ISG Provider Lens™

Sustainability and ESG

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

Customized report courtesy of:

Lenovo

SWEET SPOT REPORT | DECEMBER 2024 | EUROPE

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European demand continues to accelerate, with provider portfolios recalibrating to key use cases

This year's ISG Provider Lens™ report highlights the rapidly evolving European market for digital solutions intentionally applied to improve an organization's environmental sustainability, social sustainability and/or corporate governance (*digital sustainability solutions*).

Despite economic uncertainty and cost pressures, most European organizations continue to be driven to increase transparency and demonstrate verifiable progress because of:

- Regulatory requirements, such as the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), the German Supply Chain Due Diligence Act (SCDDA), the Carbon Border Adjustment Mechanism (CBAM), the Taskforce on Nature-related Financial Disclosures (TNFD)
- Frameworks and incentives under the Green Deal and EU taxonomy
- Broader stakeholder expectations of ethical corporate behavior, risk management and growth in the sustainability market

As a result, enterprises are increasing their investments, and the competition to supply digital solutions for these challenges intensifies. ISG research estimates the global digital sustainability market at around $21 billion in 2024 with a compound annual growth rate (CAGR) of around 16 percent, reaching $34 billion by 2027 — roughly three times the growth rate of the overall digital transformation market. Thus, numerous providers from various sectors have entered the space, investing heavily and offering diverse solutions to capture market share.

Following last year's flood of new providers and solutions hitting the market, ISG is beginning to see some consolidation and recalibration

Broad **regulation remains the primary catalyst** of Europe's digital sustainability market.

of provider solution portfolios to better align with market demand and areas where they can succeed. More strategic partnerships have been announced, and acquisitions have continued at a pace similar to 2023. The application of AI and ML to accelerate and enhance the quality of solutions has become foundational rather than exceptional; however, several generative AI (GenAI)-powered solutions emerged this year, differentiating a few of the highest leaders.

Key trends in demand include:

- **Strategy and enablement services:** European organizations prefer technology partners with significant experience in their industry and region's relevant sustainability regulations and frameworks. Buyers increasingly prioritize mitigating risk and unlocking opportunities from the supply chain. As enterprises mature and consulting expertise becomes more stretched, more are performing specific strategic tasks in-house.
- **OT and industry-specific solutions and services:** Solutions leveraging AI, ML and IoT for asset-intensive industries such as power and utilities, manufacturing, transportation and eMobility continue to be most common in this quadrant.
- **IT solutions and services:** Investments in this area continue to be the slowest growing of the four quadrants, with IT's sustainability footprint generally being too small in relation to the enterprise overall to attract significant investment.
- **Data platforms and managed services:** It is the fastest-growing quadrant with the most competitive supply side, driven by global regulation. Service providers lead the market with advisory, integration and managed services that leverage proprietary and best-in-class third-party platforms for ESG data across the value chain. More buyers recognize that no one-size-fits-all solution exists, and operating models heavily influence how data capabilities are acquired and consumed.

More generally, the European market continues to be highly engaged on environmental and social topics. Climate change remains highly visible because of the increasing frequency and severity of extreme weather events and investor consideration of the effect that physical and transitional climate risks have on company financial values. Compliance with human rights regulations, protecting personal data, ethical use of AI, and improving gender equality are highly relevant to European organizations.

ISG's database now monitors over 300 providers of digital sustainability solutions, with 124 featured in the 2024 ISG Provider Lens reports for Australia, Brazil, Europe and the U.S. — up from 105 last year. This surge highlights that even appearing on an IPL positions a provider among the top market players, often within the top 25 percent.

Market demand overview

This section explores how regulation, economic factors and the business case for sustainability influence demand for digital sustainability solutions.

Regulation

The European regulatory landscape continues leading the world and progressing broadly as expected. There has been an ongoing consolidation of standards, with some watering down and further phasing, but each piece is passing its relevant legislative hurdles. Global regulators are watching closely for administrative burden and pushback, which may alter their phasing. The key challenge for European lawmakers is to achieve the balance of gaining more transparency with enabling action. Currently, many organizations are struggling with the reporting burden set to significantly increase, with opponents of this regulation stating concerns that compliance comes at the cost of progress.

From January 2025, the first groups of large publicly listed organizations will release their disclosures against the EU's comprehensive Corporate Sustainability Reporting Directive and prepare for the even further reaching Corporate Supply Chain Due Diligence Directive. For large organizations based or operating in the EU, these regulations dramatically increase the need for scalable and auditable ESG data capabilities. Over 50,000 companies will need to report over 1,100 ESG data points to comply with CSRD over the coming years, and a subset of these will already be reporting on the Germany Supply Chain Due Diligence Act, which took effect in 2024 and has similar requirements to the CSDDD. The potential fines for noncompliance with each European regulation vary by country. Germany is currently the most severe, with fines up to €10 million, 5 percent of the total annual turnover or twice the total profits made/losses avoided due to a breach of CSRD.

Through a mixture of regulatory compliance and international incentives, the EU's Green Deal and Carbon Border Adjustment Mechanism have encouraged companies operating in the EU to adopt digital solutions to drive emission reductions and improve supply chain visibility and efficiency. Further regulation on nature and biodiversity disclosures is on its way.

Beyond governing how organizations report their sustainability efforts, the EU also leads the regulatory landscape for AI use, a highly dynamic and broad aspect affecting social sustainability. The EU AI Act was officially published in the EU's Official Journal, starting the clock on a two-year grace period before high-risk AI systems must comply. The regulation follows a risk-based approach, where AI implementations or systems categorized as high-risk — such as those used in healthcare, transportation and law enforcement — will require austere measures and obligations. The EU AI Act covers definitions, rules, governance and expectations of transparency, and prohibitions. A three-body system will govern the act, including an AI Office to oversee that advanced AI models comply with the EU AI Act, an AI Board to advise the European Commission in terms of implementation of regulation, and an advisory forum to provide technical expertise to the AI Board.

The consequences of noncompliance with the EU AI Act depend on the nature and severity of noncompliance. However, organizations can be fined up to €35 million or 7 percent of worldwide annual turnover for the preceding financial year, whichever is higher.

Along with the existing GDPR and industry standards, such as the European Aviation Safety Agency (EASA) Artificial Intelligence Roadmap and the EU's Operational Design Domain (ODD) for Autonomous Vehicles, the EU AI Act will likely provide clarity on the general rules and risks to AI implementations for each domain.

Economic landscape

Europe has experienced an economic slowdown and inflationary pressures throughout 2024. However, inflation has dropped to under 2 percent for the first time since March 2021, and EU's reliance on imported Russian gas since the beginning of the Ukraine war has dropped from 45 percent in 2021 to 18 percent in June 2024. According to the State of the Energy Union 2024 report, "significant progress has been made on renewable energy:

- In the first half of 2024, half of the EU's electricity generation came from renewable sources.
- Wind power overtook gas to become the EU's second-largest source of electricity behind nuclear energy.
- The EU's greenhouse gas emissions fell by 32.5 percent from 1990 to 2022, while the EU economy grew by around 67 percent in the same period."

The extent of energy security and renewable use available to organizations depends on each European country's energy mix. France, for example, relies on nuclear energy for around 70 percent of its electricity, whereas Poland generates only 12 percent of its energy from renewable sources. The U.K. has recently shut down its last coal-fired power plant, becoming the first of the G7 nations to eliminate coal-powered electricity.

Nonetheless, the demand for energy efficiency, renewable energy integration and energy management solutions continues to increase. The potential for immediate cost savings and

enhanced energy security and resilience are as significant — if not more so — for some organizations as the environmental benefits. Optimizing energy needs and reducing the emissions intensity of energy supply are the major forces behind many use cases for digital sustainability solutions, particularly in the OT segment, across asset-intensive industries such as energy and utilities, mining, transportation and manufacturing.

Circular economy principles and business models continue to gain traction across Europe. The EU has made the circular economy a cornerstone of its environmental policy with initiatives such as the Circular Economy Action Plan, which sets ambitious targets for waste reduction, recycling and resource efficiency. Investment in circular economy initiatives is rising, with public and private sectors allocating significant funds to support research, innovation and infrastructure development. More businesses across various sectors are embracing circular economy principles, from product design and manufacturing to waste management and supply chain optimization.

This is evident in an increasing number of companies adopting circular business models, such as products as a service and leasing and sharing platforms.

Sustainability literacy in Europe remains the highest globally, with consumer awareness of environmental issues and the circular economy continuing to grow. A 2024 PwC study of over 20,000 consumers, with a significant portion of European consumers, found that the intention to purchase more sustainable goods and services is resilient in the face of cost-of-living pressures:

- Eighty five percent of European consumers are experiencing climate change's effects and prioritizing sustainable consumption.
- Consumers are willing to spend an average of 9.7 percent more on sustainably produced or sourced goods, even with cost-of-living concerns.
- Forty six percent are buying more sustainable products to reduce their environmental impact, and 43 percent are making more considered purchases to reduce overall consumption.

These attitudes toward sustainability carry into employment preferences. However, the World Economic Forum (WEF) and European Commission have highlighted the growing skills gap in digital technologies and sustainability expertise, indicating a systemic issue that organizations will likely struggle with in the midterm. While technology service providers are enhancing training programs to address the skills gap, many employees are learning on the job. The result is that service providers deliver inconsistent client experiences, which increases the likelihood of organizations insourcing more work.

The business case for digital sustainability

While avoiding the risk of fines and brand damage from noncompliance with regulatory requirements is certainly a motivator for many investments in digital sustainability solutions, research indicates most European businesses want to become more sustainable anyway — provided they can find a way to do it profitably.

As a result, many European firms are asking key questions: *What is the business case for sustainability- and ESG-related investments? And how can the benefits be quantified?*

This year, ISG found more answers and successful strategies for those questions. A reoccurring theme for many business cases was the integration of sustainability objectives into broader digital transformation programs, as opposed to looking at the business case of sustainability in isolation. Where integrated with broader transformations, the incremental cost of the sustainability initiatives typically represented 5-10 percent of the overall program cost but shared the implementation cost with the wider program. Since many sustainability initiatives also reduce costs, boost customer loyalty and increase talent retention and attraction, this integration creates a true win-win for the enterprise.

At a macro level, more indicators are leading organizations to find ways to decouple financial growth from producing emissions and other negative sustainability impacts. The WEF recently announced that its alliance

of CEO Climate Leaders, which features over 130 companies across 26 countries in 12 industries and employing 12 million people, had reduced emissions by 10 percent while achieving 18 percent revenue growth in three years.

Taking a closer look at the enterprise level, in January 2024, ISG's in-depth survey of digital sustainability priorities, challenges and approaches brought new insights from over 256 participating global organizations. The following key insights are included:

- SME constraints persist, and the demand for green skills and solutions is rising. 76 percent of respondents recognize current or anticipated capability gaps within the next two years, with supply chain management and carbon emissions being the top priority areas.
- On average, the organizations represented in ISG's survey intend to spend approximately $7-8 million per annum on digital sustainability solutions in 2024 — however, this reaches up to an average of $14 million for organizations with revenue above $20 billion, and the largest organizations are spending much more. However, ISG's research indicates that many organizations will require additional funding to achieve their stated targets, such as net-zero goals.
- Providers are a key part of most organizations' strategy for meeting sustainability objectives, with over 60 percent of organizations surveyed expecting to engage them across all key sustainability initiative areas. Most organizations surveyed intend to seek new providers rather than relying purely on expanding the scope of their incumbents.

Investments in digital solutions continue to be widely viewed as an essential means by which to achieve sustainability goals:

- A survey by KPMG found 90 percent of organizations plan to increase their spending on ESG reporting, including on ESG-specific software (40 percent) and AI for data collection (58 percent). The survey also found that 76 percent of the respondents were planning to restructure their teams, and 71 percent planned to outsource ESG reporting within the next three years.
- BCG found that companies with automated digital solutions for measurement are two-and-a-half times more likely to measure their emissions comprehensively, for example, and unlock additional efficiency gains.
- *Capgemini Research Institute found two-thirds of executives agree that data and digital technologies are accelerators for climate tech adoption.*

Crucially, digital solutions are only part of the solution. ISG observes that progressive companies have begun to make more operating model changes as they adapt their organizations to incorporate the capabilities needed:

- More indicators suggest that ESG reporting work is increasingly being centralized under Finance, where existing enterprise data systems reside, and the analytical skill sets required to collate and process enterprise data sets are more abundant. A key example is the increasing popularity of the ESG controller role under the CFO, which mirrors the responsibilities of financial controllers for ESG data and is tasked with ensuring alignment and quality of externally reported ESG data.
- With an increased focus on regulatory compliance while simultaneously trying to deliver improvements, chief sustainability officers (CSOs) and environmental and social SMEs are stretched in more directions than ever. This presents a *buy versus recruit/build* dilemma.
- Increasingly, organizations treat change as *business as usual* and equip themselves accordingly. As knowledge becomes more democratized and accessible through AI, more of what consultants offer — such as benchmarks and frameworks — is available without them. However, some organizations will continue to want external validation of their direction and providers with sufficient expertise will continue to be in demand. All providers must avoid *competence greenwashing*.

- Sustainability initiatives are being driven more centrally from within integrated transformation offices that industrialize delivery alongside digital and other transformation agendas.

Therefore, depending on an enterprise's maturity and operating model, it may be more inclined to purchase software or a service. It also influences the type of enterprise buyer (e.g., chief financial officer [CFO] versus CSO) and their priorities.

Market supply overview

The supply of digital sustainability solutions and services is growing slightly slower than 12 months ago as the market's initial overexpansion begins to recalibrate to the amount of demand.

Two main factors are driving this trend. First, opportunist providers are now focusing on areas with strong demand; second, market consolidation has narrowed the variety of niche providers — although new startups are still emerging, particularly in the data sector.

Overall, ISG observed that more providers shared more case studies with more sustainability outcomes — but there remain wide variances in the volume, quality and distribution of these case studies.

The release of the first genuine GenAI solutions has created a new wave of optimism for how technology will meet sustainability challenges — particularly reporting. A key observation is the need for these AI solutions to be trained and applied to specific use cases and functions — such as compiling ESG reports — to achieve ROI and minimize the solution's negative impact.

Similar to last year, there is an above-average ratio of Leaders to the other segments, and many highly competitive Product Challengers with broad portfolios are striving to take market share from Leaders. This year, there are more Market Challengers, especially in the Data Platforms and Managed Services quadrant, showing that providers with well-defined solutions and strong brand propositions are starting to achieve scale.

New providers have entered each quadrant, with the most found in the OT and Industry-specific Solutions and Services quadrant. Many of these providers are not typically seen in technology markets. However, as every industry undergoes digitalization, consultancies and engineering firms have enhanced their digital capabilities, posing a challenge to traditional IT service providers.

Further observations are provided at the beginning of each quadrant.

Methodology updates

This year's study features several important updates:

- ISG's methodology has increased the focus on the quantity and quality of client case studies supplied by service providers to provide more differentiation in Portfolio Attractiveness. Also, some capabilities are more important to clients than 12 months ago — for example, a deep understanding of relevant sustainability regulations is now critical for providing strategy services.

  As a result of recalibrating the criteria and weightings, some providers have dropped down the Portfolio Attractiveness axis or have been removed from the grids. Each quadrant's Observation section provides specific details on how the evaluation process has been modified in 2024.
- Digital sustainability markets are highly dynamic and encompass numerous submarkets. Our research combines several submarkets into a single quadrant, meaning that different types of providers appear together and not all providers in a grid are competitors; some act as partners within a broader ecosystem. It is important to read each quadrant's Observation section to understand the different dynamics represented within each quadrant.
- The ESG Ratings and Benchmarks quadrant is not featured in 2024's study. This is because ISG observes a reduced reliance on ESG ratings by organizations as they engage more directly with the underlying

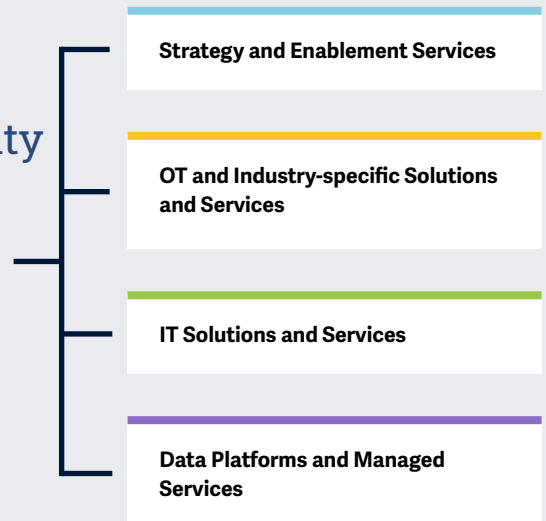
data that is most relevant to them. The Data Platforms and Managed Services quadrant incorporates access to underlying data, and the relevant benchmark capabilities have been incorporated into the Strategy and Enablement Services quadrant.

ISG encourages all digital sustainability solutions and services providers to provide feedback and actively participate in ISG's IPLs. ISG is particularly interested in hearing from mid- and small-scale providers challenging for places within the Contender segment.

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

Regulation, energy costs and sustainability skill set shortages drive European organizations to invest in digital sustainability solutions to meet broad stakeholder expectations. Providers have continued to refine and expand their portfolios to best support clients, although client experience remains variable. The result is a highly competitive solution market, with demand beginning to catch up with provider supply.

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 use information from these reports to evaluate their current vendor relationships and potential engagements.

The definition of each quadrant is intended to be as mutually exclusive and collectively exhaustive as possible, noting the dynamic nature of the market. However, where provider capabilities and case studies align to multiple quadrants, recognition is given across each quadrant.

Please refer to the Executive Summary and Observation sections of each quadrant for important details of methodology updates in this year's study. This includes adjustment of Portfolio Attractiveness criteria and weightings, a greater explanation of how ecosystems of partnered and competing providers are represented within the same quadrant, and the exclusion of the ESG Ratings and Benchmarks quadrant in the 2024 study.

ISG's Digital Sustainability Framework

To provide more granularity and structure to the digital sustainability market, ISG's Digital Sustainability Framework (DSF) classifies the four quadrants described on the previous page into a 36-dimension visualization of the objectives, initiatives and capabilities organizations use.

The DSF is organized into three layers:

- Six inner hexagons (darkest color) that represent **themes of objectives**.
- Six middle hexagons (lighter color) that represent **themes of initiatives** to achieve the objectives.
- Thirty-six outer hexagons (white fill) represent the **most common initiatives** requiring **digital sustainability capabilities**. They are organized in order of how mature an organization is likely to be before they consider the initiative, with the inner hexagon expected of the least mature organizations and the arrows indicating the direction of initiative/organization maturity.

The following page defines the **six themes of objectives** and how they map to the **four IPL quadrants**.

The **six themes of objectives** are as follows:

1. **Determine compliance requirements and ambition** – Defines the why, what and when of an organization's overall sustainability strategy, including whether compliance alone is the objective or if it wants a competitive advantage. Digital capabilities include legislation monitoring tools, materiality assessment tools and scenario planners.
2. **Retain and grow stakeholder buy-in** – Establishes credibility and comparability of an organization's reporting, including the formats needed for regulatory compliance and retaining stakeholder trust. Digital advisory and managed services play a key role here, providing the external expertise required to understand and align with global best practices, upskill the workforce in technology's role and automate auditability aspects.
3. **Scale visibility of sustainability impacts** – Underpins and enables internal and external reporting through scalable, data-orientated capabilities to engage wider stakeholder groups. Organization-scale data platforms and services are the key digital capabilities required to achieve this objective, with a range of specialist software tools to cover the many data points and modeling requirements.
4. **Deliver sustainable business** – Includes the industry-specific digital capabilities required to achieve sustainability goals within the organization's operations. This involves all industry-specific OT capabilities and advisory services to integrate digital sustainability skills into the operating model and adopt a data-driven sustainability culture through holistic value chain and circular process engineering.
5. **Deliver sustainable IT** – Includes all capabilities required to drive sustainability within a traditional CIO organization, excluding organization OT (see Deliver Sustainable Business). Examples include data center and cloud optimization, green coding and workplace device optimization.
6. **Deliver sustainable supply chain** – Provides transparency and integrity of ESG risks and opportunities within the supply chain. Also includes digital capabilities delivered by a broad range of platforms, advisory and managed services focused on extracting actionable insights from complex data.

Each of these objective themes maps back to the **four IPL quadrants**:

1. **Strategy and Enablement Services** - Objective Themes 1, 2 and 6
2. **OT and Industry-specific Solutions and Services** - Objective Theme 4
3. **IT Solutions and Services** - Objective Theme 5
4. **Data Platforms and Managed Services** - Objective Theme 3

Sweet Spot

Lenovo

Overview

Lenovo is a $62 billion global technology company based in the U.S. It has more than 77,000 employees serving millions of customers in 180 markets. Lenovo is committed to achieving net-zero GHG emissions by 2050 with targets validated by the Science Based Targets initiative (SBTi) and reducing absolute scope 1, 2 and 3 GHG emissions by 90 percent by FY2049-50 from a FY2018-19 base year.

Key Provider Capabilities

Lenovo's global products and services enable enterprises of all sizes to maximize their productivity while minimizing the environmental impacts associated with device manufacturing, use and end-of-life. The company's offerings include:

Advisory services: Lenovo's Sustainability Services team help clients baseline their IT carbon footprint and explore sustainability initiatives. This includes leveraging Lenovo's in-house AI-powered Intelligent Sustainability Solutions Advisor - LISSA to estimate the emission reduction opportunities by evaluating different device and service options that align with the customer's sustainability goals.

Workplace and data center: Lenovo is a pioneer in offering energy-efficient and TCO Certified devices at scale, with 315 products leveraging post-consumer recycled (PCR) content. The firm offers Certified Refurbished devices for organizations looking to balance their IT and sustainability needs. Lenovo's Power and Cooling services, including Neptune™ liquid cooling, help clients minimize power consumption while delivering high-performance computing to meet AI and other needs.

Asset Recovery Services (ARS): Lenovo offers a secure and environmentally responsible solution to recycle end-of-life IT assets. This hardware-agnostic asset recovery service helps decommission any device type through one single-point solution.

Reduced Carbon Transport Service and Offsets: Customers can elect to reduce and/or offset a portion of the emissions generated by airfreight delivery by buying sustainable aviation fuel (SAF) credits through Lenovo. Its CO_2 Offset Services help customers offset estimated emissions across the average lifecycle of the device - from manufacturing, shipping, use and end-of-life.

Benefits Delivered

Optimized IT carbon footprints: Reductions in resource use through optimized device utilization, enhanced energy efficiency and more IT circularity through reuse and refurbishment

Cost savings: Enterprise cost reduction through Lenovo TruScale as-a-Service models

Carbon offsets: Easy access to high-quality offsets.

Lenovo

Sweet Spot

Many enterprises have untapped potential to reduce e-waste, energy use and cost. Meanwhile, with rising AI demand, data centers' efficiency is crucial and well-positioned to help IT teams lower emissions, water and waste from their devices.

Lenovo's offerings are, therefore, relevant to every enterprise globally. While demands for enhanced productivity are relentless, CIOs and their teams need providers committed to driving more sustainable growth. Lenovo meets these criteria with its aggressive net-zero targets and a comprehensive portfolio of IT sustainability solutions.

Lenovo's holistic approach to its supply chain management and manufacturing operations is continuously setting new standards for how device sustainability is measured. Its innovative use of PCR plastics, closed loop PCR and ocean-bound plastic packaging is particularly advanced. With more than 40 industry-first patents, Lenovo is pushing the envelope on liquid cooling technology and extending its industry-leading Lenovo Neptune liquid cooling for mainstream use while also advancing the industry with modular designs for better repairability and a more circular value chain.

Many of Lenovo's sustainability credentials focus across the entire value chain, including device manufacturing, which is crucial given that these stages often account for most environmental and social impacts. Lenovo's solutions extend beyond manufacturing, offering financing, servicing and advisory services to help clients extend asset life and explore options when devices no longer meet enterprise needs.

Lenovo's offerings are designed to cater to customers who are at different stages of their sustainability journey. Whether they are just starting out or need advanced solutions, Lenovo's broad portfolio of solutions is designed to meet clients at every stage of their IT sustainability journey.

Future roadmap

- Lenovo continues to expand on its certified refurbished offering and plans to offer additional sustainability services moving forward.
- By 2025, Lenovo plans to facilitate the recycling and reuse of 363 million kilograms of end-of-life products while ensuring that 76 percent of repairable PC parts returned to its service centers are repaired for future use[1].
- By 2025, it aims to use recycled materials to produce 90 percent of plastic packaging for PC products and 60 percent of smartphone packaging[1].
- By FY29-FY30, Lenovo aims to achieve a 50 percent improvement in energy efficiency in its server devices[1].

[1] https://investor.lenovo.com/en/sustainability/reports/FY2024-lenovo-sustainability-report.pdf

Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.

Source: ISG Star of Excellence™ research program, Insights till September 2024

In the ISG Star of Excellence™ research on enterprise customer experience (CX), clients have given feedback about their experience with service providers for their **Sustainability and ESG** services.

Based on the direct feedback of enterprise clients, below are the key highlights:

Client Business Role

▲ **Most satisfied**
Legal/Compliance

▼ **Least satisfied**
Shared Services Operations

Region

▲ **Most satisfied**
Eastern Europe

▼ **Least satisfied**
Australia/New Zealand

Industry

▲ **Most satisfied**
Travel, transportation and leisure

▼ **Least satisfied**
Public sector

Industry Average CX Score

▲ **Highest CX: 88.3**
▼ **Lowest CX: 71.2**

CX Score: 100 most satisfied, 0 least satisfied
Total responses (N) = 661

Most Important CX Pillar

Execution and Delivery

Service Delivery Models	Avg % of Work Done
Onsite	56%
Nearshore	25.3%
Offshore	18.7%

Appendix

Methodology & Team

The ISG Provider Lens 2024 – Sustainability and ESG study analyzes the relevant software vendors/service providers in the Europe 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 study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

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 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

Lead Author

Matt Warburton

Principal Consultant and Sustainability Lead

Matt Warburton specializes in the research and delivery of digital sustainability solutions, with nearly 20 years of experience as a digital transformation practitioner and commercial leader.

Warburton focuses on accelerating sustainable outcomes and works closely with organizations to maximize the positive impact of technology. He's led multiple engagements for large clients in technology, aviation, financial services, healthcare, mining and retail.

These range from providing strategic and practical advice on what digital sustainability capabilities organisations need and how to get them, to designing and delivering ESG risk assessments on hundreds of suppliers.

Warburton also works with technology providers to develop successful go-to-market strategies, leveraging his unique experience of both sides of the digital sustainability market.

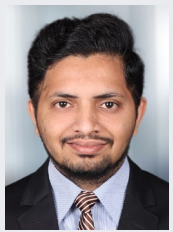
Lead Author

Monica K

Assistant Manager & Lead Research Specialist

Monica K is an Assistant Manager and Lead Research Specialist at ISG, where she also serves as a digital expert. She co-authors Provider Lens™ studies, the global summary report, and the enterprise perspective for the cybersecurity, ESG, and sustainability markets. Her responsibilities include managing comprehensive research projects and collaborating with internal stakeholders on diverse consulting initiatives.

With over a decade of experience in technology, business, and market research, Monica brings valuable expertise to ISG clients. Previously, she worked at a research firm specializing in IoT, product engineering, vendor profiling, and talent intelligence.



Research Analyst

Akshay S Hiremath

Senior Research Analyst

Akshay S Hiremath is a research analyst at ISG and supports ISG Provider Lens™ studies on HCM Technology Platforms, Payroll Solutions and Services, and HR-related studies. He supports the lead analysts in the research process and authors the global summary report. He also develops content from an enterprise perspective and collaborates with advisors and enterprise clients on ad-hoc research assignments. He has been associated with ISG since 2022.

Prior to this role, he was involved in preparing customized reports for various clients mainly related to HR services such as Permanent Recruitment, Temporary Staffing, and Corporate Learning and Development., through secondary research that included market analysis, supplier analysis and profiling, and industry best practices.

Research Analyst

Khyati Tomar

Senior Research Analyst

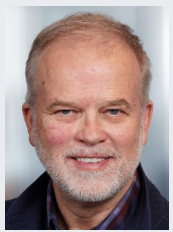
Khyati Tomar is a Research Analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on the Microsoft Partner Ecosystem, the Future of Work – Services and Solutions, and OCM. Khyati has over 4 years of experience in the IT research industry. Before this role, she gained over 2.5 years of experience in the technology research industry, where she conducted various consulting and custom projects and co-authored CIS reports, primarily focusing on the public sector vertical. In her current role, she supports lead analysts in the research process, authors the Enterprise Context and Global Summary reports, and co-authors focal points and quadrant reports.

Study Sponsor

Iain Fisher
Director

Iain leads ISG's Future of Work, Customer Experience and ESG solutioning redefining business models and operating models to drive out new ways of working with a CX and ESG focus. He joins up end to end value chains across a number of markets and advises clients on where digital and technology can be used to maximise benefit. A regular Keynote speaker and online presenter, Iain has also authored several eBooks on these subjects.

IPL Product Owner



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

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

Now as a research director, principal analyst 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.

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For more information about ISG Provider Lens™ research, please visit this webpage.

ISG Research™

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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.

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