



Road to readiness

KPMG ESG Assurance Maturity Index 2023

Key findings: United Kingdom



KPMG UK

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About KPMG's ESG Assurance Maturity Index - Key findings

KPMG surveyed senior executives and board members with ESG reporting and assurance knowledge at **100 companies** across the UK with a mean revenue of US\$8.4B.

The KPMG ESG Assurance Maturity Index is composed of **Five pillars** designed to help companies measure progress in each of these areas:
(1) governance, (2) skills, (3) data management, (4) digital technology, and (5) value chain.

Each pillar is supported by one or more questions from the survey. The scores from each question within a pillar were averaged to arrive at the overall score for the pillar. The pillar scores were then weighted as follows:

Governance	Skills	Data management	Digital technology	Value chain
0.25	0.25	0.25	0.15	0.10

The Index, measured on a basis of **0–100**, examines the progress companies have made in these areas to gauge the relative maturity of a company's ESG reporting program in order to assess its assurance readiness. Based on their rankings, companies are classified as

Leaders (the top 25 th percentile)	Advancers (the next 50 th percentile)	Beginners (the bottom 25 th percentile)
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Research was conducted between April — June 2023, and is part of KPMG Internationals global ESG Assurance Maturity Index which surveyed 750 companies across industries and global regions. Download the global report - Road to Readiness.

Executive summary - UK

73%

of respondents say their firms must now report ESG data or will be required to soon.



Only 18%

of companies feel they have the ESG policies, skills, and systems in place to be ready for ESG assurance.

89%

of leaders see digital tools as key to being ready to obtain ESG assurance.



Of those least ready for ESG assurance, **50%**

say it is challenging to balance ESG assurance goals with the profit expectations of shareholders.



Only 31%

of companies have robust policies and procedures to support the development of their ESG disclosures.



Only 23%

of companies have a clear audit trail to support their non-financial information.



Five steps to help you become ready for ESG assurance

- 1. Determine applicable ESG reporting standards**
- 2. Build robust ESG governance and develop the right skills**
- 3. Identify the applicable ESG disclosures and data requirements across functions**
- 4. Digitize ESG data processes and ensure high quality data**
- 5. Work with the value chain to collect ESG information**

Top benefits of having your ESG data assured*

Greater market share 83%	Improved decision-making 72%
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Increased revenue growth 50%	Greater shareholder value 50%
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Top challenges of having your ESG data assured*

Evolving regulations 56%	Lack of clear metrics & measurement tools 56%
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*Benefits and challenges cited by Leaders in the KPMG ESG Assurance Maturity Index

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