



Sector Spotlight:  
Sustainability  
Services

September 2023



# Key Market Trends

**01** The sustainability services sector has transitioned from a niche to a prominent industry. Businesses increasingly recognize the significance of sustainable practices for long-term viability.

Robust growth is propelled by a wave of impactful regulations. Global standards such as ISSB's disclosure proposals, SFDR's focus on financial market participants, and mandatory TCFD adoption in various countries are steering businesses toward transparent sustainability reporting and strategies.

**03** The growth is also driven by consolidation efforts, as well as generalist service firms upskilling and developing enhanced sustainability services capabilities. This reflects a strategic alignment with evolving market demands.

Youth-led climate activism is reshaping business. Companies adopting eco-conscious strategies resonate with employees, enhancing engagement, performance, and well-being. This alignment of values drives retention but also signifies a forward-thinking ethos that fosters a brighter, greener future.

**05** Increasingly conscious consumers are demanding ethical and sustainable practices from businesses. Companies that align their operations with these values gain a competitive edge and forge stronger connections with their customer base.

Data analytics and AI are revolutionising how businesses measure and manage their environmental and social impacts. These enhanced capabilities enable companies to gain insights, identify risks, and make data-driven decisions for sustainable operations.

**02**

**04**

**06**

# Focus on Sustainability as regulations tighten

**03/  
2021**

## SFDR: Sustainable Finance Disclosure Regulation

Required ESG reporting responsibilities for asset managers and other participants in the financial markets  
*Applicable to: EU and UK (SDR)*

**12/  
2022**

## CSRD: Corporate Sustainability Reporting Directive

Reporting requirements for businesses to disclose the impact of their corporate activities on the environment and society  
*Applicable to: EU, phase in between 2024 and 2026 depending on company size*

**07/  
2023**

## ESRS: European Sustainability Reporting Standard

Standards that define the rules of the CSRD

**06/  
2023**

## ISSB: International Sustainability Standards Board

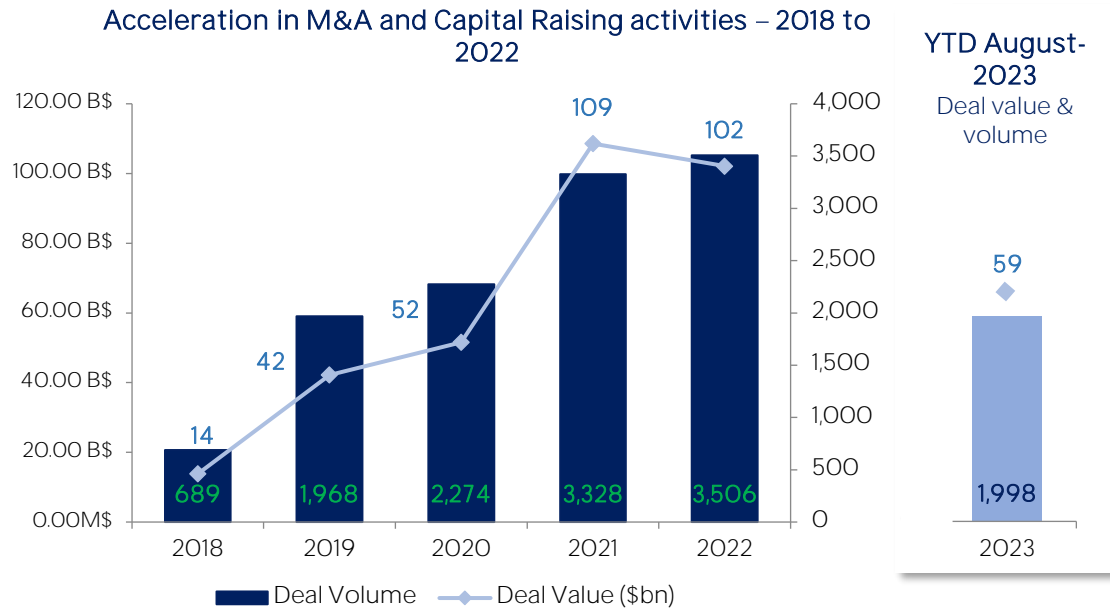
Global sustainability disclosure standards, offering companies a unified set of rules for reporting their sustainability information  
*Applicable to: global but not by law, final drafts of standards submitted*

**08/  
2023**

## Carbon Border Adjustment Mechanism (CBAM)

EU's carbon tax on imported goods, with emission reporting to begin by the end of January 2024  
*Applicable to: non-EU companies, transitional phase in between 2023 and 2024*

# M&A and Capital Raising



Source: PitchBook, CapIQ, Ciesco Market Intelligence team

The Sustainability sector has undergone a transformative journey, evolving from a niche domain of services and technologies a few years ago into a powerhouse driving today's global economy. In 2018, the Sustainability sector recorded 689 deals. Fast forward three years to 2021, and that number surged to an astonishing 3,328—a growth of nearly 400%.

As of August 2023, the year-to-date data reveals that the tally of deals executed (1,998) has already surpassed the entire count for 2019. Impressively, as of August the transactions with disclosed values, have amounted to a substantial investment of \$59 billion. These statistics set 2023 on course to mark another breakthrough year for completed transactions in the Sustainability sector.

The undeniable rise in the significance of sustainability is underscored by its integration into the strategies of corporations, investors, and governments. These entities are leveraging strategic deals to catalyse innovation, mitigate environmental footprints, and meet the evolving demands of consumers and employees. Moreover, technology is emerging as a pivotal enabler, fostering smarter and more efficient solutions across a wide array of industries.

1. Deal values for the period do not include values from all deals captured in the deal volume for the period as value for some deals are not disclosed

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# Buyer Spotlight



Founded in 2013

London, UK HQ

Backed by **THE CARLYLE GROUP**  
GLOBAL ALTERNATIVE ASSET MANAGEMENT

1,250 Employees

Anthesis is a global sustainability consultancy that helps organizations drive performance through sustainability. They combine technical expertise with commercial and operational capabilities to deliver solutions that are both sustainable and growth-oriented.



Founded in 1987

London, UK HQ

Backed by **KKR**

5,000 Employees

ERM is a leading sustainability consultancy that partners with the world's most progressive organizations to create a more sustainable future. They are experts in climate change, water management, waste reduction, and other sustainability challenges



Founded in 2002

Sheffield, UK HQ

Backed by **palatine**

240 Employees

CuraTerra delivers environmental consulting services; their offerings encompass flow surveys, atmospheric emission monitoring, waste management, and compliance training. Enabling its clients to enhance and uphold green credentials.



Founded in 1994

Oxford, UK HQ



















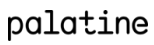







Backed by **ARES**

2,270 Employees

SLR Consulting is a leading sustainability consultancy that partners with businesses and organizations to tackle some of the world's most complex sustainability challenges by reducing their environmental impacts and improve their sustainability performance

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# Notable Transactions

Date	Acquirer	Target	Target Sector	Target Description	Deal Size
10/08/2023	 LDC BACKING AMBITION	 Sedex	Tech-enabled Provider	Sedex, based in London, offers data-driven insight, tools, and consultancy services, enabling organizations to assess, manage and report on ESG risks and impacts across their supply chains.	-
01/08/2023	 THE CARLYLE GROUP GLOBAL ALTERNATIVE ASSET MANAGEMENT	 Anthesis	Sustainability Consultancy	Anthesis, a specialized global sustainability consulting firm in London, combines the reach of major professional services with boutique expertise. Collaborating with cities, companies, and organizations, Anthesis develops financially driven sustainability strategies.	\$400M
15/02/2023	 inflexion	 dss+	Sustainability Consultancy	dss+, headquartered in Switzerland, specializes in operations management consulting services for industries including oil and gas, chemicals, petrochemicals, mining, and metals. Their offerings encompass process technologies, safety and operational risk management	\$500M
24/01/2023	 TETRA TECH	 RPS	Sustainability Consultancy	Headquartered in the UK, RPS Group specializes in providing guidance across diverse sectors including the built and natural environment, transportation, water and power resources, oil and gas, as well as other natural resources and energy infrastructure.	\$784M
06/10/2022	 Bregal Investments	 PUR	Sustainability Consultancy	Based in Paris, PUR Projet provides regenerative environmental services dedicated to fight climate change and deforestation. The company initiates diverse projects focused on regenerative agriculture, agroforestry, reforestation, forest conservation, and marine ecosystem restoration.	-
15/09/2022	 BCG	 Quantis	Sustainability Consultancy	Switzerland-based Quantis operates as an environmental sustainability consultancy firm that collaborates with major organizations to facilitate sustainable transformation. By offering tools and expertise, Quantis assists clients in engaging both internal and external stakeholders to effectively implement sustainability initiatives.	-
01/09/2022	 accenture	 Carbon Intelligence	Sustainability Consultancy	Based in London, Carbon Intelligence specializes in delivering energy consulting services designed to guide organizations toward a zero-carbon future. Their service portfolio encompasses energy and carbon strategy, energy management, value chain (Scope 3) carbon footprint assessment	-
29/06/2022	 SLR	 clearlead	Sustainability Consultancy	Clearlead Consulting is an experienced UK-based team with expertise in guiding commercial, industrial, and public sector clients to reduce energy expenses, cut carbon emissions, enhance sustainability, and navigate complex environmental regulations.	-
16/06/2022	 ARES	 SLR	Sustainability Consultancy	Headquartered in the UK, SLR offers specialized environmental consulting services tailored for energy, financial, infrastructure, manufacturing, and mining industries. Their expertise spans a range of areas, including air quality, carbon management, social impact assessment, geotechnical engineering, land quality, remediation, and marine science.	-
21/03/2022	 palatine	 CuraTerra	Sustainability Consultancy	CuraTerra delivers environmental consulting services; their offerings encompass flow surveys, atmospheric emission monitoring, waste management, and compliance training Enabling its clients to enhance and uphold green credentials.	-
01/01/2022	 Vespa Capital	 flag	Marketing, Communications, and Social Impact Agency	London-based Flag is a provider of communications and reporting services that assist businesses in improving their reputation, fostering sustainable growth, and catalyzing positive change. The company specializes in offering services such as strategic planning, design, and corporate communications.	-
13/10/2021	 KKR	 ERM	Sustainability Consultancy	ERM offers comprehensive services including climate risk and scenario analysis, human health and ecological risk assessment, sustainability reporting and strategy, and energy and climate change advisory. Through these services, ERM empowers its clients to advance their environmental, social, and governance priorities effectively.	-
04/03/2021	 McKinsey & Company	 vivid economics	Sustainability Consultancy	Vivid Economics, based in London, specializes in delivering strategic economics consultancy services that encompass both public policy and commercial decision-making. The company's expertise lies in areas such as carbon markets, climate and disaster resilience, ecosystems, natural capital, and the utilization of geospatial and big data analytics.	-



# Growth Dynamics

## Sustainability Services – rapid acceleration expected:

- There is varying forecast data and research on the growth potential of the sustainability services market with opinions varying from 20% on the lower end to 240% 4-year CAGR on the higher end
- In 2022, the market was estimated at \$50bn, with 25% of the market dominated by c. 20 largest global firms.

## Expansion across Geographies

### 2020 to 2030 forecast:

- 25% CAGR in EMEA
- 23% CAGR in North America
- 14% CAGR in LATAM

Sustainability services is one of the few sectors with equal (marginally higher) rate of acceleration between EMEA and North America. This is not surprising given EU’s efforts in tightening regulations across businesses’ efforts in sustainability and increasing transparency in sustainability reporting.

## Expansion across Sustainability and ESG-focused capability categories globally until 2028:

- 14% CAGR in operational transformation
- 21% CAGR corporate reporting and disclosure services market

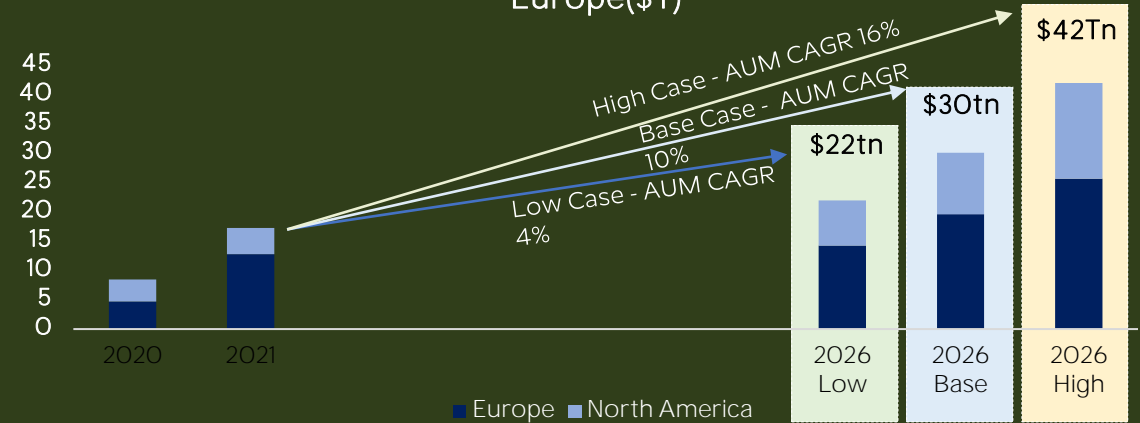
## Key trends driving the accelerated growth of the sector:

- Consolidation
- Upskilling
- Accelerated rise of specialist, niche providers
- Opportunity cost of inaction (environmental, social, commercial, etc.)

Source: Ciesco Market Intelligence

# Impact Investing & Sustainable Finance

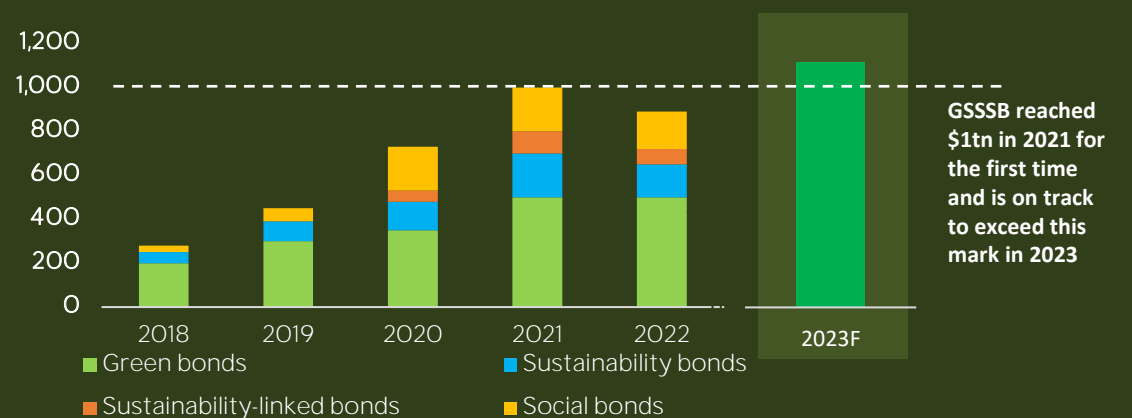
## ESG AUM trend and forecast in North America and Europe(\$T)



Source: PwC Asset and wealth management revolution 2022  
AUM – Assets Under Management

## Global GSSSB issuance (\$bn)

(GSSSB = green, social, sustainability and sustainability-linked bonds)



Source: CapIQ

# Sector Specialist Team



**Alan Matthews**  
Partner

Alan brings a wealth of experience from his time as an Investment Banker, a commercial Chief Financial/Operational Officer and a Non-Executive Chairman.

He has raised funds and spearheaded numerous successful M&A transactions for 100+ companies in both public and private markets.

Alan has extensive experience in the Sustainability sector and his roles prior to joining Ciesco involved a CFO role at Anthesis, a leader in the sustainability consulting market, recently acquired by Carlyle Group.



**Aika Kussimova**  
Associate  
Director

Aika leads M&A transactions, origination and execution at Ciesco, specifically within Media, Healthcare and Sustainability services and technologies.

She joined the team in 2016 and has been working closely with clients across a range of sectors and geographies, having successfully completed recent deals across the US, UK, DACH and Benelux regions.

Her recent advisory work includes sell-side and buy-side mandates for businesses in Digital Media, Software Testing, MedComs, and Digital Creative sectors.



**Giordano Mottola**  
Senior Analyst

Giordano is an integral part of the deal execution team on M&A and Capital Raising transactions, particularly in the Sustainability and Technology sectors. He has a key role in sector-specific origination efforts and market intelligence teams, supporting the identification and execution of strategic opportunities for Ciesco.

Prior to joining Ciesco, Giordano worked at a Reg-Tech company specialising in Financial Crime Compliance, backed by Cambridge Capital Group. He has a background in Corporate Finance and Banking.

With enquiries, please contact [future@ciesco.com](mailto:future@ciesco.com)

# Select Experience

Our team is proud to have worked with some of the most impactful businesses across the Sustainability sector



Leading sustainability consulting group

*Several fundraise rounds*



Highly awarded pro-social creative agency

*Sale to Havas*



Listed clean water technology solutions provider

*Several fundraise rounds*



Bioplastics tech provider, producing bioplastics products from food waste

*Fundraise*



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