

Sustainability and ESG

A research report on providers delivering digital solutions and services for sustainability outcomes



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The Sustainability and ESG 2024 study examines the digital solutions and services that providers increasingly offer to achieve more sustainable operations and value chains. With many of the largest organizations worldwide having set targets to address the environmental, social and governance (ESG) aspects of sustainability, the focus has firmly shifted to how these targets can be achieved. Organizations have also started to experience how challenging this task will be from both a technology and organizational change perspective.

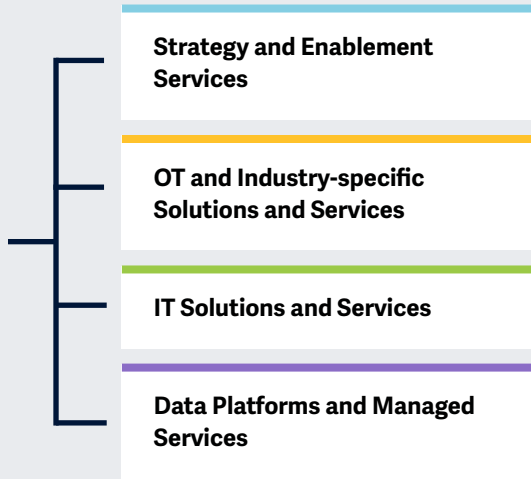
Becoming a more sustainable organization requires investments in the short and long term. In the short term, organizations must address regulatory and stakeholder requirements. In the long term, how organizational sustainability targets and achievements impact customer and investor perception of an organization and its brand should be emphasized. This perception can create new growth opportunities or threaten an organization's economic viability.

The scale and complexity of this problem necessitate that the digital capabilities providing ESG data and insights, which are required to make informed decisions, are integrated into digital transformations now.

This study provides organizations with the market intelligence they need to understand which providers have the most highly rated offerings. Last year's study found that many new providers had entered this digital sustainability market with a wide range of solutions and services. However, buyer demand lagged as organizations grappled with how and where to invest. In 2024, the study will assess how increased market demand has affected providers' offerings.



This study categorizes the **digital sustainability and ESG market** into consulting, technology solutions and delivery, and managed services.



Simplified Illustration Source: ISG 2024

Definition

The ISG Provider Lens™ Sustainability and ESG 2024 study offers business and IT decision-makers an independent evaluation of providers and vendors across each core digital capability area of sustainability.

These providers possess the ability to deliver solutions and services within one or more of the following:

- Digital sustainability strategy and transformation enablement services
- Operational and information technologies (OT and IT) and implementation services to deliver sustainability outcomes
- Platforms and services to manage ESG data

This study covers Australia, Brazil, Europe and the U.S. and serves as an important decision-making tool for positioning key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.



Strategy and Enablement Services

Definition

This quadrant assesses providers offering strategic advisory services that help organizations understand how technology can help them achieve regulatory compliance and more ambitious sustainability goals. These services leverage digital and data solutions to monitor the current and potential regulatory landscape and perform accelerated, holistic and data-driven materiality assessments involving key internal and external stakeholders. These services can address all forms of ESG, including decarbonization, circularity, human rights, modern slavery, diversity, equity and inclusion (DEI) and corporate governance and risks

The technology-driven services assessed under this quadrant include the interpretation of the organization's ESG data baseline against different scenarios – such as potential physical and transition risks from various climate change scenarios.

These providers also advise the role technology can play in IT, in the business and in the broader value chain. Importantly, they develop, integrate and promote the sustainable use of digital capabilities, especially AI, in the organization's ethics, principles and culture. They may also enable organizations to implement their transformation plans, by providing advisory and/or managed services for operating model changes, program and organizational change management, procurement and supplier management, and/or outcome measurement.

Eligibility Criteria

1. Provide **advisory services** for integrating sustainability into technology strategies or technology into sustainability strategies across different industry value chains
2. Provide advice on how technology can address material sustainability and ESG topics such as **setting and achieving decarbonization and net zero targets, creating circular business models and achieving DEI goals**
3. Offer digitally-based guidance and **audit/assurance services** relevant to global, national and industry-specific sustainability **policy, regulation, frameworks and standards**
4. Deliver **competitive market intelligence** on sustainability and ESG positions across industries
5. Design, adapt and implement **sustainability transformation and third party risk management and engagement programs**



OT and Industry-specific Solutions and Services

Definition

This quadrant analyzes service providers that offer vertically integrated OT solutions and implementation services designed to deliver more sustainable business operations and processes. This quadrant excludes sustainable solutions for horizontal IT capabilities that are used across all industries (such as compute and storage); these IT solutions are covered under the IT Solutions and Services quadrant.

Organizations can redesign operational process flows, optimize resource use and reduce environmental impact using technologies that enable more intelligent decision-making. This process involves increasing access to granular operational data and patterns across processes and offering complex simulation capabilities. Organizations that benefit the most from these capabilities include those with industrial, engineering and manufacturing processes involving physical, resource-intensive assets such as built infrastructure, vehicles and other machinery.

For example, these organizations are using digital twins, IoT, AI, ML and building management systems to optimize energy consumption and resource use in buildings and factories. This approach can also involve timing energy consumption to align with the availability of low-emission energy sources such as solar and wind.

Collection and analysis of data regarding how the workforce and consumers interact with the physical world or an organization's products can enhance the social sustainability of operations. This data – for example, capturing the level of exposure of a mining worker to different safety risks in a quarry – can provide real-time opportunities to improve the well-being of individuals.

Eligibility Criteria

1. Provide services that use **process tools and OT to understand, design and implement** more sustainable industry value chains in one or more ESG areas
2. Provide or manage **industry-specific technologies that make physical assets** (such as vehicles, energy or utility plants, buildings, factories and spaces) **more sustainable**, including optimizing the use of low-emission energy sources
3. Leverage **AI, ML, digital twins, IoT, blockchain** and similar capabilities to integrate, simulate, and automate ESG data and processes for improved decision-making across the value chain
4. Offer OT that enables **circular business models, products and value chains**
5. Provide solutions and advisory services to gain access to **low-emission energy and carbon offsets**



Definition

Providers in this quadrant offer IT solutions and implementation services for the horizontal technology capabilities used across industries and enable the digitalization of business operations and processes. These solutions and services are designed to make compute, storage and network infrastructure, end-user devices, data software platforms, and the architecture and coding of applications and AI and ML algorithms more environmentally and socially sustainable. These solutions and services are usually bought and managed by the Chief Information Officer's department.

Common use cases include reducing the energy consumption of and maximizing renewable energy used by data centers - including on-premise and those utilized by cloud providers. Other critical priorities for organizations wanting to use IT more sustainably include implementing more energy-efficient system architectures and coding for applications and algorithms.

Providers assessed in this quadrant may also provide managed services that commit to continuously reducing the environmental impacts of the devices and services they supply and manage. By allowing a managed service provider to control more IT processes from end-to-end they can shift resource consumption patterns from linear to circular, reusing more physical components than otherwise possible and reducing emissions, water and waste.

The social considerations of IT use are also evaluated within this quadrant. This may include the use of devices or supply of services that increase accessibility for disabled and neuro-diverse members of the workforce.

Eligibility Criteria

1. Provide **horizontal IT capabilities**, including industry-agnostic platform capabilities that enable organizations to use technologies more sustainably
2. Offer solutions and services to **rationalize and rearchitect application portfolios** that optimize utilization and **reengineer applications, algorithms and data platforms** for energy efficiency and bias prevention
3. Enable organizations to **rearchitect, optimize and manage compute, storage and network** resource consumption
4. Provide services to assess and **optimize end-user devices** in an aggregate and at an individual asset level, including offering guidance on how to adapt policies and sourcing criteria to prolong device utilization and lifespan



Data Platforms and Managed Services

Definition

This quadrant assesses data platform and managed service providers that enable organizations to collect, analyze and utilize ESG data across their value chain to comply with regulations and achieve other sustainability objectives.

Organizations are realizing that to operate more sustainably and responsibly, they need to obtain ESG data from every part of their value chain. This data typically exists across disparate systems such as ERP, HCM, supply chain management (SCM), governance, compliance and risk (GRC), third-party risk management (TPRM), CRM and building management (BM) systems. However, much of the data required is not granular, cannot be easily adapted to sustainability frameworks and use cases, and either exists in spreadsheets or does not exist at all.

With recent and upcoming corporate reporting regulations requiring more sustainability disclosures involving thousands of dynamic data points, augmenting subject matter experts with more sophisticated digital solutions is the only viable method to achieve compliance at scale. These regulations increasingly require new levels of transparency, explainability and external third-party assurance. Today, only a small proportion of organizations are confident in meeting the reporting requirements for the next 2-5 years with the resources they currently have.

With emerging technologies such as generative AI (GenAI) and other AI, organizations must consider the optimal investments to expand and scale their existing data capabilities at a pace that allows them to derive value without incurring new technical debt.

Eligibility Criteria

1. Provide platforms and services that capture, organize, analyze, report and monitor **ESG data across different industry value chains**
2. **Deliver platforms with advanced AI capabilities for ESG data categorization and workflows** involving internal and external sources, optimization analysis, and **data quality and reporting capabilities**
3. **Obtain data integration** from ERP, HCM, CSM, GRC, TPRM, CRM, BM and other management systems for physical assets, which include Supervisory Control and Data Acquisition (SCADA)
4. **Provide superior specialized or industry-specific solutions** such as carbon accounting, environment, health and safety (EHS) and DEI insights
5. **Offer ESG data managed services** that enable organizations to understand the opportunity and risk insights within their data and make informed decisions continually



Key characteristics of the proprietary framework:

- It encapsulates key topics for Sustainability and ESG.
- It details headline digital solutions from providers.
- It represents themes of enterprise objectives in inner tiles.
- It represents initiatives in outer tiles.
- Each outer tile reveals the specific capabilities of leading providers and solution companies.



Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following four quadrants on Sustainability and ESG 2024:

Quadrants	Australia	Brazil	Europe	U.S.
Strategy and Enablement Services	✓	✓	✓	✓
IT Solutions and Services	✓	✓	✓	✓
OT and Industry-specific Solutions and Services	✓	✓	✓	✓
Data Platforms and Managed Services	✓	✓	✓	✓



ISG archetypes categorize user needs and maturities across regions, industries and quadrants to offer a simple framework for understanding demand patterns. They reflect current marketplace knowledge, buyer goals, resources and initiatives. Archetype characteristics evolve via advisory work, consulting and global market research programs.

Exposed

The Exposed archetype is typically found in institutions that resist change, perceive it as too difficult or risky, or believe their business model is relatively immune to disruptions caused by sustainability and ESG trends. While there is some awareness of ESG risks in certain processes, overall, there is a lack of depth and breadth of knowledge, potentially resulting in noncompliance with ESG laws and regulations. Sustainability performance monitoring is conducted through manual efforts and spreadsheets, indicating limited technology use for data collection and analysis. Organizations in this archetype must bridge this gap to ensure compliance.

Aware and Cautious

This archetype includes organizations that have monitored and built high-level strategies and targets related to a range of risks and opportunities posed by sustainability. While

accountabilities have been assigned, clarifying responsibilities within an organization is likely ongoing. These organizations typically adhere to relevant ESG regulations. However, monitoring practices rely primarily on manual processes with ad hoc technology used to organize and analyze ESG data. Investments in enterprise-scale ESG data platforms should be a priority to ensure sound investments in operational sustainability initiatives.

Proactive

While some of these organizations have been on their sustainability journey for many years and have stabilized their investments to maintain a comfortably compliant position, many others in this archetype responded to the early 2020 signs and are reaching or surpassing the three-year mark for their sustainability strategy. They are refining or redesigning their operating models to better align sustainability capabilities with business functions and responsibilities. Their understanding of how

technologies can further enhance sustainability efforts is growing, indicating potential future investments in technology-driven solutions.

Pioneering

Pioneering organizations have mature, innovative sustainability strategies that foster engaged cultures and boast track records of success. Their strategies have undergone multiple adaptations, incorporating lessons learned to address stakeholder priorities and deliverables. These organizations understand the criticality of effectively managing ESG risks, ensuring sufficient digital investments to adopt a data-driven approach to decision-making. They also invest significantly in OT solutions such as digital twins, IoT, AI and ML where appropriate, leveraging a robust foundation of ESG data and sustainable IT capabilities.

Influential

Influential organizations are recognized as sustainability visionaries that integrate the full breadth of each ESG topic into their strategy. Their market value is partly defined by their success in transforming their business models related to circularity, where major components of their products' value chains are connected. Their thought leadership is robust and credible, stemming from deep expertise, valuable partnerships, strong technical capabilities and access to proprietary/unique data. They recognize that OT investments for sustainability are not discretionary but essential for continued success.



The research phase falls in the period between July and October 2024, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in November 2024.

Milestones	Beginning	End
Survey Launch	July 3, 2024	
Survey Phase	July 3, 2024	August 5, 2024
Sneak Preview	October 2024	November 2024
Press Release & Publication	November	

Collecting client testimonials via the Star of Excellence Program requires early client referrals (no official reference needed) because CX scores have a direct influence on the provider’s position in the IPL quadrant and the awards.

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2024 research agenda

Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of “Voice of the Customer.”

The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers’ success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:

ISG.star@isg-one.com



ISG Star of Excellence



The ISG Provider Lens 2024 – Sustainability and ESG 2024 study analyzes the relevant software vendors/service providers in the 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 June 2024, 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.



Contacts For This Study

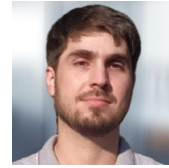
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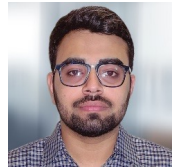
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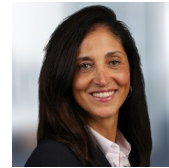
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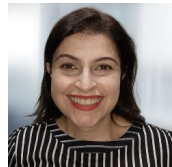
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ISG Provider Lens Advisors Involvement Program

ISG Provider Lens offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT). The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

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Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

ABB*	Avetta*	Circular Computing*	Diligent
Accenture*	AWS*	CLAM Meio Ambiente	DNV
Achilles*	Bain & Company*	Clarity AI	DXC*
AECOM*	BCG*	Cloudera*	EcoVadis*
Agrosmart	Benchmark Gensuite*	Cognizant*	EnergyCAP CarbonHub
Agrotools*	BlueShift	Compass UOL	ENGIE
Aliant	Bosch*	Computacenter*	Equinix*
Ambipar	Bravo GRC	Cority*	Ericsson*
Anthesis*	BSR*	Cyient	ERM*
Arcadia	BT	Datamaran	ESG Book (Arabesque S-Ray)*
Arcadis*	Bureau Veritas	DEEP ESG*	ESG Playbook
Arup*	Buro Happold*	Dell Technologies*	Eviden*
AT&T*	Capgemini*	Deloitte*	EY*
Atlas Governance*	Carbonext	Deutsche Telekom*	Falconi*
Atos*	CGI*	Digital Realty*	Figbytes



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* Rated in previous iteration

FirstCarbon Solutions*
Fujitsu*
General Electric*
Genpact*
GEP*
GFT
GHD
Globant*
Google Cloud*
Google*
Greenly*
Greenomy
GreenPlat*
HCLTech*
Hexaware*

Hitachi Digital*
Honeywell*
HPE
Huawei*
Humanizadas*
IBM*
ICF International*
ilegra
Imaflora
INBS
Incentiv
Infosys*
Intelix*
Isometrix Lumina
Jacobs*

Johnson Controls
Kearney*
KPMG*
Kyndryl*
Logicalis
LTMindtree*
MadeinWeb*
MarshMcLennan
McKinsey*
Microsoft*
Minsait
Moss*
Mott MacDonald
Mphasis*
NTT DATA*

OneTrust
Optera
Oracle*
Persefoni*
PrimeDB
Procurement Garage
Protiviti*
Pulsora
PwC*
Qualcomm*
Rackspace*
Ramboll*
Refinitiv
Renoir Group
Reply



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* Rated in previous iteration

RepRisk*	SustainIQ	WayCarbon*
Roland Berger	T-Systems/Detecon*	Wipro*
Salesforce*	TCS*	WNS Global Services
SAP*	Tech Mahindra*	Wolters Kluwer*
Sauter	Templum	Workday
Schneider Electric*	TIVIT*	Workiva
ServiceNow	TOTVS Consulting	WSP*
SG Analytics*	UL Solutions	YSSY
SGS	Unisys*	Zones*
Siemens*	Valantic	
SINAI Technologies*	VelocityEHS*	
SoftExpert*	Verizon*	
South Pole	Visagio	
Sphera*	Watershed*	
Stefanini	Wavin	



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](#).

iSG Research™

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iSG

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Founded in 2006, and based in Stamford, Conn., iSG employs 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.





JULY, 2024

REPORT: SUSTAINABILITY AND ESG