

# Sustainability and ESG (Environmental, Social, Governance)

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



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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.



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.



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.



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

Simplified Illustration Source: ISG 2023



**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).







Sweet Spot



# Computacenter

## Overview

Computacenter is headquartered in Hatfield, U.K. and has over 20,000 employees. It operates in 23 countries and provides services in more than 70 countries. In FY22 the company generated GBP 6.4 billion in revenue, with Technology Sourcing as its largest segment. It offers circular services, future market value, global reach and a future workplace, all aimed at delivering sustainable outcomes and high customer value.

### Key Provider Capabilities

- **Lifecycle extension through refurbishment:** Computacenter enables customers to prolong IT assets' lifespan by refurbishing and redeploying them. This strategy minimizes waste and offers cost benefits without new equipment purchases.
- **Secure asset recovery:** Computacenter provides a range of 'On-site Services' designed to safely and securely recover customers' technology devices from wherever they may be, whether that is at an office, a data center, or their home. Computacenter manages the end-to-end transportation of devices to regional processing facilities, where teams audit and data sanitize to the highest industry standards.
- **Reuse maximization:** Circular services help optimize device reuse. This

goal is accomplished by redeploying devices within a customer's existing infrastructure or remarketing devices with remaining utility in the secondary market. It yields the highest economic return for customers and bolsters their ESG initiatives.

- **Asset buyback and resale:** Computacenter provides forward valuations and automated buyback services for its customers' unwanted technology devices, allowing customers to recover residual value from their technology investments. Assets are audited, tested, and graded according to condition; then purchased by Computacenter at the fair market value, based on this assessment. These assets are subsequently resold, ensuring their continued utility.
- **Eco-friendly recycling:** Computacenter offers an environmental recycling

service for IT assets that cannot be refurbished or resold. This method recovers raw materials from obsolete equipment, minimizing environmental harm and promoting a circular economy.

- **Outcome tracking and reporting:** All results are monitored at individual device and component levels, enabling comprehensive sustainability (carbon and water savings) and financial outcome reporting. Customers can utilize these results in their ESG reporting.

These services are designed to maximize customer value through cost savings from redeployment, revenue from resale, or raw materials recovery via recycling. This holistic approach to IT asset disposition underscores Computacenter's commitment to customer value and environmental sustainability.

### Benefits Delivered

- **Cost efficiency:** Refurbishing and redeploying IT assets extends their lifecycle and saves on costs.
- **Environmental sustainability:** Recycling service recovers raw materials, reduces environmental impact and promotes a circular economy.
- **Maximized value:** All services maximize customer value through cost savings, revenue from resale, or raw materials recovery.



# Computacenter

## Sweet Spot

Computacenter's sweet spot is its ability as one of the largest providers of devices and workplace services to control and manage client end user estates sustainably. As a significant contributor to a client's Scope 3 emissions, Computacenter has prioritized a comprehensive approach to reduce the carbon footprint of its services.

- **Circular services:** Computacenter repurposes assets provided to clients and recovers materials and rare earth elements. Through its global facilities, more than 2 million items were processed in 2023. With the capacity to process over 200,000 items per month, Computacenter has dedicated space to deliver environmental benefits,

including conserving more than 100 million liters of water and avoiding upwards of 100,000 tons of CO2 each year.

- **Future market value:** Similar to how some cars are financed by offering guaranteed values over a term, Computacenter provides future pricing of depreciating hardware so that risk and price issues are passed from the client to Computacenter, offering settlement and simplified operational expenditure (OpEx) costs.
- **Global reach:** Computacenter is a global provider with the ability to service and repurpose client technology across 70 countries worldwide, with 12 priority locations, including the U.K.

and the EU. Such global reach helps the company serve clients worldwide, including niche firms in specific regions.

- **Future workplace:** Computacenter achieves high scores in the ISG's Future Workplace reports, securing a position among the top 10 providers across several workplace-related categories, namely devices, user support and user experience. Focused on ESG-conscious clients, Computacenter has the capacity to offer hardware, support and a highly regarded user experience while delivering sustainable outcomes.

## Future roadmap

- In the near future, Computacenter plans to expand its geographical reach further into North America and Europe
- Computacenter will enhance its global reporting of customer sustainability outcomes from utilizing its Circular Services
- The rollout of a standard operating model across Computacenter is planned to ensure global standardization and quality, linked to a planned increase in sales resources to achieve expansion and standardization





# Appendix

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**  
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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.

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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**  
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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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Founded in 2006, and based in Stamford, Conn., iSG employs more than 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](http://isg-one.com).







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