

Data challenges leave 83% of businesses unprepared for mandated CSRD reporting, reveals Semarchy study

28% of businesses have centralised tools to govern and monitor ESG data effectively. 68% of businesses say data leaders are accountable for compliance.

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Hervé Chapron, SVP for Global Sales & Global Manager EMEA at Semarchy.

2025 – Over four-fifths (83%) of businesses lack confidence in the audit-readiness of their ESG data for compliance with the Corporate Sustainability Reporting Directive (CSRD). This is according to a new survey of 1,000 senior IT and data leaders across the UK and France by Semarchy, a leader in master data management (MDM) and data integration.

While 65% of eligible organisations aspire to be audit-ready and meet looming reporting deadlines within the next 12 months, a quarter (25%) today lack confidence in the quality and reliability of their ESG data and fewer than a third (27%) believe they currently have the necessary data management and systems to meet the strict reporting

requirements.

At the same time, around one in three (31%) organisations say continued uncertainty around the guidelines has them taking a measured approach to addressing compliance. This response is amidst rumblings that the EU will announce a simplified package of sustainability directives in February 2025.

The survey also examined accountability for company-wide CSRD compliance, with 68% of businesses stating that senior data executives, including Chief Data Officers (CDOs) and Chief Information Officers (CIOs), play a pivotal role. This suggests a new level of responsibility for IT organisations as they aggregate vast amounts of data from disparate sources into mandated reports used by investors, analysts, and other stakeholders to evaluate a business's sustainability performance and risks. This compares to just 54% for senior sustainability roles, such as Head of Sustainability or ESG. A surprisingly small number (33%) say that their Chief

Financial Officer (CFO) is involved in the compliance process despite the heavy financial implications of regulatory change.

To accelerate audit readiness for CSRD reporting, over two-thirds (68%) of companies plan to allocate more than 10% of their annual IT budgets to CSRD compliance, with over a quarter (26%) planning to invest more than 20%.

While the poll of business leaders shows a clear gap in readiness, Semarchy believes that by getting back to the basics of master data management, the CSRD compliance process can be simplified and automated. Indeed, according to the survey, 89% of companies have been collecting and reporting on ESG data for at least a year, with more than half (58%) doing so for more than three years.

"With regulatory uncertainty and rising expectations around sustainability reporting, many organisations view compliance as a significant hurdle. The challenge isn't always a lack of data — it's often about ensuring its reliability and trustworthiness," said Hervé Chapron, SVP for Global Sales & Global Manager EMEA at Semarchy.

"Fortunately, solving this doesn't demand excessive IT spending or technical sprawl. Most companies already collect the data they need for CSRD compliance; adopting centralised, scalable tools allows them to meet regulatory and business deadlines with minimal disruption. Organisations must shift their perspective on compliance and reporting. Rather than viewing it as a complex burden, businesses can leverage the centralised data for better decision-making and create long-term value. Simplified data management turns audit-readiness into a strategic advantage."

Renee Murphy, Principal Analyst at Verdantix said, "While most organizations are collecting ESG data, a staggering 83% are still not prepared for CSRD audits, according to Semarchy's new findings. This gap highlights the critical need for businesses to address the key blockers hindering compliance: first, the challenge of collecting data consistently across the entire supply chain; second, the need to produce digitally tagged, machine-readable reports; and third, the issue of data fragmentation. A robust data management platform can tackle these challenges by ensuring data is trusted, seamlessly moved across systems, and easily utilized for reporting. By centralizing and automating data workflows, businesses can ensure they are audit-ready and able to meet evolving regulatory demands with confidence."

Joshua Symons, Head of Enterprise Data at the UKHSA said, "Compliance is a complex process that involves people as much as technology, with culture being a key aspect of ensuring records are accurate, consistent, and up to date. Having a central tooling for master data management and reference data management ensure that culture can align to a north star for delivery, providing a common business language and environment to meet compliance requirements."

Xavier Gardiès, Senior Partner and Head of Consulting at Micropole said, "Beyond its regulatory framework, the CSRD represents a strategic turning point for businesses. It is not merely a reporting obligation but fundamentally redefines the essence of how organisations drive their

operational and commercial strategy. It requires companies to undertake a business-wide project that engages the entire value chain. Those that adopt a data-driven approach today are not just ensuring compliance; they are strengthening stakeholder trust, mitigating risks, and turning sustainability into a competitive advantage. Conversely, the lack of robust governance over this data and the absence of a structured data architecture expose businesses to increased costs and growing operational complexity."

To read the full report and findings, please visit the Semarchy website to download your free copy of <u>The Semarchy CSRD Data Readiness Report</u>.
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About Semarchy

Semarchy is a recognized leader in providing master data management, intelligence and integration solutions with the Semarchy Data Platform. Semarchy helps global enterprises transform their most valuable asset — data — into usable insights for smarter decisions, faster growth, and tangible outcomes. With a unified data platform and proven customer results, we make trusting, moving, and using data simple. Semarchy is available as an on-prem solution and is natively available on popular cloud marketplaces such as Snowflake, Microsoft Azure, Amazon Web Services (AWS), and Google Cloud Platform (GCP). Semarchy is also managed as a service and supported by a rich ecosystem of software-as-a-service (SaaS) and professional service partners. Semarchy is based in Phoenix, USA, with offices in London, UK, Lyon, France, and New Delhi, India. For more information, visit www.semarchy.com.

About the research

The research was conducted by Semarchy and Censuswide, among a sample of 1,000 in total: Chief Data Officers (CDOs), Chief Information Officers (ClOs), and Heads of Data in UK companies with subsidiaries, branches, or operations in EU markets in the UK (500) and France (500). Companies must have €200M+ revenue, be 15+ years old, in the following industries: Financial Services (Insurance, PE, All Banking), Retail, Tech/Prof Services, Energy & industrials, Gov/Public Sector . The data was collected between 10.12.2024 - 16.12.2024. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

About Renee Murphy, Principal Analyst at Verdantix:

Renee Murphy is a Principal Analyst in the Risk Management practice at Verdantix. Her current research targets GRC, with a particular focus on helping sustainability professionals leverage risk practices to mature their ESG programs. Prior to joining Verdantix, Renee was Chief Evangelist at Diligent Software and spent a decade at Forrester Research, where she was Principal Analyst, Security and Risk Management covering technology risk management, audit, compliance, enterprise sustainability and climate risk analytics.

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