

Beyond Compliance - Commercial ESG Service Opportunities



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This article explores the primary non-audit, accountancy-related ESG services that small to medium-sized accountancy firms can offer their SME clients, focusing on practical, strategic, and impactful services that go beyond regulatory compliance.

As Environmental, Social, and Governance (ESG) considerations increasingly shape business landscapes, small and medium-sized enterprises (SMEs) are beginning to recognize the importance of integrating ESG practices into their operations. While much of the focus around ESG has been on compliance with regulatory

standards, such as the EU's Corporate Sustainability Reporting Directive (CSRD), a wealth of opportunities exist beyond mere compliance. For small to medium-sized accountancy firms, this shift presents an ideal moment to expand service offerings and establish themselves as essential partners in their SME clients' ESG journeys.



Take Action

- ✔ Create an ESG team of key stakeholders within your business. Set some practical objectives to identify the issues and timelines relevant to your client base and local regulatory environment.
- ✔ Analyse your client base to identify those clients who are subject directly to CSRD (or its equivalent outside of the EU), and, perhaps even more importantly, those clients that are part of a larger supply chain which is likely to have near-term CSRD reporting implications for your client.
- ✔ Devise a client communication plan, so when competitors get in touch (as they inevitably will) your clients know that you are on top of these issues.
- ✔ Have your ESG team brainstorm the commercial opportunities and threats, and create an outline business plan for consideration by your senior stakeholders.
- ✔ Check out the [AGN GBV 'ESG Part I - Reducing Risks and Identifying Opportunities'](#) - which contains a detailed guide and checklist for establishing a firmwide ESG strategy.
- ✔ Also read the [AGN GBV 'ESG Part II: Engaging Your Team to Drive ESG'](#) - which contains details of a 'free to members' workshop structure and materials to use when engaging staff in developing ESG strategy for the office.

Phased Approach

This paper is a basic 'heads-up' – clearly carbon impact reporting, sustainability consulting and the broader spectrum of ESG service opportunities is a big field, but having said that, the table below will help you think about your own firm's starting point. Start by considering three basic phases:



Phase 1 Start to build an awareness of how ESG is likely to impact your client base, and consequently the challenges they will face. Take a sector approach as some will be impacted more than others. Begin discussions with your colleagues about your firm's response, and consider internal awareness training on the likely issues.



Phase 2 Firms that have rapidly advanced in the ESG area have sometimes done so by joint venturing with other specialist suppliers and ESG consultants. This has led to immediate cover for existing client requirements but also expanded the firms internal knowledge and cognisance of what they can supply themselves.



Phase 3 Armed with greater knowledge, consider the services you might develop in-house in the medium and longer terms, and create a plan. What are the profitable sectors, service areas and thus resource requirements? What's the go-to market plan? What's the training plan?

The table below highlights some information sources that are largely English language and centred on major western commercial and professional bodies— but they are a starting point, and regional variations will exist.

ESG Strategy and Business Integration Consulting

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>ESG is more than a compliance checkbox; it is a strategic approach that can drive long-term value. SMEs are increasingly looking to align their business operations with sustainable practices. An ESG strategy tailored to the unique needs of an SME can improve market positioning, enhance brand reputation, and lead to cost savings through resource efficiency.</p>	<p>Accountants can assist SMEs in identifying relevant ESG factors that impact their business. This involves understanding the client's industry, stakeholder expectations, and long-term goals. Firms can then help develop a comprehensive ESG strategy that integrates these factors into the business model. This includes setting realistic goals, establishing key performance indicators (KPIs), and creating a roadmap for implementation.</p>	<p>Sources of Information: Industry reports from organisations like the World Economic Forum (WEF) and the United Nations Global Compact. Publications from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Research papers from leading business schools such as Harvard Business School and INSEAD.</p> <p>Online Training: Courses from Coursera and edX on ESG strategies and sustainable business practices. Webinars and workshops hosted by the United Nations Global Compact.</p> <p>ICAEW Training: ICAEW's "Corporate Sustainability Reporting and Assurance" course. Specialised webinars and events focused on ESG strategy integration for accountants.</p> <p>ACCA Training: ACCA's "Sustainability Reporting" course, which covers ESG strategy and reporting. ACCA's global conference sessions on integrating ESG into business strategy.</p> <p>Other Sources for Knowledge: Books like "The Sustainability Handbook" by William R. Blackburn. Membership in sustainability-focused networks such as the Sustainability Accounting Standards Board (SASB) and the Climate Disclosure Standards Board (CDSB).</p>

Sustainability Measurement and Reporting

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>Transparent communication about ESG initiatives can build trust with stakeholders, including customers, investors, and employees. As stakeholders increasingly demand accountability and transparency, SMEs need to report on their ESG performance effectively.</p>	<p>Accountants can guide SMEs in preparing sustainability reports that align with recognised frameworks such as the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB). These reports should highlight the SME's commitment to ESG goals, progress made, and future plans. Accountancy firms can also help craft ESG narratives for use in marketing materials, investor relations, and internal communications, ensuring consistency and clarity.</p>	<p>Sources of Information: Reporting frameworks from GRI, SASB, and the Integrated Reporting Council (IIRC). Guides from the Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>Online Training: GRI Academy offers courses specifically on GRI Standards and sustainability reporting. LinkedIn Learning courses on corporate sustainability reporting.</p> <p>ICAEW Training: ICAEW's "Sustainability Reporting and Assurance" webinar series. Workshops on integrated reporting and sustainability communication.</p> <p>ACCA Training: ACCA's "Certificate in Sustainability Reporting" covers key aspects of ESG reporting. Seminars on effective ESG communication strategies.</p> <p>Other Sources for Knowledge: Sustainability reporting guidelines from the Carbon Trust and CDP (formerly the Carbon Disclosure Project). Industry-specific ESG reporting guides from trade associations and NGOs.</p>

Carbon Footprint Analysis and Reduction Planning

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>With growing concerns about climate change, carbon footprint reduction is a critical component of ESG for many businesses. SMEs need to understand their carbon emissions and identify ways to reduce them, which can also lead to cost savings and efficiency gains.</p>	<p>Accountants can perform detailed carbon footprint analyses for their SME clients, assessing emissions from various sources, including energy use, transportation, and supply chain activities. Based on this analysis, they can develop actionable plans for reducing carbon emissions, such as energy efficiency measures, sustainable sourcing, and waste reduction strategies. Firms can also help SMEs track progress over time and adjust their strategies as needed.</p>	<p>Sources of Information: Greenhouse Gas Protocol standards and methodologies. Reports and tools from the Carbon Trust and the International Energy Agency (IEA).</p> <p>Online Training: Coursera's "Carbon Accounting and Management" course. Carbon Trust's webinars and online tools for carbon footprinting.</p> <p>ICAEW Training: ICAEW's "Climate Change and Carbon Reporting" course. Training sessions on environmental reporting and carbon reduction.</p> <p>ACCA Training: ACCA's "Carbon Management" certificate course. Workshops on managing and reporting greenhouse gas emissions.</p> <p>Other Sources for Knowledge: Resources from the Science Based Targets initiative (SBTi) for setting emissions reduction targets. Books like "Carbon Footprinting: A Practical Guide" by Ian Jackson.</p>

Supply Chain Sustainability Assessment

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>The sustainability of an SME's supply chain can significantly impact its overall ESG profile. Clients, investors, and regulators are increasingly scrutinising supply chains for ethical sourcing, labour practices, and environmental impact.</p>	<p>Accountancy firms can help SMEs evaluate their supply chains for ESG risks and opportunities. This includes assessing suppliers' ESG practices, identifying high-risk areas, and recommending alternative suppliers or practices that align better with ESG standards. Firms can also assist in developing supplier codes of conduct and implementing monitoring systems to ensure compliance with these standards.</p>	<p>Sources of Information: Reports from the Sustainable Supply Chain Initiative (SSCI) and the Ethical Trading Initiative (ETI). Industry standards from organisations such as ISO 20400 on sustainable procurement.</p> <p>Online Training: LinkedIn Learning courses on sustainable supply chain management. Online workshops from the Supply Chain Sustainability School.</p> <p>ICAEW Training: ICAEW's webinars on ethical sourcing and supply chain risk management. Training modules on the integration of ESG into supply chain management.</p> <p>ACCA Training: ACCA's sessions on supply chain sustainability and ethical sourcing practices. Case studies and practical guidance on sustainable supply chain management.</p> <p>Other Sources for Knowledge: Books like "The Sustainable Supply Chain" by Mandy Cormack and "Greening the Supply Chain" by Joseph Sarkis. Resources from the Chartered Institute of Procurement & Supply (CIPS).</p>

ESG Risk Management and Scenario Planning

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>ESG risks, such as environmental disasters, social unrest, or governance failures, can have severe impacts on businesses. SMEs need to proactively manage these risks to ensure business continuity and protect their reputation.</p>	<p>Accountants can assist SMEs in identifying potential ESG risks specific to their business and industry. This involves conducting risk assessments and developing risk management frameworks. Firms can also help SMEs conduct scenario planning exercises to understand the potential impacts of different ESG-related events and develop strategies to mitigate these risks.</p>	<p>Sources of Information: Risk management frameworks from COSO and ISO 31000. Publications from the World Resources Institute (WRI) and the United Nations Environment Programme (UNEP).</p> <p>Online Training: Coursera's "Enterprise Risk Management" course, with ESG risk modules. Webinars from the Risk Management Society (RIMS) on integrating ESG into risk management.</p> <p>ICAEW Training: ICAEW's "Risk Management and the Role of Accountants" course. Specialised training on ESG risk assessment and scenario planning.</p> <p>ACCA Training: ACCA's risk management courses with ESG-specific content. Seminars on ESG-related risk identification and mitigation.</p> <p>Other Sources for Knowledge: Books such as "Sustainable Risk Management: A Guide to ESG Integration for Risk Professionals". Case studies and white papers from consulting firms like Deloitte and PwC on ESG risk management.</p>

ESG Corporate Finance and Green Financing, Grants, etc.

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>Access to finance is critical for the growth and sustainability of SMEs. Green finance options, such as green loans and sustainability-linked bonds, offer SMEs an opportunity to fund their ESG initiatives while potentially benefiting from lower interest rates.</p>	<p>Accountants can assist SMEs in understanding and accessing green finance options. This includes advising on the eligibility criteria for green finance, helping prepare the necessary documentation, and aligning the SME's financial practices with the requirements of green finance providers. Firms can also guide on how to use green finance effectively to achieve their ESG goals.</p>	<p>Sources of Information: Reports from the Climate Bonds Initiative and the Green Finance Institute. Guidelines from the International Capital Market Association (ICMA) on green bonds.</p> <p>Online Training: Online courses on green finance and investment from the United Nations Environment Programme Finance Initiative (UNEP FI). MOOCs on sustainable finance from edX and Coursera.</p> <p>ICAEW Training: ICAEW's "Finance for Sustainability" course. Webinars on green finance instruments and market developments. ACCA Training: ACCA's "Certificate in Climate and Green Finance". Workshops on sustainable finance and investment.</p> <p>Other Sources for Knowledge: Books like "Green Finance and Sustainability: Environmentally-Aware Business Models and Technologies". Resources and guidelines from the Principles for Responsible Investment (PRI).</p>

Governance Aspects of ESG

Why It Matters to Clients	Your Advisory Role	Sources of Training & Information
<p>Good governance is critical for ensuring that an SME operates ethically, transparently, and in compliance with applicable laws and regulations. Strong governance practices can help SMEs build trust with investors, customers, and other stakeholders, reduce risks, and ensure long-term business success.</p>	<ul style="list-style-type: none"> Assisting in the development of governance policies and procedures. Advising on the establishment of internal controls and risk management practices. Providing training and support for board members and management on governance best practices. Conducting governance audits to identify areas for improvement and ensure compliance with governance standards. 	<p>Sources of Information: OECD Guidelines on Corporate Governance: Offers comprehensive guidelines on establishing effective governance frameworks. IFC Corporate Governance Resources: Provides tools and resources for improving governance practices within organisations. The Institute of Directors (IoD): Publishes best practices, guidelines, and frameworks for corporate governance.</p> <p>Online Training: LinkedIn Learning: Courses on corporate governance fundamentals, board responsibilities, and governance best practices. Harvard Business School Online: Offers courses on leadership and corporate governance, focusing on ethical decision-making and governance frameworks.</p> <p>ICAEW Training: ICAEW's "Corporate Governance for Accountants" Course: Covers essential governance practices, roles of the board, and how to integrate ESG into governance frameworks. Webinars on Ethical Governance: Focused on implementing ethical governance practices and the role of accountants in promoting good governance.</p> <p>ACCA Training: ACCA's "Governance, Risk and Ethics" Module: Part of the ACCA qualification, focusing on the principles of governance and ethical decision-making. Seminars on ESG Governance: Focus on the role of governance in ESG and practical approaches for SMEs.</p> <p>Other Sources for Knowledge: Books like "Corporate Governance and Accountability" by Jill Solomon, which provides insights into the theories and practices of corporate governance. Resources from the International Corporate Governance Network (ICGN): Offers best practices, principles, and frameworks for improving corporate governance globally.</p>



Conclusion

The growing importance of ESG presents a significant opportunity for small to medium-sized accountancy firms to expand their service offerings and become trusted advisors to their SME clients. By focusing on strategic, non-audit ESG services such as strategy development, sustainability reporting, carbon footprint analysis, supply chain assessment, risk management, training, and green finance advisory, accountancy firms can help SMEs navigate the complexities of ESG while driving long-term value.

As the business environment continues to evolve, accountancy firms that proactively offer these services will not only differentiate themselves in the market, but also play a vital role in shaping a sustainable future for their clients.

As ever, AGN members are at different stages of the ESG journey – some are very advanced and its likely that we have a member that is able to provide friendly and independent advice to your or your clients. On top of which, AGN is increasingly galvanising a support strategy in this space. Your AGN Regional Director can point you towards relevant share groups or specialists.

Other AGN support material:

[AGN GBV - ESG Reducing Risks and Identifying Opportunities](#)

[AGN GBV - ESG II Engaging Your Team to Drive ESG Strategy](#)

[AGN GBV – ESG for Private Equities and Their Portfolio Companies](#)

[Member article - Navigating Growth - Strategies for Sustainable Growth](#)

[Member article - ESG & Corporate Purpose - Conflict or Convergence?](#)

[Member article - Implementing Sustainability in Professional Service Firms](#)



Contact:

For further information on this topic or anything relating to the AGN International association of accounting and advisory firms, or to become an AGN member, please email your closest AGN Regional Director (see below) or go direct to www.agn.org.

Malcolm Ward
CEO AGN International
mward@agn.org

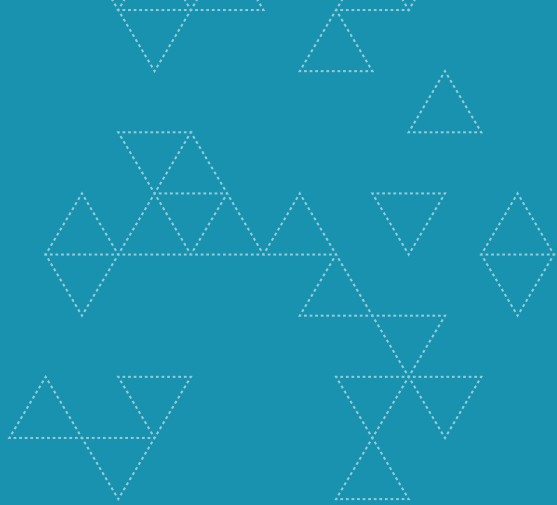
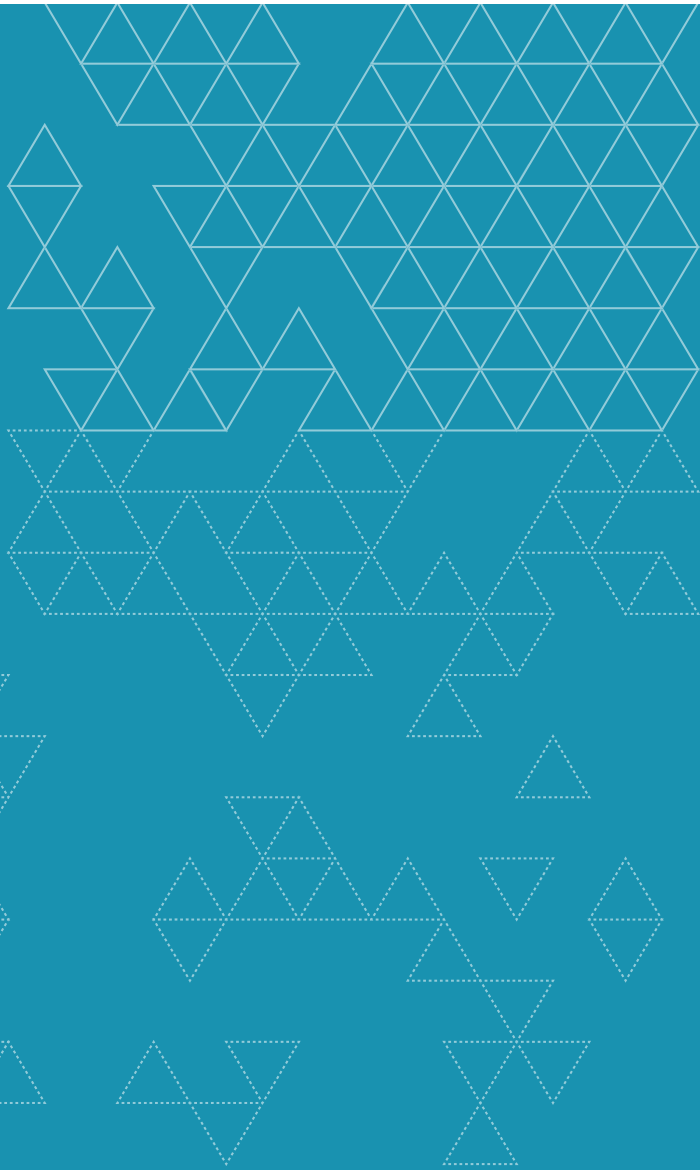
Jean Xu
AP Regional Manager
jxu@agn.org

Mireia Rovira
CSA Regional Director
mrovira@agn.org

Marlijn Lawson
EMEA Regional Director
mlawson@agn.org

Cindy Frey CPA, CGMA
NA Regional Director
cfrey@agn.org

excellent.
connected.
individual.



For further information, or become involved, please contact:

AGN International
Email: info@agn.org | Office: +44 (0)20 7971 7373 | Web: www.agn.org

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