

Service Provider ESG Maturity Index 2023-2024

- Report Excerpt

Driving sustainable sourcing by
engaging with progressive partners

February 2024



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About the Service Provider Environmental, Social, Governance (ESG) Maturity Index 2023-2024

1

As sustainability achieves strategic importance for enterprises, there is a far-ranging realization that apart from Scope 1 & 2 emissions, there is an urgent need to also reduce and manage Scope 3 emissions. Amongst other value chain vendors for the enterprises, IT and BPO service providers have also come under increasing scrutiny from enterprises looking to reduce Scope 3 emissions.

2

Enterprises, increasingly, assess the sustainability performance and environmental risks associated with their IT and BPO service providers as part of the evaluation parameters while awarding new contracts, and during renewal discussions. This scrutiny is only going to increase as regulators continue to move towards mandatory ESG reporting by enterprises.

3

Service providers can play a vital role in driving the ESG agenda, reducing scope 3 emissions, and contributing towards global efforts to combat climate change. However, not all service providers have incorporated ESG into their strategic planning and are struggling to link it with their growth strategy.

4

The Service Provider ESG Maturity Index 2023-2024 benchmarks service providers based on transparency in their publicly available ESG disclosures. Avasant evaluated 42 providers using a rigorous methodology across the key dimensions of environment performance, social performance, governance performance, and mapping of SDGs. Based on their performance, these providers are categorized into four broad segments – leaders, pioneers, emerging, and aspirants.

Service Provider ESG Maturity Index 2023-2024 assesses service providers across five dimensions, 25 subdimensions, and 50 metrics

	Dimensions	Weights	Description
1	Environmental	25%	<ul style="list-style-type: none"> This dimension considers the actions taken by a service provider to preserve the environment by managing emissions, energy, waste, water, and environmental compliance. The score is based on the data reported on initiatives to reduce GHG emissions and energy consumption from non-renewable sources, minimize environmental impacts in the supply chain, conserve water, and manage waste.
2	Social	25%	<ul style="list-style-type: none"> This dimension focuses on how the service provider's activities affect people, including its workforce, local communities, suppliers, and employees or contractors. The score is based on the data reported on initiatives to create a diverse and inclusive workforce, evaluate supplier social impact, enhance employee engagement and skill enablement programs, ensure occupational health and safety, and engage the local community.
3	Governance	25%	<ul style="list-style-type: none"> This dimension evaluates internal controls in the organization that ensure better corporate governance, data privacy, and information management. The score is based on the data reported across internal policies, governance structures, and procedures that streamline procurement practices, resolve any incident of conflict, maintain ethical data equity and privacy, and achieve spending transparency.
4	ESG disclosure compliance and SDGs coverage	10%	<ul style="list-style-type: none"> This dimension focuses on initiatives taken by service providers that ensure transparency in their ESG data disclosures. This dimension also assesses the efforts made by the providers to achieve the UN SDGs. The scoring is based on the percentage of SDGs met by providers.
5	Complexity	15%	<ul style="list-style-type: none"> Sustainability initiatives and reporting mandates get progressively challenging and intricate as the company's scale and complexity, in terms of the number of facilities, applicable jurisdictions, and variety of products and services offered, increases. This parameter ensures that sufficient weight is given to the sustainability initiatives of more complex organizations.

Service Provider ESG Maturity Index 2023-2024

Rankings	Service provider	Dimensions				Final score
		Environmental (25%)	Social (25%)	Governance (25%)	ESG disclosure compliance and SDGs coverage (10%)	
Leader	Infosys	67.1	83.0	75.8	100.0	74.5
	TCS	68.5	75.7	69.1	100.0	72.3
	Wipro	68.3	82.2	59.1	90.0	68.4
	Accenture	44.0	65.3	71.7	86.7	65.9
	Genpact	64.5	66.4	71.6	80.0	64.6
	DXC Technology	65.7	60.6	72.4	56.7	64.4
	Tech Mahindra	60.3	61.0	63.3	90.0	64.1
	IBM	56.8	58.8	48.2	83.3	63.3
	Telefonica	55.5	78.1	66.6	70.0	63.0
	Capgemini	56.6	60.1	70.8	60.0	60.9
Pioneer	HCLTech	54.3	52.7	69.9	83.3	60.6
	Firstsource Solutions	54.7	79.6	68.2	56.7	59.3
	LTIMindtree	44.1	67.7	60.8	90.0	59.2
	Mphasis	53.7	67.3	62.4	53.3	57.2
	UST	50.1	64.2	60.8	53.3	55.1
	Zensar	46.5	66.4	54.9	66.7	54.6
	Persistent Systems	50.8	51.2	49.1	100.0	53.8
	Happiest Minds	44.8	65.4	52.5	70.0	52.7
	WNS	35.6	56.9	77.4	56.7	52.2
	Virtusa	39.1	45.7	69.9	70.0	51.7
EXL	46.2	48.9	55	73.3	50.9	

Service Provider ESG Maturity Index 2023-2024

Rankings	Service provider	Dimensions				Final score
		Environmental (30%)	Social (30%)	Governance (30%)	ESG disclosure compliance and SDGs coverage (10%)	
Emerging	CGI	44.5	49.6	58.2	56.7	50.7
	NTT DATA	44.9	44.0	55.8	66.7	49.8
	Fujitsu	53.3	49.2	40.8	66.7	49.5
	Sopra Steria	41.3	56.1	34.9	93.3	49.4
	Cognizant	40.3	54.0	49.9	60.0	49.1
	Deloitte	38.1	49.0	39.1	53.3	48.9
	Atos	32.7	43.7	55.0	70.0	48.9
	Kyndryl	52.8	41.1	44.1	63.3	47.8
	Unisys	41.3	45.7	56.6	56.7	47.6
	Teleperformance	24.2	68.7	45.8	63.3	46.0
	EY	30.1	46.6	28.3	70.0	45.2
	Foundever	44.5	52.6	45.8	53.3	45.0
Aspirant	FIS Global	46.9	32.4	47.4	50.0	41.7
	Conduent	33.5	37.6	44.1	56.7	39.5
	Capita	31.4	29.0	25.0	73.3	36.7
	ADP	24.8	32.1	39.1	60.0	36.0
	Computacenter	25.0	36.1	30.8	56.7	35.6
	Concentrix	25.3	32.2	33.3	76.7	35.4
	Alight	22.1	33.7	30.0	56.7	34.1
	SD Worx	20.0	39.7	34.1	56.7	33.1
	Zalaris	20.0	37.7	31.6	46.7	33.0

Key focus areas for providers include climate change, good health and well-being, reduced inequalities, and quality education

3 GOOD HEALTH AND WELL-BEING



- Service providers are reflecting on the workplace culture they have cultivated and considering the physical environment to support employee mental health and well-being. This includes creating a supportive and inclusive workplace culture and providing a physical environment that promotes mental well-being
- Mental health is one of the key focus areas for WNS, and it offers a confidential behavioral counseling helpline to employees and their immediate families. The helpline is open 24/7/365 to ensure that the individual receives support immediately.

WNS

4 QUALITY EDUCATION



- Service providers recognize the dynamic nature of the market and the evolving science related to sustainability, climate, and equity problem-solving, and they are committed to significantly enhancing these skills across their extensive workforce. They are expanding partnerships with esteemed academic institutions to develop distinctive and integrated learning programs.
- In FY 2023, Wipro Earthian, a sustainability education program, reached out to more than 17,000 students. Over 4,000 teachers across 200 districts engaged with the program.



Key focus areas

10 REDUCED INEQUALITIES



- Service providers are generating increased job opportunities and avenues for advancement accessible to individuals from diverse backgrounds. They also guarantee that everyone, regardless of gender identity, sexual orientation, or disabilities, receives fair and equal compensation for their work.
- Accenture provides equal access to company-sponsored medical plans to LGBTIQ+ employees and their partners. These plans are available to 100% of its employees.

accenture

13 CLIMATE ACTION



- Climate Action 100+ compels major corporate greenhouse gas emitters worldwide to undertake essential measures for addressing climate change. With the active involvement of over 700 investors, the initiative focuses on encouraging companies to enhance climate change governance and reduce emissions
- To meet the environmental goal of carbon neutrality, Infosys has adopted renewable energy in its power mix. It sources 57.9% of its electricity needs for India operations from renewable sources.

Infosys

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