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A Primer on the Sustainability Software Provider Landscape: the Role of Technology in Driving Sustainability Momentum

April 2023: Complimentary Abstract / Table of Contents

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For more information on this and other research published by Everest Group, please contact us:

Ronak Doshi, Partner

Arpita Dwivedi, Practice Director

Meenakshi Narayanan, Senior Analyst

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Introduction

The spotlight on enterprise sustainability has become brighter post-pandemic. With the ever-growing environmental and social consciousness among consumers and an ever-changing regulatory regime across geographies, enterprises are compelled to take measures to become more sustainable. Although sustainability measures remained obligatory for the majority of the enterprises until a decade ago, there is a strong resolve among industry leaders to become more purpose-driven and use sustainability as a brand differentiator in the present era. Enterprises are gradually realizing that having the correct sustainability impact will have a positive effect on their bottom lines along with mitigating compliance risks.

Embracing sustainability enhances brand reputation, retains and enlarges the customer base, and increases profits in the long run. While the enterprises understand the importance of embracing sustainability, they are unable to pave their future vision around it with their current in-house expertise and capabilities. Hence, they are extensively collaborating with the fast-evolving sustainability technology provider ecosystem to accelerate their sustainability journeys. Enterprises are leveraging these technology providers to monitor their ESG data, ease their ESG reporting, create sustainability roadmaps, generate more inclusive and safe workplaces, reduce their carbon footprints, accommodate circular economy in their production processes, and many other sustainability use cases.

In this report, we have examined the sustainability technology landscape with a software-oriented lens. Although sustainability-led hardware completes the sustainability enablement ecosystem, we have driven this report to analyze the software and platform providers that are assisting enterprises with their sustainability journeys. Our research is focused on technologies such as AI, data and analytics, cloud, and other IT solutions that help enterprises deliver on their ESG goals.

Scope of this report

Geography
Global

Industry
All industries

Services
Sustainability technology providers

Overview and key messages

This report examines the sustainability technology provider landscape and its impact on the sustainability services market. It focuses on the key value proposition and scope of solutions that different categories of sustainability-led software providers offer.

Key report findings:

ESG data ecosystem

- Enterprises are struggling to track, monitor, and manage their ESG data and partnering with ESG data reporting platforms that can automate data collection and integrate data in appropriate frameworks, making enterprise ESG reporting seamless
- ESG data providers are also increasing due to BFSI and other industries' growing need for curated ESG data

EHS and LCA ecosystems

- LCA software adoption is accelerating across industries due to the software's sustainability and cost benefits. Niche players and many key integrated players are gaining traction in the market
- EHS software adoption is increasing due to the growing emphasis on employee safety compliance within firms. Following the pandemic, the people aspect of sustainability has taken center stage
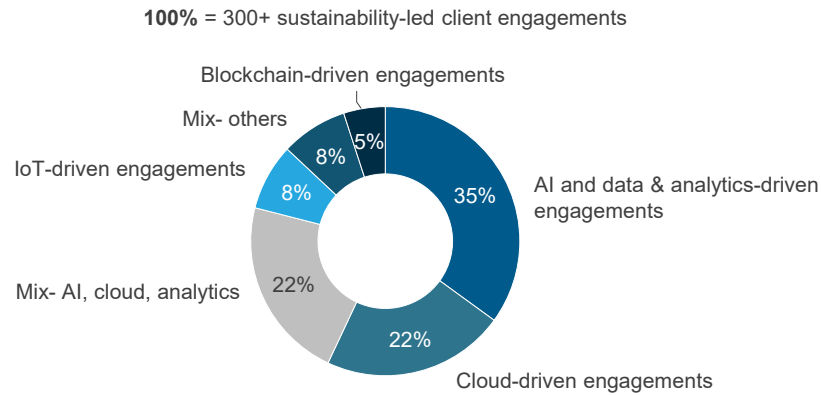
Sustainable IT

- Enterprises across industries are focusing on green IT, as it directly affects their net zero strategies
- The cloud will play a pivotal role in helping enterprises meet their sustainability agendas; cloud sustainability is an ecosystem-enabled, vendor-driven, and enterprise-led strategy

Other emerging categories

- New categories of software firms are emerging in the sustainability enablement ecosystem to solve complex sustainability challenges
- Some of the emerging firms in this category are green building management software providers, geospatial data providers, and smart agriculture platform providers

This study offers 9 distinct chapters providing a deep dive into key aspects of sustainability software provider landscape; below are four illustrations to display the depth of the report

Key technologies driving sustainability enablement engagements

100% = 300+ sustainability-led client engagements

- Blockchain-driven engagements 5%
- Mix- others 8%
- IoT-driven engagements 8%
- AI and data & analytics-driven engagements 35%
- Mix- AI, cloud, analytics 22%
- Cloud-driven engagements 22%

ESG data management and reporting landscape

Key value proposition

Enterprises are responding to the fast-changing ESG regulatory environment by leveraging this software for:

- Disclosing forward-looking information and multi-year targets
- Aligning financial and ESG performance to facilitate a complete and timely evaluation of the company's prospects by investors

Scope of solutions

- Automated ESG data collection and entry
- Unified system of ESG reporting with embedded frameworks

Categories of providers

SaaS providers	Niche players
SaaS players are launching a scalable sustainability and ESG reporting software to simplify ESG reporting and build transparency in the clients' operations.	Many niche providers are focusing on ESG reporting, and industry-specific carbon footprint management.

SaaS providers	Carbon footprint-oriented	Focused on overall ESG	Industry-specific
Amplo cority SAP	NetO	enVizi	Emitwise® (Automotive industry)

Role of cloud in sustainable IT transformation

Level of responsibility: ◑ Low ● High

Responsibility matrix		
Cloud sustainability building blocks	Enterprise	SI	Technology vendor
Strategize and commit Embedding sustainability as a key element of overall cloud strategy, committing to sustainability targets, and drafting milestone-based adoption roadmap	●	◑	◔
Measure and report Monitoring, benchmarking, reporting, analytics, and dashboarding of cloud sustainability-related indicators and tracking the impact of technology and services used/delivered	◔	◔	◑
Implement Implementing and executing cloud sustainability initiatives through sustainable IT infrastructure, sustainable operations, and sustainable value chains	●	◔	◔

Emerging categories of players in the sustainability software provider landscape

Geospatial data providers

Key value proposition: geospatial data providers are an emerging category of providers in the sustainability technology ecosystem.

Scope of solution

- AI-driven insights on geospatial data
- Mapping and locating minerals and other natural resources

ASTERRA   Descartes Labs   planet.

Weather and climate risk assessment software

Key value proposition: weather and climate risk assessment software track climate risks affecting the client's business, generate insights on weather condition for better operational planning, and help in creating climate risks scenarios for future action.

Scope of solution

- Visualize asset risks to hazards such as floods, heat, drought, and cyclone
- Generate heatmaps to show risks and opportunities in investments and revenue

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Research calendar
Sustainability Technology and Services

| | Published | Planned | Current release |

Reports title	Release date
Decoding the Sustainability Opportunity in BFSI: Deep-dive into the Environmental, Social, and Governance (ESG) Data & Analytics and Technology Provider Landscape	July 2021
Finance: a Cornerstone of Enterprise Environmental, Social, and Governance (ESG) Strategy	October 2021
Sustainability in Financial Services – The Next Big Opportunity in Data, Technology, and Services	December 2021
Environmental, Social, and Governance (ESG) Adoption in the Engineering Landscape	March 2022
Social Sustainability in Life Sciences	March 2022
The Growing Need for Inclusive Talent Models: Learning from Impact Sourcing Specialists	May 2022
Impact Sourcing Specialists Service Providers Compendium 2022	June 2022
Sustainability Enablement Technology Services PEAK Matrix® Assessment 2022	June 2022
Sustainability Enablement Technology Service Provider Compendium 2022	July 2022
A Primer on the Sustainability Software Provider Landscape: the Role of Technology in Driving Sustainability Momentum	**April 2023**
From Efficiency to Responsibility: How Enterprises are Leveraging Technology to Drive Sustainability	Q2 2023
Talent for Sustainability	Q2 2023
Impact Sourcing Playbook for Service Providers	Q2 2023
Net Zero Consulting Services PEAK Matrix® Assessment 2023	Q3 2023
Net Zero Consulting Service Provider Compendium 2023	Q3 2023

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Stay connected

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475

Website
everestgrp.com

Social Media
🐦 @EverestGroup
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