ISG Provider Lens™

Digital Business Enablement and ESG Services

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:
wipro

QUADRANT REPORT | DECEMBER 2022 | U.S., AUSTRALIA, UK

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Executive Summary

Report Author: Tarun Vaid

In the U.S., the focus is now on being digital

The renaming of this study to Digital Business Enablement and ESG (Environmental, Social and Governance) Services reflects that digital transformation is now a necessity for enterprise clients across industries. The market trend has completely shifted from doing digital to being digital. At the same time, ESG services are now being seen as one of the most important requirements for enterprise clients and have become a critical component and a differentiator in the digital transformation services offered by providers.

The term enablement represents the maturity and complexity that digital transformation requirements have reached in the last 24 months. To further penetrate the market, providers must not only depend on their robust portfolio of services but also demonstrate their expertise in implementing digital technologies such as AI, analytics, security, IoT and AR/VR. Providers also need to offer strong digital and customer experience (CX) governance frameworks. In addition, they must provide digital tools that support both industry and function transformation, work closely with regional partners and have a strong innovation roadmap that involves clients and partners in developing new and niche capabilities.

Digital reality services present a major opportunity for digital transformation in which enterprise clients explore new ways of collaboration, learning, training, product design and creating hyper-personalized experience.

In the **U.S., focus** has now shifted to **being digital**

Executive Summary

In the U.S., the complexity of digital transformation requirements has increased drastically in the last two years. For successful digital transformation, it is very important for providers to show a strong understanding of modern technologies; be focused on innovation; demonstrate thought leadership in advising clients on the latest IT, market and industry trends and offer references on successful implementation.

Continuous IT advancements have resulted in a significant uptake in the use of digital services, tools and frameworks by enterprises in the U.S. Enterprise digital leaders are deploying AR/VR/MR with the goal of creating more immersive experiences for employees and customers, enhancing data visualization, and improving manufacturing and maintenance processes. Enterprises in the U.S. will be more dependent on digital service providers for building and refining digital business models, fostering a culture that prioritizes experimentation and using technology and data to establish competitive advantages.

Analysis of the data shared by providers as well as in-depth briefings reveal some notable digital transformation and enablement trends in the U.S.

- Providers are now highly focused on offering a more human-centered approach to creating experiences based on the principles of experience-first design for offering a seamless, cohesive omnichannel experience. This includes robust expertise in qualitative research and analysis, ideation, concepting, product strategy, prototyping and validation, agile design and innovative products and services that assist clients in building better digital solutions to address their customers' needs.

- CX is a key focal point for most businesses across all industries in the U.S. It is a determining factor in driving customers' decisions toward the business outcome that defines their journey. By understanding customers' behavior and assessing their requirements, organizations can design an interaction path that influences customer decisions to choose a brand or to buy a product or service.

- Providers continue to invest in building in-house digital tools. The combined use of tools and accelerators for digital services as well as ready-to-deploy platforms helps providers position themselves distinctively in the market. They are investing in building industry-specific tools with proven use cases and function-specific solutions. These tools help providers create the required differentiation in the competitive digital business transformation services market.

- A data-driven transformation approach remains a major requirement from enterprise clients and for a majority of the work that providers have delivered. Clients in the U.S. seek support for decision-making that is highly informed, prescriptive, driven by data and augmented by AI, machine learning (ML) and digital twins for driving tangible business value. Providers are making significant effort into offering analytics services that generate prescriptive, explainable recommendations to optimize business outcomes in less time and with lower cost and risk.

- Digital technologies continue to have a major impact on digital transformation, and they act as the

biggest enabler to support clients in their digital journey. AI, IoT, AR/VR, cybersecurity and the cloud are being adopted rapidly to modernize and optimize processes and become digital native. Next-gen customer relationship management (CRM) systems enabled with IoT capabilities are helping businesses in the U.S. offer more personalized and connected experience, and providers have started building their capabilities across CRM systems.

- Clients' requirements for digital business model transformation and optimization of digital operations capabilities and services have grown as pandemic-driven structural changes have become permanent. Clients are looking for providers that can assist them by consulting and offering digital technologies and approaches to enable fundamental

changes in their business model, optimize their operations and make them more cost-efficient.

- Self-monitoring, reporting and forecasting models such as predictive analysis are used to detect, contain and solve problems, often with built-in machine learning. To trace and improve forecasts or automate methods and improve the quality of a service, results and reports are stored and shared with involved parties by applying AI inputs to selected relevant employees. This is now of major importance in the supply chain and manufacturing areas.

- In the U.S., enterprise digital leaders are deploying AR/VR/MR with the goal of creating more immersive experiences for employees and customers, enhancing data visualization and improving manufacturing and maintenance

processes. Clients in manufacturing, automotive, energy and utilities and aerospace have already implemented digital reality services at large scale. Healthcare and banking are the next major areas of focus.

- As per the Star of Excellence™ 2021 findings, clients in the U.S. are specifically choosing providers that can blend technology expertise, digital services, tools and talent to help them with digital transformation. They need strong, local and experienced resources that understand the nuances, trends and compliance needs of the local market, as well as provide reference use cases, core platforms, industry expertise and strong product and innovation roadmaps to guide them.

Services from the roadmap strategy through to the realization of digital transformation goals are now mainstream

both in the U.S. and globally. It is essential to obtain the correct stakeholder involvement within the enterprise and to find the best consultancies, service providers and ICT companies to provide the support required, execute the implementation and enable large-scale digital transformation.

Providers and enterprises focus on sustainable offerings and operations

This study focuses on major **digital transformation** trends in the U.S.

Simplified Illustration Source: 2022

- Business Consulting Services
- Customer Experience Services
- Supply Chain Transformation Services
- Sustainability and ESG Services
- Digital Reality Services

Definition

As information technology has advanced in recent years, there has been a significant uptake in the use of digital tools and transformation services around the world. Many of these initiatives have helped businesses survive and thrive, making digital transformation a pathway to success for enterprises across all industries. The use of IT to enhance the customer journey, improve business agility and deliver digital products across most businesses processes — including sales, trading, production, supply chain, product design and human resource management — has helped enterprises achieve real bottom-line benefits and maintain the quality of customer experience during the pandemic.

One of the most disrupted segments during the pandemic has been the supply chain, an increasingly complex system in a world that has become more connected and highly interdependent. The digitalization of the supply chain also brings in the aspect of resilience. With enterprises expanding their technology and infrastructure footprints as a result of increased digitalization, they are also embracing sustainability goals for a greener and liveable planet.

In recent years, many companies have been working on achieving net-zero carbon emission or carbon reduction. Those that focus on addressing climate change-related challenges find it important to deploy analytics using connected, centralized and reliable data. The integration of AI and machine learning into this digital foundation allows for more accurate prediction, increased efficiency and real-time innovation opportunities.

The digital reality services domain has witnessed accelerated growth, especially in the last couple of years. Virtual reality, augmented reality and mixed reality will

be an integral part of digitalization. AI-powered AR and VR technologies drive the market shift toward the metaverse virtual world.

According to the ISG Index™ for Q1 2022, the annual contract value (ACV of $5 million or more) for the combined global market, including both XaaS and managed services, grew by 31 percent in the first quarter to reach a record $24.2 billion. A total of 602 managed services contracts were awarded in the first quarter, which is an increase of 14 percent from the previous year. A majority of those agreements — nearly 60 percent — fell into the smallest range of $5 million to $10 million of ACV. The industry also saw a jump in contract restructuring, which increased 19 percent in the quarter, surpassing $3 billion in ACV for the first time since the pandemic.

The ISG Index for Q1 2022 analysis also observed that budgets have been rising as companies continue to increase investments in driving their digital transformation agendas. Despite the apparent slowdown in market demand in the fourth quarter of 2021, ISG still forecast solid growth for 2022, including 5.1 percent for managed services and 20 percent for the XaaS market, as enterprises invest in digital technologies and capabilities in response to the pandemic and despite current economic challenges.

This ISG Provider Lens™ study focuses on identifying service providers that can support clients with their digital business capabilities. Digital-ready service providers understand the full scope of digital services to provide constant innovation for improving user experiences, accelerating business delivery and incorporating intelligent solutions. They partner with leading technology vendors and facilitate

the use of cognitive computing and learning systems to digitalize client organizations.

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

- Transparency on the strengths and areas for improvement of relevant providers

- A differentiated positioning of providers by segment

- A perspective on different markets, including the U.S., the U.K., Germany, the Nordics, Brazil and Australia

Our study serves as an important decision-making basis 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 new engagements.

Sustainability and ESG Services - U.S.

Who Should Read This Section

This report is relevant to enterprises across industries in the U.S. for evaluating providers of digital business enablement and ESG services.

In this quadrant report, ISG highlights the current market positioning of service providers that offer sustainability and ESG services in the U.S. Enterprises seek integrated capabilities of advisory and integration services from providers to incorporate net zero and circularity principles across their value chain and drive sustainable business operations.

Achieving sustainable supply chain and logistics systems is becoming a key priority for enterprises in the U.S. For this, enterprises are required to engage with suppliers beyond tier-1 types to actively deliver their ESG objectives. Therefore, there is immense stress on improving traceability metrics and reporting.

Enterprises are collaborating with their strategic suppliers to drive actionable and accountable initiatives to improve impact in addition to their organisation specific ESG efforts. These enterprises seek providers that can help them understand how to measure their scope-3 emissions from third-party suppliers, as third-party risk management is becoming imperative for enterprises in ESG compliance. ISG also observes a huge demand from enterprises for solutions to track and trace supplier compliance.

Technology professionals should read this report to understand the relative positioning and capabilities of providers that can help them with their sustainability targets, measure and track their ESG performance, and build sustainable business with the adoption of digital technologies.

For strategy professionals, through this report, will gain insights on providers build and implement sustainability-related strategies, enabling them to integrate ESG into their businesses as a key differentiator.

Digital professionals should read this report to understand a provider's ability to deliver seamless sustainability and decarbonization solutions that leverage digital capabilities. The report also gives insights on how providers can be compared with each other.
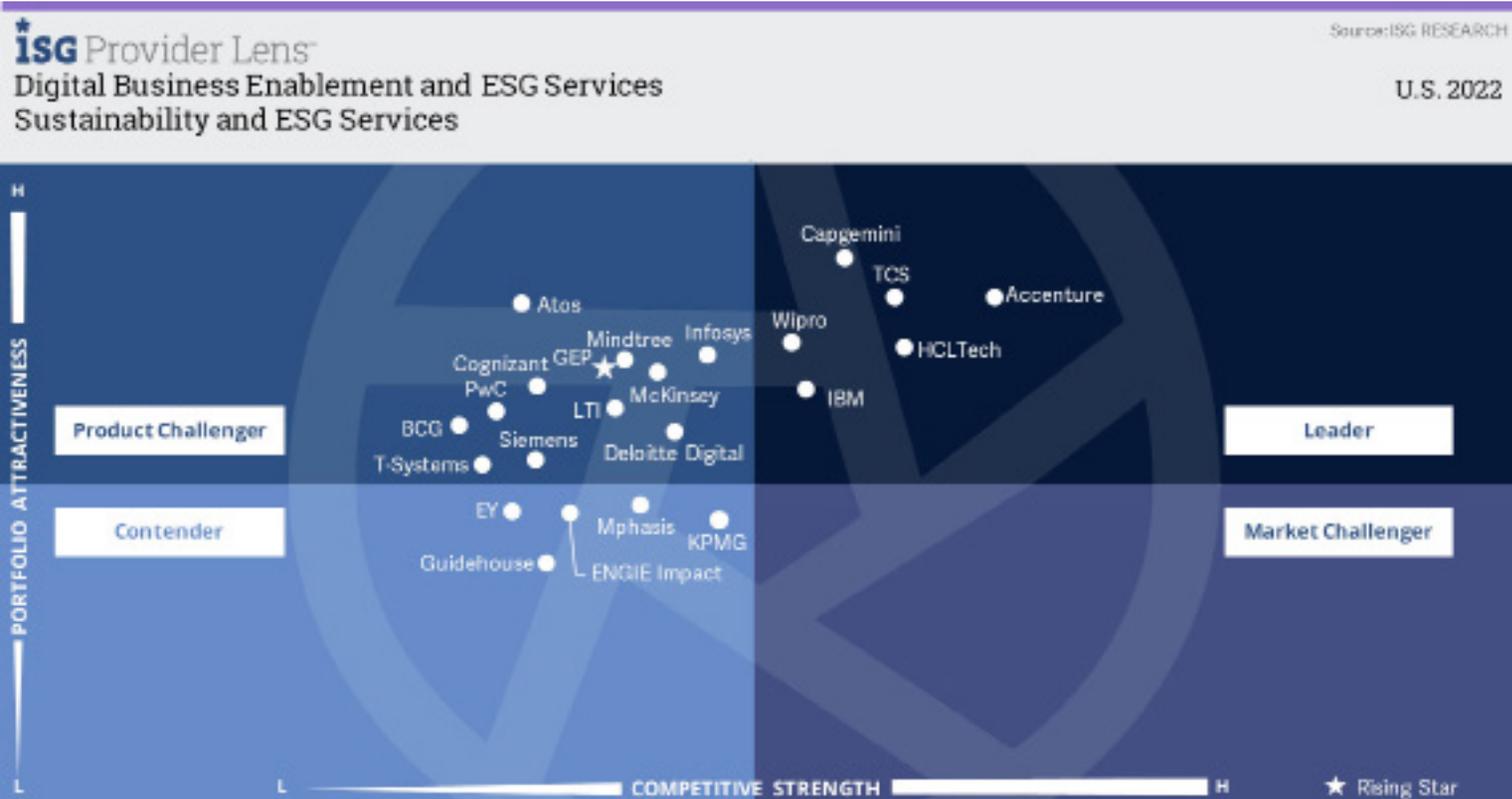
The Sustainability and Decarbonization quadrant has been replaced by the **Sustainability and ESG Services quadrant** this year to reflect changing market maturity. This quadrant assesses **providers that can help clients achieve ESG goals.**

Tarun Vaid

Sustainability and ESG Services

Definition

The Sustainability and ESG Services quadrant assesses service providers' ability to deliver sustainability services to their clients, either as a standalone service or as a packaged offering for digital contracts.

Technologies powering digital transformation generate a significant carbon footprint. However, digitalization is also a means to achieve sustainability and decarbonization. With world leaders taking a pledge to address climate change issues, it is imperative for businesses to achieve net neutrality in carbon emission and remain sustainable, besides reaping the other benefits of digital transformation.

Sustainable business innovation across enterprises is aligned with the United Nation's 17 Sustainable Development Goals (SDG) that are targeted to be achieved by 2030. The Climate Pledge

for mitigating climate change, signed in 2016 in Paris by 196 countries has steered organizations to focus on net-zero carbon emission and 100 percent renewable energy. With these imperatives, services providers are helping their clients in their sustainability efforts while addressing their digital transformation initiatives.

The providers in this quadrant should be able to help clients achieve carbon neutrality and improve their environmental, social and governance (ESG) performance.

Eligibility Criteria

1. Should have helped their clients in achieving at least one of the SDG and ESG goals

2. Should have **solutions for businesses** to achieve their sustainability goals

3. Should offer sustainability services as a **separate offering or as a part of their digital services**

4. Should have helped clients achieve, or have a target to achieve, sustainability in the region of assessment

5. **Should be able to measure and report revenue from sustainability services delivered to clients**

Observations

There has been a significant uptake in sustainability and ESG services by enterprises in the U.S. since the ISG Provider Lens™ 2021 assessment. This can be attributed to the fact that providers have now built very robust ESG practices that assist clients in achieving their sustainability and ESG goals. They offer capabilities for net-zero transitions; a sustainable value chain; integration of modern technologies; ESG measurement, analytics and performance; sustainable leadership and organization and sustainable CX and brand.

The importance of digital technologies such as AI, IoT, predictive analytics, and blockchain for sustainability and responsible business models is fast evolving and driving the sustainability and ESG service market. In the U.S., providers reported more work, reference use cases and client requirements on designing carbon net-zero strategies, providing climate risk assessment tools and framework, ESG governance framework, and enabling sustainable product lifecycles by supporting the creation of a sustainable and circular business model to help promote a better future.

Leading companies in the U.S. have now turned their focus to digital technologies that can turn environmental challenges into major business opportunities. Cloud, data analytics, IoT and digital sustainable governance frameworks will continue to be the major areas of demand in the U.S., and sustainability service providers must enhance their capabilities in these areas to increase their share in this growing market.

From the 40 companies assessed for this study, 23 have qualified for this quadrant, with six being identified as Leaders and one as a Rising Star.

accenture

Accenture takes a holistic approach to delivering sustainability services to its clients. The approach encompasses strategy, design and execution to increase revenue, reduce cost, manage risk and enhance the clients' brand, reputation and intangible assets.

Capgemini

Capgemini can combine climate and data capabilities to repurpose an enterprise's business and operations for a sustainable future. Its range of assets includes tools, an ecosystem of alliances and partnerships, internal expertise and thought leadership.

HCLTech

HCLTech continues to grow its sustainability service capabilities and has demonstrated successful use cases that it has delivered for U.S. clients in the industrial manufacturing, automotive manufacturing, shipping and oil & gas industries.

IBM

IBM's proven portfolio of offerings feature cognitive technologies that are embedded in sustainability capabilities across many enterprise industries, many technology options and top-tier consulting assets — all of which help create compelling solutions.

Sustainability and ESG Services

TCS has over 40 years of experience in sustainability in a range of fields including environment, fisheries, agriculture, biodiversity, accessibility and water stewardship. It offers more than 200 offerings across industries and multiple dimensions of sustainable development.

Wipro offers comprehensive sustainability service capabilities to its huge client base in the U.S. It also offers deep expertise in delivering complex sustainability and decarbonization projects, which are witnessing tremendous growth in the U.S.

GEP

GEP, a Rising Star, offers a service that combines its ESG, procurement, supply chain and technology expertise to assist clients in operationalizing their ESG strategies.

Wipro

"Wipro's sustainability services cover ESG, responsible service and supplier and community impact."

Tarun Vaid

Overview

Wipro is headquartered in Bengaluru, India, and operates in 45 countries. It has 258,600 employees across 130 global offices. In FY22, the company generated $10.4 billion (+22.4 percent YoY) in revenue, with IT services as its largest segment. Wipro embeds principles of sustainability into its business in three ways: sustainability as an exemplar, sustainability as an enable and sustainability as an influencer.

Strengths

Wipro's green IT offerings: Wipro infrastructure services have created a broad range of IT solutions that help clients reduce their CO_2 emissions in a sustainable manner and across Scope 1, 2 and 3 emissions. Wipro's green IT offerings include the following 1) virtuadesk™, a platform for virtual workplace; 2) Surfonomics™ for AI-powered multi-cloud and container optimization and 3) Service Theatre™, a fully programmable industrialized services platform.

Strong partner ecosystem: On sustainability-related topics, Wipro has partnered with hyperscalers like AWS, Google and Microsoft, as well as ESG experts like Aveva, EcoVadis, Enablon, Schneider Electric and Siemens. It is also actively working on co-innovation with a few key partners that helps customers get faster implementation, reduced delivery cost and assurance.

Investment in sustainability: Wipro is investing in the transformation of sustainability with Net Zero, Open Group (Open Footprint and OSDU), sustainable brands and the World Economic Forum.

Caution

The U.S. market is about to experience a tremendous upsurge in the importance of ESG, sustainability and decarbonization. Wipro needs to showcase more of the work it has completed for clients in the U.S. across different industries, as well as communicate the ways in which it is establishing a partner ecosystem.

Sustainability and ESG Services - Australia

Sustainability and ESG Services

Who Should Read This

In this quadrant, ISG evaluates providers offering sustainability and ESG services in Australia, with the ability to help clients achieve carbon neutrality and improve their environmental, social, and governance (ESG) performance.

ISG highlights the current positioning of sustainability and decarbonisation service players in Australia, with a comprehensive overview of the competitive landscape of the market. Sustainable business innovations across enterprises are aligned with the United Nation's 17 Sustainable Development Goals (SDGs) targeted to be achieved by 2030.

Australia's largest businesses are increasingly being expected to demonstrate how they manage the range of physical and transitional risks associated with changing climate. The demand among consumers for green and sustainable products is correspondingly increasing.

Technology Professionals should read this report to understand how service providers address the significant challenges faced by enterprises.

Supply chain leaders should read this report to contribute actively to deliver on ESG objectives and gain a competitive global overview of the providers in this marketplace.

Sustainability leaders should read this report to gain knowledge of providers' product portfolios, which, in turn, will enable streamlined workflow for enterprises and enhanced functionality for agents.

ISG Provider Lens™
Digital Business Enablement and ESG Service
Sustainability and ESG Services

Source: ISG RESEARCH

Australia 2022
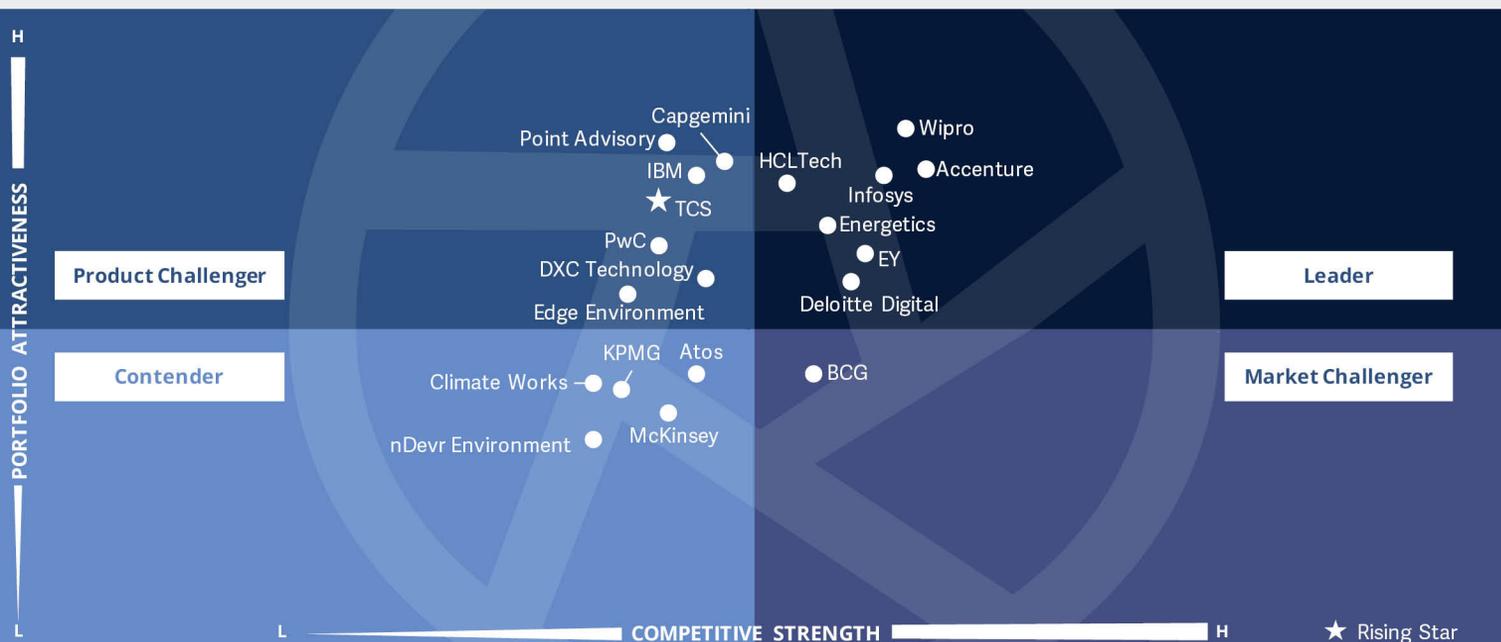
The Sustainability and Decarbonisation quadrant has been replaced by the **Sustainability and ESG Services** quadrant this year to reflect changing market maturity. This quadrant assesses **providers that can help clients achieve ESG goals**.

Craig Baty and Phil Harpur

Definition

The Sustainability and ESG Services quadrant assesses service providers' ability and capability to deliver sustainability services to their clients, either as a standalone service or as a packaged offering for digital contracts.

Technologies powering digital transformation generate a significant carbon footprint. However, digitalisation is also a means to achieve sustainability and decarbonisation. With world leaders taking a pledge to address climate change issues, it is imperative for businesses to achieve net neutrality in carbon emission and remain sustainable, besides reaping the other benefits of digital transformation.

Sustainable business innovation across enterprises is aligned with the United Nation's 17 Sustainable Development Goals (SDGs), which are targeted to be achieved by 2030. The

Climate Pledge for mitigating climate change, signed in 2016 in Paris by about 196 countries, has steered organisations to focus on net-zero carbon emission and 100 percent renewable energy. With these imperatives, services providers are helping their clients in their sustainability efforts while addressing their digital transformation initiatives.

The providers in this quadrant should be able to help clients achieve carbon neutrality and improve their environmental, social and governance (ESG) performance.

Eligibility Criteria

1. Should have helped their clients in achieving at least one of the **SDG and ESG goals**

2. Should have solutions for businesses to achieve **their sustainability goals**

3. Should offer **sustainability services as a separate offering** or as a part of their digital services

4. Should have **helped clients achieve**, or have a target to achieve, **sustainability in the region of assessment**

5. Should be able to **measure and report revenue** from sustainability services delivered to clients

Observations

The Sustainability and Decarbonisation quadrant introduced last year has been replace by the Sustainability and ESG quadrant this year to reflect changing market needs and increasing maturity of the local market.

This change of definition, increased competition, the tightening of ISG criteria and limits on the number of providers to be included in each quadrant have also resulted in some movements within the Leaders segment, including some providers being moved out. The Product Challengers segment has also changed, with some of last year's challengers moving to the Contender segment and others dropping off the chart completely.

The notable change to this quadrant is the addition of TCS. It has been extremely active on the global front in developing its ESG capabilities, which positively

affected its local market position and earned it the rank of a Rising Star. Deloitte has also moved up from being a Market Challenger to Leader status under the new eligibility criteria.

Of the 20 providers in Australia in this quadrant, seven are identified as Leaders and one as a Rising Star.

accenture

Accenture is one of the world's largest professional service providers across strategy, consulting, digital, technology and operations. It has 5,000 employees in six offices across Australia. Accenture helps clients create value and impact through its growing sustainability and ESG practice.

Deloitte

Deloitte is a part of the multinational Deloitte Consultancy Group, one of the largest professional services organisations in the world. It offers a wide range of digital consulting services in Australia. Deloitte provides strong sustainability strategy and governance as well as ESG financing capabilities.

Energetics

Energetics develops strategies for climate risk, climate adaptation and energy management for business and government. An Australia-based company that has been operating for more than 35 years, it has a highly differentiated sustainability practice across a broad range of industries.

EY

EY is a major international consultancy. It has extensive operations in Australia with offices in all major capital cities in Australia. EY has a large sustainability practice to assist companies in understanding the risks and opportunities.

HCLTech

HCLTech is an Indian multinational IT services and consulting technology company with offices in Australia. HCLTech has prioritised particular ESG areas of its operations to maximise its contribution to the UN Sustainable Development Goals.

Sustainability and ESG Services

Infosys

Infosys provides business consulting, information technology and outsourcing services across 46 countries including Australia. Foundational offerings include green IT, ESG data and analytics, and sustainability advisory/organisational change management.

wipro

Wipro is a leading global IT, consulting and business process services provider. headquartered in India, it has had a presence in the Australian market for over 20 years. Wipro is currently leading sustainability transformation in areas such as Transform to Net Zero, Open Group and sustainable brands.

tcs TATA CONSULTANCY SERVICES

TCS is a global IT services, consulting and business solutions company that is headquartered in India and has a fast-growing presence in Australia. TCS has over 200 offerings in areas such as value chains and regenerative economics.

Wipro

"Wipro is among the few leaders in sustainability & ESG transformation with a dedicated practice."

Craig Baty and Phil Harpur

Overview

Wipro is headquartered in Bengaluru, India, and operates in 66 countries. It has over 243,000 employees across 130 global offices. In FY22, the company generated $10.4 billion (+22.4 percent YoY) in revenue, with IT services as its largest segment. It has had a presence in the Australian market for over 20 years. Wipro has a broad suite of sustainability services across key impact areas of environment, social, responsible service, responsible supplier, community impact and governance.

Strengths

Innovative product and service design strategy: This strategy is a core capability of Designit, the strategic design consultancy of Wipro. It applies a human-factored and behavior-led approach to adopt sustainable productions and services that help address social capital issues and sustainable design methodology for the future.

Dedicated sustainability operations practice: Wipro has a dedicated and large sustainability operations practice that addresses sustainability needs for its clients across sectors and the value chain. Its unique approach combines deep domain expertise, industry nuances with ESG specialists who can provide current market thinking, and close collaboration with partners. This approach has been well received by Wipro clients.

Market leader in sustainability transformation: Wipro is committed to investing in sustainability practices. The company is currently leading sustainability transformation in areas such as Transform to Net Zero, Open Group, sustainable brands, sustainable market initiatives and the World Economic Forum.

Caution

Wipro has been rated a strong Leader in this newly created ESG quadrant in Australia. Although its market penetration has increased over the last 12 months, Wipro will need to ensure that its offerings continue to be leading edge and adapt to the rapidly changing ESG environment in Australia.

Sustainability and ESG Services - UK

Who Should Read This Section

This report is relevant to enterprises across industries in the U.K. for evaluating providers of digital business enablement and ESG services.

In this quadrant report, ISG highlights the current market positioning of service providers that offer sustainability and ESG services in the U.K. Climate change is becoming important in the region, and customers are making lifestyle changes to tackle these challenges.

Customers prefer ethical brands that have a positive impact on the environment. Enterprises are striving to become carbon neutral by investing in smart devices and clean energy technologies for energy efficiency. They are also providing sustainable packaging and are recycling more waste to retain their brand reputation. Decarbonising the U.K. economy is a crucial part of the government's ambitious plan for the green industrial revolution. The government is already spending approximately £280 million to decarbonise the NHS estate in England under the Public Sector Decarbonisation Scheme, with an additional £1.425 billion in funds obtained for the entire public sector for the financial years 2022-2023 to 2024-2025. Several diverse industries have embraced the use of cutting-edge digital technologies such as IoT, big data, AI, and 3D printing to improve sustainability.

Technology professionals should read this report to understand the relative positioning and capabilities of providers that can help them with their sustainability targets, measure and track their ESG performance, and build sustainable business with the adoption of digital technologies.

Digital professionals should read this report to understand a provider's capability to deliver seamless sustainability and decarbonisation solutions that leverage digital capabilities. The report also gives insights on how providers can be compared with each other.

Strategy professionals, through this report, will gain insights on providers' build and implement sustainability-related strategies, enabling them to integrate ESG into their businesses as a key differentiator.

iSG Provider Lens™

Digital Business Enablement and ESG Services
Sustainability and ESG Services

U.K. 2022

H

PORTFOLIO ATTRACTIVENESS

Product Challenger

Infosys
Cognizant

GEP
Mindtree

Mphasis

LTI · CGI

Contender

KPMG
EY · T-Systems
· PwC

Tech Mahindra

· BCG

Deloitte Digital

IBM
Capgemini
HCLTech
Atos
Wipro
TCS

Siemens
Accenture

Leader

Market Challenger

L

L   **COMPETITIVE STRENGTH**   H

★ Rising Star

This quadrant assesses providers that help clients achieve **sustainability**, including **energy usage, sourcing, and carbon neutrality**, as well as **improve their ESG performance**.

Akhila Harinarayan

Sustainability and ESG Services

Definition

The sustainability and ESG services quadrant assesses service providers' ability to deliver sustainability services to their clients, either as a standalone service or as a packaged offering for digital contracts.

Technologies powering digital transformation generate a significant carbon footprint. However, digitalisation is also a means to achieve sustainability and decarbonisation. With world leaders taking a pledge to address climate change issues, it is imperative for businesses to achieve net neutrality in carbon emission and remain sustainable, besides reaping the other benefits of digital transformation.

Sustainable business innovation across enterprises is aligned with the United Nation's 17 Sustainable Development Goals (SDG) that are targeted to be achieved by 2030. The Climate Pledge for mitigating climate change, signed in 2016 in Paris by approximately 196 countries, has steered organisations to focus on net-zero carbon emission and 100 percent renewable energy. With these imperatives, services providers are helping their clients in their sustainability efforts while addressing their digital transformation initiatives.

The providers in this quadrant should be able to help clients achieve carbon neutrality and improve their environmental, social and governance (ESG) performance.

Eligibility Criteria

1. Should have **helped their clients in achieving** at least one of the SDG and ESG goals

2. Should have **solutions** for businesses **to achieve** their sustainability goals

3. Should **offer sustainability services** as a separate offering or as a part of their digital services

4. Should have **helped clients achieve**, or have **a target to achieve**, **sustainability** in the region of assessment

5. Should be able to **measure and report revenue** from sustainability services delivered to clients

Observations

The U.K. is the major economy to unveil a net zero industrial decarbonisation strategy for the first time. This strategy is gaining traction, as the U.K. government focuses on improving environmental protection measures, accelerating economic recovery from the COVID-19 pandemic, and maintaining a healthy environment for future generations. Decarbonising the U.K. industry is a crucial part of the government's ambitious plan for the green industrial revolution. Most large businesses and financial institutions in the U.K. are required to explain how they intend to achieve their climate change goals in accordance with the proposed treasury regulations.

In the current Industry 4.0 era, many manufacturers are investigating the adoption of cutting-edge digital technologies (such as IoT, big data, AI, and 3D printing) to improve sustainability. Many companies have partnered with international organisations to enhance their sustainability goals, largely to maintain compliance, enhance brand recognition, and attract customers.

From the 95 companies assessed for this study, 22 have qualified for this quadrant with eight Leaders and one Rising Star.

accenture

Accenture provides a range of services, including net zero industry transitions, sustainable IT and technologies, circular value chains, sustainable measurement, leadership and talent development, sustainable brand designing, and CX to help clients overcome their sustainability challenges.

AtoS

Atos' business offering dedicated to net zero transformation benefits from its acquisition of EcoAct and its expertise in helping businesses implement positive change in response to climate and carbon challenges.

Capgemini

Capgemini has a robust portfolio of products and services that address various aspects of sustainability and decarbonisation, assisting enterprises in various ways as they implement their roadmaps to achieve these goals.

HCLTech

HCLTech, along with developing new offerings, continuously invests in ESG frameworks and solutions tailored to specific industries. It guarantees that sustainability is a key component of its transformational initiatives.

IBM

IBM has AI and hybrid cloud technologies, along with an extensive partner ecosystem, that help provide deep data analysis and handle complex scenarios for large clients that focus on sustainability and net zero emissions.

Siemen

Siemens' expertise and Siemens Advanta, its consulting and implementation branch, together create tangible impact in the field of decarbonisation and sustainability management for clients.

TCS has more than 40 years of experience in sustainability in a broad range of fields, including environment, fisheries, agriculture, biodiversity, accessibility, skilling, and water stewardship. It has more than 200 offerings in multiple dimensions of sustainable development across various industries.

Wipro has deep domain expertise and strong partnerships to successfully integrate sustainability strategies and solutions into its core business models, while operationalising for scale.

GEP

GEP's (Rising Star) service offering combines its ESG, procurement, supply chain, and technology expertise to assist clients in operationalising their ESG strategies.

Wipro

"Wipro offers innovative solutions and delivers ESG services to its clients in the U.K."

Akhila Harinarayan

Overview

Wipro is headquartered in Bengaluru, India, and operates in 45 countries. It has more than 258,600 employees across 130 global offices. In FY22, the company generated $10.4 billion (+22.4 percent YoY) in revenue, with IT services as its largest segment. Wipro embeds principles of sustainability into its business in three ways – sustainability as an exemplar, sustainability as an enabler, and sustainability as an influencer.

Strengths

Open-source tool for sustainability: Wipro actively develops the initial product roadmaps and co-innovation in the area of managing and reporting GHG emission data. Additionally, it collaborates with leading calculation engines, an industry desk and the Open Footprint Forum. Based on its extensive experience, this collaboration promotes the use of open-source tools and offers an accelerated delivery framework to enable quick deployment of projects related to GHG emission reporting.

Acquisition of Capco: Wipro has acquired a London-based company, Capco. Capco's data practitioners already have experience in working on ESG projects. The ESG practice positions Wipro to help financial asset managers understand, assess, evaluate, and integrate ESG and sustainability factors into the investment decision-making process.

Broader portfolio: Wipro offers comprehensive sustainability service portfolio that includes strategy, assessment and governance, responsible impact tracking, responsible finance, sustainable operations, sustainable supply chain, responsible green IT, sustainable products and services, social and community impact, and sustainable culture.

Caution

Wipro must accelerate its go-to-market strategy and showcase its regional successes to gain more brand awareness and market share.

Appendix

The ISG Provider Lens™ 2022 – Digital Business Enablement and ESG Services analyzes the relevant service providers in the U.S. 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 2022, 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 Digital Business Enablement and ESG Services market

2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics

3. Interactive discussions with service providers and vendors on capabilities and use cases

4. Leverage ISG's internal databases, advisor knowledge and experience

5. Use of Star of Excellence CX-Data

6. Detailed analysis, evaluation of services and service documentation based on the facts and figures received from providers and other sources.

7. Use of the following key evaluation criteria:

   * Strategy and vision

   * Innovation

   * Brand awareness and presence in the market

   * Sales and partner landscape

   * Breadth and depth of portfolio of services offered

   * Technology advancements

Author & Editor Biographies

Author

Craig Baty
Distinguished Lead Analyst

Craig Baty has extensive research and thought leadership experience across the Asia Pacific and Japanese ICT markets. Craig is principal of DataDriven, an Asia Pacific-based research and advisory firm that is an ISG Research partner. Working seamlessly with ISG's global research team, DataDriven delivers all ISG Provider Lens™ research in APAC. Craig has over 30 years of executive and board-level experience in the industry, including experience as group vice president and head of Gartner Research Asia Pacific and Japan; CEO of Gartner Japan; global vice president of Frost & Sullivan; executive general manager for marketing and CTO of Fujitsu Australia New Zealand & Asia; and general manager for marketing, strategy and alliances at BT Syntegra. More recently he was vice president of global strategy and vice president of digital services at Fujitsu's Tokyo headquarters.

As a well-known ICT commentator and analyst, Craig has written more than 200 research pieces, has presented at over 1,500 events globally, and is regularly quoted in regional media. Craig is actively involved in the ICT community as a board member of the Australian Information Industry Association (AIIA). He is currently pursuing a Doctor of Business Administration degree on the national culture impact on IT strategy/investment (Japan compared to Australia).

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Phil Harpur is an Australia-based technology analyst and consultant with over 25 years of experience across telecommunications, the cloud, data centres and digital media. His expertise spans over 35 countries across Asia. He also works as an analyst/writer in the financial services industry, with a focus on the technology sector.

Phil is currently part of the DataDriven team, which is the Asia Pacific research partner for ISG, and has contributed to the creation of over 15 ISG Provider Lens™ reports. Prior experience includes Gartner, Frost & Sullivan, and BuddeComm. He has been quoted in multiple global publications and appeared on business TV programs including Bloomberg, CNBC, Fox Business, and ABC. He has also presented at numerous local and international conferences. Phil has a Bachelor of Science degree, with majors in computing and statistics, from Macquarie University, and he holds a graduate certificate in applied finance and investment from the Securities Institute of Australia.

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Tarun has nearly a decade of extensive research experience across the ICT domain, including report writing, drafting thought leadership, analyzing IT spending, consulting clients on latest trends and business use cases. Additionally, he has been responsible for delivering end-to-end research projects, working with internal stakeholders in delivering various consulting projects.

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Akhila Harinarayan is Senior Lead Analyst and the lead author for ISG Provider Lens studies with a focus on Digital Business Transformation and SAP Services. She has more than 12 years of experience across research and consulting including provider strategy, enterprise strategy, industry roadmaps, point-of-view papers, and service provider assessment across regions. She has strong expertise on strategy and transformation, digital insights, thought leadership, benchmarking, market assessments, and go-to-market strategies.

She has authored many thought leadership papers, digital insight studies, devised go-to-market strategies across products/industries/regions, and built frameworks and maturity models across industries for both enterprises, vendors and service providers.

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Monica K is a research specialist and a digital expert at ISG. She supports and co-authors Provider LensTM studies on the Internet of Things (IoT), Digital Business Transformation, Blockchain, Enterprise Application as a Service, and Cybersecurity. She has created content for Provider LensTM studies, as well as content from an enterprise perspective, and she is the author of the global summary report. Monica K brings over 8 years of experience and expertise in technology, business, and market research for ISG clients.

Prior to ISG, Monica worked for a research firm specialising in such technologies as IoT and product engineering, as well as vendor profiling and talent intelligence. She has also been in charge of delivering end-to-end research projects and collaborating with internal stakeholders on various consulting projects.

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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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