

**SUSTAINABILITY CONSULTING  
PRACTICE BUSINESS DEVELOPMENT**

**sopra  steria**

Dr. Tymur Khusainov

# TYMUR KHUSAINOV



## Sustainability business leadership

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## Background

- Management consultant with experience in Finance, Energy, Consumer, Agribusiness, and Government
- Sustainable & impact investments, energy transition and net-zero. Advise on TPT, TCFD, SFDR, SDR and CSRD regulations.
- Senior leadership positions responsible for M&A, profitability, cost reduction, products, and growth at multi-regional environment
- Guest lecturer on Climate and Sustainability at Imperial College Business School, London

## Qualifications

- PhD in Applied Mathematics; M. Sc. of Business Administration

## Sustainability & Climate

- Advised on Transport sector, ICE to EV transition and climate change at the leading UK bank.
- Consulted on Oil & gas strategic response among US majors, European IOC and NOC for the global bank.
- Consulted on climate-linked products and sustainability strategy at global British-HQ bank.
- Managed industry decarbonisation proposition, £260M business case, GTM plans, EMEIA sales and commercial model
- Sustainable investments, decarbonisation, impact and ESG maturity assessment for Private Equity.

## Strategy & Growth

- Directed €700k research on cross-border clients and financial regulations for the European Commission.
- Directed \$3M profitability and growth program for the 25 regions/1000 branch Austria-HQ bank.

# WHAT IS GOING ON AT THE MARKET (YEAR 2023 AND LAST 3-6 MONTHS)?

1

Investors are increasingly intrigued by “carbon improvers”

Greenhouse gas emissions are highly concentrated in a few key equity sectors that make up about a third of the public equity market.

*These sectors account for about 90 per cent of public company emissions and about 60 per cent of all global emissions, according to Bridgewater Associates.*

2

Climate-aware investors are leaning into forward-looking measures

The next generation of investors is leaning into forward-looking measures of decarbonisation.

One Finnish pension fund alone has switched \$17bn into funds that track a new index, which includes estimates of future reduction in emissions.

3

Growing interest in capturing value from investing in companies enabling a faster transition

- Brookfield hopes to raise \$20bn for its second transition fund, up from \$15bn from its first one.

- BlackRock recently launched a “Transition-Enabling Metals ETF”.

- New BeyondNetZero \$3.5bn fund to back companies that provide technology to tackle climate change.

4

Handful of institutional allocators are dipping their toes into “impact funds”

Swedish private equity firm EQT is looking to raise €3bn which, if successful, would be the largest ever impact fund in Europe.

- Looming supply and demand gap for critical minerals. Mining and refining of critical minerals are similarly highly concentrated.

5

Energy security and energy transition are being woven into core portfolios

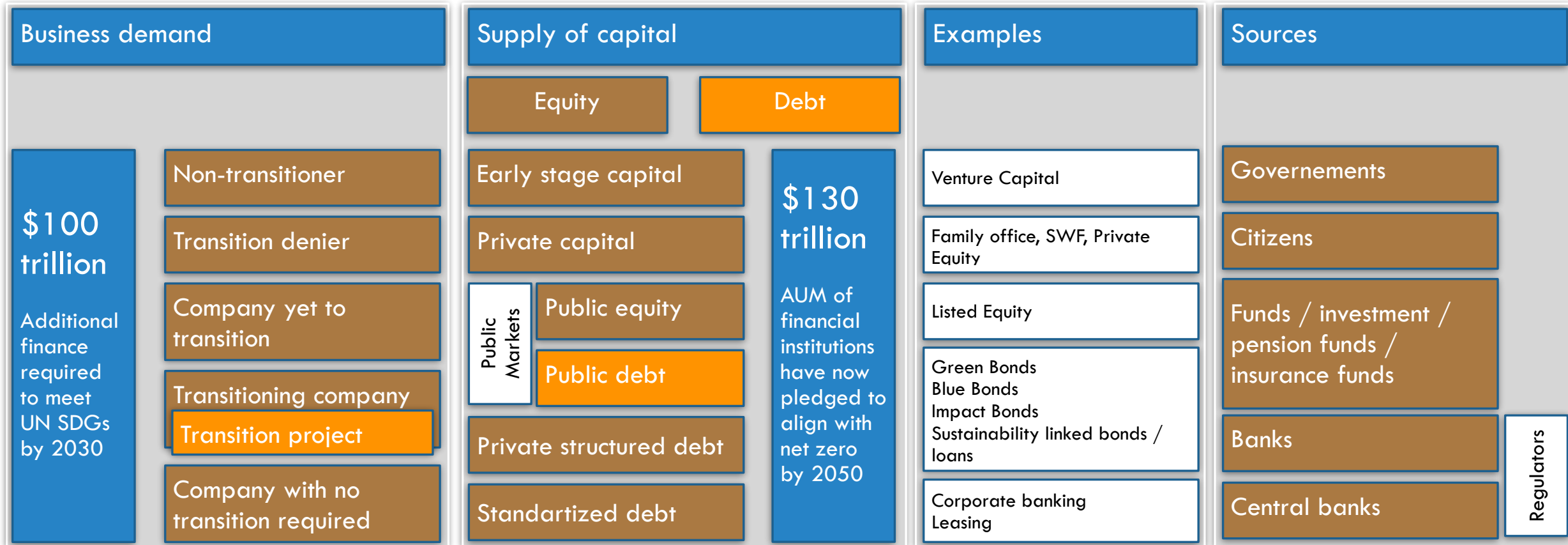
- The world to invest \$1.8 tr. in clean energy in 2023; \$4.5 trillion a year by 2030s\*

- Vehicles can have role in balancing grid and renewable generation.

- EV for light duty vehicles; HGVs and trucks the jury is still out.

- Industry grow use of data 1,000% by 2030.

# LONG-TERM VIEW: BRINGING UNDERLYING SOURCES, INFLUENCERS AND ENABLERS



Regulators

# ONGOING REGULATORY AND BUSINESS TRENDS SUPPORT LONG-TERM DEMAND DESPITE SHORT-TERM POLITICAL HEADWINDS

## Regulatory standards

- ❖ CSRD
- ❖ SFDR
- ❖ TCFD
- ❖ TPT (climate transition plans)
- ❖ UK SDR (greenwashing risk)
- ❖ US SEC climate disclosure

## Sustainability practice evolution

- Tough political environment in the US (and probably now in the UK) for decarbonisation and sustainability
- Investors appear to be using more bottom-up data to shed light on specific investment issues. The use of ESG ratings as a primary tool plummeting.
- Rapid development and evolution of biodiversity (and other alternative) data providers

Renewed focus on social impact and sustainability across supply chains

Healthcare

Defence

Energy  
Security

Food

# SUSTAINABILITY: FINANCIAL INVESTORS, CORPORATE EXECUTIVES AND MANAGERS HAVE DIFFERENT PRIORITIES

## Financial investors priorities (external across markets)

Cleantech & research

Sustainable infrastructure

### Industry sectors with special importance for net-zero

Oil & Gas and Renewables

Carbon Capture Systems

**Transport & Automotive:**  
EV transition, hydrogen, metals, supply chain, social and env. impact

**Real Estate & Housing:**  
Decarbonise heating, insulation, affordable housing etc.

**Agriculture & Food:**  
Value chain transparency, food security, decarbonisation, etc.

## Industry executives view (internal to the company)

Understand / Diagnosis

Strategy / Plan

Build / Implement

Report / Communication

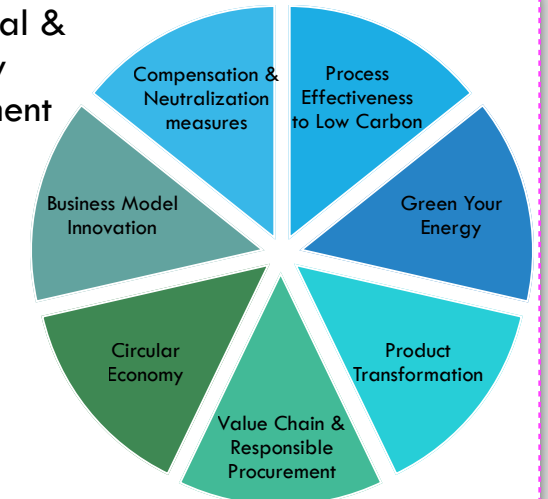
Executive management / governance

Goals, Roadmaps and Targets

ESG Transition: suggestion, forecasting, prioritisation

Deliver and Track Performance

Operational & factory management



## Governement / social policy priorities

Sustainability policies, carbon tax and decarbonisation measures

Social, environmental and biodiversity impact

Economic impact per sector

Risk & Strategy

Tracking and Management

Regulatory Reporting

## Department head management

Regulations & Compliance

Maturity, Risk and Materiality Assessments

Metrics Definition and Management

Measure, Ingest Validate and Calculate

Disclosure Reports and Insights

# WE NEED TO BUILD OFFERING BASED ON OUR UNDERSTANDING OF CURRENT AND TARGET SOPRA SEPIA CLIENT BOOK, CONNECTIONS AND ASSETS

## Geographical presents and target focus

United Kingdom

West Europe

EMEIA

Global

## Level of business connections across industries

### Financial Investors

Investment Banks & Capital Market

Asset Managers (Active, Passive)

Private Equity & Development Banks

Asset Owners (Pension funds, Foundations, Family Offices)

### Real Economy

Executives: CEO, CFO, CSO, COO, CRO

Business Units Heads

Department Heads

Technical Leads and Specialists

### Government Sector

UK and EU Governements

Local & Regional Governement Administrations

International Organisations (EC, EP, etc.)

Regulators, Industry Associations & NGOs

## Existing Assets & Partnerships

Sales partnerships & sales channels

Digital & Platform partnerships

R&D and accelerators

Consulting skills and services

Trainings & education materials



# SUCCESSFUL SERVICE OFFERING MUST CAPTURE IMMEDIATE OPPORTUNITIES TO ENABLE SELF SUSTAINABLE SCALING AND FUTURE GROWTH

1

## Investment-light services (labour intensive)

*Sales tactic*

- Easy to win / evergreen
- Door openers
- Quick wins / regulatory drive
- Industry-specific focus
- Immediate need
- Cost reduction

*Sample project*

- ESG Capability Maturity Assessment
- ESG / Sustainability Strategy
- Regulatory reporting: CSRD, TPT, TCFD, SFDR
- Industry set of impact indicators
- Article 9 fund downgrade review
- Cost-effective impact fund launch

**Goal**

Generate credible revenue and start to build relationships

2

## Labour-light services (easy to scale, larger investments)

*Sales tactic*

- Framework contract with repeatable revenues
- Digital accelerator
- Information service
- Ready-to-use methodic and templates
- Political pressure
- Economic pressure / revenue enhancements

*Sample project*

- CTP assessments for banks (loans or investments)
- Biodiversity / water pollution risk assessment tool
- Agribusiness & food satellite "remote sensing" capability
- Impact-investment methodic & reporting templates
- Separation of sustainability and impact funds / portfolios
- Low-carbon investments / decarbonisation multiples

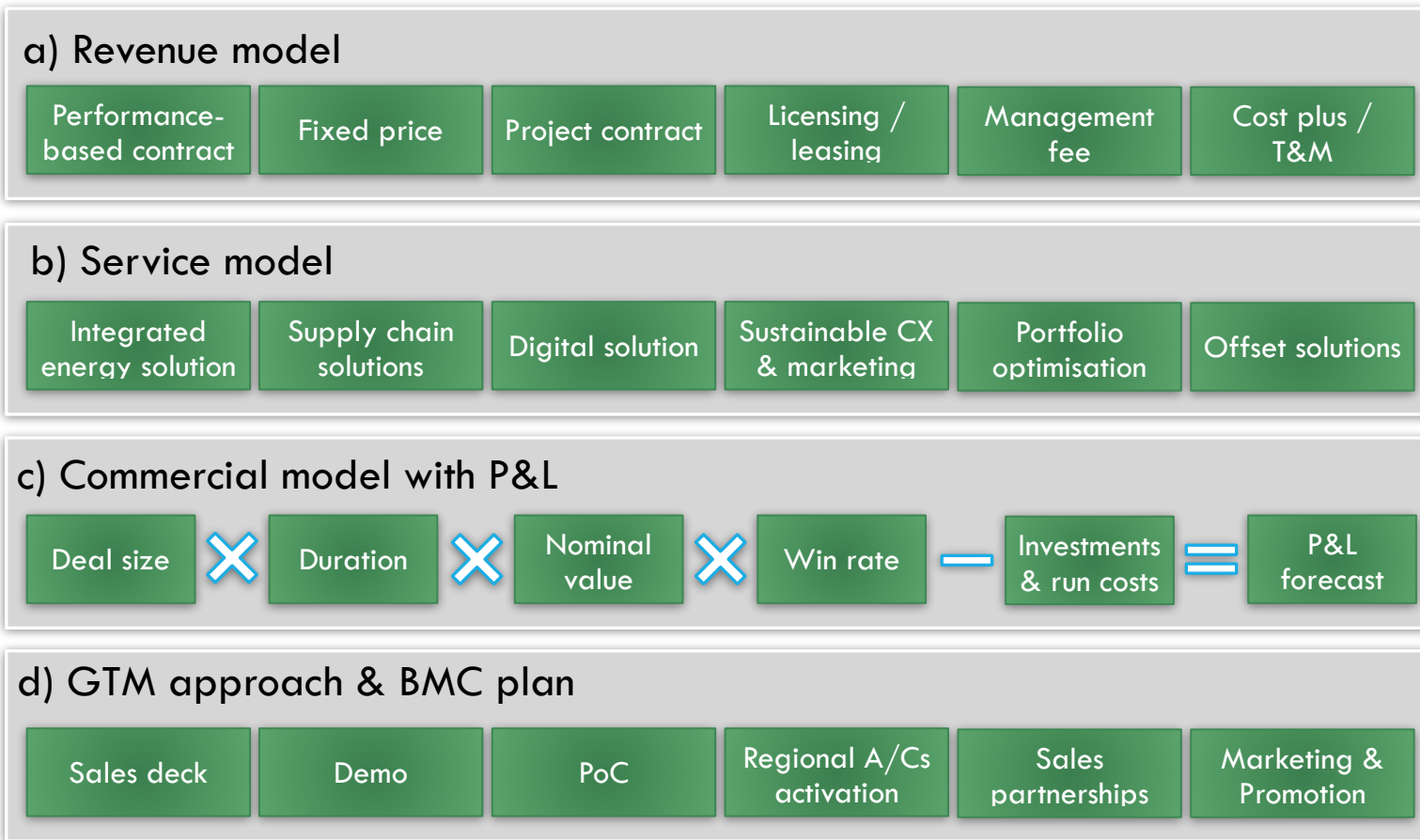
**Goal**

Entrench repeatable revenue with clients and build credibility to grow across segments

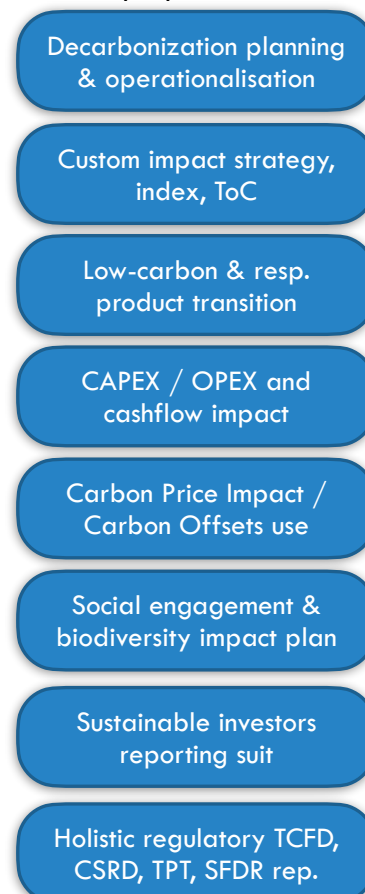


# PROVIDE THE ENTIRE INNOVATION LIFECYCLE, FROM DESIGNING AND LAUNCHING NEW PRODUCTS TO SCALING BUSINESSES

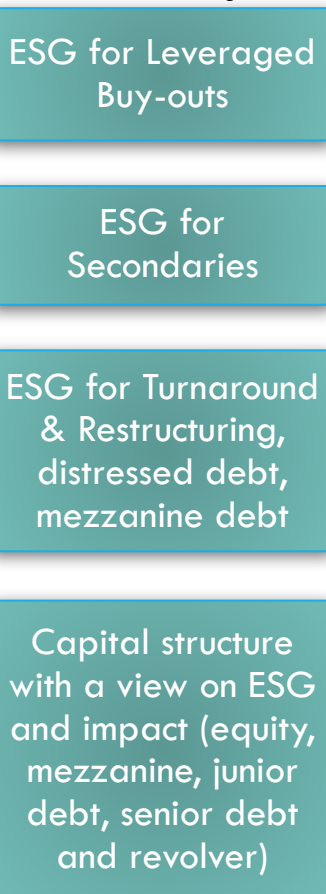
## 3 Integrated strategy, digital and consulting offerings, per industry or segment



### Sample industry services & propositions



### Specialised financial PE ESG offering



**Goal**

Deliver scalable growth across markets with comprehensive set of solutions

# SAMPLE DESIGN OF WHAT SHALL BE SOPRA STERIA SUSTAINABILITY SERVICES OFFERING

## Clients' needs:

- 1 Investors are increasingly intrigued by "carbon improvers"
- 2 Climate-aware investors are leaning into forward-looking measures of decarbonisation
- 3 Growing interest in capturing value from investing in companies enabling a faster transition
- 4 Handful of institutional allocators are dipping their toes into "impact funds"
- 5 Energy security and energy transition are being woven into core portfolios

## Sopra Steria approach:

NZ Target Setting	TPT and Credible Transition Plan assessment	Operationalise decarbonisation /ESG Impact / operating model
ESG Value creation Capex, opex, increasing exit w. dec multiple	Sustainability policies / carbon price consulting	Social / env., (incl. biodiversity) impact of decarbonisation
Cleantech, sustainable infrastructure	Supply chain decarbonisation	Sustainability potential of brands
ESG investing (maturity assessment and investments operationalisation)	Impact measurements and reporting	Portco ESG Capability Assessment
Oil & Gas and Renewables	Automotive: fleet transition optimiser tool	Carbon Capture Systems

# STRONG COMMERCIAL PROSPECTS IN OPPORTUNITY TO RIDE THE WAVE OF CSRD REGULATION

**Corporate Sustainability Reporting Directive entered into force 5 January 2023.** Companies will have to report in line with mandatory EU sustainability reporting standards and alongside an external assurance of sustainability reporting

## *Who will the proposed directive apply to?*

1. All companies listed on the EU regulated markets. SMEs will have until 1 January 2026 to comply
2. "Large undertaking" that is either a EU company or a EU subsidiary of a non-EU company
  - A net turnover of more than €40m
  - Balance sheet assets greater than €20m
  - More than 250 employees
3. Insurance undertakings and credit institutions

## *What will companies need to do?*

- Companies already subject to the NFRD will need to comply with the amended rules for fiscal years beginning on or after 1 January 2024 (reporting in 2025 on 2024 data)
- Expected 49,000 companies will be required to report in future, with 11,600 at present
- Wall Street Journal reporting estimate 10,000 foreign-HQ companies will likely required to disclose with CSRD
- EC President Ursula von der Leyen announced an initiative to reduce reporting by 25%. Practical implication remain to be seen

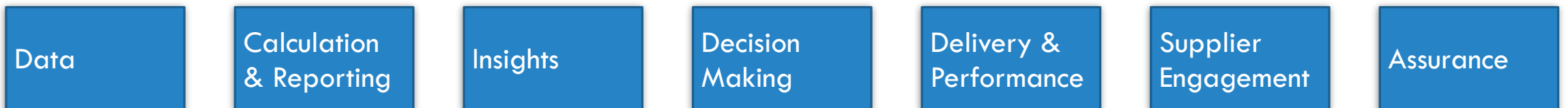
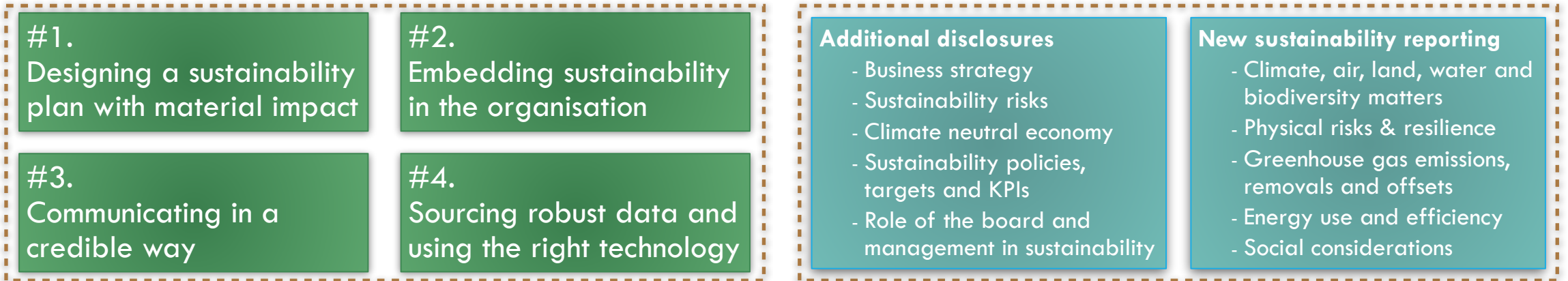
## *Political context and tensions*

- Industry lobbying groups (incl. significant lead from Germany) are consolidating attempts to reduce scope and delay implementation deadlines of CSRD
- Market participants regularly complain that EU apply heavy-handed and prescriptive approach to sustainability regulations while market based standards (i.e. ICMA) may work better
- EU Commissioner McGuinness requested EFRAG to prioritise sector-agnostic and delay sector guidance. 4 weeks consultation from 6 June 2023 EC adopted ESRS as delegated act

SMEs will start reporting from 1 January 2026. A subsidiary will be exempt if the parent company includes the subsidiary in its report that complies with the CSRD. Listed micro companies and non-listed SMEs fall outside of the scope.

# IMPLICATIONS FOR CORPORATES

CEOs, finance teams and businesses colleagues need to understand what it means for their strategy, financial and investment decisions, products, processes and controls, and assess whether any additional training is required



● Single source of truth of sustainability data at audit quality

● Identify, deliver and track the right sustainability interventions

● Evidence in your products to sell 'net zero' and 'sustainability'

# NEXT STEPS & THINGS TO WATCH

1 Understand sustainability risks and opportunities

2 ESG Due Diligence of Corporate Capabilities

3 Identify sustainable and transition activities

4 Sustainability at financial decisions and investments

Understand financial and impact material factors in supply chain and production

Assess ESG organisational and management activities enterprise level

Define sustainability actions across production, operations and supply chain

Understand impact on corporate finance, investments and bolt-on acquisitions

## Evolving sustainability standards

- Transition Plan Taskforce (TPT)
- SEC climate-related disclosures
- UK 2023 Green Strategy
- ISSB standards
- TNFD framework

## Ongoing 2023 developments

1. EU DG FISMA consultations on the first set of ESRS
2. ISSB consultations on its standard setting priorities.
3. ISSB is expected to finalise and initial sustainability disclosure standards
4. EU Commission plans to adopt the first set of final ESRS (sector-agnostic) standards
5. IOSCO is expected to release decision on the endorsement of the ISSB standards

## Client questions we seek to answer at each stage

How carbon emissions may impact the bottom line, and what is impact on environment, communities and places?

How to improve management capabilities to implement the sustainable solution strategy?

What do company need to do to execute on its sustainability journey?

How the enterprise manage investments with financials, decarbonisation and sustainability commitments?

# COMMUNICATIONS & BUY-IN FROM KEY STAKEHOLDERS ARE CRITICAL ELEMENTS OF SUCCESS

## Solution Owner

- Main contact within the market
- Responsible for building market capability and delivery team
- Owns local market GTM pipeline view across all solutions

## FoP Representative

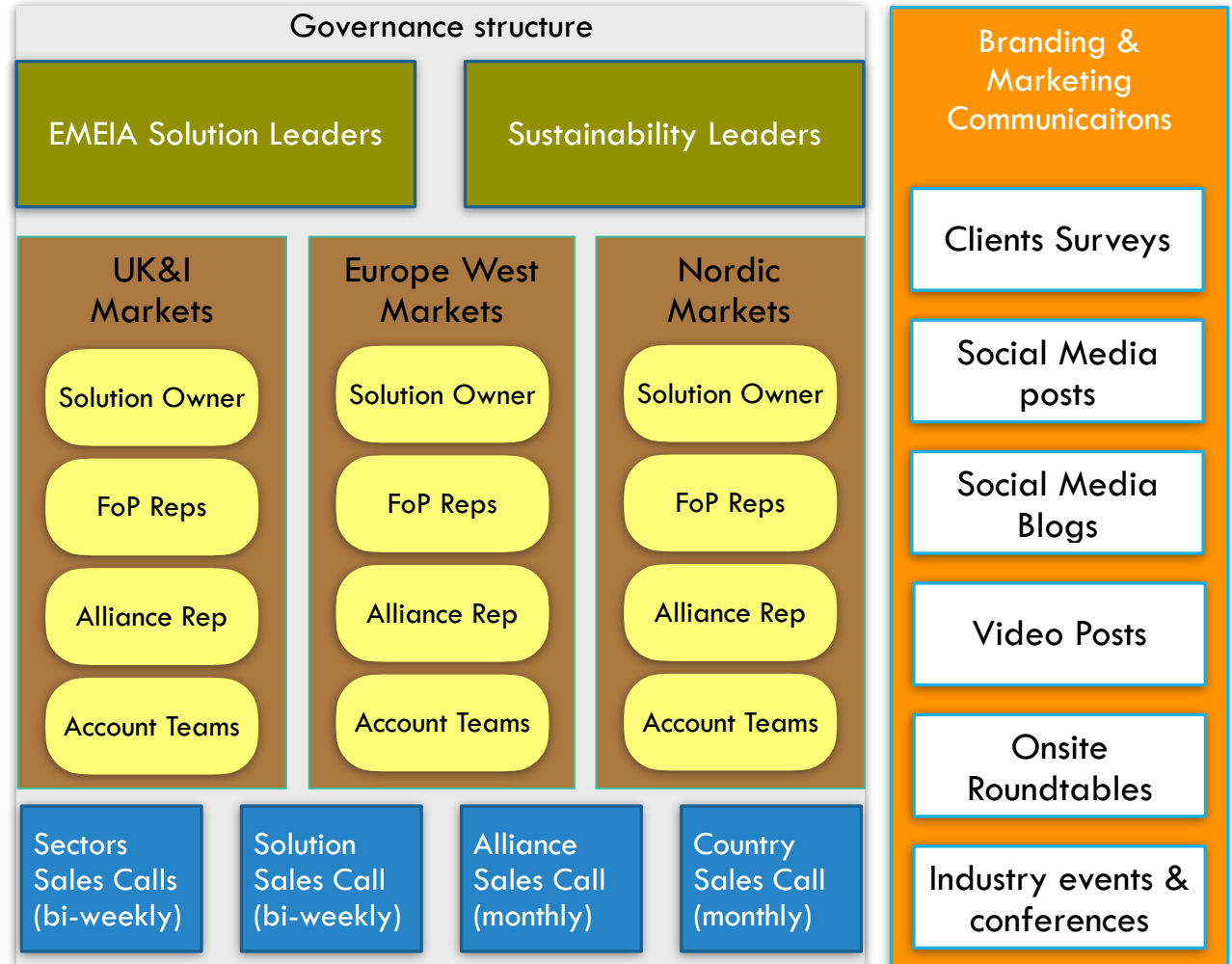
- Sector point of contact in the market
- Responsible introducing directly to client(s) and feeding insights and opportunities to solution owner for qualification
- Informs sector pipeline view

## Alliance Representative(s)

- Alliance point of contact in the market
- Responsible for feeding insights to solution owner and proposition development
- Feeds into local market pipeline via liaison with solution owner

## Account Teams

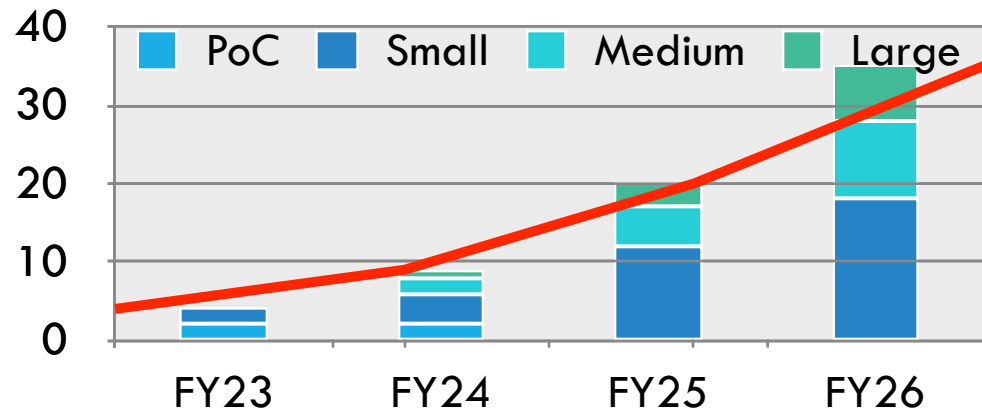
- Point of contact within client teams
- Engage and facilitate client pursuit





# MEASURING & MANAGING THE SUCCESS

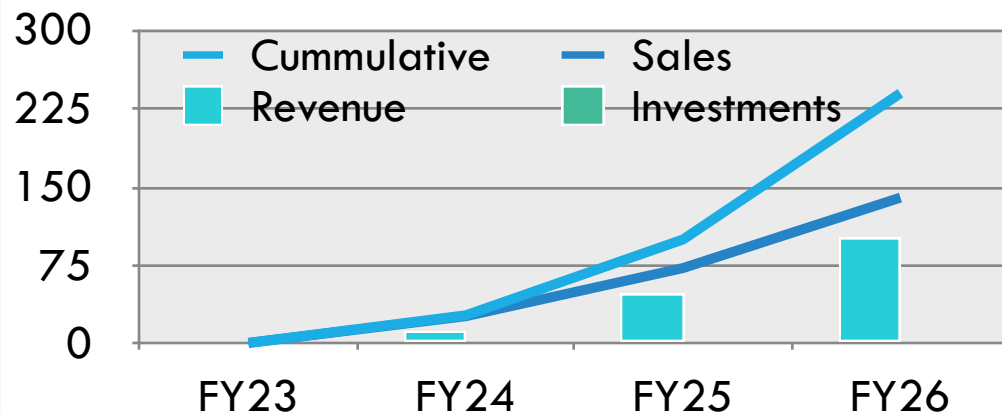
Growth in number of deals



Sales & Operational Performance

	Pipeline	Sales	Revenue	Target
Net-Zero	5.0	2.5	2.1	3M
CSRD	1.7	0.9	0.7	1.8M
Biodiversity	1.3	0.6	0.4	0.8M
Impact	1.3	1.1	0.9	1M

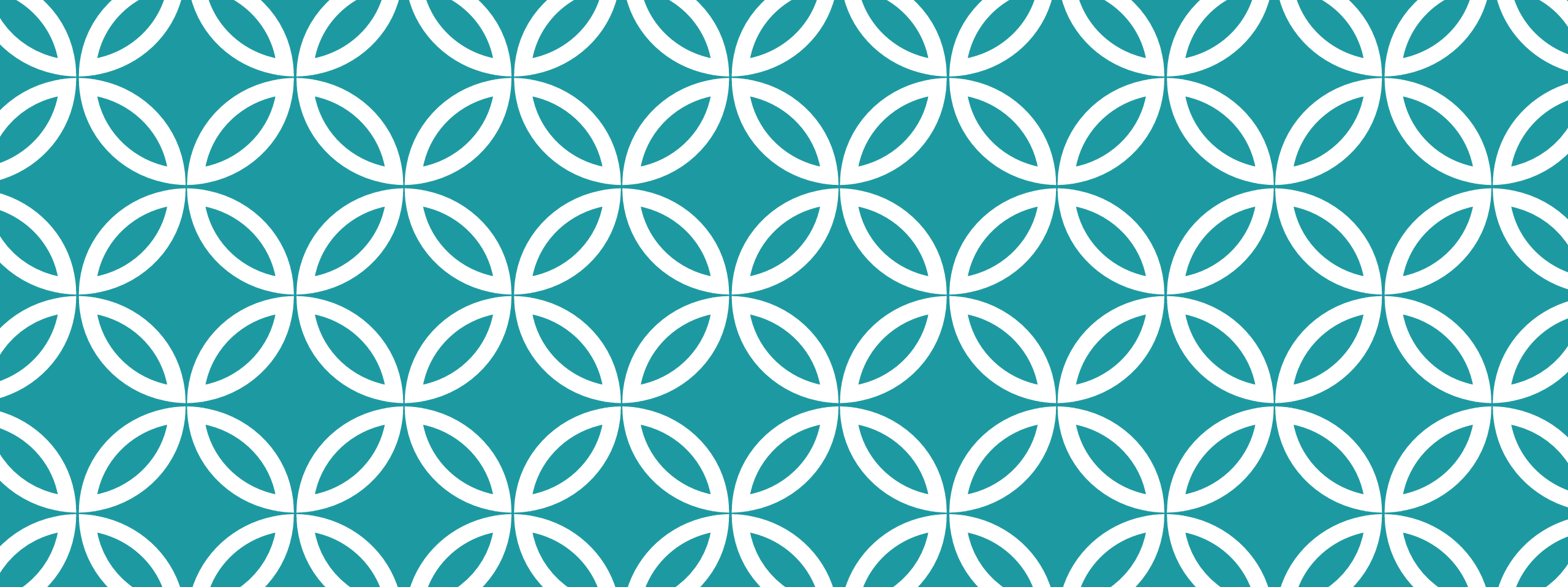
Sales, Revenue and Investments



Financial Performance

	FY23	FY24	FY25	FY26
<b>Sales</b>	£ 2,600.0	£ 2,900.0	£ 3,200.0	£ 3,450.0
<i>% growth</i>	NA	11.5%	10.3%	7.8%
<b>Gross Profit</b>	£ 988.0	£ 1,131.0	£ 1,280.0	£ 1,380.0
<i>% margin</i>	38.0%	39.0%	40.0%	40.0%
<b>EBITDA</b>	£ 491.5	£ 580.0	£ 672.0	£ 725.0
<i>% margin</i>	18.9%	20.0%	21.0%	21.0%
<b>Capital Expenditures</b>	£ 136.4	£ 114.0	£ 144.0	£ 155.3
<i>% sales</i>	5.2%	3.9%	4.5%	4.5%





Q&A

