier relationships, even under the narrower scope of the Omnibus reforms, so business development needs enough fluency to discuss them with prospects and partners. The EU's Empowering Consumers for the Green Transition Directive applies from September 2026 and bans generic environmental claims, offset-based neutrality claims, and uncertified sustainability labels in consumer communications. The UK's Competition and Markets Authority can also fine businesses directly for misleading claims, leading to the need for precise, evidenced sustainability language.

Investor & stakeholder expectations

Sustainability-linked loans and bonds tie the cost of debt to performance. Treasury teams are often surprised by how much can be saved, or by the fact that debt is unavailable without it. The Loan Market Association's Sustainability-Linked Loan Principles set the expectations. For larger deals, investors and boards increasingly ask about the ESG alignment of new partnerships and revenue streams, so business development may need to justify a deal through this lens, with the value-at-risk and value-creation numbers to hand.

Long-term client relationships & partnerships

Sustainability goals deepen relationships beyond transactional wins. Many sustainability commitments take years to deliver, so clients increasingly look for partners who share their goals and can help them meet them over the long term. Sharing goals, data, and progress openly builds trust between the business and the client, and working together on shared targets can lead to co-investment and multi-year agreements that are harder for competitors to displace.

New markets & product opportunities

Policy, supply chain, and consumer shifts create demand for new offerings, from lower-carbon products, sustainable packaging, and refills to renewable energy, retrofit services, green and social finance, and solutions that help clients meet their own procurement rules. Business development is often the first to hear what clients need, so a sustainability lens applied to customer insight, rather than only to external reporting, is where those opportunities become visible.

WHAT COLLABORATION IS WORTH

Collaboration between business development and sustainability delivers returns a business can measure: tenders won on the strength of sustainability credentials, revenue protected as clients tighten their supplier requirements, and losses avoided by spotting climate, social, and reputational risks early. When the two functions move out of their silos and toward strategic alignment, the business can more accurately gather customer insights on sustainability, proactively engage customers to unlock new areas of differentiation, and explore relationships and opportunities that would've been missed without those insights.

To the people in the roles



Collaboration is especially beneficial to those in the roles. Sustainability teams own the data, the certifications, and the technical understanding of a client's sustainability problem. Business development owns the relationships, the cost envelope, and the knowledge of what will win business. A complementary relationship is deliberate: "you need each other. It is absolutely that simple." Joanna Gilroy, Balfour Beatty.

ESG-related requirements for products and services are likely to keep increasing, so building relationships between the sustainability and business development teams is part of the work, rather than a distraction from it. The more easily the teams can collaborate, the more clearly sustainability can be articulated to clients and potential customers.

The least glamorous part of the sustainability job is often the biggest value driver for the commercial team. Answering a client's data request faster and more accurately than any competitor is itself a proposition:

> "Part of our value proposition is not just who we are as a brand, but also that we've really got our sustainability game in order."
>
> Alexandra Florea, Medik8

To the organisation's sustainability goals



Many sustainability targets are delivered through contracts, so the point at which work is scoped and bid for is where those targets are either protected or traded away. When the sustainability team is involved from the first scoping conversation, they can share their expertise with the client, negotiate environmental protections and social value commitments before the price is fixed, and ultimately, help decide whether an opportunity should be pursued at all. Even when the client is not interested in ESG, the company is still held to account by local communities, NGOs, and government, which can derail a project quickly.

Ambition is driven from the top. When the CEO treats sustainability as essential to business resilience, business development no longer needs to debate whether sustainability belongs in a bid.

Instead, the conversation becomes how to include it credibly while keeping the bid competitive on cost. Healthy tension is part of that. Holding the line on sustainability, such as refusing an option with supply chain concerns, can mean difficult client conversations, but it can also drive innovation and new markets.

To the business



Clients want sustainability without paying more for it, so the value has to be found in how the work is won and delivered. That means understanding how much sustainability is worth in each tender and reviewing the scores after every lost bid; delivering efficiently, especially on fixed-price contracts where every saving counts; and making sure project teams understand the climate and social risks that could affect cost and delivery. Quantifying that value is the fundamental step:

> "If we can't quantify that value, it's really difficult to sell work in and around the space."
>
> Alaric Marsden, ERM

Brand value is generated alongside the numbers. Customers buy a product because it works and aligns with their values. The same case applies to employees. Sustainability credentials turn a satisfied customer into an advocate, and a job seeker into an applicant. That value is difficult to quantify, but it's real, and it compounds the longer the ethos has been in place.

INTEGRATING THE TWO FUNCTIONS

Who is involved and how it is governed

Making this work involves a wide range of people across the business:

Business development or work-winning lead
for opportunities and clients

Bid team
for tender responses and negotiation

Sustainability lead
for data, expertise, and credentials

Finance and treasury
for sustainability-linked capital

Marketing
for claims to consumers

Procurement
for supply chain evidence

Legal
for what can be said

The executive committee and board should be involved where opportunities are contested.

Good governance means the sustainability team is included from the start of business development processes, rather than consulted at the end. Dedicated sustainability individuals sitting alongside business development in the pre-construction and work-winning team, as at Balfour Beatty, make that implicit. Where the business is smaller, the sustainability lead may directly own the client relationship where ESG data is required.

BALFOUR BEATTY: A GATED BUSINESS LIFE CYCLE WITH SUSTAINABILITY BUILT IN

The company's business life cycle maps every stage of winning work, from initial tender through to client engagement and putting teams to work, and sustainability flags are raised as the opportunity moves through the digital system. Some are hardline decisions: projects in Areas of Outstanding Natural Beauty or Sites of Special Scientific Interest go to a review with the board, executive committee, and bid teams.

Sustainability is a work-winning differentiator worth as much as 30 to 40% of a tender score, so every lost bid is scrutinised for its sustainability, cost, and delivery scoring. The company also records the financial losses caused by climate events on its projects, such as drought or flooding, and presents them to senior leaders. It took a public stance against using hydrogenated vegetable oil (HVO) fuel because of concerns about its supply chain impacts, even before an alternative was available: **"we know that that is the wrong answer, because it's bad for the planet and it's bad for people, and until we can have transparency over that, we will not [use] it."** Joanna Gilroy, Balfour Beatty. The stance meant two or three years of difficult client conversations, but it led to the first hydrogen generators on a UK construction site and helped give rise to a new supplier market.

What changes in the process?

Signpost sustainability
Include sustainability signposts in the opportunity pipeline. Every stage, from scoping and tenders to contract negotiation and mobilisation, should ask whether carbon, social, nature, and supply chain impacts have been considered, with go/no-go gates for the most sensitive work.

Get the data in order before the client asks
Measured and audited data on carbon, nature, packaging and social data such as living wage accreditation, workforce diversity, health and safety, and modern slavery due diligence all turn client requests from a cost into a differentiator.

Start every pitch with the customer's business problem
Delayed capital programmes, volatile energy costs, talent retention, and new procurement rules are problems that sustainability can help solve. The three principles are simple: understand the customer's problem and how it links to sustainability, quantify the value of the solution, and collaborate across sustainability, business development, finance, and procurement to differentiate the offer. Insight tools, including agentic AI workflows that scan a market for consumer needs and category trends, can scale that first step.

Communicate clearly, because silence is also a risk
Anti-greenwashing enforcement has produced greenhushing, yet when brands stop talking, consumers assume the worst. Kantar research finds 97% of people care about one or more sustainability issues, and its Sustainability Sector Index finds 52% believe companies give misleading information about their efforts. The answer is authentic, credible communication aligned with what the business is actually doing. A legacy business transforming bit by bit is effectively a new entrant into a sustainability market, and that takes leadership, collaboration, and patience, rather than a quick repositioning.

Neither team can do this without the other's know-how
Business development teams need sustainability literacy to understand the metrics, and sustainability teams need commercial literacy to quantify the opportunity in the client's own terms. In each case, the aim is the same: use the sustainability lens to gather customer insight, differentiate the offer, and unlock new business that a siloed function leaves behind.

ERM: FROM REGULATORY DISCLOSURE TO EQUITY VALUE

ERM works with clients to quantify sustainability through three key levers: operating cost savings from energy efficiency, a lower cost of capital through sustainability-linked debt, and revenue enhancement or defence. For a global healthcare business, a $26 million investment in sustainability produced $4.3 million a year in operating savings, $34 million of equity value created, up to $4 million a year in lower interest costs, and more than $650 million of revenue protected.

For a real estate portfolio, $6.6 million sustainability investment returned $1 million a year in savings, a 70 to 140 basis point reduction in the cost of capital, more than $7 million of new tenant revenue, and more than $100 million of equity value created. Pharmaceutical clients are finding that credible PCFs are now a condition of selling to health buyers. **"Getting very granular on the quantification of sustainability-linked upside and risk is fundamental."** Alaric Marsden, ERM.

MEDIK8: CERTIFICATION AND DATA AS PART OF THE OFFER

Medik8, a scientific skincare manufacturer, has been B Corp certified since 2023 and was among the first 20 UK companies to recertify under the new standard, released in April 2025. The business development team's remit is wide: working with retailers, distributors, clinics, and pharmacies. The sustainability team's role is twofold: to make sure the brand's sustainability message is conveyed accurately as part of the proposition, and to give clients better data than any competitor on carbon and packaging compliance. Ahead of the EU's green claims rules, the team reviewed every page of the website with its lawyers. It treated the exercise as a bridge to business development and marketing: **"it's not that we can't say things; this is what we can say, and this is how we should say them."** Alexandra Florea, Medik8.

GUIDING QUESTIONS FOR DISCUSSION

To uncover areas for further work, discuss the following questions with a colleague from the other function. Record actions, owners, and timelines for next steps in our accompanying Discussion Template.

- Which tenders, renewals, and client due diligence requests fall in the next twelve months, and what sustainability evidence will each require?
- How are our customers' businesses being affected by sustainability drivers such as energy costs, procurement rules, talent, and climate risk?
- Can we quantify the value at risk and the value created by our offer, in the customer's numbers, and has finance checked the model?
- Where does sustainability sit in our opportunity pipeline and at the product or service design stage, and which decisions are go/no-go?
- Which of our claims to clients and consumers could we evidence today, and which need certification or verification?
- Which social value commitments, such as the living wage, local employment, or human rights in our supply chain, can we offer and evidence in bids?
- How can we use incoming ESG regulation as an opportunity, and what did we score on sustainability in the tenders we lost?
- Where would deeper integration between business development and sustainability unlock competitive and sales advantage?

Additional resources

Strategy and training

- Kantar Sustainability Sector Index
- UN Global Compact Academy
- UN Global Compact and Accenture CEO Study 2025
- UN Global Compact CMO Blueprint for Sustainable Growth
- UN Global Compact Ten Principles

Tenders, public procurement, and buyer requirements

- NHS Net Zero Supplier Roadmap
- PPN 006, Carbon Reduction Plans in Major Government Contracts
- Procurement Act 2023 and the National Procurement Policy Statement
- Social Value Portal Checklist: Winning bids & delivering Social Value under the Procurement Act 2023
- UN Global Compact Network UK Social Value Series

Certification and regulation

- B Lab UK New B Corp standards
- Directive (EU) 2024/825, Empowering Consumers for the Green Transition
- Directive (EU) 2026/470 (Omnibus I), Amending the CSRD and CSDDD
- ISO 14001 Environmental Management Systems
- Living Wage Foundation Accreditation
- SBTi Corporate Net-Zero Standard

Claims and communication

- CMA Green Claims Code
- Directive (EU) 2024/825, Empowering Consumers for the Green Transition
- EcoVadis ESG Communications: How to Build a Defensible Sustainability Narrative
- UN Global Compact Network UK SDG Storytelling for Sustainability

Value creation, growth, and financing

- Green Economy Sustainable Growth Toolkit
- Loan Market Association Sustainability-Linked Loan Principles
- Network for Business Sustainability, Sustainability through Partnerships: A Guide for Executives
- World Business Council for Sustainable Development Transformative Leadership in Business: Episode 8 – Turning ESG Strategy into Common Ground and Driving Business Growth
- World Economic Forum ‘Unlocking green growth: Sustainability as a key driver of corporate innovation’

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the United Nations Secretary-General, the UN Global Compact is a call to companies worldwide to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment, and anti-corruption.

Its ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals (SDGs) through ambitious, accountable companies and environments that enable change. With more than 21,000 companies and 3,300 non-business signatories based in over 167 countries, and 64 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, visit www.unglobalcompact.org

ABOUT THE UN GLOBAL COMPACT NETWORK UK

The UN Global Compact Network UK is part of the world's largest responsible business initiative, the United Nations Global Compact, connecting UK companies and other organisations in a global movement dedicated to driving sustainable growth. Through an extensive programme of activity, it promotes sustainability leadership to create a world we want to live and do business in, by inspiring ambition, enabling action, and collaborating to shape the business environment.

The Ten Principles of the UN Global Compact, rooted in UN treaties, provide a robust foundation for corporate sustainability and business action on the SDGs.

For more information, follow us on LinkedIn ((UN Global Compact Network UK) or visit unglobalcompact.org.uk

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