

Sustainability and ESG (Environmental, Social, Governance)

A research report on providers delivering
technologies, managed services and
accreditation around sustainability



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HCLTech

Executive Summary 03

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Supply of solutions currently outstrips demand, but major market growth is expected

Following the inaugural sustainability and decarbonization services quadrant featured in the Digital Business Enablement and ESG services IPL in 2022, ISG is excited to bring an expanded and dedicated IPL study to reflect the rapidly evolving sustainability and ESG services market. The scope of this IPL study is one of the largest ISG has performed, with new grids, criteria and assessed provider lists.

Driven by stakeholder capitalism, the climate and energy crises, growing international and political pressure, government regulation and incentive packages, it is clear that many European organizations need to better understand and report their sustainability and ESG risks and performance — also known as non-financial performance. Further, besides reputation risk, there is an opportunity for

organizations that can convert validated progress into brand value and ultimately increased margins and/or revenue.

Due to this near-universally affecting set of macro drivers, the global market for digital sustainability and ESG solutions and services is highly likely to grow from approximately €50 billion in 2022, to over €100 billion by 2030.

The rapid escalation of energy costs across Europe required many organizations to reduce consumption and brought an opportunity to begin addressing decarbonization efforts simultaneously. Process and operational efficiency have become top-of-mind priority in C-suites and boardrooms, and a closer look at the reliability and security of energy supplies resulted in a fertile market for digital solutions for energy infrastructure and consumption.

Investors and financial services played a crucial part in creating macro demand for more sustainable businesses. Greater interest and appreciation for the positive relationship between mitigating ESG risks and a company's

The digital
sustainability
and ESG market
is evolving at an
exponential pace.



Executive Summary

overall market value over time has increased the demand for transparency of ESG risks and opportunities and analysis of more sustainable and circular business models.

Investors and service providers have received a clear indication of the European Union's intentions regarding sustainability's role in building future economic growth. The European Green Deal is a comprehensive program initiated by the European Commission with the overarching aim of making the EU climate neutral by 2050. It includes more than €1 trillion of planned investment by 2030 in renewable energy, energy efficiency measures, and other areas. The program entails driving sustainable industries, such as manufacturing, transport, construction and agriculture. Digital services will be critical to this transformation; therefore, portions of this funding will find their way to providers of those services.

One of the other most consistent focus areas for both organizations and ESG service providers is to efficiently address the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). CSRD will require approximately 11,700

companies to begin externally reporting certain sustainability and ESG data in specific formats from 1 January 2024 and up to 50,000 companies by 2026 – representing over 60 percent of EU firms. Affected organizations include non-EU companies with over €150m net turnover in the EU. Further detail will be required when the EU's Corporate Sustainability Due Diligence Directive (CSDDD) comes into law across the EU member states (expected by 2027). It will apply to over 15,000 EU and non-EU organizations. CSDDD creates accountabilities and consequences for company directors and shareholders for due diligence on ESG risks in their supply chains. The German Supply Chain Due Diligence Act already mandates similar requirements for businesses operating in Germany. Mandatory reporting for modern slavery also exists in the U.K., France and Norway.

Altogether, organizations subject to the directives are likely to be required to regularly report over 1,000 ESG data points annually, many of which are not recorded today or exist in disparate systems. While these organizations must find a way to accurately report these data

points, it is even more important to focus on the key 25-50 metrics most significant to their business.

Naturally, AI plays a key role in leading organizations to separate insights from the noise. As organizations refine their ESG materiality assessments to better understand both the risks the world represents to their business (e.g. extreme weather) and the risks their business represents to the world (e.g. deforestation) – also known as double materiality – they can increase focus and dig much deeper into how to mitigate those risks or turn to their advantage. This means providers need to consider more complex scenarios, requiring more relevant data with highly tailored AI and efficient computing to plot the optimal pathway for sustainable and circular business. For example, insurers must be able to simulate global weather patterns and resulting risks to insured assets to best estimate appropriate premiums; this requires extracting insight from data for weather, geospatial sources, satellite imagery, urban environments, asset construction and more.

The European population's elevated environmental and social awareness makes the region home to some of the most ambitious organizations for sustainability, with many going beyond regulatory compliance and seeking to derive sustainability premiums and differentiation for stronger financial results.

Despite organizations' demand accelerating rapidly in Europe, demand has been outstripped by the available supply of solutions. The increase in providers from traditionally non-IT backgrounds who have shown impressive adaptability in joining this market, is especially noteworthy. Key players have entered from industrial, engineering and environmental markets. Each of those markets has become increasingly digitized, and the overlap with the digital sustainability and ESG market has grown significantly larger. While there are many partnerships among these players, if each provider's revenues do not quickly rise as mainstream demand takes off over the next two to five years, the market will probably have too many solutions, and providers will need to rationalize portfolios.



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The significant expansion of this market is reflected in this IPL being split between four regional quadrants and an additional global quadrant:

1. Strategy and Enablement
2. Technology Solutions and Implementation Services - Information Technology (IT)
3. Technology Solutions and Implementation Services - Operational Technology (OT)
4. Data Platforms and Managed Services
5. Rating and Benchmarking Services (Global)

Across all quadrants, there is a higher-than-average ratio of Leaders to the other segments — this reflects the competition and relative market penetration most big-name providers have achieved. The Leader segments are occupied predominantly by traditional IT service providers. However, the increasing presence of strong providers from non-IT markets is clear.

Beyond the Leaders, many organizations offer a broad range of solutions, hence the high number of Product Challengers. However, these providers appear to be either earlier in their business development efforts or are struggling for differentiation and, therefore, not yet seeing the traction that Leaders enjoy.

The low maturity of market depth is reflected in the low number of Market Challengers — essentially, the demand that does exist has orientated toward the big-name players that have developed holistic portfolios and been able to leverage either existing client relationships to expand or demonstrate relevant and impactful case studies.

Further observations are provided at the beginning of each Quadrant.

As these markets continue to evolve at pace, ISG will expand and enhance the depth of market analysis. Please contact ISG to discuss any specific areas of interest.

With tens of billions of euros being invested in digital sustainability solutions annually already and market consensus expecting double-digit CAGR, it is no surprise that this IPL study has identified some of the most tightly and fiercely contested Leader segments since ISG began the Provider Lens research format.





Provider Positioning

Page 1 of 9

	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
3Degrees	Contender	Not In	Not In	Not In	Not In
ABB	Not In	Product Challenger	Product Challenger	Not In	Not In
Accenture	Leader	Leader	Leader	Leader	Not In
Achilles	Not In	Not In	Not In	Product Challenger	Not In
AECOM	Contender	Not In	Not In	Not In	Not In
Anthesis	Product Challenger	Not In	Not In	Not In	Not In
Arcadis	Contender	Not In	Not In	Not In	Not In
Arup	Product Challenger	Not In	Not In	Not In	Not In
AT&T	Not In	Not In	Contender	Not In	Not In
Atos	Product Challenger	Product Challenger	Contender	Not In	Not In
Avetta	Not In	Not In	Not In	Contender	Not In
AWS	Not In	Not In	Not In	Market Challenger	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
Bain & Company	Leader	Not In	Not In	Not In	Not In
BCG	Leader	Not In	Not In	Not In	Not In
Benchmark Gensuite	Not In	Not In	Not In	Product Challenger	Not In
Bloomberg	Not In	Not In	Not In	Not In	Leader
Bosch	Not In	Product Challenger	Contender	Not In	Not In
BSR	Product Challenger	Not In	Not In	Not In	Not In
Buro Happold	Contender	Not In	Not In	Not In	Not In
Capgemini	Leader	Leader	Leader	Not In	Not In
Carbon Trust	Product Challenger	Not In	Not In	Not In	Not In
CDP	Not In	Not In	Not In	Not In	Leader
CGI	Leader	Market Challenger	Product Challenger	Not In	Not In
Circular Computing	Not In	Contender	Contender	Not In	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
Cloudera	Not In	Contender	Contender	Not In	Not In
Cognizant	Leader	Leader	Leader	Leader	Not In
Computacenter	Not In	Contender	Not In	Not In	Not In
Cority	Not In	Not In	Not In	Leader	Not In
Dell Technologies	Not In	Product Challenger	Not In	Not In	Not In
Deloitte	Leader	Leader	Leader	Not In	Not In
Deutsche Telekom GK	Market Challenger	Market Challenger	Leader	Product Challenger	Not In
Digital Realty	Not In	Contender	Not In	Not In	Not In
DXC Technology	Not In	Contender	Not In	Not In	Not In
EcoVadis	Not In	Not In	Not In	Leader	Leader
Equinix	Not In	Contender	Contender	Not In	Not In
Ericsson	Not In	Market Challenger	Market Challenger	Not In	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
ERM	Leader	Not In	Not In	Not In	Not In
ESG Analytics	Not In	Not In	Not In	Not In	Contender
ESG Book	Not In	Not In	Not In	Not In	Leader
EthiFinance ESG Ratings	Not In	Not In	Not In	Not In	Contender
Ethos ESG	Not In	Not In	Not In	Not In	Product Challenger
Eviden	Product Challenger	Product Challenger	Product Challenger	Not In	Not In
EY	Leader	Market Challenger	Market Challenger	Not In	Not In
FactSet	Not In	Not In	Not In	Not In	Leader
FirstCarbon Solutions	Not In	Not In	Not In	Contender	Not In
FTSE Russell (LSEG)	Not In	Not In	Not In	Not In	Contender
Fujitsu	Not In	Contender	Contender	Not In	Not In
General Electric	Not In	Market Challenger	Market Challenger	Not In	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
Genpact	Not In	Product Challenger	Not In	Product Challenger	Not In
GEP	Product Challenger	Not In	Not In	Not In	Not In
Globant	Product Challenger	Not In	Not In	Not In	Not In
Google Cloud	Not In	Not In	Not In	Market Challenger	Not In
Greenly	Not In	Not In	Not In	Contender	Not In
GRESB	Not In	Not In	Not In	Not In	Market Challenger
HCLTech	Leader	Leader	Leader	Leader	Not In
Hexaware	Not In	Product Challenger	Product Challenger	Not In	Not In
Hitachi Digital Services	Rising Star ★	Leader	Leader	Product Challenger	Not In
Honeywell	Not In	Market Challenger	Product Challenger	Not In	Not In
Huawei	Not In	Contender	Contender	Not In	Not In
IBM	Leader	Leader	Leader	Leader	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
Infosys	Leader	Leader	Leader	Leader	Not In
InteleX	Not In	Not In	Not In	Rising Star ★	Not In
ISS ESG	Not In	Not In	Not In	Not In	Leader
Jacobs	Contender	Not In	Not In	Not In	Not In
Kearney	Product Challenger	Not In	Not In	Not In	Not In
KPMG	Product Challenger	Product Challenger	Product Challenger	Not In	Not In
Kyndryl	Not In	Market Challenger	Market Challenger	Not In	Not In
LTIMindtree	Product Challenger	Leader	Leader	Leader	Not In
LSEG Data & Analytics	Not In	Not In	Not In	Not In	Leader
McKinsey	Product Challenger	Not In	Not In	Not In	Not In
Measurabl	Not In	Not In	Not In	Contender	Not In
Microsoft	Not In	Not In	Not In	Market Challenger	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
MioTech	Not In	Not In	Not In	Not In	Product Challenger
Moody's ESG	Not In	Not In	Not In	Not In	Leader
Mphasis	Not In	Product Challenger	Contender	Not In	Not In
MSCI	Not In	Not In	Not In	Not In	Leader
NTT DATA	Not In	Rising Star ★	Product Challenger	Not In	Not In
Oracle	Not In	Market Challenger	Market Challenger	Not In	Not In
OWL ESG	Not In	Not In	Not In	Not In	Contender
Persefoni	Not In	Not In	Not In	Contender	Not In
Protiviti	Contender	Not In	Not In	Not In	Not In
PwC	Leader	Leader	Leader	Not In	Not In
Qualcomm	Not In	Contender	Contender	Not In	Not In
Rackspace Technology	Not In	Market Challenger	Market Challenger	Market Challenger	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
Ramboll	Contender	Not In	Not In	Not In	Not In
RepRisk	Not In	Not In	Not In	Not In	Rising Star ★
S&P Global	Not In	Not In	Not In	Not In	Leader
Salesforce	Not In	Market Challenger	Market Challenger	Market Challenger	Not In
SAP	Not In	Market Challenger	Leader	Leader	Not In
Schneider Electric	Product Challenger	Product Challenger	Leader	Not In	Not In
SG Analytics	Not In	Not In	Contender	Product Challenger	Not In
Siemens	Not In	Leader	Leader	Not In	Not In
Sphera	Not In	Not In	Not In	Product Challenger	Not In
Sustainalytics	Not In	Not In	Not In	Not In	Leader
TCS	Leader	Leader	Leader	Leader	Not In
Tech Mahindra	Product Challenger	Product Challenger	Rising Star ★	Not In	Not In





Provider Positioning

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	Strategy and Enablement Services	Technology Solutions and Implementation Services-IT	Technology Solutions and Implementation Services-OT	Data Platforms and Managed Services	Rating and Benchmarking Services (Global)
Thomson Reuters (ASSET4)	Not In	Not In	Not In	Not In	Product Challenger
T-Systems	Not In	Leader	Leader	Product Challenger	Not In
T-Systems/Detecon	Leader	Not In	Not In	Not In	Not In
Unisys	Not In	Contender	Contender	Not In	Not In
VelocityEHS	Not In	Not In	Not In	Leader	Not In
Verizon	Not In	Contender	Contender	Not In	Not In
Watershed	Not In	Not In	Not In	Contender	Not In
Wipro	Leader	Leader	Leader	Leader	Not In
Wolters Kluwer	Not In	Not In	Not In	Leader	Not In
WSP	Leader	Not In	Not In	Not In	Not In



Key areas of sustainability and ESG that cover strategy, implementation, technologies, data and managed services, including rating and benchmarking.

Simplified Illustration Source: ISG 2023

Strategy and Enablement Services

Technology Solutions and Implementation Services - IT

Technology Solutions and Implementation Services – OT

Data Platforms and Managed Services

Rating and Benchmarking Services

Definition

Sustainability and ESG concepts have recently gained significant traction, transforming from niche concerns to central pillars of business practices and societal progress.

Increasing awareness of environmental and social issues, evolving regulatory landscapes and changing consumer preferences drive this transition. As the urgency of addressing global challenges intensifies, sustainability and ESG emerge as vital frameworks for driving positive change.

Service providers increasingly recognize the importance of sustainability. They leverage technologies to address environmental and social challenges. From energy providers to transportation companies, providers develop or adopt technology-driven solutions to reduce carbon footprints, optimize resource use and increase diversity and inclusion.

In doing so, they demonstrate innovation while showcasing their commitment to green practices and promoting a circular economy.

Service providers are finding ways to transparently communicate their sustainability efforts to gain the trust and loyalty of environmentally conscious consumers. They play a crucial role in advancing sustainable practices and mitigating environmental impacts.

Service providers can win over environmentally conscious consumers, differentiate themselves in the market, avoid regulatory and reputation risks, and potentially justify premium margins by using data and transparently showcasing sustainability efforts while obtaining recognized certifications. As technology advances and enterprise clients seek solutions to become more sustainable, service providers have an unprecedented opportunity to lead the transition toward a greener and more sustainable future.



Scope of the Report

This ISG Provider Lens™ quadrant report covers the following three (spell out the number of quadrants, do not use a digit) quadrants for services/solutions: Strategy and Enablement Services, Technology Solutions and Implementation Services, Data Platforms and Managed Services.

This ISG Provider Lens™ study offers IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers/software vendors
- A differentiated positioning of providers by segments (quadrants)
- Focus on the regional market

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market (GTM) considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 45 (exceptions are possible).





Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.





Strategy and Enablement Services

Who Should Read This Section

This report is relevant to enterprises across industries and European regions that want to identify new market trends and opportunities for digital sustainability, strategy and enablement and to learn about relevant service providers.

In this report, ISG highlights and provides insights into the strengths, weaknesses and opportunities of the sustainability strategy and enablement services market providers.

European companies seek consulting services to help them assess how their business may need to change to address sustainability trends. For example, adopting circular business model principles and conducting life cycle assessments (LCAs) of their products will reduce waste, emissions and resource consumption.

European companies have set ambitious net zero targets and are developing roadmaps to achieve them, following the EU's goal to become the first climate-neutral continent by 2050. They also seek guidance on how to align their strategies with the Paris Agreement and the Science Based Targets initiative.

European companies are placing a greater focus on social impact as part of their sustainability strategies. This emphasis is leading to rising demand for services that can help companies measure and manage their social impact and develop and implement social impact strategies.

European companies will measure and disclose their social impact, focusing on diversity and inclusion, employee well-being and community engagement. They will also integrate human rights metrics into their ESG considerations.



CSOs, sustainability and strategy

professionals should read this report to stay up-to-date on the latest trends and developments in the digital sustainability market and to identify the best solutions for their organizations.



CIOs and technology professionals should read this report to understand how service providers and technology can be used to improve their sustainability performance, reduce risk and meet regulatory requirements.



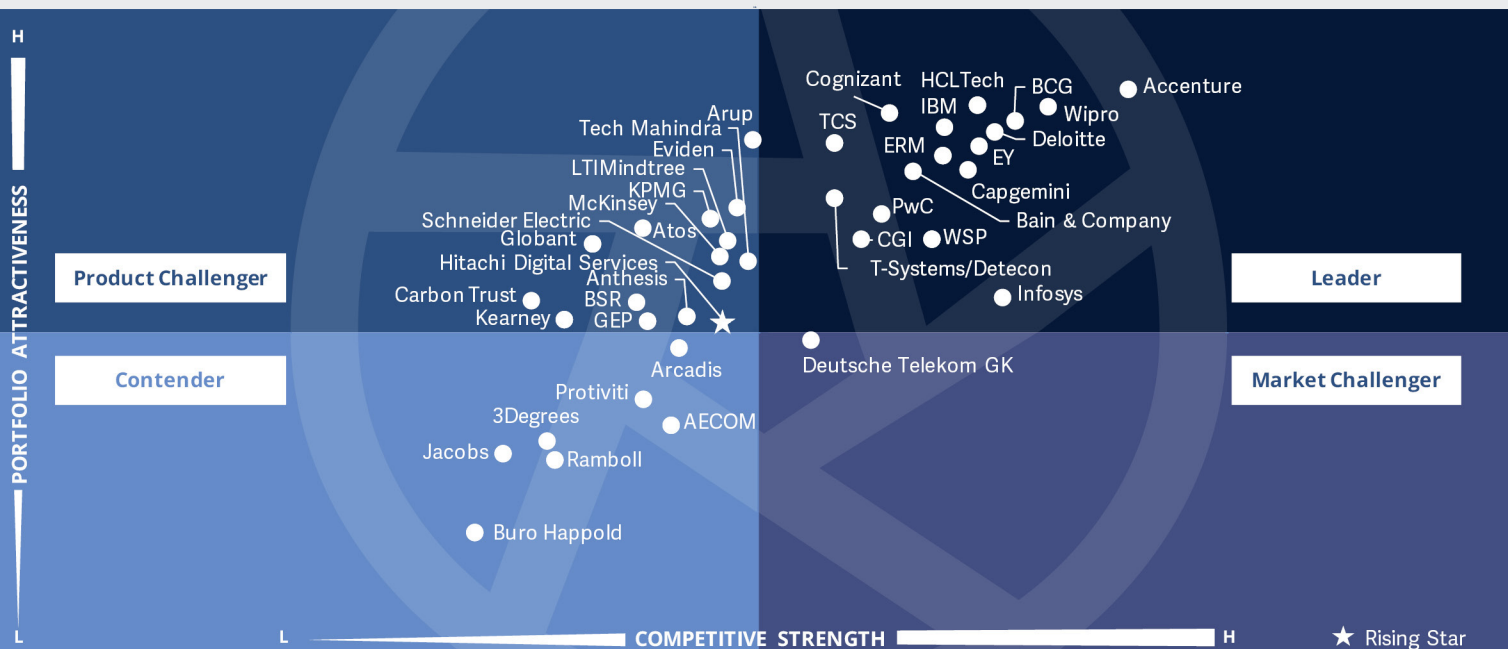
Marketing and sales professionals

should read this report to understand the competitive landscape, identify new opportunities and develop strategies to differentiate themselves.



Investors should read this report to assess the investment potential of service providers in the digital sustainability market and identify companies that are well-positioned to meet the growing demand for digital sustainability.





This quadrant assesses the service providers that offer advisory to **integrate sustainability into technology and business strategies** and offer **program and change management enablement services** to deliver long-term transformation.

Iain Fisher



Strategy and Enablement Services

Definition

This quadrant evaluates providers that offer sustainability strategy and enablement services that include implementation capabilities across industries. Delivering sustainability solutions involves various factors. For organizations aiming to help clients navigate the complex landscape of ESG responsibilities, providing strategic capabilities and services across several integrated areas related to enterprise sustainability, sustainable IT, operational technology and technology strategy becomes crucial.

There is much more to consider when focusing on sustainability, which ranges from ESG to a more traditional corporate social responsibility (CSR). Newer aspects that need to be included as part of sustainability are listed as follows:

- Decarbonizing the supply chain
- Creating a circular business delivery model
- Integrating diversity, equity and inclusion (DEI)
- Eliminating modern slavery

- Complying with key regulations, such as the German Supply Chain Act

Moreover, while some providers can develop strategies, the key to minimizing potential greenwashing issues is to work in the areas of procurement, project management, change, CX and sustainability delivery. Delivering these capabilities across several industries is crucial due to legislations or regulations varying by industry.

Eligibility Criteria

1. Provide sustainability **strategy services for enterprises** across several industries
2. Offer services that deliver **technologies that produce sustainability**-focused benefits for enterprises
3. Demonstrate involvement in decarbonization, net **zero emissions, modeling, circular economy** and other environmental capabilities
4. Implement programs that include procurement, **project management**, change management and outcome measurement
5. Work across **sustainability lifecycle** management
6. Offer experience in policy, **regulation and strategy** implementation



Strategy and Enablement Services

Observations

The extent and volume of sustainable business transformations required to occur over the next decade is enormous, and the complexity of net zero transitions can be extreme for some organizations. Consultancies and service providers know this and have built strategy and enablement offerings to address this need.

While a majority of the providers evaluated in this study focus their strategy services on the CIO and digital level, a selection of the Leaders also advise the broader C-suite on entire business transformations – including Accenture, Bain, BCG, Deloitte, EY, ERM and PwC. These providers are, therefore, well-placed to have greater influence over the operational aspects of sustainability, including investments in operational technology (OT) solutions, which are covered in a separate quadrant.

Nonetheless, all of the Leaders in this quadrant have a significant role to play in shaping enterprises' sustainability journeys.

The quadrant observes many strategies and services that determine technology's role in areas such as reporting and regulatory compliance, decarbonization and net zero transition planning, business model transformation, operational efficiency, risk assessments and change management. Some Leaders — such as IBM and Capgemini — are backed by strong research functions, adding long-term insights to their offerings.

European enterprises with complex operations must partner with providers that are close to key regulatory bodies; early access to regulatory insights and adoption of aligned strategies and technologies could significantly reduce the cost of regulatory compliance.

From the 122 companies assessed for this study, 40 qualified for this quadrant, with 17 being Leaders and one Rising Star.

accenture

Accenture influences sustainability at regulatory, policy and enterprise levels. With a global presence and industry-specific approach, it offers wide-ranging sustainability services.

Bain & Company

Bain & Company aids clients in developing sustainability strategies, including net zero emissions and circular product strategies. It works with Fortune 500 companies, governments and nonprofits, offering tailored ESG solutions.

BCG

BCG offers sustainability consulting, helping clients align strategies with business goals, including climate change mitigation and circular economy. It works across all industries and with governments, aiming for sustainability transformation.

Capgemini

Capgemini offers a comprehensive framework for clients' net zero journeys, including strategy, sustainable operations and progress monitoring. It has grown its capabilities through acquisitions, such as 23red and Chappuis Halder & Co.

cognizant

Cognizant offers tools for ESG integration and provides services such as IT assessment, strategy consulting and cloud migration. It helps clients achieve net zero targets, design sustainable products and improve supply chain sustainability.



Strategy and Enablement Services



CGI's Sustainability & Climate Change Advisory practice uses AI, big data and IoT to help clients implement sustainability technologies. It partners with top U.K. academia, the UN and the European Space Agency (ESA) for sustainability programs.



Deloitte has invested \$1 billion in its sustainability and climate practice, offering end-to-end services from strategy to execution. It partners with organizations such as WWF and GRI and has a Global Center for Sustainable Progress.

ERM

ERM supports clients across the business lifecycle with sustainability strategies. It specializes in carbon data management, financed emissions management and climate risk analysis.

EY

EY offers extensive ESG expertise, helping clients develop sustainability strategies aligned with business goals. It provides advisory work, ESG maturity assessments and sustainability management.



HCLTech is committed to sustainability innovation, developing new tools and services to help clients achieve sustainable development goals (SDGs). It has partnered with organizations, such as WWF and GRI, for sustainability expertise.



IBM offers ESG and sustainability solutions, helping clients develop comprehensive strategies. Its IBM Garage method fosters innovation and faster outcomes, and its solutions are industry-agnostic and technology-focused.



Infosys, a carbon-neutral company since 2020, is globally recognized for sustainability and ESG efforts. It has strategic partnerships, delivers quantifiable benefits across industries and offers sustainable IT transformation services.



PwC, an audit and consulting firm, leverages its core capabilities to deliver sustainability services. It offers sustainability consulting and climate transition services and is a recognized global ESG thought leader.



T-Systems/Detecon, distinct within its parent group, focuses on enterprise clients. It utilizes Detecon Sustainability Advisory for end-to-end sustainable strategy and offers a comprehensive sustainability strategy across business aspects.



TCS aligns business sustainability with planetary sustainability. It provides tailored sustainability services globally across all ESG elements, leveraging its ecosystem of partners for innovation.



Wipro, a global sustainability thought leader, integrates ESG across its services, uses a matrix approach to strategy and offers integrated taxonomy health checks. It provides sustainability intellectual property to organizations free of charge.

WSP

WSP is committed to transforming sustainability and ESG strategies into action. It uses advanced technologies for assessment and strategy formulation and provides services across all stages of the built environment.



Strategy and Enablement Services

Hitachi Digital Services

Hitachi Digital Services (Rising Star) offers sustainability consulting through a vast network of partners. It provides tailored climate risk assessments, focuses on decarbonization and energy efficiency in various industries and invests in R&D for green technologies.



HCLTech



"HCLTech helps clients align their sustainability strategies with SDGs. It assists them in making a positive impact on the world and contributing to a more sustainable future."

Iain Fisher

Overview

HCLTech is headquartered in Noida, India and operates in 60 countries. It has more than 223,400 employees across over 215 delivery centers worldwide. In FY23, the company generated \$12.6 billion in revenue, with IT and Business Services as its largest segment. With multiple wins in the last 12 months across the U.S. and Europe, HCLTech is focusing on building more partnerships to deliver its ESG capabilities through an industry-focused approach. It has seen faster growth in sustainability strategy revenues in Europe compared with the U.S., with this trend projected to continue across revenue, clients and growth.

Strengths

Innovation: HCLTech is committed to innovation in sustainability consulting. The firm is constantly developing new tools and services to help clients achieve their sustainability goals, focusing on helping clients achieve results across SDGs.

Sustainability Partnerships: HCLTech has partnered with several leading sustainability organizations, such as the World Wildlife Fund and the Global Reporting Initiative. These partnerships give HCLTech access to the latest sustainability expertise and resources, which it can then share with its clients.

Global presence: HCL's global reach allows it to offer sustainability services across various regions and industries and a deep understanding of a wide range of industries.

This allows HCLTech to provide clients with tailored sustainability solutions wherever it are in the world.

Sustainability Consulting Center of Excellence (SCCoE)

(SCCoE): HCLTech's SCCoE is a team of experts who help clients develop and implement sustainability strategies. The SCCoE also conducts research and develops new tools and services to help clients achieve their sustainability goals.

Framework-driven approach: HCLTech's EcoSustain Framework integrates technology expertise to implement sustainability solutions effectively. This approach spans sustainable finance, ESG strategy, energy and carbon emissions.

Caution

Integrating technology into sustainability initiatives can be complex and may require adjustments to existing systems. Moreover, the effort must be adaptable enough to remain aligned with evolving ESG standards and regulations.





Technology Solutions and Implementation Services - IT

Who Should Read This Section

This comprehensive report holds significance for businesses spanning diverse industries and geographical regions as it delves into the realm of identifying emerging market trends and sustainability opportunities within the technology solutions and implementation services (information technology) services market.

In this report, ISG not only sheds light on the landscape but also offers invaluable insights into the strengths, weaknesses and opportunities presented by various service providers.

A prominent trend observed in the European business landscape is cloud computing adoption as a strategic move to reduce enterprises' IT infrastructure's environmental impact while simultaneously enhancing energy efficiency. While many factors must be assessed to determine whether cloud is the optimal option for each client workload, cloud service providers play a pivotal role in this transformation by offering more energy-

efficient compute and storage options. These include renewable energy use to power data centers and the initiation of carbon offset programs, all contributing to a greener and more sustainable IT ecosystem. The report underscores the growing relevance of such eco-friendly practices in the tech industry.

Furthermore, European enterprises are actively leveraging technology solutions to bolster their IT security posture. In an increasingly digital world, protecting sensitive data and systems is not only a business imperative but also a critical step toward mitigating the environmental and social ramifications of cyberattacks. By bolstering their security measures, enterprises can help safeguard against data breaches and disruptions that could have a significant, adverse impact on both the environment and society.



CIOs, CTOs and IT managers responsible for implementing and managing solutions within their organizations can benefit from the report by understanding the trends and opportunities in sustainability technology.

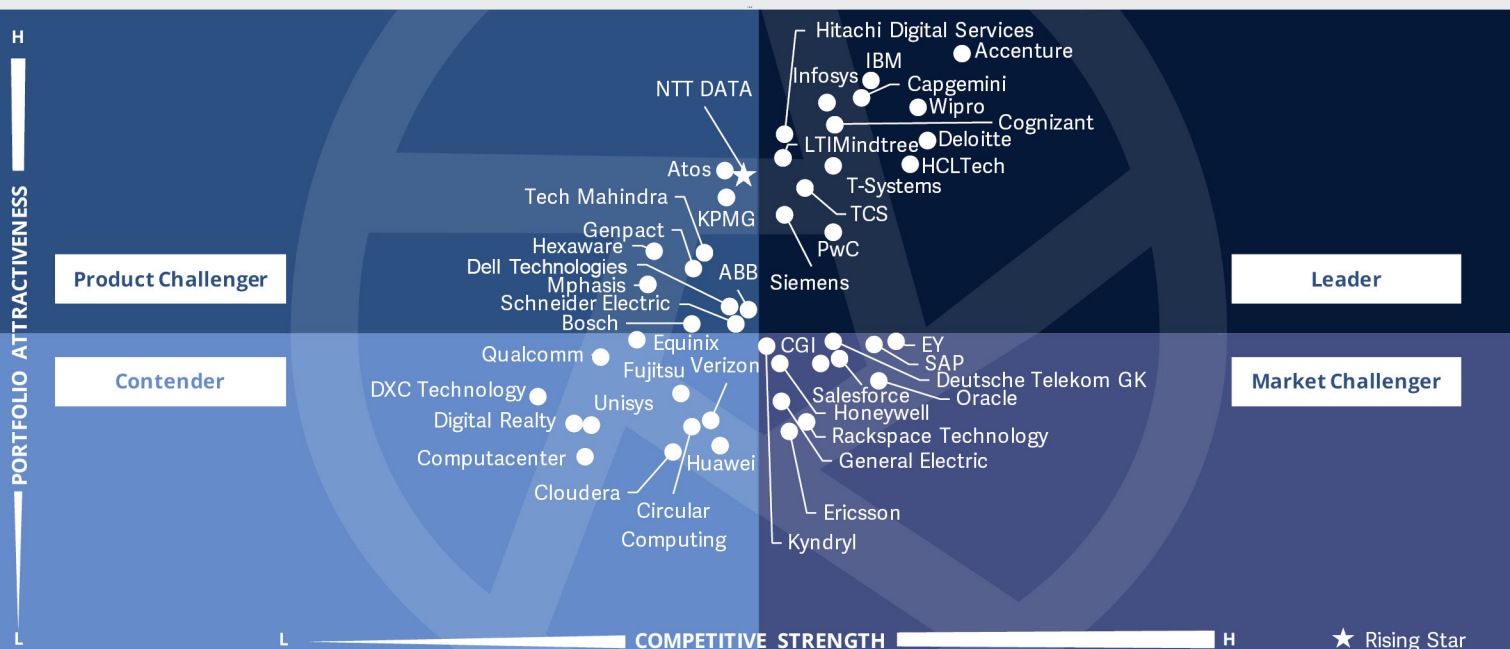


CSOs and sustainability professionals within enterprises can find this report valuable for aligning their strategies with the adoption of sustainable IT solutions.



Government and regulatory bodies can read this report as it would aid in shaping policies promoting sustainable technology practices by highlighting tech adoption trends and their environmental impact.





This quadrant looks at solutions for increasing the sustainability of **IT capabilities** typically managed by the CIO and CTO – **the digital backbone of infrastructure, platforms and applications** that offer technology services to the business, independent of industry.

Iain Fisher



Technology Solutions and Implementation Services – IT

Definition

This quadrant evaluates service providers that offer technology solutions for the sustainability value chain.

Efficient value chains enabled by technology are increasingly important for ESG initiatives.

Organizations can streamline operations, optimize resource use and reduce environmental impact through sustainable business process tools and management. Industry-specific operating technologies further enhance these efforts, tailoring solutions to specific sectors.

Providers must use various technologies across the sustainability value chain and focus on introducing automation into ESG initiatives.

Technology plays a significant role in making physical assets and resource-intensive processes more efficient. For example, digital twins, IoT, AI, ML and building management systems optimize energy consumption and resource use in buildings and factories.

Providers must offer cross-industry and value chain solutions, including waste management, decommissioning and redevelopment services to address environmental concerns and promote circular economy practices. Chemicals and materials management, pollution management and hazardous materials management solutions reduce negative environmental impacts and support regulatory compliance.

Within IT, technology enhances ESG practices across various domains. Green data center technology and data center footprint optimization reduce energy consumption and environmental impact. Green coding, cloud platforms and integrated technologies enable sustainable development and resource-efficient operations, such as the circular economy and sustainability approaches crucial for reducing carbon emissions and promoting resource efficiency. Incorporating sustainability into end-user device lifecycle management, such as appropriately considering all environmental and social implications for component sourcing, is critical for enterprise clients.

Eligibility Criteria

1. Provide services that use process tools and **technologies to design and implement** more sustainable value chains in one or more areas of ESG outcomes
2. Deliver ESG initiatives by **deploying and integrating** automation
3. Provide or **manage technologies that make physical** assets (such as vehicles, energy or utility plants, buildings, factories and spaces) more sustainable
4. Demonstrate involvement of AI and ML, **digital twins and neuromorphic computing** in delivering opportunities for advanced sustainability solutions
5. Actively participate in the circular economy and **undertake efforts to reduce natural** resources consumption
6. Provide **technology solutions for enterprises** across various industries



Technology Solutions and Implementation Services – IT

Observations

As mentioned in the Executive Summary, ISG has observed significant convergence of different entities into the digital sustainability and ESG market. The diverse spread of market representation is reflected in this IPL report.

This section covers the IT portion, which saw exponential growth in solutions and services for measuring and reducing greenhouse gas emissions, waste and water use in all aspects of the CIO's domain. The greatest concentration of services was in monitoring emissions from data center and cloud environments — increasingly referred to as GreenOps — although recent trends show strong growth in green coding and architecture. The area with the lowest evidence was the sustainable management for workplace devices such as laptops, tablets and mobile phones. Given the significant emissions, water and e-waste they generate, it is an area many providers should elevate.

A noteworthy trend is the growth of decarbonization level agreements, or DLAs, which represent a commitment to reduce emissions from delivering an IT managed service.

While CIOs and CTOs have plenty of competing priorities, the volume and strength of sustainable or green IT case studies — with the best quality coming from those that include accurate and verified emission reductions — indicate a maturing demand from enterprises. The Leaders in this quadrant have demonstrated their capability in enabling IT's contribution to corporate-level sustainability and ESG goals. CIOs are advised to set demanding goals for their providers to deliver.

From the 122 companies assessed for this study, 48 qualified for this quadrant, with 14 being Leaders and one Rising Star.

accenture

Accenture excels in estimating carbon emissions and identifying reduction opportunities for applications. Its accelerators and tools offer rapid ROI. It has strategic partnerships with SAP and other companies for sustainable IT solution development.

Capgemini

Capgemini's 890 Carbon Exchange aggregates carbon emission data and applies life cycle assessment methodologies for decarbonization. It focuses on workforce engagement for sustainable change and collaborates with SAP to provide key ESG data for scalable impact.

cognizant

Cognizant's portfolio includes app resource optimization, hybrid cloud sustainability, infrastructure utilization, e-waste management and green IT portfolio management.

Deloitte.

Deloitte offers a comprehensive approach to sustainability, focusing on environmental, social and economic aspects. It provides training for sustainable IT, helps build business cases for tech investments and implements the latest sustainability technologies.

HCLTech

HCLTech's Intelligent Facility Management System transitions enterprises to smart facilities. HCLTech also offers green software engineering, including tools and services for efficient, low-carbon software development and holistic sustainability assessment.

Hitachi Digital Services

Hitachi Digital Services provides in-depth carbon insights with a product emissions tool, offering detailed analytics for optimal cloud migration strategies. It also offers solutions for renewable energy supply to reduce emissions from IT infrastructure.



Technology Solutions and Implementation Services – IT



IBM's longstanding expertise in energy-efficient technologies extends to optimizing resource usage and managing energy consumption. Its offerings include IBM Turbonomic for cloud-based application optimization and tools for workload consolidation and emission reduction.



Infosys offers a comprehensive portfolio for IT sustainability, including carbon footprint solutions, cloud migration and equipment management. It utilizes blockchain for product traceability and renewable energy certificates and emphasizes sustainable practices in project SLAs.



LTIMindtree offers energy optimization and its Green IT Index for sustainability measurement. It promotes diversity, provides accelerated

ROI with digital tools and has a mature partner ecosystem. Versatility makes the provider suitable for small and mid-sized enterprises.



PwC's Net Zero Pathway uses data for operational decision-making and decarbonization. It has developed toolkits using blockchain for sustainability across industries. PwC partners with SAP and Sphera for ESG reporting and sustainability solutions.



For energy optimization, **Siemens** uses AI in its energy management systems and has an IoT platform, MindSphere, for data analytics. It has partnered with SAP, Atos, IBM, Deutsche Bahn, and Uniper for various sustainability solutions.



T-Systems plans significant investments in IT for sustainability, focusing on reducing energy consumption in cloud environments. It offers AI SaaS tooling, ESG cloud solutions and leverages IoT capabilities from its wider group.



TCS offers over 200 sustainability solutions, including TCS Envirozone™ for tracking and mitigating supplier-sourcing risks and TCS Clever Energy™, an award-winning platform for reducing energy consumption and carbon emissions. It focuses on net zero emissions, energy management and digital accessibility.



Wipro integrates ESG across its services, leveraging partnerships for impact intelligence. It offers strong solutions for financial services and a comprehensive value chain framework for sustainable technology. Wipro's technology-driven consulting includes offerings such as Smart Asset Twin and Environ.



NTT Data (Rising Star) and NTT Ltd. innovatively refined data centers, earning LEED 'Gold'. Their European presence expanded to nine countries, setting sustainability standards through the Green Software Foundation.





"HCLTech has a strong range of sustainable IT capabilities and is one of the few providers offering sustainability SLAs, showing the intent to deliver on its client commitments."

Iain Fisher

HCLTech

Overview

HCLTech is headquartered in Noida, India and operates in 60 countries. It has more than 223,400 employees across over 215 delivery centers worldwide. In FY23, the company generated \$12.6 billion in revenue, with IT and Business Services as its largest segment. HCLTech is a leader in this space and has approximately \$700 million in sustainability technology solutions revenue. HCLTech works across several industries with a huge workforce to deliver IT technology-driven, relevant solutions independently and through partnerships.

Strengths

Green DC Operations: HCLTech has introduced its Intelligent Facility Management System (iFMS), a sustainable operations framework that facilitates enterprise transition from conventional to smart facilities. This framework incorporates HCLTech's internal products and solutions developed through collaboration with ecosystem partners. HCLTech is actively collaborating with facility and real estate leaders to expedite digital transformation and establish a unified view through a centralized Building Management Operation Center (BMOC).

Sustainability SLAs: HCLTech offers SLAs for various sustainability metrics within its services.

Green software engineering:

HCLTech offers customers the ability to create and develop software that is efficient for carbon and hardware usage through consulting, testing, tool development and training. The SCI meter tracks, measures and reduces the Software Carbon Intensity score of processes and applications running on various devices. The DeCarbonize IT framework targets the decarbonization of application portfolios. It provides services to quantify emissions and produce a comprehensive assessment extending beyond environmental aspects for a holistic approach to sustainability.

Caution

HCLTech should build more reference clients from their existing successful project delivery case studies, with relevant sustainability metrics to enhance customer trust further.





Technology Solutions and Implementation Services - OT

Who Should Read This Section

This report is relevant to enterprises across industries and European regions that want to identify new market trends and opportunities and learn about providers in the sustainability technology solutions and Implementation services (operational technology) market.

In this report, ISG highlights and provides insights into the strengths, weaknesses and opportunities of the different service providers.

European enterprises are investing in operational technology solutions to reduce the environmental impact of their business processes and meet regulatory requirements. This includes IoT, digital twins, energy-efficient hardware, renewable energy sourcing and AI-powered optimization systems.

They are using technology solutions to manage the environmental impact of their major industrial and infrastructure assets across the entire lifecycle, from procurement to end-of-life management.

The solutions include AI-powered asset lifecycle management systems and predictive maintenance solutions, and even using blockchain technology to improve supply chain transparency and traceability. This helps ensure ethical sourcing and production practices and reduce environmental and social risks.

European companies are using digital twin technology to simulate and optimize sustainability initiatives before actual implementation. It helps them reduce the risk of failure and ensure the success of their sustainability initiatives.



CSOs, sustainability and strategy

professionals should read this report to understand the sustainability technology solutions that can help them achieve their sustainability goals.



Business leaders including CEOs, COOs, CIOs and other executives can gain valuable insights from this report to make informed decisions about adopting sustainability technology to achieve net zero and similar goals.



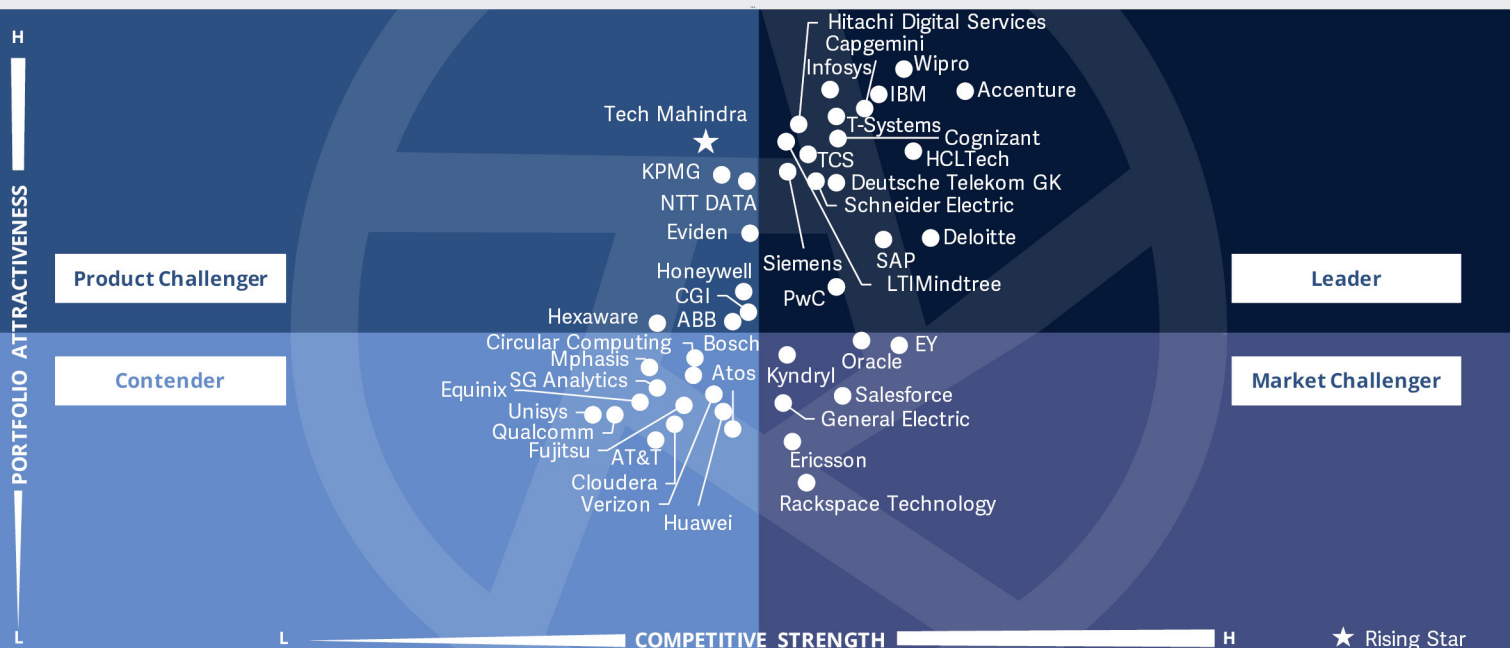
Sustainability consultants and advisors

should read this report to efficiently identify the best service providers to help their clients achieve their sustainability goals.



Vendors and partners of OT service providers can read this report to understand the competitive landscape and identify opportunities to collaborate with OT service providers.





This quadrant focuses on the **operational technology (OT)** that exists specifically to address the **sustainability of business processes and operations** and is heavily tailored to specific industries and regions.

Iain Fisher



Technology Solutions and Implementation Services – OT

Definition

This quadrant evaluates service providers that offer technology solutions for the sustainability value chain.

Efficient value chains enabled by technology are increasingly important for ESG initiatives.

Organizations can streamline operations, optimize resource use and reduce environmental impact through sustainable business process tools and management. Industry-specific operating technologies further enhance these efforts, tailoring solutions to specific sectors.

Providers must use various technologies across the sustainability value chain and focus on introducing automation into ESG initiatives.

Technology plays a significant role in making physical assets and resource-intensive processes more efficient. For example, digital twins, IoT, AI, ML and building management systems optimize energy consumption and resource use in buildings and factories.

Providers must offer cross-industry and value chain solutions, including waste management, decommissioning and redevelopment services to address environmental concerns and promote circular economy practices. Chemicals and materials management, pollution management and hazardous materials management solutions reduce negative environmental impacts and support regulatory compliance.

OT is for connecting, monitoring, managing and securing an organization's industrial operations and is used in physical production industries, such as electricity, water, wastewater, oil and gas and manufacturing. IT systems can help reduce paper waste, improve energy efficiency through smarter systems reducing carbon emissions OT; they can also improve the efficiency in industrial processes, reducing waste and energy use. By integrating IT and OT, organizations can leverage the strengths of both to create more sustainable and efficient operations. Providers must use various technologies across the sustainability value chain and focus on introducing automation into ESG initiatives.

Eligibility Criteria

1. Provide services that use process tools and **technologies to design and implement** more sustainable value chains in one or more areas of ESG outcomes
2. Deliver ESG initiatives by **deploying and integrating** automation
3. Provide or **manage technologies that make physical** assets (such as vehicles, energy or utility plants, buildings, factories and spaces) more sustainable
4. Demonstrate involvement of AI and ML, **digital twins and neuromorphic computing** in delivering opportunities for advanced sustainability solutions
5. Actively participate in the circular economy and **undertake efforts to reduce natural** resources consumption
6. Provide **technology solutions for enterprises** across various industries



Technology Solutions and Implementation Services – OT

Observations

The market for operational technology (OT) to address sustainability objectives is less mature than for IT. However, this scenario is quickly changing because of the number of experienced providers investing heavily. Solutions are no longer niche and confined to the largest enterprises; case studies demonstrating broad translation of IoT, big data and AI across industries and regions are becoming much more available and relevant.

The convergence of IT and OT markets is most evident in this quadrant, with this market made up of providers from traditional IT, industrial engineering, consulting and software platforms all contributing market-leading functionality. Many of the Leaders are very difficult to separate in their portfolio breadth, with most differentiation seen in the size and volume of deals won, quality of case studies and scale of investment evidenced.

Some of the IT providers are part of large multi-industry conglomerates — bringing digital sustainability to other enterprises in these industries offers these providers the opportunity to share the expertise of their group companies. TCS, Tech Mahindra, LTIMindtree, NTT DATA HCLTech and Hitachi Digital Services are the most notable ones.

Interestingly, many traditional IT providers emphasize their OT solutions more than their IT solutions. This focus reflects the recognition that the OT market is significantly larger and growing faster than the IT market. It also leads to a growing belief in their “right to win” as they increasingly engage outside the CIO domain and directly with business stakeholders.

From the 122 companies assessed for this study, 45 qualified for this quadrant, with 17 being Leaders and one Rising Star.

accenture

Accenture uses a holistic approach to business transformation, embedding sustainability into business models. It has industry expertise, key assets for energy efficiency and offers services for renewable strategy, design, construction and operations.

Capgemini

Capgemini's Designed for Earth framework optimizes product lifecycle stages. Its World Emission platform maps global emissions using satellite data and the Energy Command Center uses IoT for energy asset management and sustainability initiatives.

cognizant

Cognizant partners with various industries for OT solutions. Its new business group, Cognizant® Ocean, applies digital technologies

to the blue economy. It tracks renewable energy for electric vehicle (EV) charging and uses AI for real-time carbon optimization.

Deloitte.

Deloitte focuses on financial sustainability and ESG solutions, with potential for expansion. It uses digital twin technology, IoT and blockchain for efficiency and lower emissions. It offers customized digital solutions for decarbonization strategies.

T . .

Deutsche Telekom uses a three-tier AI and IoT model for energy efficiency and supply chain risk management. It offers smart energy, IoT and e-mobility solutions and promotes circular economy initiatives.



Technology Solutions and Implementation Services – OT

Hitachi Digital Services

Hitachi Digital Services' co-creation approach applies IT for sustainability. It uses AI for product emissions and Scope 3 emissions reduction. It specialises in fleet electrification, data-driven energy management, smart spaces and Lumada solutions for sustainability strategies.

HCLTech

HCLTech focuses on finance, agriculture and manufacturing industries, offering tailored OT solutions. It partners with Schneider Electric for holistic digital solutions. Its offerings include asset monitoring with Twinalytics and Smart Water solution.



IBM has a broad ecosystem of partnerships and in-house research for industry use cases. It specialises in decarbonizing resource-intensive

sectors with solutions such as IBM Maximo. Its research teams innovate with AI and quantum computing.



Infosys offers industry-specific solutions for finance, buildings, transportation and other industries. It manages renewables and natural resources with IoT-based command centers. Its Quantum Center of Excellence provides advanced computing for carbon capture and sequestration.



LTIMindtree's approach entails an innovation lab for ESG solutions. It has environmental and renewable energy experts with battery and EV fleet management capabilities. The company also focuses on sustainable infrastructure and ROI for sustainability.



PwC uses technology-driven insights for ESG data flow and risk mapping. Its solutions focus on strategic, financial and data-oriented use cases. It uses smart factory dashboards for environmental data mapping and offers a wide industry portfolio.

Schneider Electric

Schneider Electric's EcoStruxure is a sophisticated IoT platform for optimizing efficiency and sustainability. Its Energy & Sustainability Services team assists with strategic energy sourcing and efficiency. It also offers Green Premium-labelled products for informed purchasing.

SAP

SAP offers various extensions to its ERP platform that enable sustainability improvements to address climate action, circular economy and social responsibility.



Siemens invests in sustainability research and has launched the Tech for Sustainability Initiative. The company provides digital solutions for infrastructure and follows its DEGREE strategic framework for ESG targets. It offers industry-wide capabilities for lifecycle management.

T Systems

T-Systems offers industry-specific and overarching sustainability solutions, including smart buildings, e-mobility and supply chain transparency. It uses apps such as EcoShift for CO2 emissions tracking and Syrah for visualizing carbon footprints and sustainability goals.



Technology Solutions and Implementation Services – OT



TCS has a Sustainability Research and Innovation Center for developing sustainability solutions. It offers comprehensive proprietary solutions such as TCS Envirozone™ and TCS Clever Energy™ for environmental goals and promotes circularity in products and services.



Wipro integrates ESG across its service portfolio, using solution centers for impact intelligence. It engineers sustainability into its offerings, with experience across multiple industries. Wipro focuses on net zero transition and future-proofing sustainability at the community level.



Tech Mahindra (Rising Star) focuses on IoT-enabled water and waste management and asset efficiency, excels in smart cities solutions and offers i.Sustain, an SAP-based platform for clients to monitor their emissions.





"HCLTech, with a strong customer focus, specific targeted industries and differentiated solutions, is doing a lot right with its approach to the OT market."

Iain Fisher

HCLTech

Overview

HCLTech is headquartered in Noida, India and operates in 60 countries. It has more than 223,400 employees across over 215 delivery centers worldwide. In FY23, the company generated \$12.6 billion in revenue, with IT and Business Services as its largest segment. HCLTech works across several industries and has employees dedicated to delivering IT technology-driven relevant solutions independently and through partnerships.

Strengths

Clear industry focus: Finance, agriculture and manufacturing are among the industries HCLTech has prioritized for OT solutions. It has developed highly specific capabilities aligned to customer use cases. IoT, AI, data and blockchain are all utilized in bringing entire value chain digital and sustainable transformation to these industries, with case studies to support key impact metrics.

OT depth through partnerships: HCLTech's partnership with Schneider Electric – another Leader in this quadrant – represents another indicator of how this market is converging. Each company brings specialties while collectively offering holistic digital solutions for resource-intensive business operations.

SME offering: Unique in targeting assisting small and mid-sized enterprises, HCLTech's three-layered approach addressing decarbonization strategy, carbon reduction/optimization/offset solutions and journey management offers an intriguing option for organizations in this underserved market.

Regional focus: HCLTech has a slightly different focus depending on regional demand. In Europe, where the sustainability market is more mature, all of HCL's key focus areas apply. Europe's focus areas include financed emissions and portfolio decarbonization, sustainable application portfolios, circular economy and a more demanding attitude to sustainable culture.

Caution

HCLTech has some important capabilities that are more fully embedded than in other regions. It has an opportunity to get ahead of the curve and go to market with these capabilities to lead the conversation.





Data Platforms and Managed Services

Who Should Read This Section

This report helps businesses in different sectors and regions to discover new market trends and opportunities in the ESG data platforms and managed services market.

In this report, ISG compares and analyzes different ESG data platform and managed service providers based on their strengths, weaknesses and opportunities. It gives deep insights into the ESG data solution landscape, helping European businesses make more informed enterprise-scale decisions.

Europe's ESG data landscape is evolving, driven by unique regulations and market trends. The EU Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) are its key components. However, other, more specific regulations – such as Deforestation Regulation (EUDR) – demand sophisticated data capture, risk management and decision-making tools for compliance.

Carbon markets and biodiversity credits emerge as trends, requiring advanced platforms and new products. AI-powered workload optimization gains prominence, ensuring efficient resource utilization.

Europe's emphasis on circular economy and renewable energy investments drives demand for innovative data platforms and solutions as businesses seek data-driven verification of additionality and permanence. For example, European businesses seek integrated ESG data ecosystems for a centralized sustainability performance view.

Providers' strategic investments in innovation and skill training are crucial to stay ahead. Investments in AI, ML and cloud are essential for efficient ESG data services.



CDOs and data platform teams can use this report to understand which providers offer enterprise-grade ESG data solutions and which use cases they address.

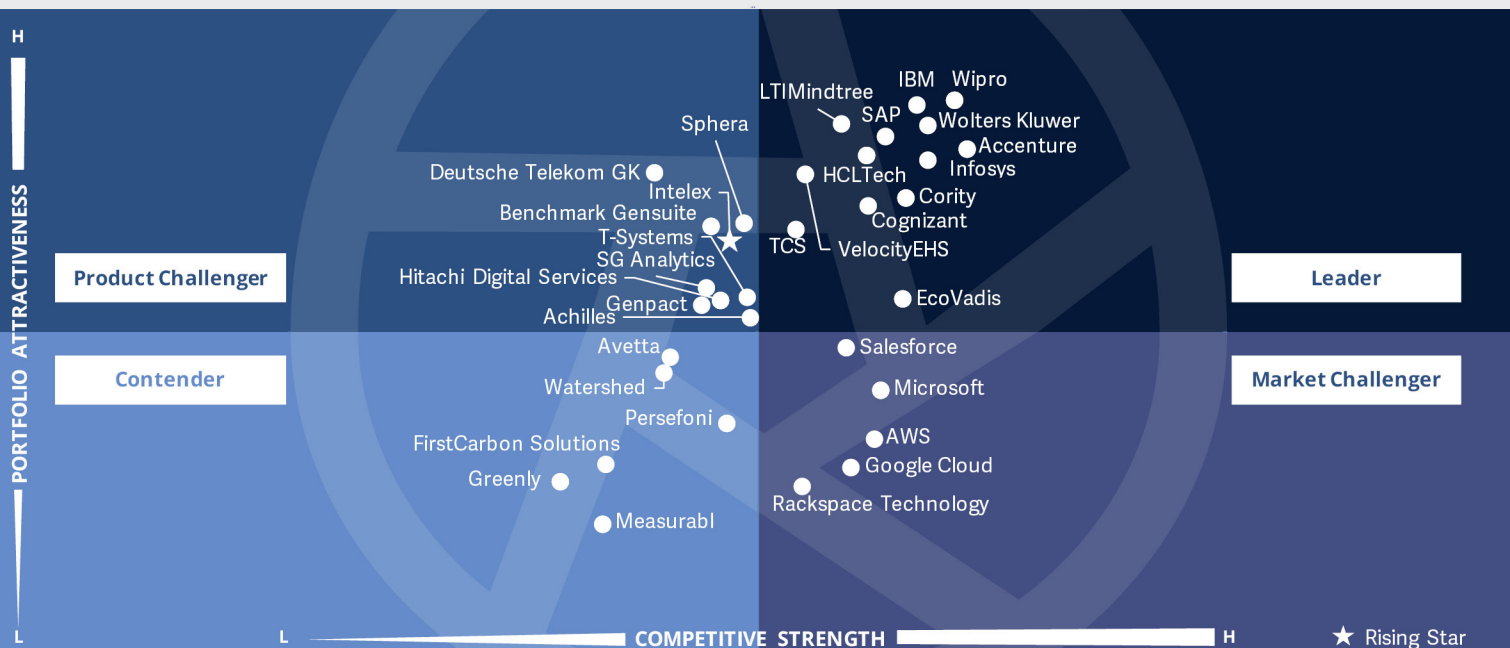


CPOs and procurement teams can use this report to better understand the supply chain reporting capabilities available in the market.



CFOs and finance teams can read this report to better understand how different providers in the market can facilitate carbon pricing and similar concepts.





This quadrant assesses the data platforms and services that aggregate, categorize, summarise and **enable reporting of ESG data** for internal and external purposes. These solutions **help enterprises address regulation efficiently at scale.**

Iain Fisher



Data Platforms and Managed Services

Definition

This quadrant assesses service providers that offer platforms covering sustainability data services, risk monitoring across business operations and the supply chain, and compliance with legislation and regulations.

Data services support ESG initiatives by providing valuable insights and facilitating informed decision-making. Platforms for collecting, measuring, monitoring, reporting and optimizing ESG data enable organizations to track and assess their ESG performance. Such evaluation enables them to perform end-to-end reporting and showcase the results to the market and customers in many areas, which include

- ISSB
- CSRD
- German Supply Chain Act
- SEC

ESG reporting and assurance/auditing services ensure accurate and transparent reporting of sustainability efforts. Carbon accounting software and services assist organizations in

measuring and managing emissions. Supplier data/managed services are essential for ESG practices throughout the supply chain.

Supplier risk monitoring and partner support help organizations identify and address sustainability risks within their supply chains, promoting responsible sourcing practices. Sustainability risk monitoring enables organizations to assess and manage environmental and social risks associated with their suppliers. Ethical data use, including AI, supports responsible and ethical data practices and promotes transparency and fairness in decision-making processes.

Data services for procurement and supply chains are critical to promote sustainability. Procurement services for sustainability help organizations make sustainable and ethical purchasing decisions that consider environmental and social factors.

Environmental health and safety (EHS) managed services are vital for organizations to maintain a safe and environmentally responsible workplace. EHS performance management ensures compliance with environmental regulations, promotes workplace

safety and reduces environmental risks. EHS risk management and mitigation strategies minimize environmental, employee health and safety risks, fostering a sustainable and responsible work environment. Management ensures compliance with environmental regulations, promotes workplace safety and reduces environmental risks. EHS risk management and mitigation strategies minimize environmental, employee health and safety risks, fostering a sustainable and responsible work environment.



Data Platforms and Managed Services

Eligibility Criteria

1. Provide services that capture, **monitor, report and track sustainability** efforts across enterprises
2. Offer platforms with **sustainability monitoring, optimization, aggregation, carbon accounting** and other ESG services
3. Provide supplier or **third-party risk monitoring** services
4. Offer managed **services for ESG data feeds** and ethical AI
5. Deliver **ESG-focused procurement services**
6. Deploy **EHS performance management**, reporting and monitoring solutions



Observations

The ESG data platforms market is one of the most fiercely contested areas of research. With IT service providers approaching this market from all angles and accelerating ESG corporate reporting required by multi-regional and industry organizations, it is clear why this market attracts so much attention.

This market brings together traditional IT service providers as well as a range of software and platform providers who have historically operated predominantly in broader industrial and business operations contexts, for example, EHS operations. As these providers evolve their partnering and go-to-market strategies, the market expects to see more collaborations that refine the areas requiring subject-matter expertise versus technical and data platform capabilities.

Unsurprisingly, the greatest concentration of capability is found for carbon emissions, with functionality expanding to waste and water. Functionality for incorporating social and governance aspects of organizational remains less common. Regardless, it will increase as

regulation incorporating these aspects rolls out and integration with — and entrance of — the ERP, CRM and workforce platform players enables greater access to this data.

Mergers and acquisitions have intensified in this area, above the average of the overall digital sustainability market, with almost every Leader in this segment having expanded capability in this way. With this significant consolidation of the market, providers will be busy updating integration points and product roadmaps, and many buyers will be assessing whether their existing solutions remain optimal for long-term value, or to return to the market.

From the 122 companies assessed for this study, 33 qualified for this quadrant, with 13 being Leaders and one Rising Star.

accenture

Accenture's ESG 360° offers a comprehensive data model with over 400 factors, strategic partnerships for solution development, tools for legislative reporting and diversified experience through acquisitions.

cognizant

Cognizant's Sustainability Accelerator integrates IT/OT for efficient ESG data management. It enables circularity, provides deep insights into ESG reporting and uses an AI-enhanced tool, Cognizant Neuro, for automated data collection.

Cority

Cority, a leading environment, health, safety and quality (EHSQ) software provider, excels in carbon emission data calculations. It is continuously expanding with acquisitions such as Reporting21 and Greenstone, enhancing its ESG performance capabilities.

EcoVadis

EcoVadis provides comprehensive sustainability assessments for over 1.6 million companies, with industry-specific frameworks and supply chain expertise. Its platform offers actionable scorecards, carbon action tools and ongoing support for sustainable operations.

HCLTech

HCLTech's platform-first approach can draw from over 20 proprietary platforms for sustainable operations across industries. The company leverages partner solutions, offer in-house ESG analytics, provide EHS risk reporting and manages supply chain sustainability risk.

IBM

IBM's ESG platform, built from Envizi, automates ESG data collection and reporting. It integrates with IBM's management tools, Watson AI for insights and blockchain for secure, tamper-proof supply chain records.

Infosys

Infosys offers comprehensive ESG data assets, including the Sustainability Intelligence Cloud and EcoWatch platforms. Infosys provides provenance tracking, net zero expertise and region-specific solutions for standards such as Germany's SCDDA.



Data Platforms and Managed Services



LTIMindtree's ESG Nxt platform offers automated ESG reporting and emission management. Its Green Carpet platform tracks business travel emissions, and Workers Nxt benchmarks EHS performance. The company also has carbon specialists.

SAP

SAP provides sustainability solutions for ESG reporting and climate action, including the SAP Sustainability Data Exchange for greenhouse gas management. It leverages an extensive partner ecosystem and AI-powered solutions for bespoke sustainability reports.



TCS offers comprehensive sustainability solutions, including the Intelligent Urban Exchange platform, materiality assessment tools, a regulatory compliance platform, stakeholder engagement solutions, climate risk assessment and supply chain sustainability platform.

VelocityEHS

VelocityEHS is a trusted brand offering a software platform and managed services for EHS and ESG, with strong carbon data management capabilities. It continually invests in new technologies, provides ongoing support and partners with firms such as WSP.



Wipro partners with Concerto for carbon value modeling and GIST Impact for capital impact analysis. It focuses on responsible finance data modeling and is a global expert in responsible procurement, teaching sustainability overlays for procurement modules.

Wolters Kluwer

The Enablon platform by **Wolters Kluwer** offers comprehensive ESG solutions with integrated EHS capabilities and regulatory expertise. Wolters Kluwer provides benchmarking tools, ongoing support from ESG experts and serves larger enterprises for scalable reporting.

InteleX

InteleX (Rising Star) provides cloud-based environmental, health, safety and quality (EHSQ) and ESG management software, which is now part of American industrial technology conglomerate Fortive Corporation, which had \$5.8 billion turnover in 2022.



HCLTech



Leader

"HCLTech uses a platform-first approach that can take advantage of its more than 20 platforms for sustainable operations. It leverages partner solutions, has a dedicated EHS center of excellence and offers supply chain risk management services."

Iain Fisher

Overview

HCLTech is headquartered in Noida, India and operates in 60 countries. It has more than 223,400 employees across over 215 delivery centers worldwide. In FY23, the company generated \$12.6 billion in revenue, with IT and Business Services as its largest segment. HCLTech works across a number of industries to deliver data-managed services and platform solutions independently and through partnerships.

Strengths

Platform first approach: HCLTech's go-to-market approach is through platforms. Whether in-house or through partnership, HCLTech boasts a wealth of platforms covering many industries. From Sustainable Finance 360 for Financial Services to MyPCM for optimizing product carbon footprint and Smart Fleet for EVs, HCLTech has more than 20 proprietary platforms focused on sustainable operations delivery across the industry.

Partnership network: HCLTech leverages partner data and platform solutions from multiple leading ESG and EHSQ reporting platform companies. This enables the provider to offer the best-fit approach for clients.

Tools enhance services:

HCLTech incorporates in-house solutions, such as its Net Zero Intelligent (NIO) Solutions and Simplified ESG Analytics. These solutions are compliant with GRI, SASB, SEC and ISO 50001 standards and are designed to empower organizations to integrate sustainability seamlessly into their business operations. They can integrate by incorporating significant data sets, measure and monitor resource usage, emissions and target gaps while automating Scope 1, 2 and 3 compliant reports.

Caution

HCLTech needs to carve out dedicated strategy to offer its sustainability services to small and mid-market clients that are early in their journey. With its advantageous list of partners, accreditations and ecosystem members, HCLTech can make it clear to prospects with an impressive ecosystem that can help.





Rating and Benchmarking Services

Who Should Read This Section

This report helps businesses in different sectors and regions to discover new market trends and opportunities in the ESG rating and benchmarking services market.

This report compares and analyzes different ESG rating and benchmarking service providers based on their strengths, weaknesses and opportunities. It gives deep insights into the ESG data solution landscape.

The ESG rating and benchmarking services market is growing and changing fast. Regulatory bodies around the world are increasingly requiring companies to disclose and report on their ESG performance. In addition, regulatory bodies are seeking greater clarity of how ESG rating agencies are producing their ratings, given the increased reliance investors are placing on them. Companies are increasingly integrating ESG considerations into their overall business strategies.

ESG data is often fragmented and difficult to compare. ESG rating and benchmarking services offer a way to standardize and aggregate ESG data, making it more useful for companies and investors. Traditional ESG ratings have typically focused on environmental factors. However, there is a growing focus on social and governance factors, such as human rights, labor practices and board diversity. This is leading to the development of new ESG rating methodologies that give greater weight to social and governance factors. AI and ML are being used to develop new ESG rating and benchmarking methodologies that are more accurate and efficient with the potential to reduce bias.



ESG professionals should read the report to oversee and coordinate the sustainability and ESG reporting activities and initiatives of their organizations and ensure compliance with relevant standards and regulations.



CSOs and other sustainability professionals should read this report to identify the best ESG rating and benchmarking service providers, which would help them track their progress and measure their impact.

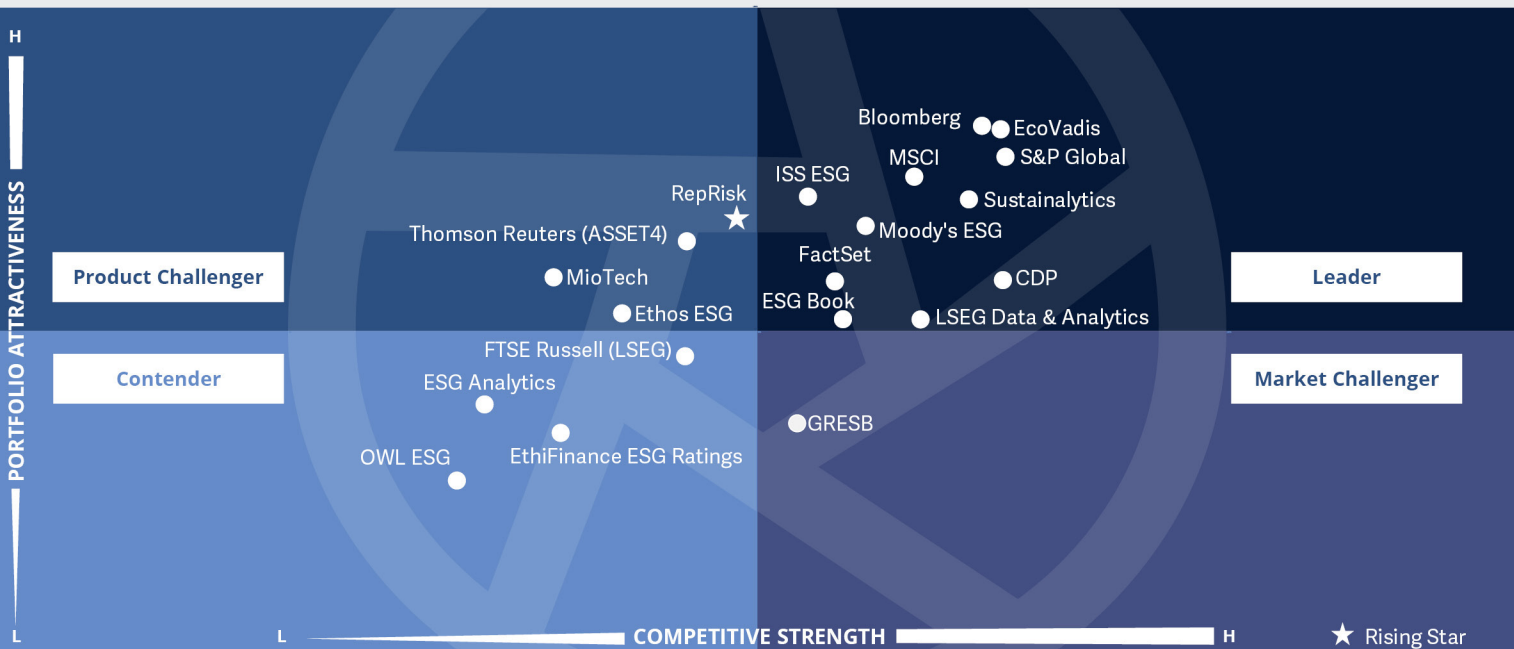


CFOs and finance teams can read this report to better understand which different ESG ratings and benchmarks exist and how their market adoption varies.



Marketing and sales professionals should read this report to identify the best ESG rating and benchmarking service providers to develop and market ESG-friendly products and services.





This quadrant assesses companies that provide **global sustainability** rating and benchmarking services. Used by organizations globally to accredit, **rate and benchmark their capabilities**, this quadrant serves as an increasingly important list of providers and capabilities.

Iain Fisher



Rating and Benchmarking Services

Definition

This quadrant assesses organizations that provide industry-agnostic ESG ratings, benchmarking services and credentials.

Ratings and benchmarking services play a vital role in driving ESG initiatives by providing standardized assessments and comparing organizations' environmental, social and governance performance.

Standardized ESG ratings across industries enable organizations to gauge their sustainability performance relative to their peers. By benchmarking against industry standards, companies can identify improvement areas and establish sustainability targets.

ESG rating services ensure the inclusion of environmental, sustainability and governance requirements. For environment, agencies measure and rate organizations based on their emissions footprint. They help companies comprehend Scope 1, 2 and 3 emissions, which encompass direct emissions, indirect emissions from purchased energy and emissions from the entire value chain, respectively. Further

assessment across ESG factors, such as energy efficiency, waste management, labor practices, diversity and inclusion, board diversity, executive compensation and ethical business practices, are standard.

These services incorporate supply chain tracking and measurement. This implies that organizations are evaluated not only on their internal practices but also on suppliers' sustainability performance. Assessing the entire supply chain helps identify potential risks, such as unethical labor practices or environmental violations, encourage organizations to engage with suppliers and improve sustainability practices.

Eligibility Criteria

1. Provision of standard **ESG rating services**
2. Ability to **benchmark organizations** and services across industries
3. Rating of organizations based on their **emissions footprint** into Scope 1, 2 and 3
4. Inclusion of **environmental, social and governance** requirements
5. Accreditation services to peer review organizations



Rating and Benchmarking Services

Observations

The ESG benchmarking and rating services sector is rapidly transforming due to rising interest from both investors and regulatory bodies. ESG benchmarking and rating providers are enhancing their assessment techniques to evaluate companies' ESG performance more comprehensively. This involves incorporating a broader spectrum of ESG factors, utilizing more detailed data and creating more refined evaluations of companies' ESG risks and opportunities.

Companies are facing mounting pressure to increase transparency about their ESG performance. This heightened scrutiny is fueling the demand for ESG benchmarking and rating services that enable companies to measure and disclose their ESG performance in a credible and consistent manner.

Investors are increasingly integrating ESG data and analytics into their investment and risk management strategies. They have a growing appreciation for the significance of social and governance factors in assessing a company's long-term sustainability. As a result, there is a

growing need for ESG benchmarking and rating services that can offer investors the data and insights necessary for making informed ESG investment decisions.

To meet the expanding requirements of their clientele, ESG benchmarking and rating providers are refining their methodologies and diversifying their product offerings.

From the 122 companies assessed for this study, 20 qualified for this quadrant, with 11 being Leaders and one Rising Star.

Bloomberg

Bloomberg's ESG Ratings are based on company-reported ESG data, supplemented by its proprietary research and analytics. Its ESG Benchmarks track the performance of companies with strong ESG ratings.

CDP

CDP focuses on environmental data disclosure, aiding sustainability efforts. Its ESG ratings are based on company responses to the CDP's annual climate change, water security and forests questionnaires.

EcoVadis

EcoVadis provides supplier-focused ESG ratings to promote responsible sourcing and assesses sustainability performance to evaluate supply chain sustainability.

ESG Book

ESG Book Offers ESG data, analytics and reporting services. The company also offers ESG ratings and customizable ESG benchmarking solutions tailored to specific needs.

FactSet

FactSet provides ESG data for financial professionals to integrate ESG factors into investment decisions.

ISS ESG

ISS ESG offers ESG ratings and research, guiding responsible investment.

Moody's ESG

Moody's ESG offers ESG assessments with financial risk insights. The company provides various ESG data, research and analytics services to help investors and companies make informed decisions about ESG risks and opportunities.

MSCI

MSCI is known for ESG ratings and indices to support sustainable investing.



Rating and Benchmarking Services



LSEG Data & Analytics provides ESG data and analytics for better decision-making.

S&P Global

S&P Global offers comprehensive ESG benchmarking and ratings. The company provides a variety of ESG data, research and analytics services to help investors and companies make informed decisions about ESG risks and opportunities.

Sustainalytics

Sustainalytics specializes in ESG research and ratings for sustainable practices. The company offers ESG benchmarks that track the performance of companies with strong ESG risk ratings.

RepRisk

RepRisk (Rising Star) utilizes ESG data science to systematically identify and assess ESG risks.





Appendix

Methodology & Team

The ISG Provider Lens™ 2023 – Sustainability and ESG (Environmental, Social, Governance) study analyzes the relevant software vendors/ service providers in the U.S., Europe, Brazil and global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this report includes research from the ISG Provider Lens program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of October 2023, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

The study was divided into the following steps:

1. Definition of Sustainability and ESG (Environmental, Social, Governance) market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
 - * Strategy & vision
 - * Tech Innovation
 - * Brand awareness and presence in the market
 - * Sales and partner landscape
 - * Breadth and depth of portfolio of services offered
 - * CX and Recommendation



Author & Editor Biographies

Lead Author



Iain Fisher
Director Research

Iain leads ISG's Future of Work, Customer Experience and ESG solutioning redefining business models and operating models to drive out new ways of working with a CX and ESG focus. He joins up end to end value chains across a number of markets and advises clients on where digital and technology can be used to maximise benefit.

A regular Keynote speaker and online presenter, Iain has also authored several eBooks on these subjects.

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Monica K is the senior research analyst for the sustainability, digital business transformation and cyber security studies as part of the ISG Provider Lens™ program. She also has experience in researching technologies such as robotic process automation, blockchain and artificial intelligence. Monica has been working with ISG for the past one and a half years and takes part in analyzing service provider information through primary and secondary research.

Additionally, she engages in delivering ad-hoc requests from providers and advisors.





IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a partner and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



iSG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

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iSG

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DECEMBER, 2023

REPORT: SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)