

THOUGHT LEADERSHIP | NHA-TL-003

The Credentials Gap

Why sustainability investment fails commercially, and what the missing component always is

THE THESIS

Thousands of mid-market businesses are making significant investments in sustainability credentials — verified carbon accounting, product carbon footprints, ISO certification, chain of custody, independent audit. The technical work is sound. The commercial return is absent. The reason is consistent: the credentials were built facing inward, towards compliance, and nobody built the commercial architecture facing outward, towards the market. The investment sits on the balance sheet as a cost. It should be generating revenue.

"The credentials are real. The verification is rigorous. The market does not respond. The diagnosis is almost always the same: nobody answered the question every buyer actually asks. Why should I care? And how does this help me sell more?"

PART ONE — THE INVESTMENT THAT DOES NOT RETURN

Consider the following sequence, which has occurred with enough regularity across enough sectors to constitute a pattern. A business invests seriously in sustainability. It commissions a product carbon footprint. It implements a verified emissions reduction programme. It obtains independent certification to an internationally recognised standard. The work is technically thorough. The standard achieved is genuine.

Then, some months after launch, the commercial team reports that nobody is buying it. The actual problem is that a technically excellent proposition was taken to the wrong people, in the wrong language, with no commercial architecture supporting it. The sustainability officer who understood it could not buy it. The procurement director who could buy it did not understand it. The CFO who had the budget authority never saw a case built in a language that made sense to them.

THE PATTERN

The technical work is never the problem. The failure is always commercial. The proposition was built by people who understand compliance. It needed to be sold by people who understand buyers. Those two groups almost never occupy the same room.

PART TWO — THE THREE WALLS EVERY SUSTAINABILITY PROPOSITION HITS

The Legal Wall

The terminology of sustainability — carbon neutral, net zero, climate positive — is increasingly toxic in corporate legal departments. Not because the claims are false. Because the interpretation of those claims in consumer protection law bears no relationship to their technical meaning. "Carbon neutral" in a court case is interpreted as meaning zero emissions. General counsel in most mid-market businesses is now advising against making any public claim that uses this language. The credentials survived. The proposition did not.

The verification was rigorous. The standard was internationally recognised. The legal team still advised against making the claim. Not because it was false. Because the law interprets it differently.

The Procurement Wall

Procurement departments exist to optimise cost. When a sustainability premium appears as a line item in a contract negotiation, the procurement function's response is entirely predictable: remove it. The sustainability proposition is sold to the sustainability officer, who does not control the budget. By the time it reaches procurement, there is no commercial case, no risk quantification, no ROI model. There is only a cost premium with an intangible benefit attached.

The people who want the sustainability credentials do not control the budget. The people who control the budget do not understand why they should pay for them.

The Language Wall

The people who build sustainability credentials and the people who make commercial buying decisions do not speak the same language. The commercial buyer has two questions: Why should I care about this? And how does it help me sell more, reduce my risk, or improve my margin? Neither question is answered by a verification certificate. Both questions must be answered before the buying decision is made.

PART THREE — THE PATTERN REPEATING RIGHT NOW

Three regulatory developments are creating the same structural trap at scale, right now, for thousands of mid-market businesses that have not yet recognised it.

<p>The Carbon Border Adjustment Mechanism is live in the EU from January 2026 and in the UK from January 2027. Companies that cannot provide verified embedded carbon data for imported goods face default tax rates that reflect worst-case assumptions. The compliance investment is mandatory. The commercial opportunity — using verified carbon data as a supply chain differentiator — is being missed by almost everyone.</p>	<p>Extended Producer Responsibility is already generating invoices across packaging categories. Companies are investing in compliance reporting. Almost none are building the commercial case for using that compliance data as a proposition to buyers who need to demonstrate their own Scope 3 supply chain credentials.</p>	<p>Mandatory in the EU for an expanding range of product categories from 2026 onwards. Companies that treat this as a compliance burden will spend money without return. Companies that build a commercial proposition around it will use it to win contracts competitors cannot match.</p>
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THE OPPORTUNITY

CBAM, EPR, and Digital Product Passports are not compliance burdens for the companies that understand them commercially. They are the mechanism by which sustainability-ready suppliers win contracts that sustainability-lagging competitors cannot compete for.

PART FOUR — THE TWO QUESTIONS THAT CHANGE EVERYTHING

Question One: Why should I care?

This is not a question about the science or the standard. It is a question about commercial relevance. For the CFO, the answer is expressed in EBITDA protection: avoiding default CBAM tax rates, reducing Scope 3 compliance cost, managing the legal risk of unverified environmental claims. For the procurement director, it is about supply chain resilience. For the sales director, it is about contracts that can only be won by suppliers with verified credentials.

Question Two: How does this help me sell more?

A supplier that can provide verified product carbon footprint data, audited to an internationally recognised standard, is solving a specific, growing, commercially costly problem for buyers under Scope 3 reporting pressure. That is a sales proposition. It justifies the premium. It creates switching cost. And it is built entirely on credentials that already exist.

THE BRIDGE

The gap between verified sustainability credentials and commercial return is not technical. It is human. It requires someone who understands what the credentials mean, what buyers actually need, and how to express the first in the language of the second.

PART FIVE — WHAT THE COMMERCIAL ARCHITECTURE LOOKS LIKE

Stakeholder mapping by buyer function. The sustainability officer, the CFO, the procurement director, the sales director, and the legal team each have a different reason to care about verified credentials. The commercial case must be built separately for each, in their own language, against their specific priorities.

Regulatory risk quantification. The buyer needs to understand what the verified credentials protect against in financial terms: default CBAM tax rates, greenwashing litigation exposure, Scope 3 reporting cost, ESG rating impact on cost of capital. These are numbers, not principles.

Competitive differentiation framing. The question is not whether the credentials are good. It is whether they are better than the alternative, in a way that the buyer can use in their own commercial conversations.

Sales narrative by sector. Different sectors have different sustainability pressure points, different regulatory timelines, and different buyer priorities. The architecture must be calibrated to the specific sector and buyer context.

Proof of value mechanism. The commercial case must be accompanied by a Pre-Engagement Benchmark, establishing what the buyer is currently achieving or spending before the proposition is implemented, so that the return can be demonstrated against a verified baseline.

PART SIX — THE NHA POSITION

NHA does not sell sustainability consultancy. NHA does not sell verification services. NHA does not install carbon accounting systems or manage certification programmes. What NHA provides is the commercial architecture that makes those investments generate return: the BD strategy, the stakeholder-specific proposition, the commercial case by buyer function, the sector-calibrated sales narrative, the competitive positioning, and the mechanism to demonstrate verified commercial outcome.

NHA sits at the intersection of two disciplines that almost never occupy the same room: 49 years of commercial BD experience combined with deep working knowledge of sustainability verification, carbon accounting standards, CBAM and EPR regulatory mechanics, and the emerging Digital Product Passport framework.

THE NHA PROPOSITION

NHA advises a small number of retained mid-market clients on commercial strategy, revenue growth, and EBITDA improvement. If your business has made a sustainability investment that is not yet generating commercial return, or if you are approaching a compliance obligation and want to build the commercial strategy around it before the money is spent, a conversation costs nothing.

ABOUT NATHAN HARMER ASSOCIATES LTD

NHA is unique in holding deep expertise in both commercial BD architecture and verified sustainability compliance — the two disciplines that must work together for sustainability investment to generate commercial return.

Nathan Harmer Associates is a retained commercial strategy and business development advisory practice. We work with a small number of mid-market companies across the UK, US, European Union, Australia and New Zealand, and Canada on revenue growth, commercial architecture, and EBITDA improvement.

Our principal, Paul Foster, brings 49 years of commercial leadership. NHA operates on a strict one-client-per-sector-per-geography model and accepts no commissions or referral fees from any third party.

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