

Legislation lethargy hits UK organisations as volume and intensity of sustainability reporting increases

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A new survey from [Mitie](#), a UK leading facilities management and transformation company which helps organisations to decarbonise their built environment, has found that UK organisations are feeling overwhelmed by the strain of sustainability reporting, with legislation lethargy on the rise as they tackle the labyrinth of new and existing reporting legislation. This comes alongside an increase in the number of ESG reporting mandates and the expectation of total transparency around net zero targets from policymakers, investors and customers in the UK and Europe.

The survey found that more than half (55%) of UK sustainability decision makers think that current sustainability reporting requirements are too complex, and two fifths (38%) admitted that this means they are not clear on what they should be reporting on. Almost half (46%) are reporting to three or more different ESG frameworks and this figure rises to as many as eight frameworks for those in heavily regulated sectors like professional services, financial services, healthcare, and technology.

Government standards like the Carbon Reduction Plan (CRP) and Energy Saving Opportunity Scheme (ESOS) were identified as the frameworks most reported to (29% and 24% of respondents respectively). Emerging standards established outside of the UK closely followed, with almost a fifth (17%) saying they planned to report to both the recently introduced International Sustainability Standards Board (ISSB) and the EU's Corporate Sustainability Due Diligence Directive (CSDDD).

Greenwashing fears and financial failure are top reporting anxieties

Many sustainability leaders expressed concerns around what might happen if an organisation's reporting were to be deemed insufficient. Three fifths (60%) of decision makers are concerned that their reputation would be impacted, with one fifth (20%) saying the prospect of facing greenwashing accusations keeps them awake at night. A further three fifths (59%) are also worried about the impact that insufficient reporting might have on their company finances including facing fines, falling profits and potential loss of shareholders.

A vote of no confidence in the current approach to reporting

As this pressure builds, just 13% of respondents said they believe the current approach to reporting works. Yet when asked, the majority (58%) do not think the solution lies in adopting one international framework for reporting and most were also not in favour of either sector-specific frameworks, a UK-wide standard or a UK and EU-wide standard with just 13%, 15% and 11% respectively in favour of each.

Despite the complexities associated with reporting, almost two fifths (34%) still acknowledged that compliance with new ESG regulation has positively influenced their sustainability strategy.

Regulation is expected to get stricter regardless of General Election outcome

Organisations expect that ESG regulations will become even stricter in the UK regardless of the outcome of the upcoming General Election and almost half (46%) said regulatory bodies, including the Government, are the stakeholders most likely to scrutinise their data ahead of their investors, shareholders, customers or prospects, NGOs, and the public. With many already experiencing legislation lethargy, over a quarter (28%) said they were not sure they would be equipped to meet deadlines and comply if legislation does become stricter.

Catherine Wheatley, Head of Data Science and Energy Services, Mitie said:

"Reporting requirements have intensified in recent years and the legislation labyrinth is here to stay. For sustainability leaders this means grappling with multiple reporting frameworks, stricter multi-jurisdictional regulation, and the intense scrutiny of stakeholders who expect to see reduction targets and their progress in the public domain."

"The upside is that from the work that goes into meeting stringent reporting requirements, we can gain a wealth of actionable knowledge that can supercharge a sustainability strategy. Undeniably, this can be daunting when there are large datasets to analyse but with the emergence of tools that can automatically assimilate, absorb and analyse vast amounts of data, paired with the right people who ask the right questions, we can reverse legislation lethargy. With the right partners on board, reporting is an opportunity to empower organisations to make better decisions and improve transparency around their sustainability strategy." Earlier this month Mitie launched its new managed carbon reporting and reduction service, 'Emissions Intelligence', in partnership with Salesforce to empower organisations to be more confident in their emissions reporting and improve their efficiency, as well as increase the transparency of their progress towards net zero goals. Mitie's extensive experience in decarbonising the built environment has informed the features included in the service, as has feedback from sustainability decision makers on their specific reporting challenges. As an experienced decarbonisation partner, Mitie already works with a range of household names including Lloyds Banking Group, Vodafone, and Royal Mail.