COLLABORATION IN PRACTICE

Finance and Sustainability

Supported by CLYDE&CO

Global Compact Network UK

Sustainability Essentials for Core Functions

WHY THIS LANDS ON YOUR DESK

As the finance function, you're measured on accurate numbers, sound capital allocation, managing financial risk, and keeping the business funded and compliant. Sustainability now bears on all four: climate and social risks with real costs, lenders and investors pricing sustainability into capital, long-term investments decided on lifecycle cost, and reporting that must stand up to assurance. Sustainability-related regulatory reporting is on the rise, so these pressures reach finance first.

The good news: you don't need to become a sustainability expert. Your sustainability team can track the standards, supply the data and methods behind the carbon figures, and translate targets into the costs and risks you model – you keep the financial decisions. However, it benefits both finance and sustainability to collaborate.

88%

of CEOs say the case for sustainability is stronger than five years ago (Accenture)

2026 - 27

ISSA 5000 assurance and UK SRS reporting take effect

25 yrs

a net zero target may run this long, and an uncosted plan is a board liability

THE BENEFITS TO YOU

Better-quality decisions

Communicating with sustainability on the financial materiality of certain risks gives you the information to approve or reject spending.

More accurate numbers

Linking carbon to the P&L catches errors in spend-based estimates and gives site leaders a clear view of the carbon in their own cost lines.

Access to capital

Reliable sustainability data opens sustainability-linked finance and keeps investors confident; companies that fail to disclose risk losing that trust.

Resilience you can price

Suppliers already using renewable energy and alternative materials sourced early protect the business when markets or politics shift suddenly.

New revenue

Sustainability-related products and services unlock new opportunities and markets. 88% of CEOs say the case for sustainability is stronger than five years ago.

Lasting savings

Energy efficiency, lower staff turnover, and better resource use reduce operating costs over time, and result in fewer budget surprises due to disruption.

Readiness for assurance

As more of the annual report becomes ESG disclosure, finance teams that already understand the data won't be caught out.

WHERE SUSTAINABILITY SHOWS UP IN YOUR FINANCE CYCLE

Sustainability isn’t a separate ledger. It sits inside processes you already run.

Your process	Why it matters to you	What it looks like in practice
Forecasting and planning	Extreme weather, supply chain disruption, and wage disputes hit revenue and cost; leaving them out makes forecasts less reliable.	Include climate and social factors in existing forecasts, weighing upfront costs against longer-term savings and risks.
Business cases and ROI	Projects that save on energy and carbon, staff turnover, or resource use are undervalued if only the upfront cost counts.	Bring wider value into business cases in a disciplined way, using HM Treasury’s Green Book. Start with what is cheap and available now.
Capital allocation	The trade-off between upfront capital expenditure and lower running costs over an asset’s life often decides whether a project goes ahead.	Make that trade-off visible and included in decision-making, for example with an internal carbon price.
Management accounts	Supply chain (Scope 3) emissions are often estimated from spend data you own, so your data quality decides the accuracy of the carbon figures the business reports.	Bring carbon into the P&L by attaching conversion rates to the cost lines site leaders already manage, following the GHG Protocol Scope 3 Standard.
Risk and scenario analysis	Physical, transition, social, and governance risks all carry a cost, often beyond the normal planning horizon.	Run climate scenarios on the same horizons and metrics as the business plan, so the board can compare them with other risks.
Transition planning	A net zero target may run for 25 years, and requires structural and transformative change; an uncosted plan is a liability in front of the board and investors.	Cost the transition plan with FP&A before sign-off, while documenting every assumption in line with the IFRS transition plan guidance.
Treasury and financing	Green and social bonds and sustainability-linked loans can tie your cost of capital to sustainability performance.	Make sure the KPI data is reliable and verifiable before borrowing against it.
Reporting and assurance	Requirements are tightening: the Climate-related Financial Disclosure Regulations for large private companies, the UK Sustainability Reporting Standards (UK SRS) for listed companies from 1 January 2027, and ISSA 5000 assurance from 15 December 2026. Nature (Taskforce on Nature-related Financial Disclosures) and social data factors in too.	Bring sustainability data into the same controls, systems, and calendar as financial reporting. Carbon accounting is less exact, so consistency and documented assumptions matter.

GETTING THE MOST FROM YOUR SUSTAINABILITY TEAM

The question is not whether finance has a role in sustainability, but whether your organisation has the systems and processes in place to collaborate effectively. The value comes from getting sustainability input into your planning and investment cycle at the right time.

1. **Find a sustainability business partner**
   Ask for a named sustainability partner for finance, as you would have for any other part of the business.
2. **Get input on your calendar**
   Share your planning, budgeting, and capital allocation timetable so sustainability can provide input while decisions are still open, with joint sign-off on plans, targets, and disclosures before they reach the board.
3. **Ask for your horizons and metrics**
   Request that scenarios and targets are expressed in the timeframes and financial measures the business already uses, so results can be compared and acted on within existing procedures.
4. **Get the methods behind the numbers**
   Ask for documented methods and assumptions, applied consistently year on year, so ESG figures stand up to assurance.
5. **Ask for it in your language**
   Expect sustainability to translate targets into costs, risks, and returns. Accounting for Sustainability’s Essential Guides give finance a practical route into scenario analysis and capital decisions, and the UN Global Compact Academy offers free training for both teams.