



# Currents of change

The KPMG Survey of Corporate  
Responsibility Reporting 2015



# Welcome to KPMG's Survey of Corporate Responsibility Reporting

In this ninth edition of the report, we reflect the current state of non-financial reporting worldwide, identify key trends and provide KPMG insights.

We publish this research primarily as guidance for professionals who lead the non-financial reporting process within large companies, although we recognize that many other audiences including investors, regulators, academics and NGOs also find it useful.

In 2015, we have published the report in the run-up to the 21st annual UN Climate Talks (COP21).

For this reason, we have focused our research in 2015 on the quality of carbon reporting among the world's 250 largest companies. We offer advice on what KPMG member firms consider to be best practice in corporate carbon reporting and we explore how these companies measure up against the key criteria.

We have also continued our quantitative analysis of CR reporting rates and approaches around the world. This year KPMG member firm professionals analyzed reporting from 4,500 companies across 45 countries, a research base we believe makes this one of the most comprehensive and authoritative reports available on the topic of non-financial reporting.

We hope you find it an enlightening read and would be delighted to hear your thoughts. Please feel free to contact us directly if you have any comments or questions.



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**Adrian King**

Adrian is the Global Head of KPMG's Sustainability Services practice and has more than 25 years' experience working with global public and private companies to provide financial and non-financial advisory, reporting and assurance services.

Adrian is an expert in non-financial reporting and especially carbon reporting, having helped many clients prepare for the Australian carbon pricing system (since withdrawn). Adrian helps clients understand how environmental and social risks and opportunities will affect them and represents KPMG at the COP21 climate change meeting and the World Business Council for Sustainable Development.



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Wim is a partner at KPMG in the Netherlands and Global Head of Sustainability Reporting and Assurance. He has been with KPMG for over 25 years and has extensive experience in audit and forensic services, as well as deep sector knowledge in financial services and industrial markets, such as energy, chemicals and consumer products, across Europe, Asia and Africa.

Wim delivers assurance to over 40 multinational companies and regularly supports KPMG's global client engagements as a sustainability reporting and assurance expert. Wim has written extensively on sustainability reporting and assurance and is the lead author of this survey.



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# About the survey

This survey is based on several months of research by professionals at KPMG member firms around the world who analyzed thousands of company annual financial reports, corporate responsibility (CR) reports, and websites.

The study is presented in three parts:

- Part 1: Accounting for carbon: a report card
- Part 2: Quality of CR reporting among the G250
- Part 3: Global trends in CR reporting

In Parts 1 and 2, KPMG assessed the quality of CR reporting from the world's 250 largest companies by revenue (G250) with a particular focus on the carbon information these companies publish in their annual financial and/or CR reports.

Quality was assessed using scoring methodologies based on KPMG professionals' view of leading reporting practices.

In Part 3, the study presents global CR reporting trends based on reports issued by the top 100 companies in each of the 45 countries.

A more detailed methodology is on page 44.



# Executive summary

## Part 1

### Accounting for carbon: a report card

- There is a lack of consistency in the carbon information that the world's largest companies publish in their annual financial and/or CR reports. This makes it almost impossible to accurately compare one company's carbon performance with another's
- 1 in 5 large companies in high carbon sectors such as mining and chemicals does not report on carbon
- Companies in the US and Asia Pacific countries including China are the least likely to report on carbon; European companies are the most likely to do so
- European companies score the highest for their carbon reporting
- Companies in the transport & leisure sector score highest for carbon reporting among the G250, and oil & gas companies score lowest, when assessed using KPMG's methodology
- Less than 1 in 10 companies that report on carbon, report on emissions from the use or disposal of their products
- Around half (47 percent) of the world's largest companies do not publish targets for carbon reduction. European companies are the most likely to do so, and companies in Asia Pacific are the least likely
- The average timeframe for corporate carbon reduction targets is around 11 years, but few companies are aligning with the 15+ year targets being set by many national governments
- Only one third (35 percent) of the companies that publish targets to reduce carbon explain in their reports why they have chosen those targets
- Only half the companies that report on carbon explain how cutting carbon benefits their business
- Just over half of companies that report on carbon include carbon data in their annual financial or integrated reports
- 62 percent of carbon reporters invest in independent assurance, in line with global rates of assurance for other CR information in reporting

## Part 2

### Quality of CR reporting among the G250

- The quality of CR reporting has improved slightly in Asia Pacific since 2013 but has declined slightly elsewhere
- Companies are getting better at reporting the environmental and social trends and risks that affect their businesses

## Part 3

### Global trends in CR reporting

- Almost three quarters of N100 companies now report on CR. The current rate of CR reporting among the G250 is over 90 percent
- More companies now report on CR in Asia Pacific than in any other region.
- Four emerging economies have the highest CR reporting rates in the world: India, Indonesia, Malaysia and South Africa
- Companies in the retail sector have furthest to go, lagging behind all other sectors
- Including CR data in annual financial reports is now a firmly established global trend. Almost 3 in 5 companies do this now, compared with only 1 in 5 in 2011
- The number of companies stating that they produce integrated reports remains low: around 1 in 10
- Third party independent assurance of CR information is now firmly established as standard practice among the world's biggest companies (G250): almost two thirds invest in assurance
- Major accountancy organizations continue to dominate the market for third party assurance among G250 and N100 companies
- The Global Reporting Initiative (GRI) remains the most popular voluntary reporting guideline worldwide but use of GRI declined among the world's largest companies



# 1 Accounting for carbon: a report card

Many of the world's largest companies are under ever-increasing pressure to cut their carbon emissions, as the global economy shifts slowly but steadily towards a low-carbon, and eventually zero-carbon, model.

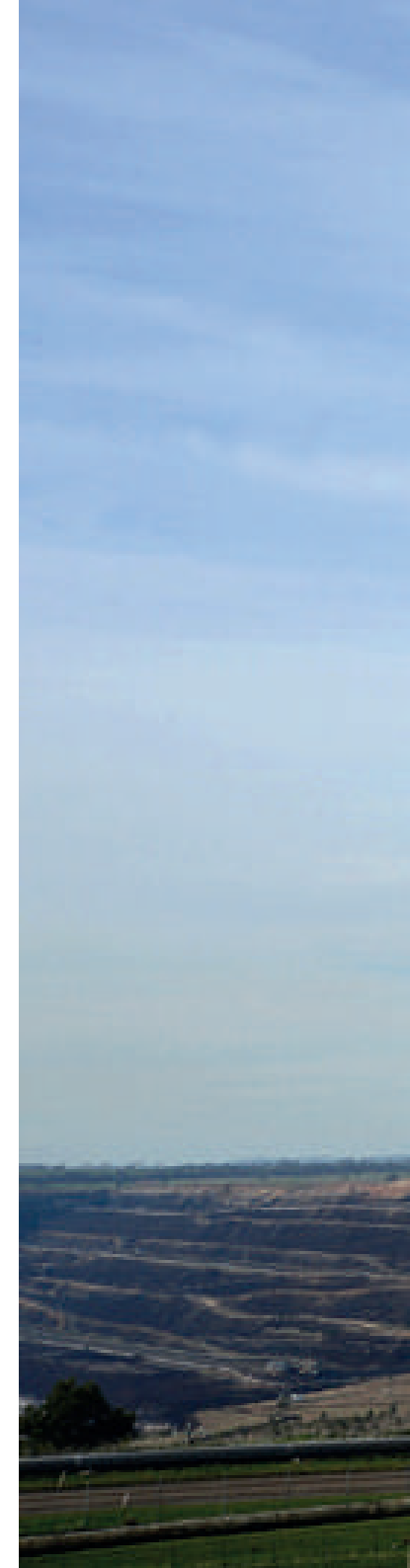
In addition, companies face ever-greater expectations and requirements from stakeholders to provide clear, consistent and transparent information on their carbon emissions and the actions they are taking to reduce them.

KPMG member firms believe that all stakeholders should be able to access good quality, comparable information on carbon performance quickly and easily from the company's annual financial and/or corporate responsibility reports.

This enables stakeholders to understand key information on carbon and climate in the same context as other material issues disclosed by the company.

KPMG has therefore analyzed carbon information published by the world's 250 largest companies (G250) in their corporate responsibility reports and their annual financial reports.

In order to perform the analysis, KPMG researchers developed a qualitative scoring methodology based on the principles set out on page 8 of this report. Each G250 company was awarded a score out of maximum 100.





# How should companies report on carbon?

KPMG member firms believe that companies should use the following basic principles when publishing carbon information in CR and annual financial reports

## 1 Be clear about materiality and data

- Reporting should clearly state whether or not the company identifies climate change and carbon reduction as material issues and should explain the process the company used to assess materiality

If the company does identify climate and carbon as material issues, then the following guidelines should be followed:

- Companies should explain which emission scopes they consider material and why:
  - Scope 1: direct emissions from the company's owned operations
  - Scope 2: emissions from purchased electricity, heat and steam
  - Scope 3: all other emissions produced in the course of doing business, including emissions in the supply chain (upstream) and from the use and disposal of the company's products and services (downstream)

- Reporting should demonstrate that the company measures and monitors its carbon emissions on an ongoing basis
- Reports should give readers confidence that the data is accurate by providing evidence of third party assurance
- Where all 3 scopes are considered material, reports should cover all 3 (i.e. the full carbon life cycle) or show that the company is working towards doing so

## 2 Show how the company is performing against carbon targets

- Companies should disclose clear carbon reduction targets with defined baselines and end dates. Ideally, targets should be set for the entire group, but if that is not the case, the report should set out targets at business unit or country level
- Reports should explain the rationale companies have used to set their targets. For example, are they in line with sectoral, national or international/science-based carbon reduction targets?
- Reports should clearly communicate the company's performance and progress against their carbon reduction targets including data on total emissions at the baseline date and in the last reporting year
- Companies should demonstrate they have a long-term commitment to reducing carbon emissions by setting targets with a minimum goal period of 5 years and preferably longer

## 3 Communicate data clearly and explain how reductions help the business

- Companies should present carbon data in their annual financial or integrated reports as well as in stand-alone CR or sustainability reports
- Reports should explain how the business benefits from cutting carbon emissions, for example, by reducing costs and risk, or by creating opportunities such as increased innovation, research and development
- When the company discloses additional carbon information in other sources (e.g. CDP) the company's own CR and annual report should clearly direct readers to those other sources.



# Key findings

**There is a lack of consistency** in carbon reporting from the world's largest companies, making it almost impossible to accurately compare one company's carbon performance with another.

## 1 in 5

large companies in high carbon sectors such as chemicals, mining, industrials, metals & manufacturing and construction & materials does not report on carbon.

**Companies in the US, and Asia Pacific** countries including China, are among those least likely to report on carbon; European companies are most likely to do so.

## 11 years

The average timeframe for corporate carbon reduction targets is around 11 years, but few companies are aligning with the 15+ year targets now being published by many international governments.

**Companies in the transport & leisure** sector score most highly for the quality of their carbon reporting, and oil & gas companies score lowest.



# High



# Low

**Around half (47 percent) of the world's** largest companies do not publish targets for carbon reduction. European companies are most likely to do so, and companies in Asia Pacific are the least likely.

## 1/3

**Only one third (35 percent)** of the companies that publish targets to reduce carbon clearly explain why they have chosen those targets.

## Less than 1 in 10

companies that report on carbon, report on emissions from the use or disposal of their products.

**European companies score highest** for the quality of their carbon reporting.

## 1/2

**Just over half of companies** that report on carbon include carbon data in their annual financial or integrated reports.

**Only half the companies** that report on carbon explain how cutting carbon benefits their business.

## 62%

of carbon reporters invest in independent assurance, in line with global rates of assurance of other CR information.



## Opinion

# “Corporate carbon reporting needs an overhaul”

**Wim Bartels** KPMG’s Global Head of Sustainability Reporting & Assurance

**A**t first glance, KPMG’s analysis reveals a positive picture: many of the world’s largest companies are already reporting on their carbon performance in their corporate responsibility reports. Around half of those are also reporting on carbon reduction in their annual financial or integrated reports.

Based on this evidence, it may seem that many of these large companies are well prepared for a low-carbon global economy and are ready to respond with clear and consistent information to the increasing scrutiny.

However, if we scratch below the surface we see this is not necessarily the case. What actually emerges from KPMG’s analysis is a view of fragmented, inconsistent approaches and patchy transparency. Key information is missing from many annual financial and corporate responsibility reports. The information that companies report and how they report it varies widely both within and between different geographies and industry sectors. It is all but impossible to accurately compare one company’s carbon performance with another’s.

While some companies and sectors should be congratulated for the quality of their carbon reporting, few are yet exhibiting all the hallmarks of best practice. For me, what really stands out in our analysis is the vast room for improvement in publishing targets for corporate carbon reduction.

The world’s largest companies must play a leading role in cutting man-made carbon emissions because it is business that generates the bulk of those emissions. The pressure for companies to do so is

increasing, not least because over 150 national governments have committed to cut their carbon emissions as part of international efforts to combat climate change.

**“There is a clear need for improvement and global guidelines could help”**

Yet KPMG’s research shows that only around half the world’s largest companies currently publish targets to reduce their carbon emissions. Among those that do, only a visionary few are aligning themselves with world governments by thinking ahead with a 15+ year timeframe. And few publish sufficient information for their progress to be easily tracked.

There is a clear need for improvement and global reporting guidelines on carbon could help to address this problem. It should not be left to companies alone to figure this out: industry bodies, regulators, standard setters, investors and others all have a role to play.

There are initiatives underway. For example, the Financial Stability Board has proposed a task-force to develop consistent climate-related disclosures for companies. The Climate Standards Disclosure Board (CDSB) has also introduced a voluntary framework.

Clear global guidelines will help to address the problem of inconsistent approaches. In the meantime, I believe the foundation of best practice is for companies to publish key carbon information of the type we have set out in this study in their corporate responsibility and annual financial reports.



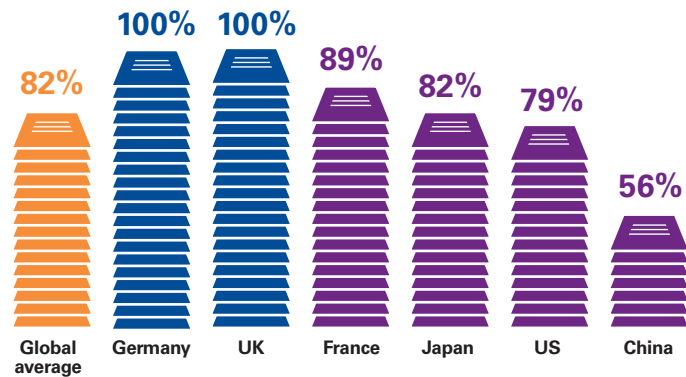
# G250 carbon reporting: how countries compare

**Six countries have 10 or more companies in the G250: China, France, Germany, Japan, UK and the US.**

KPMG member firms analyzed the carbon reporting data from the G250 to draw some comparisons between them

## Rate of reporting on carbon emissions

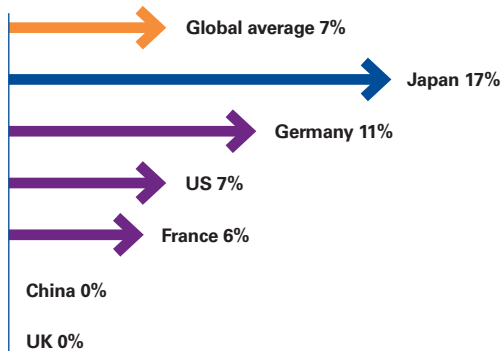
German and British companies have the highest rate of reporting on carbon emissions.



Base: G250 companies. Source: KPMG Survey of Corporate Responsibility Reporting 2015

## Reporting on downstream emissions

Japanese companies lead the field in reporting on carbon emissions from the use and disposal of their products and services. 17 percent of Japanese companies that report on carbon report on Scope 3 downstream emissions – more than twice the global average of 7 percent.



Base: G250 companies that report on carbon. Source: KPMG Survey of Corporate Responsibility Reporting 2015

## Assurance rates for carbon data

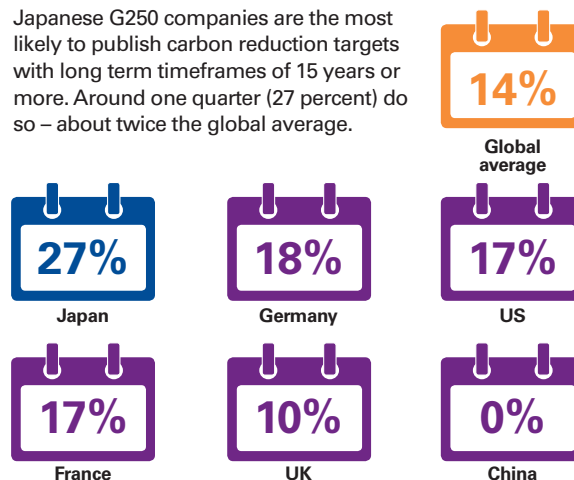
All French and British companies in the G250 invest in independent third party assurance for their carbon data. Assurance rates are lowest in China.



Base: G250 companies that report on carbon. Source: KPMG Survey of Corporate Responsibility Reporting 2015

## Timeframes of carbon targets

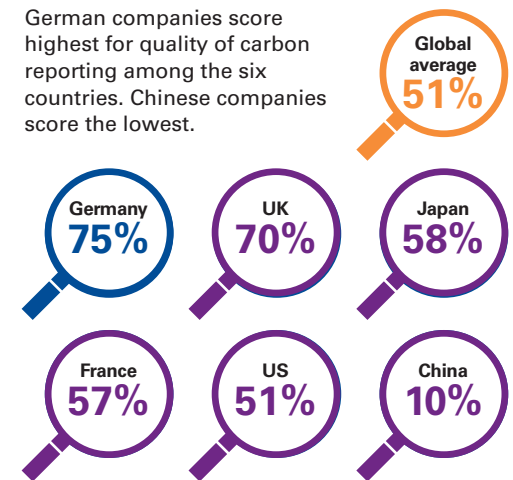
Japanese G250 companies are the most likely to publish carbon reduction targets with long term timeframes of 15 years or more. Around one quarter (27 percent) do so – about twice the global average.



Base: G250 companies that report on carbon. Source: KPMG Survey of Corporate Responsibility Reporting 2015

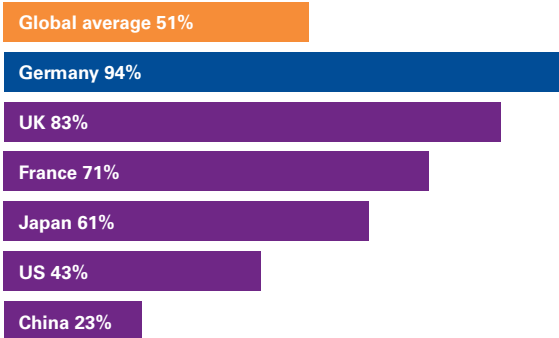
## Quality of carbon reporting

German companies score highest for quality of carbon reporting among the six countries. Chinese companies score the lowest.



Base: G250 companies that report on carbon. Source: KPMG Survey of Corporate Responsibility Reporting 2015

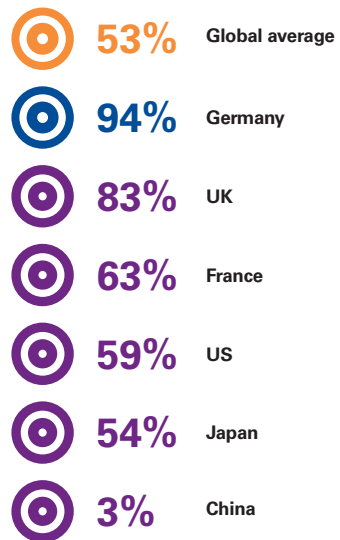
## Reporting on benefits of cutting carbon



In the US, less than half the G250 companies that report on carbon explain how reducing carbon emissions benefits the business.

Base: G250 companies that report on carbon  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

## Publishing of carbon targets



Chinese companies are the least likely to publish targets to reduce their carbon emissions. Only one of the 39 G250 companies in China publishes any targets.

Base: All G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015



## The report card

# Which companies report on carbon?

### ✓ Achievements

4 out of 5 G250 companies identify climate change and carbon as material issues and report on their carbon emissions. This appears, on the surface, to be a relatively high rate.

#### Rate of carbon reporting by sector

|             |  |
|-------------|--|
| <b>100%</b> | <b>Food &amp; beverage</b>                     |
| <b>92%</b>  | <b>Utilities</b>                               |
| <b>90%</b>  | <b>Oil &amp; gas</b>                           |
| <b>87%</b>  | <b>Technology, media &amp; telecoms</b>        |
| <b>83%</b>  | <b>Retail</b>                                  |
| <b>82%</b>  | <b>Healthcare</b>                              |
| <b>80%</b>  | <b>Chemicals</b>                               |
| <b>80%</b>  | <b>Construction &amp; materials</b>            |
| <b>80%</b>  | <b>Mining</b>                                  |
| <b>79%</b>  | <b>Automotive</b>                              |
| <b>77%</b>  | <b>Financial services</b>                      |
| <b>75%</b>  | <b>Transport &amp; leisure</b>                 |
| <b>73%</b>  | <b>Industrials, manufacturing &amp; metals</b> |
| <b>67%</b>  | <b>Personal &amp; household goods</b>          |

Base: 250 G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

### ✗ Room for improvement

It is surprising that in sectors known for high emissions, some major companies do not identify carbon and climate change as material issues and do not report on their carbon impact.

For example, around 1 in 5 companies does not report on carbon in the mining; chemicals; industrials, manufacturing & metals; and construction & materials sectors.

By contrast, all G250 companies in the food & beverage sector do report.

Most (around 85 percent) of the companies that do not report on carbon are based in the US or Asia Pacific nations including China.

### KPMG view

Companies in the personal & household goods sector are the least likely to report on carbon. Yet they have significant opportunities to reduce emissions through the value chain, by working with suppliers, reducing emissions in the production process and designing products with a lower climate change impact in use and disposal.

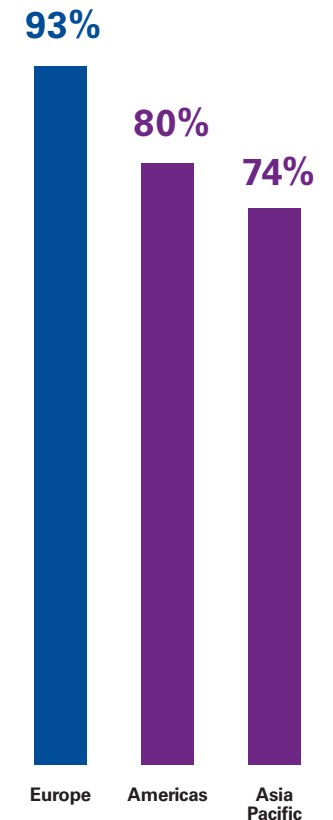
The fact that financial services companies have a low rate of reporting on carbon suggests that they are looking only at the direct carbon emissions of their own operations which are small when compared with other industries such as oil & gas.

However, financial services firms should also consider the carbon impact of the businesses they fund or invest in, and the carbon-related risks in their loan and investment portfolios.

It is interesting to see that US and Chinese companies, based in the highest emitting countries in the world, are amongst the least likely to report.

Government action may be needed to stimulate carbon reporting in these countries.

### Rate of carbon reporting by region



Base: 250 G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015



The report card

# What is the quality of carbon reporting?

✓ Achievements

European companies score highest for the quality of their carbon reporting. Their reporting scores an average of 62 out of a possible 100.

European companies have higher scores for reporting more data on carbon emissions than companies in other regions. They also report more information on their progress against carbon reduction targets.

Australian companies lead in Asia Pacific for carbon reporting quality, with an average score of 65. Companies in South Korea and Japan also have relatively high scores at 60 and 58 respectively.

✗ Room for improvement

Companies in the Americas and Asia Pacific lag behind Europe with average scores of 49 and 40 respectively.

Companies in China have significantly low scores, at an average of 10 out of 100.

Oil & gas companies have the lowest sectoral quality of carbon reporting with an average score of 35 out of 100.

KPMG view

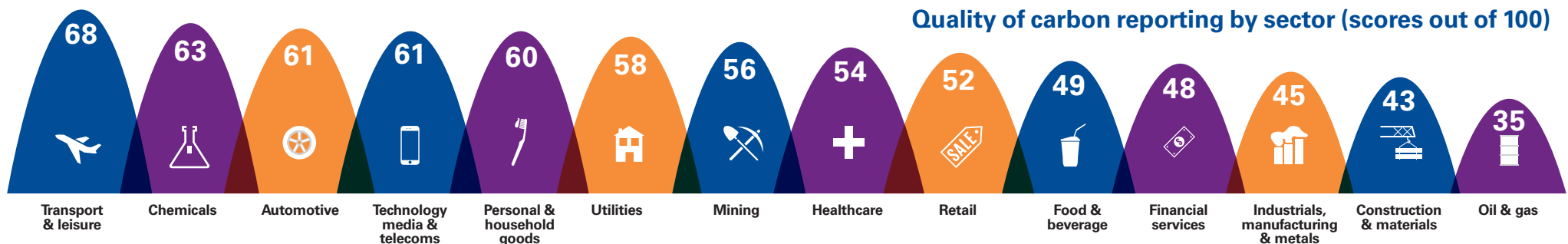
It is to be expected that European companies will lead in the quality of carbon reporting as they are most experienced, although reporting in this region could be further improved. The EU Emissions Trading System was launched in 2005 and requires heavy emitters of carbon to measure, monitor and manage their carbon emissions.

It is likely that the quality of carbon reporting will increase rapidly in Asia Pacific as carbon pricing and trading is introduced.

South Korea brought in a carbon trading system in 2015 and China will do so in 2017.

Many companies in high carbon sectors do not report targets for carbon reduction or report on their performance against targets.

Companies in the industrials, manufacturing & metals; construction & materials; and oil & gas sectors have particularly low scores for target setting and performance.



Base: 205 G250 companies, Source: KPMG Survey of Corporate Responsibility Reporting 2015

## The report card

# What emissions do companies report on?

### ✓ Achievements

# 3/4

More than 75 percent of companies that report on carbon report on their direct emissions (Scope 1) and emissions from purchased electricity, heat and steam (Scope 2).

### ✗ Room for improvement

Far fewer companies report on the emissions in their value chains (Scope 3). Half report on emissions in their supply chain (Scope 3 upstream) but less than one in ten (7 percent) reports on the carbon impact of using or disposing of their products and services (Scope 3 downstream).

### KPMG view

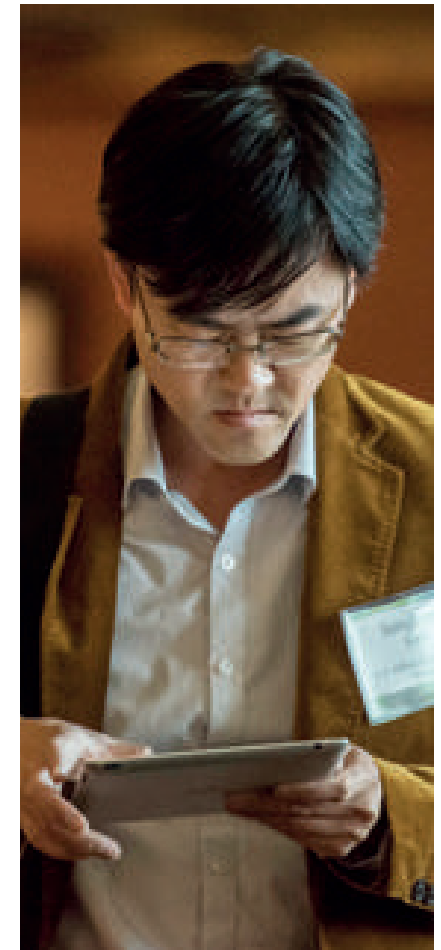
Analyzing the full carbon lifecycle of products and services can be a complex and time consuming process. It can be especially challenging for retailers that sell thousands of different products. So it is not surprising that so few companies are currently reporting on downstream emissions.

However, assessing the full carbon impact of a company is becoming more achievable as carbon analysis tools, methodologies and data sources improve.

### Emission scopes reported



Base: 205 G250 companies that report on carbon  
Source: KPMG Survey of Corporate Responsibility Reporting 2015



The report card

# How many companies publish targets?

**✓ Achievements**

Around half of the world's largest companies (53 percent) publish targets to reduce their carbon emissions.

Companies in Europe are the most likely to publish targets to reduce their carbon emissions.

Worldwide, companies in the transport & leisure, utilities, technology, media & telecoms, and food & beverage sectors are the most likely to publish targets for reducing carbon.

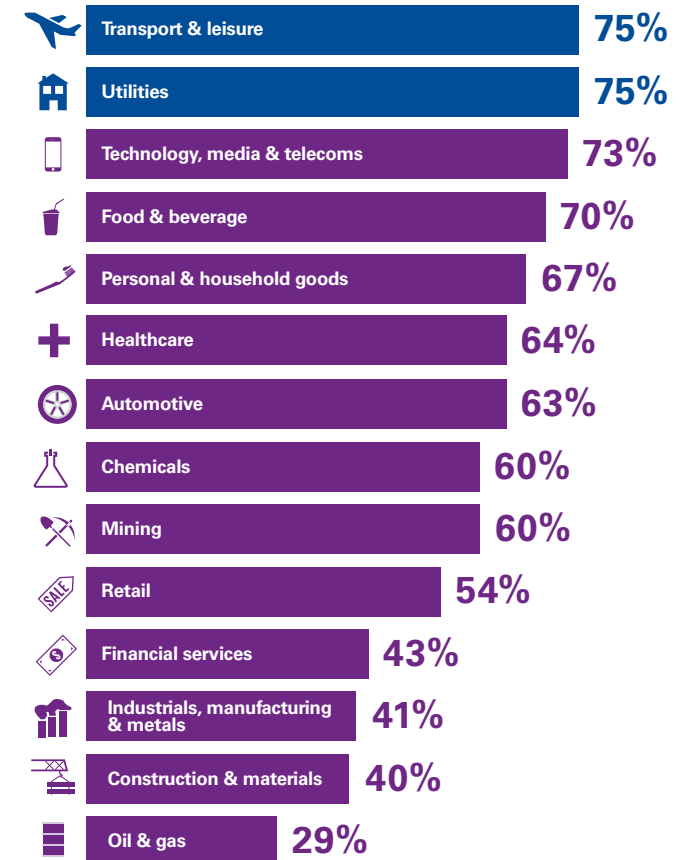
**✗ Room for improvement**

Close to half of the world's largest companies (47 percent) publish no targets to reduce their carbon emissions.

Companies in Asia Pacific, are the least likely to do so, with only 33 percent of companies in this region publishing targets, compared with 55 percent of companies in the Americas and 72 percent of companies in Europe.

Companies in the oil & gas; construction & materials and industrials, metals & mining sectors are the least likely to publish targets for carbon reduction.

**Rate of target publishing by sector**



Base: All G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

**KPMG view**

It is notable that some of the heaviest emitters of carbon, such as the oil and gas sector, are the least likely to publish targets to reduce their carbon emissions.

The challenge for these companies is that their traditional business models are inextricably linked to emitting carbon. Publishing targets to

reduce carbon can therefore be construed as setting targets to limit the growth of the business.

That said, there are signs that strategic shifts are starting to take place even within these industries. For example, several European oil majors have openly called for global carbon pricing and some are steering their companies towards the

provision of low-carbon energy and away from high-carbon fossil fuels.

This shift will take time to gather pace but as it does we are likely to see greater willingness among companies in these sectors to report on targets for reducing carbon.

## The report card

# What timeframes are chosen for targets?

### ✓ Achievements

Long-term goals for carbon reduction can help shape business strategy.

It is encouraging to see that, of the G250 companies that publish carbon reduction targets, most (over 80 per cent) are publishing targets of more than five years.

The average target period identified is just under 11 years.

Automotive companies tend to publish the longest term targets, with three companies in this sector publishing targets with timeframes of 25 or 50 years.

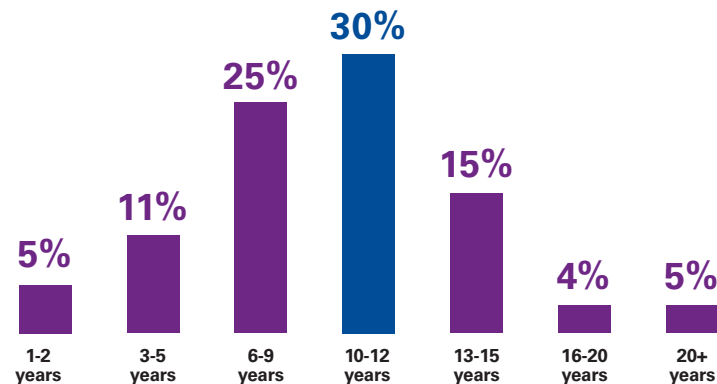
### ✗ Room for improvement

Very few companies are publishing carbon reduction targets beyond 2020.

Companies in the financial services sector have the shortest timeframes for targets, with many companies in this sector publishing targets of six years or less.

Many companies report targets that expire in the short term (2015) or medium term (2020). Companies should set new long-term targets for carbon reduction well before current targets terminate and publish long-term targets that give stakeholders a clear picture of future carbon reduction programs.

### Timeframes for carbon targets



Base: 132 G250 companies that publish carbon targets and report clear start and end dates. Timeframe unclear for 5 percent of target setters. Source: KPMG Survey of Corporate Responsibility Reporting 2015

### KPMG view

In the run-up to the 2015 UN Climate Talks in Paris, many nations with high emissions submitted carbon reduction commitments looking ahead to the year 2030.

Given that nations are planning on a 15-year timeframe, it makes sense for major companies to align with national and international norms and adopt a similar timeframe.

However, of the companies that publish targets to reduce their carbon, less than one in five is currently looking as far ahead as 15 years.

The report card

# How well do companies report their carbon reduction?

**✓ Achievements**

**Rationale for targets**  
One third of companies (36 percent) that disclose carbon reduction targets provide a clear explanation of why they have selected that target.

**Benefits to the business**  
Around half (51 percent) of the companies that report on carbon, also explain how reducing carbon emissions benefits the business.

A quarter cite cost reduction, and one in five says that cutting carbon increases efficiency. Around 15 per cent say that reducing carbon emissions helps to spur innovation within the company.

Companies in the automotive and industrials, manufacturing & metals sectors are the most likely to identify innovation as a benefit of carbon reduction activities.

**Data in the annual report**  
Just over half (52 percent) of companies that report on carbon emissions, include carbon data in their annual financial or integrated reports. The rest include it only in their non-financial (corporate responsibility or sustainability) reports.

**Progress against targets**  
Around half (51 percent) of companies that publish data on their progress have either already met, or are tracking ahead of, their carbon reduction targets. This equates to around one in eight G250 companies.

However, this seemingly positive result needs to be put into context, given that only a minority of companies are currently publishing data on their progress against carbon reduction targets.

**✗ Room for improvement**

Most companies (64 percent) that report targets to reduce their carbon do not provide a clear explanation of the thinking behind those targets.

Similarly, around half (49 percent) of G250 companies that report on carbon, do not explain how cutting carbon can benefit their business.

There is a general lack of transparency in reporting of progress against carbon reduction targets because only a small number of companies are reporting enough data for their progress to be tracked.

**KPMG view**

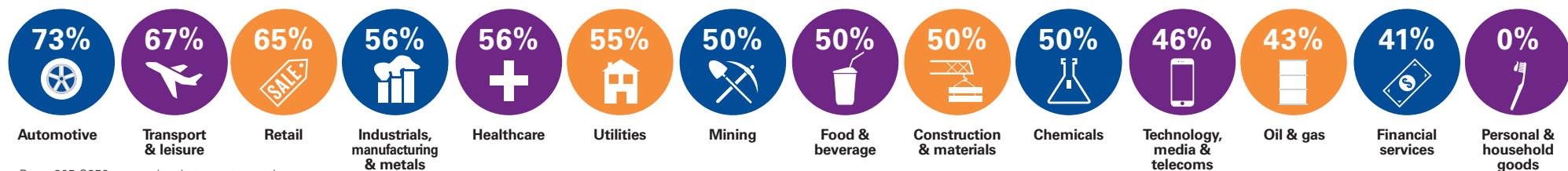
It is difficult to understand the strategy behind a company's carbon reduction targets, or to assess whether the company's carbon ambitions are reasonable unless the company provides an explanation.

The research suggests that companies need to provide greater transparency around their carbon reduction ambitions.

In order to communicate clearly to all stakeholders, more companies need to include more information in their annual financial or integrated reports.

Without this information, targets to reduce carbon lack meaning for investors and other stakeholders, and could be seen as arbitrary and lacking strategic thought.

Companies reporting benefits of carbon reduction activities by sector



Base: 205 G250 companies that report on carbon  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

### The report card

# How many companies assure their carbon data?

#### ✓ Achievements

Close to two thirds (62 percent) of companies that report on carbon, invest in third-party independent assurance of their carbon data.

The rate of third-party assurance of carbon data among G250 companies reflects the rate of assurance across CR reporting in general (63 percent), which is unsurprising given that carbon data is the most common CR topic to be assured.

#### ✗ Room for improvement

36 percent of the companies that report on carbon do not invest in any verification of the data – either internal or external.

#### KPMG view

Obtaining external assurance demonstrates a commitment to providing stakeholders with confidence in the quality of externally reported carbon information. Assurance of carbon data can also assist companies in embedding good reporting practices and driving internal performance improvements.





# Towards better carbon reporting: KPMG's recommendations

1

It is important to identify all the carbon emission scopes in which the company has a material impact. While some companies are making progress in reporting on Scope 3 emissions, many are not reporting on all the relevant scopes.

2

Companies need to define a road map to develop a broader scope of reporting, if applicable. This is especially true for Scope 3 emissions which are more complex to report on. This reporting requires new processes to be designed and significant input from third parties such as suppliers.

3

The data that a company collects and reports should be aligned with the scope of carbon reduction targets that it sets. KPMG's research shows that, surprisingly often, the performance reported does not relate directly to the type or scope of targets the company declares. In these cases, companies need to review their data collection processes.

4

Companies should set new long-term targets for carbon reduction well before the current targets terminate. In our review of G250 reporting, KPMG member firm professionals found that many companies report targets that expire in 2015, without setting out new mid-term targets. This can create uncertainty for stakeholders on where the company is at in terms of its carbon reduction strategy.

5

The monitoring process for carbon performance should be implemented down to the entity or business unit level. In KPMG member firms' experience, too often group targets are not sufficiently cascaded within the group, which can result in targets being missed due to insufficient oversight or management.

6

Ambitions should be bold, without being unrealistic. Companies that commit to bold carbon reduction targets without a precise underlying calculation of how it can be achieved tend to state that stretch targets help to increase innovation and catalyze new thinking. Companies should be aware they are likely to come under less scrutiny for missing a target than they will for not setting a target at all, or for setting a target with a low level of ambition.

7

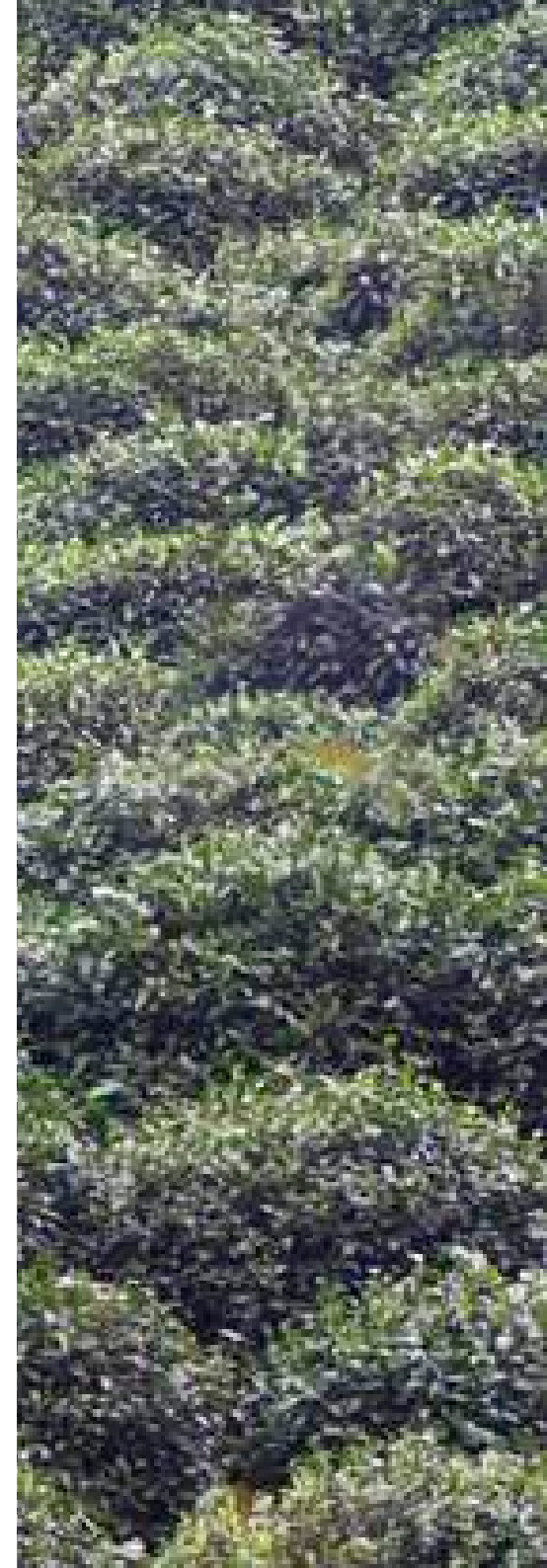
Provide engaging and detailed explanations of the action your company is taking to reduce carbon and contribute to addressing climate change – don't limit your reporting to targets and performance. Narrative describing your carbon reduction strategy and initiatives helps to increase transparency and create positive perceptions.

# 2 Quality of CR reporting among the G250

In 2013, KPMG analyzed the quality of CR reporting among the world's largest companies using a proprietary assessment and scoring methodology (see page 24).

We have repeated this analysis in 2015 and identified the following key developments over the intervening two years:

- The quality of CR reporting has improved slightly in Asia Pacific but declined slightly elsewhere
- Companies are getting better at reporting the environmental and social trends and risks that affect their businesses





# KPMG's scoring methodology

KPMG's methodology to assess the quality of CR reporting is based on 7 criteria that we believe are hallmarks of industry best practice:

## 1 Stakeholder engagement

The report should explain how the company identifies and engages its stakeholders and how their views inform CR strategy.

## 2 Materiality

The report should demonstrate a clear, on-going process to identify the issues that are most significant to the company and its stakeholders.

## 3 Risk, opportunity and strategy

The report should identify environmental and social risks and opportunities, and explain the company's strategic response.

## 4 Targets and indicators

The report should declare time-bound and measurable targets.

## 5 Transparency and balance

The report should be open about the CR challenges the company faces, as well as its achievements, and should communicate both effectively.

## 6 Suppliers and value chain

The report should show how the company's CR strategy and targets address the material social and environmental impacts of its suppliers, products and services.

## 7 Corporate responsibility governance

The report should detail how CR is governed within the organization, who has responsibility for it and how CR performance is linked to remuneration.

## Key findings

There has not been an overall improvement in the quality of reporting among the world's largest companies – except on the topic of CR trends and risks – since 2013. This is disappointing given that most companies showed room for improvement in our previous research and continuous improvement could be expected from the world's largest companies. At KPMG, member firms encourage companies to critically review their reporting and define clear steps to continuously improve quality; this seems a logical approach one year on from the introduction of the GRI's G4 framework which puts a focus on the quality of reporting.

The quality of reporting is also an opportunity for leading companies to distinguish themselves from the pack: the highest scoring 25 companies in the G250 score an average of 84 out of 100 using KPMG's methodology, whereas the global average is only 57.

Asia Pacific is the only region to improve its average quality score since 2013 and this is commendable given the high number of companies in the region that are new to CR reporting. Companies in Asia Pacific are making rapid progress and it appears are strongly embracing the need for reporting on CR and the value it brings to companies, as well as to their stakeholders. Asia Pacific companies' improvement in the quality of reporting on stakeholder engagement suggests that companies in the region are further opening up in an increasingly globalized and interconnected world.

Given that there is progress in the quality, as well as quantity, of reporting in Asia Pacific, it is possible that we could see a next generation of CR reporting leaders coming from this region rather than Europe, which has traditionally led the field.



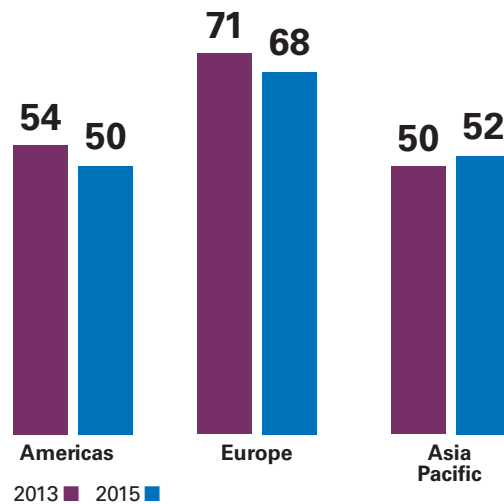
# Quality of CR reporting improves in Asia Pacific

Companies in Asia Pacific have improved the quality of their CR reporting; their average quality score is now 52 out of a possible 100, rising from 50 in 2013. The quality of CR reporting in Asia Pacific is, on average, now higher than in the Americas.

In particular, Asia Pacific companies have improved their reporting on stakeholder engagement. More companies in Asia Pacific now clearly identify their stakeholders in their reporting as well as explaining how they engage with those stakeholders and what action they take in response to stakeholder views.

On a global level, however, average reporting quality remains broadly stable with a decline of two percentage points to 57 in 2015 versus 59 in 2013.

Overall quality scores by region 2013 vs 2015



Base: 230 G250 companies that report on CR  
Source: KPMG Survey of Corporate Responsibility Reporting 2015





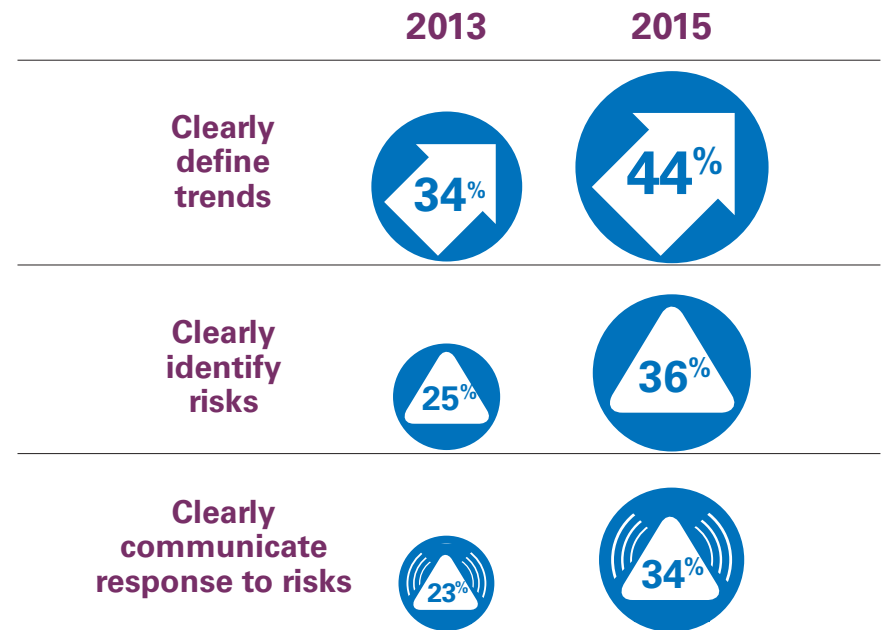


# Better reporting of trends and risks

**L**arge companies are getting better at identifying the environmental and social trends and risks that affect their business, such as resource scarcity, energy and climate change.

The number of companies that clearly define and discuss trends, risks and strategic responses (as opposed to simply making some mention of them) is growing, although it is still a minority that does so. Almost all those that clearly identify risks also communicate the action the company is taking in response to that risk.

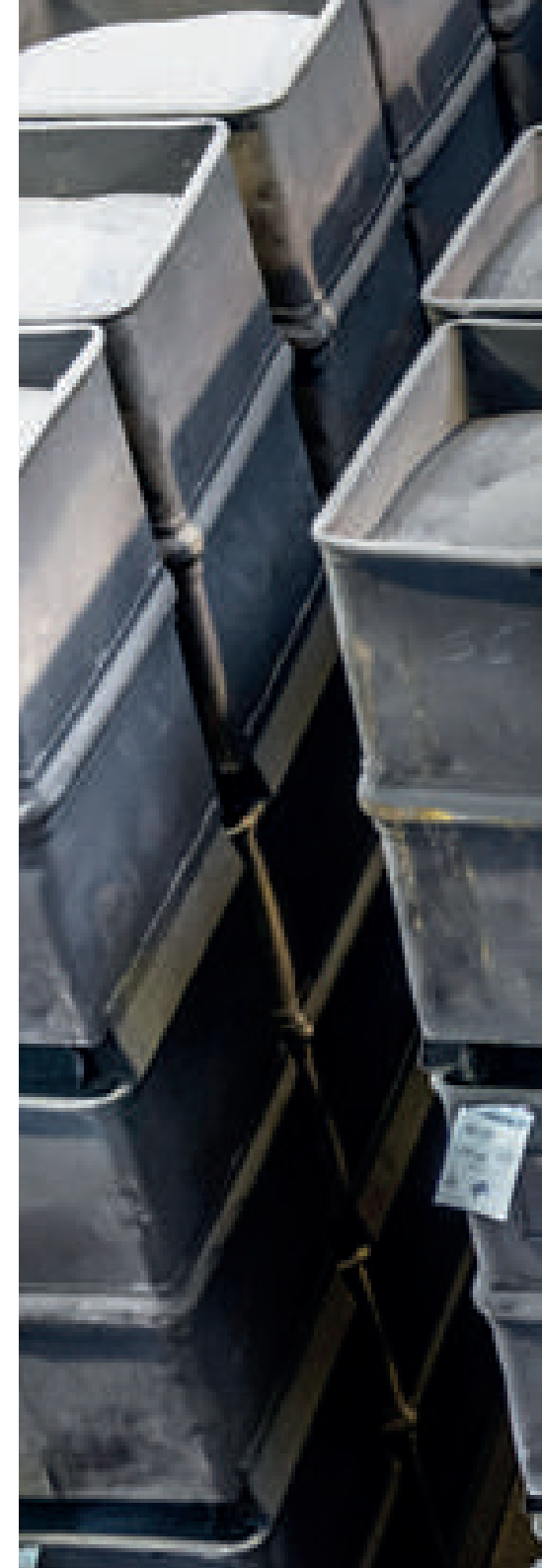
## Number of companies that report trends and risks



Base: 230 G250 companies that report on CR  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

# 3 Global trends in CR reporting

The research from 45 countries shows continued, if slower, growth in corporate responsibility reporting. Though some nations and sectors lag behind, progress continues and it is now standard practice to include CR information in annual reports. Integrated reporting is the exception rather than the rule, and most of the world's largest companies now have their data independently assured.





# CR reporting becomes the norm, driven by regulation

Corporate responsibility (CR) reporting is standard practice and growth has continued between 2013 and 2015, although the rate of growth has slowed down

**N100** Around three quarters (73 percent) of N100 companies now report on CR, a small rise from 2013 (71 percent). This stabilization suggests that future growth in CR reporting is likely to occur in smaller increments unless driven by mandatory reporting legislation. Low reporting rates in four countries new to the survey in 2015 (Czech Republic, Ireland, Oman and Peru) slowed the growth trend slightly.

**G250** The current rate of CR reporting among the G250 is 92 percent. Over the last four years the G250 reporting rate has fluctuated between 90 and 95 percent, primarily due to the changing composition of the G250 list.

KPMG expects G250 CR reporting rates to remain at this level for the foreseeable future.

The main driver for CR reporting continues to be legislative: there is a growing trend of regulations requiring companies to publish non-financial information.

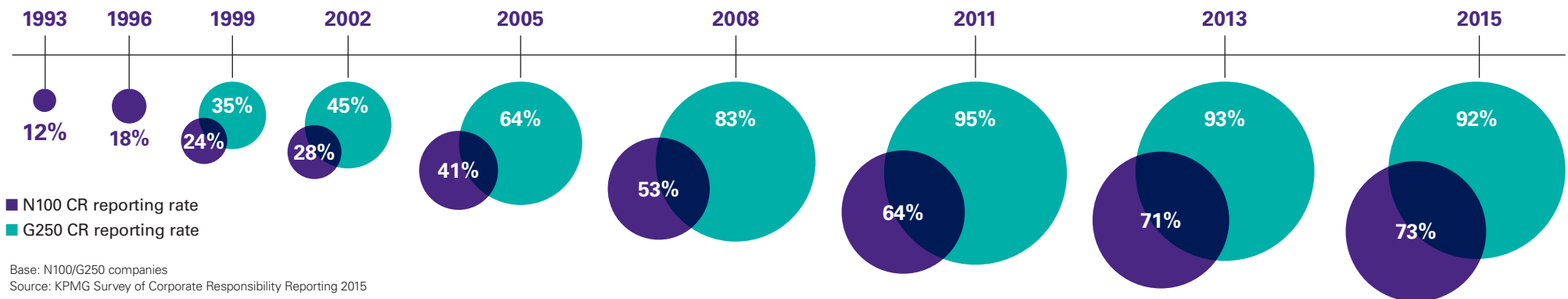
## KPMG view

“Over time, it’s likely N100 reporting rates will reach the 90-95 percent levels currently seen among the G250. What will change the game is the introduction of more regulation requiring companies to report non-financial information. I expect to see a proliferation of such legislation over the next five years. Non-financial reporting will become required business practice. Companies now need to focus on what they will report and how best to integrate their financial and non-financial information.”

**Adrian King,**  
KPMG’s Global  
Head of  
Sustainability  
Services



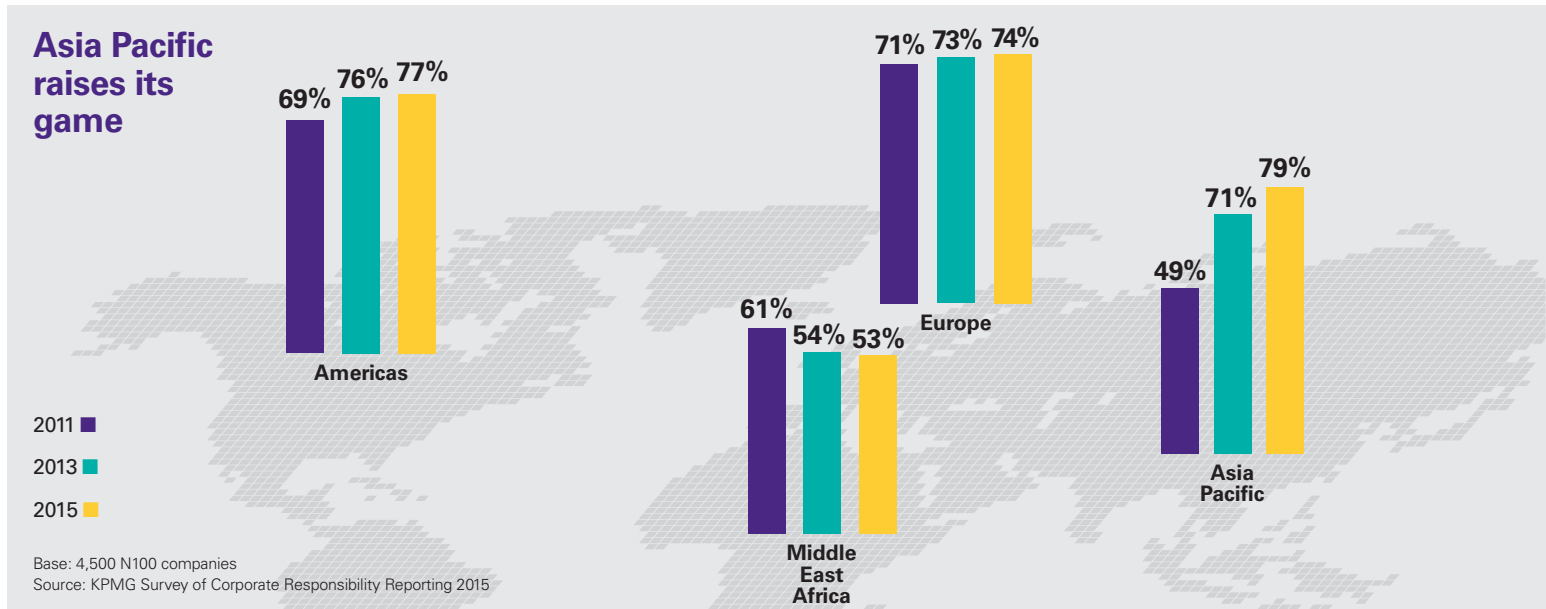
## CR reporting stabilizes at a high level



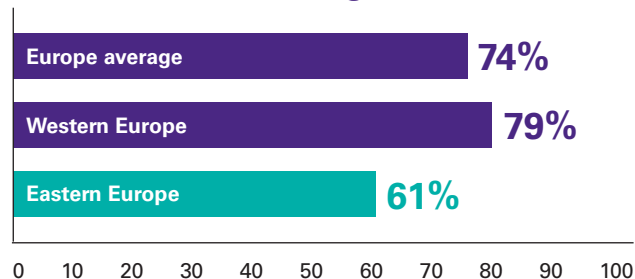
# Asia Pacific steals a lead over the West

From a position lagging behind other regions with a 2011 reporting rate below 50 percent, Asia Pacific has risen to become the leading region for CR reporting over the last four years. This growth has been driven by a surge in reporting in countries such as India, Taiwan and South Korea, where mandatory and voluntary reporting requirements have been introduced (although specific requirements differ by country). More companies (79 percent) now report on CR in Asia Pacific than in any other region, followed by the Americas and then Europe.

Europe's ranking (3rd) is due to a significant difference in reporting rates between Western European (79 percent) and Eastern European companies (61 percent). The low rate of reporting in Eastern Europe reduces the average European CR reporting rate to 74 percent. This is set to change however, following the European Directive on Non-Financial Reporting.



## Lag in Eastern Europe affects the continent's average



## Asia Pacific leads reporting rates

"Reporting requirements are on the increase in Asia Pacific. Specific requirements in each country differ, but reports in this region tend to focus on demonstrating compliance and managing risks, particularly in relation to supply chain, community and human rights issues."



Sung Woo Kim, Partner, KPMG in South Korea

## European reporting rate will rise

"The divergence in reporting rates across Europe will not last. The European Directive on Non-Financial Reporting was introduced in December 2014 and EU Member States have two years to implement it. Around 6,000 of the largest companies across Europe are expected to report on environmental, social, human rights, employee, anti-bribery and anti-corruption matters. I expect to see more European companies than ever reporting in this survey in 2017 as this comes into force."



Jose Luis Blasco Vazquez, Partner, KPMG in Spain

# Emerging economies step up reporting

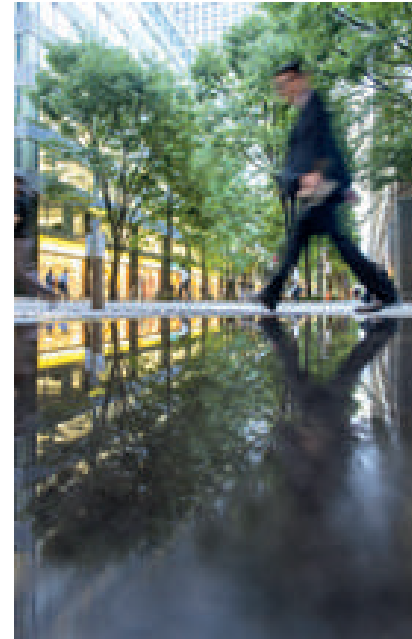
**F**our developing countries have the highest CR reporting rates in the world: India, Indonesia, Malaysia and South Africa. The greatest increases in country CR reporting rates since 2013 have been seen in India (+27 percentage points), Norway (+17), South Korea (+25) and Taiwan (+21). In three of these four countries (India, Norway and Taiwan), the growth has been fueled by the introduction of mandatory reporting requirements.

Eight countries with a CR reporting rate of 90 percent or above have mandatory reporting requirements: India, Indonesia, Malaysia, South Africa, UK, France, Denmark and Norway.

## Regulatory pressure is the common denominator

Mandatory reporting requirements are prompting the highest CR reporting rates worldwide. In some countries, reporting legislation has been introduced by governments (including France, Indonesia, and South Africa) and in others by stock exchanges (such as in Brazil, Malaysia and Singapore). Requirements may cover a broad range of social, environmental and governance areas (as in Denmark, France and South Africa), or have a specific target such as GHG emissions (the UK), conflict minerals (the US), or social responsibility (India).

When regulation is introduced, companies tend to respond and CR reporting rates are seen to increase rapidly. In KPMG's view, it is unlikely that rates of over 90 percent will be achieved in any country without some legislative driver.



## Social responsibility requirement: India

"The Indian government has encouraged companies to invest in and report on social activities. Since 2013, it has been mandatory for large companies to report on CR projects undertaken and to disclose details including spending on these projects in their annual report. Along with a requirement for the top 100 listed entities to report, India now has the highest CR reporting rate worldwide."



**Santhosh Jayaram**, Director, KPMG in India

## Board of directors' requirement: Norway

"In Norway, 90 percent of companies now report on CR, compared to 73 percent only two years ago. This is primarily due to new CR reporting requirements introduced in 2013. Boards of all public limited and listed companies must explain how they integrate CR into their business strategy. However, we see considerable variation in the depth of reporting, and some companies have a way to go to fully comply with regulations."



**Mona Irene Larsen**, Partner, KPMG in Norway

## Stock exchange listing requirement: Taiwan

"In 2014, the Taiwan Stock Exchange required the largest chemical, food, finance and insurance companies to publish an annual CR report. This has affected around 200 companies and the Taiwan CR reporting rate has increased dramatically since 2011. From 2016 heavy industry and smaller companies will also be required to report so the rate will increase further."



**Niven Huang**, General Manager, KPMG in Taiwan

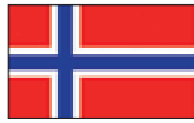


# Formal requirements drive high growth in CR reporting

2013 ■ 2015 ■



**+27**  
percentage point  
increase in India



**+17**  
percentage point  
increase in Norway



**+21**  
percentage point  
increase in Taiwan

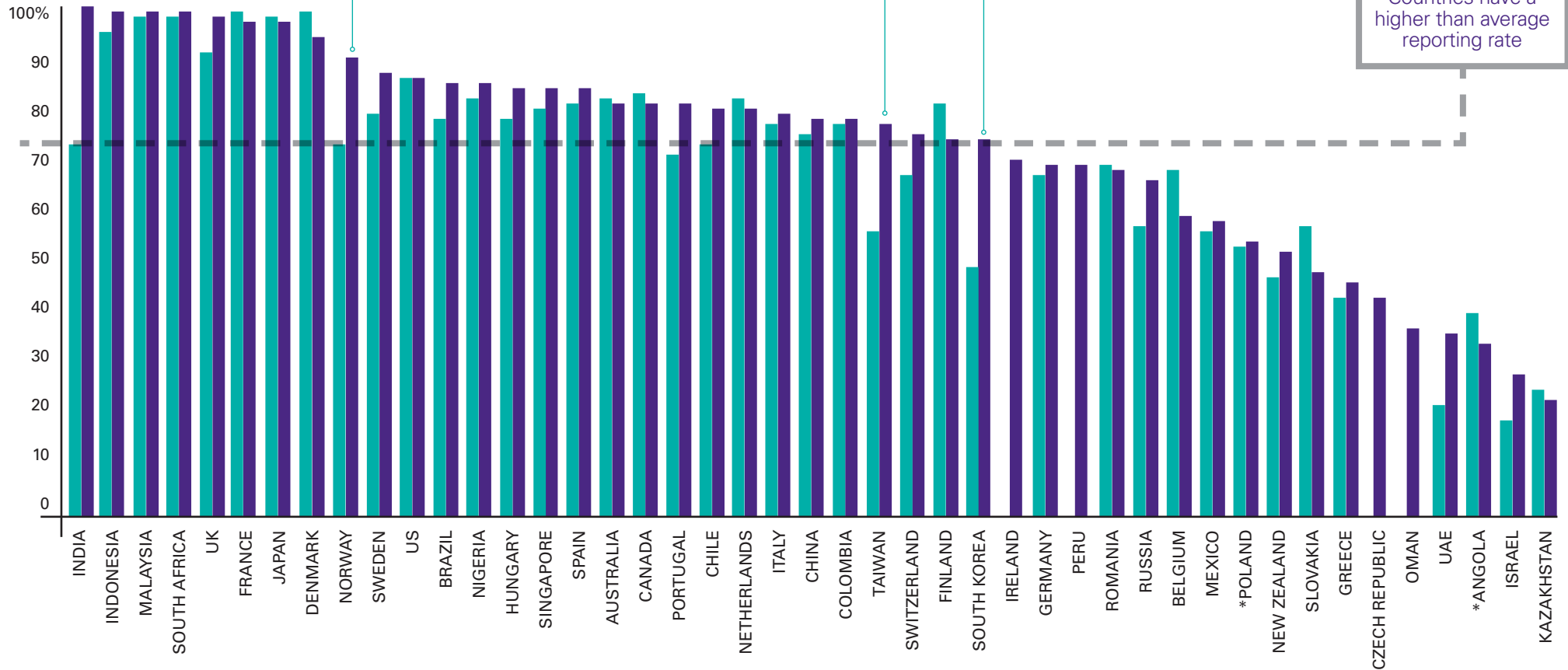


**+25**  
percentage point  
increase in South Korea

**73%**  
average CR reporting  
rate across the globe

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**2/3**  
Countries have a  
higher than average  
reporting rate



Base: 4,500 N100 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

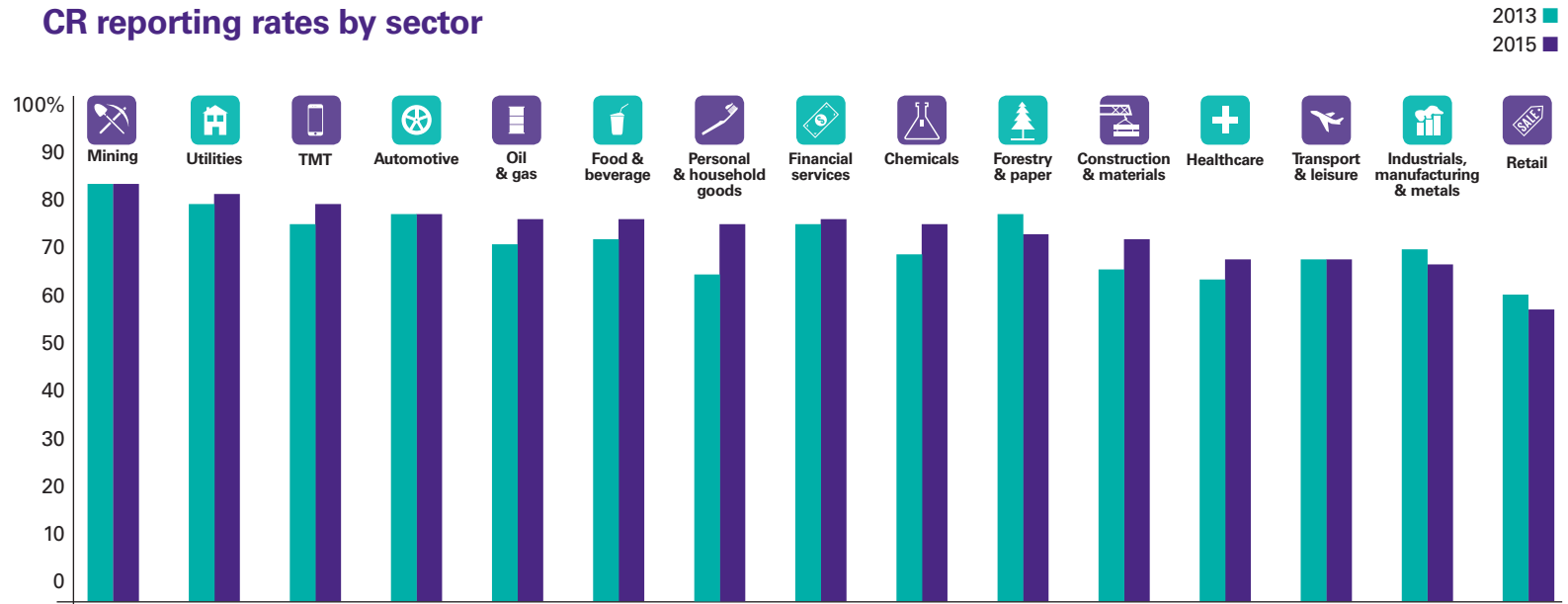
\*2013 CR reporting rate restated for Angola and Poland

# Four sectors lag behind

**N**ine of the 15 sectors surveyed have global CR reporting rates of 75 percent or higher. The sectors leading the way with CR reporting continue to be the heavy and traditionally polluting industries, including mining and utilities.

Retail has furthest to go; the sector trails behind all other sectors, with a global CR reporting rate of just 58 percent. The scale of impact is no less significant in this sector, but boundaries are blurred and retailers lack control over factors upstream and downstream of their own operations.

CR reporting rates by sector



Base: 4,500 N100 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

## Room for improvement in retail

"In the UK, CR reporting is now standard practice in most sectors, with heavy industry and resource-based companies continuing to lead on the quantity of CR reports published. This is not surprising given

the significant and direct impact they have on the environment and communities where they operate. For retail however, CR issues can be more difficult to manage. Industry organizations like the

Consumer Goods Forum have an important role to play in encouraging members to measure and report on their CR performance and providing them with the necessary tools."

**Vincent Neate,**  
Partner,  
KPMG  
in the UK



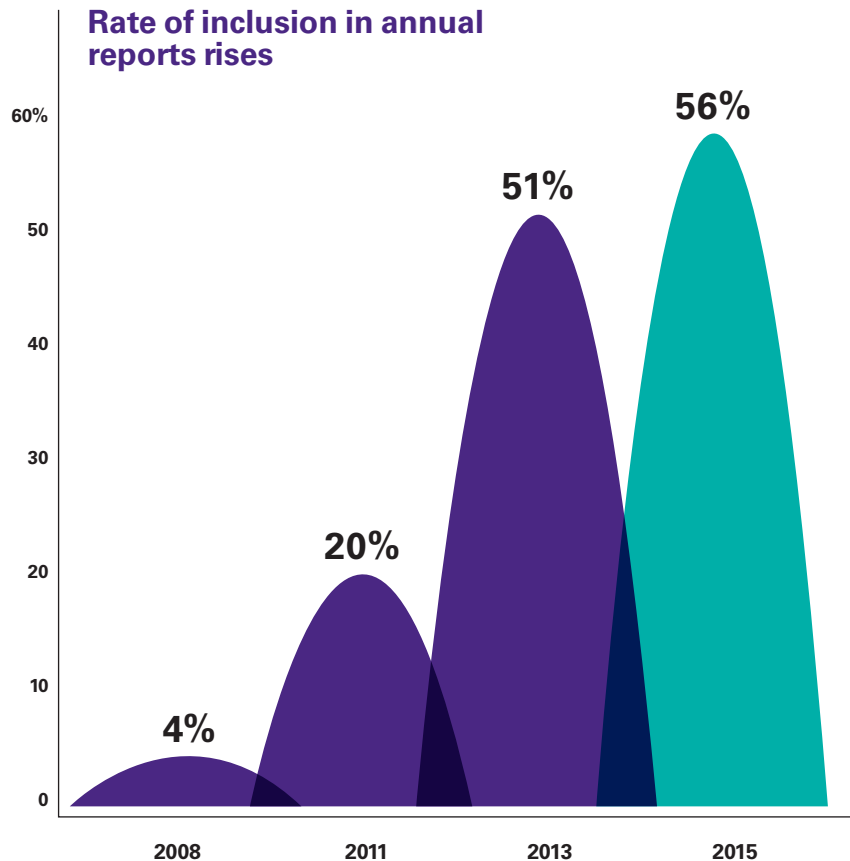


# CR data becomes a standard feature in annual reports

Including CR data in annual financial reports is now a firmly established global trend, making it easier for investors to access non-financial information. In 2011, just 20 percent of N100 companies included CR information in their annual reports; now the rate is almost triple that, at 56 percent.

This is being driven by regulation in many countries. The eight countries with the highest rates of CR disclosure in financial reports all have legislation that requires it.

The greatest increases in reporting CR in the annual financial report between 2013 and 2015 were in Taiwan (+64 percentage points), South Korea (+43) and Norway (+31).



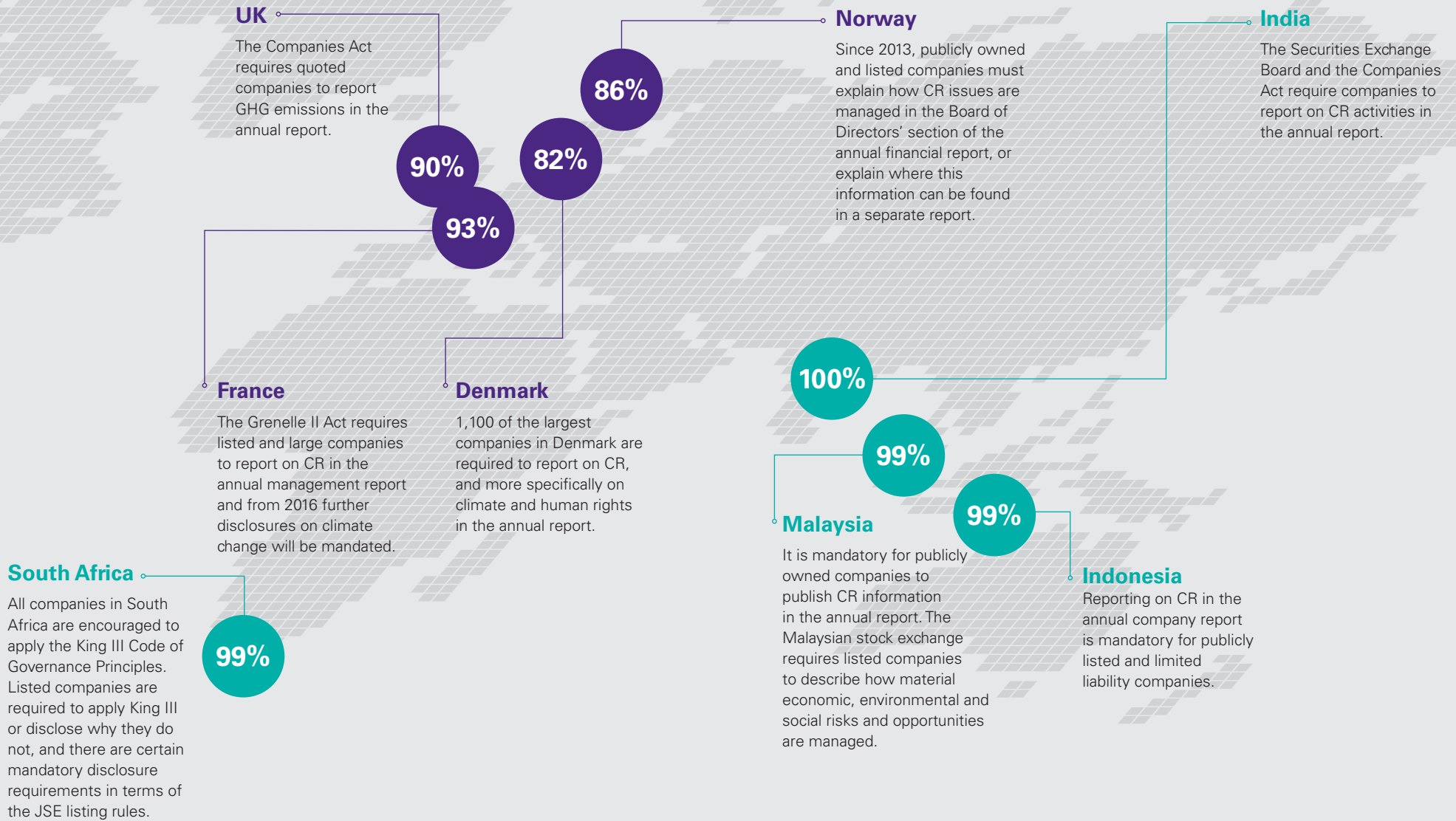
Base: 4,500 N100 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

## KPMG view

The trend for companies to include more CR information in annual financial reports is driven by two factors: firstly, CR information is increasingly perceived by shareholders as relevant for their understanding of a company's risks and opportunities, and secondly, stock exchanges and governments are issuing requirements for companies to report on CR data in annual reports. To keep ahead of these trends, reporters should ensure they focus on the CR issues that affect business value most, and report on progress in their annual accounts.

**Wim Bartels**, KPMG's Global Head of Sustainability Reporting & Assurance

## Countries with the highest rate of CR in annual reports



Base: 4,500 N100 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

# Uptake of integrated reporting is slow

The total number of reports that state they are integrated and refer to the IIRC has more than doubled since 2013. However, there has been no significant growth in the overall proportion of companies having moved to integrated reporting (as self-declared). It is now 11 percent in this research versus 10 percent in 2013.

The rate of integrated reporting continues to be by far highest in South Africa where the practice is mandatory.

A high rate of CR information in the annual financial report does not necessarily equate to high rates of integrated reporting. In the UK, the rate of inclusion of CR information in the annual report is very high at 90 percent, yet only 9 percent of companies say these reports are integrated.

In Malaysia the contrast is even greater: 99 percent include CR information in their annual reports, yet none of the top 100 companies in Malaysia refers to its report as integrated.

## Do reports state they are integrated?

Yes, report states it is integrated but no reference to IIRC

2013 | 2015  
7% | 5%

Yes, report states it is integrated and refers to IIRC

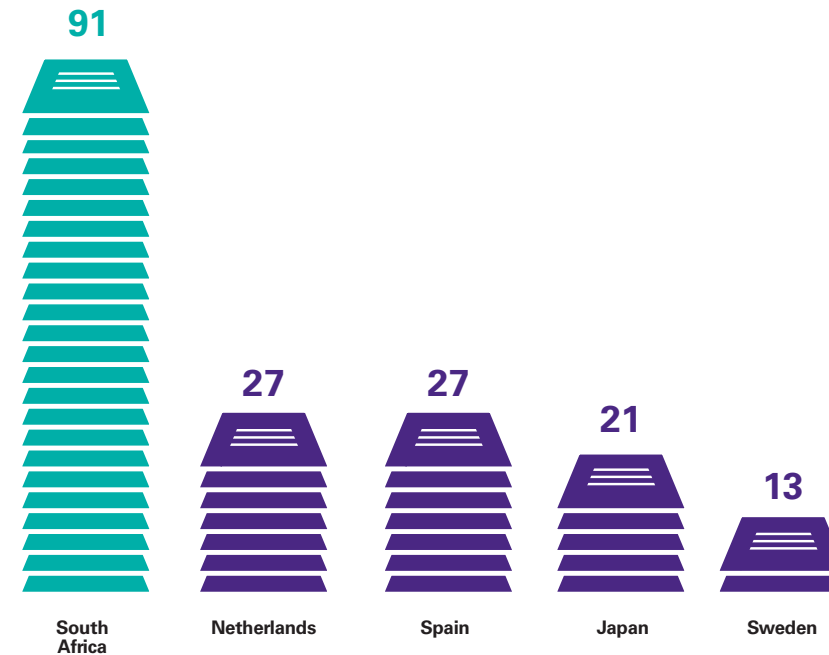
3% | 6%

No

90% | 89%

Base: 3,267 N100 companies that report on CR in 2015. 2,884 N100 companies that report on CR in 2013.

## Actual number of integrated reports: top countries



Base: N100 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

## KPMG view

“While more than half of the companies surveyed now include CR information in their annual financial reports, only 11 percent refer to their reports as integrated. The remainder appear to consider the inclusion of selected CR information in the financial report as adequate disclosure for investors, without moving towards a convergence of their annual and CR reports.”

The IIRC organization has made significant efforts to define and promote a framework for integrated reporting worldwide, which is still at an early stage of uptake. The ultimate path towards global adoption of integrated reporting remains unclear, although there is no doubt that companies will continue to expand the strategic use of non-financial indicators in their annual reports.”



Bill Murphy, Partner, KPMG in Canada





# Big players seek the security of independent assurance

Third party assurance of CR information is now firmly established as standard practice among the world's biggest companies (G250). Almost two thirds (63 percent) of the G250 now have their CR information independently assured. Assurance is also growing among N100 companies after remaining level between 2011 and 2013.

Major accountancy organizations continue to dominate the market for third party assurance among G250 and N100 companies, although market share decreased in both groups since 2013. The use of other assurance providers increased by between 3 and 5 percentage points among N100 and G250 companies.

## Scope of CR assurance

**50%** Whole report assurance

**34%** Specific CR indicators

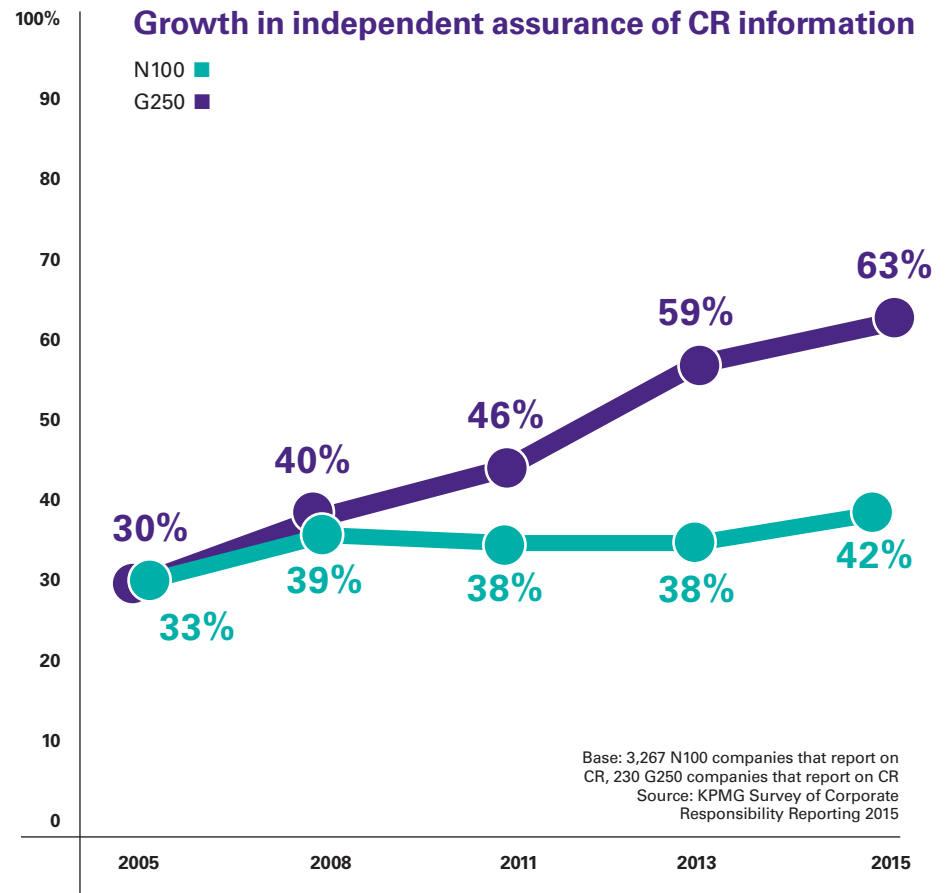
**11%** Combination of chapters and CR indicators

**5%** CR chapter only

The scope of assurance remained stable between 2013 and 2015, with half of companies with external assurance opting to have the whole report assured, one third (34 percent) choosing to have specific indicators assured and the remainder having specific chapters (5 percent), or a combination of chapters and indicators assured (11 percent).

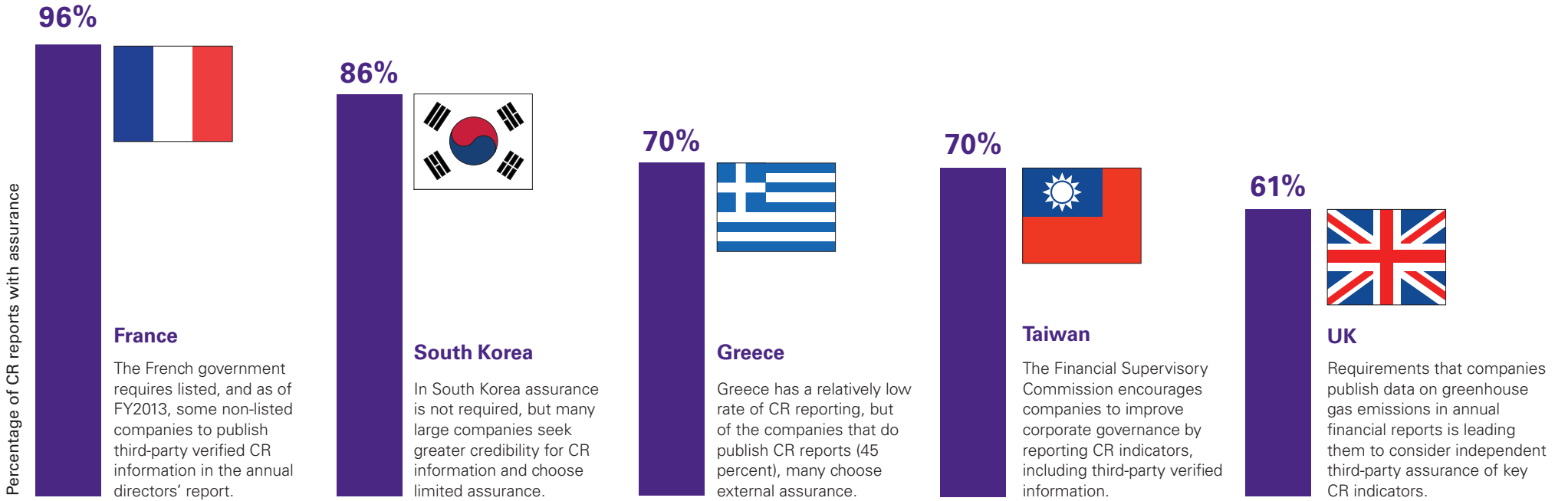
## The greatest growth in assurance of CR information has been in the annual report, rather than in stand-alone CR reports

Since 2013, assurance of CR information in the annual report has increased by 8 percentage points compared with a 2 percentage point decrease where companies publish CR information in a separate report only.

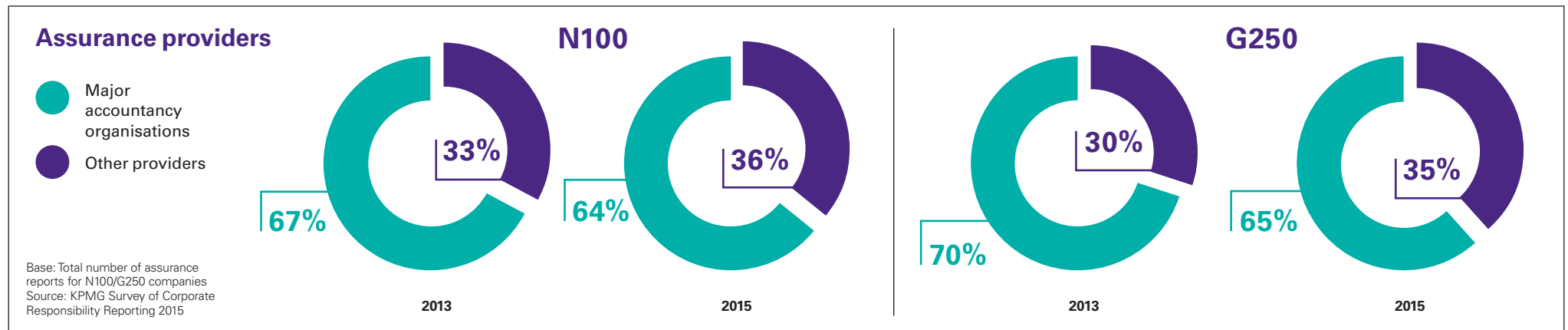


Base: 1,359 N100 companies with assurance of CR information  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

**Countries where companies are most likely to seek independent assurance of CR information:**



Base: N100 companies that report on CR  
Source: KPMG Survey of Corporate Responsibility Reporting 2015



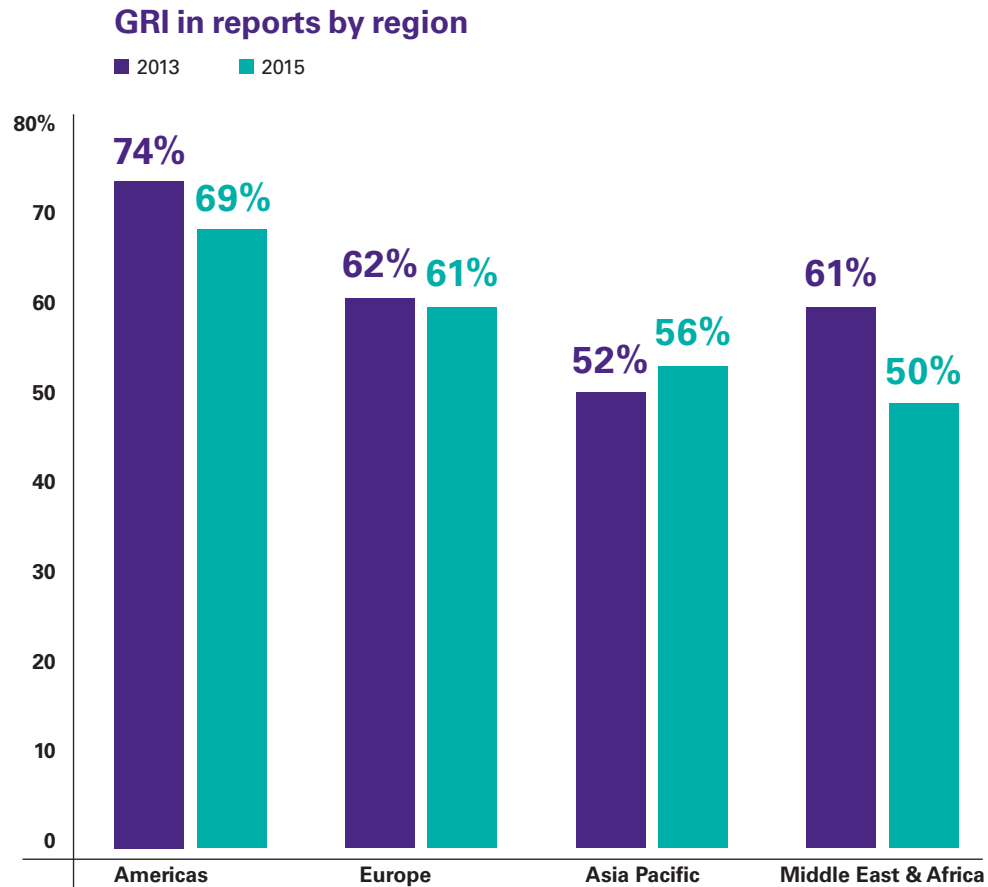
Base: Total number of assurance reports for N100/G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

# GRI could increase focus on annual reports

**K**PMG's research shows that the Global Reporting Initiative (GRI) remains the most popular voluntary reporting guideline worldwide, with 60 percent of all CR reporters in the 45 countries surveyed referencing the GRI. This is roughly stable with the 2013 rate (61 percent). For stand-alone CR reports the GRI application rate is at 72 percent (2013: 74 percent).<sup>1</sup>

Increasing use of the framework in Asia Pacific, including countries such as Taiwan, China, India and Indonesia, has offset a slight decline in other regions. 14 countries now show GRI application of over 75 percent, whilst 5 countries show very low GRI rates below 30 percent.

GRI also remains widely used by the world's largest companies, with three quarters (74 percent) of the G250 using the GRI framework, a decline from 81 percent in 2013.<sup>2</sup> It is possible that this decline follows the introduction of the GRI G4 framework which could be considered more complex than the previous GRI framework, or it could be due to companies moving away from applying GRI as they report CR information in the annual or integrated report.



<sup>1,2</sup>GRI reporting rates restated for 2013 to include as the denominator all CR reporters, regardless of the format of CR information published (in stand-alone, annual or combined reports, or a combination of formats).

Base: 3,267 N100 companies that report on CR  
Source: KPMG Survey of Corporate Responsibility Reporting 2015

## KPMG view

Use of the GRI framework continues to be very common among companies that publish stand-alone CR reports. It is less commonly used, however, when companies report CR information only in their annual financial reports, for example in countries where mandatory CR reporting legislation has prompted an increase in CR information in annual reports. The lower application rate is perhaps not surprising given that GRI is designed historically for stand-alone sustainability reporting. This trend suggests that the GRI could continue and strengthen its advocacy work to increase the use of GRI principles for CR information in annual financial reports, as well as stand-alone CR reports.

CR information continues to often be given limited space in annual reports, in the absence of the consistent application of relevant CR principles such as the materiality of issues included. Further guidance from the Global Sustainability Standards Board (the standard setting arm of the Global Reporting Initiative) would enable greater consistency in CR reporting within annual reports, pending a broader take-up of integrated reporting.

**Wim Bartels**, KPMG's Global Head of Sustainability Reporting and Assurance





# Methodology

KPMG professionals in 45 countries carried out hundreds of hours of research into company CR reporting for this survey. First, KPMG professionals reviewed publicly available information in annual financial reports, stand-alone CR reports and on company websites. In Part 1 (Accounting for carbon), third-party sources such as CDP reports were considered in cases where the company's own reporting contains no information on carbon and directs readers to those sources instead. Second, reports were assessed against KPMG's key quality criteria for reporting, based on our professionals' view of leading reporting practices (for Parts 1 and 2 only).

The sources for the research included information in PDF and printed reports, as well as web-only content. Reports published between mid-2014 and mid-2015 were used, or if a company did not report in this period, information from 2013 was used. Information published prior to July 2013 was not included in this survey. The findings are based on analysis of publicly available information only, and not on information submitted by companies to KPMG member firms.

The results in Part 1 (Accounting for carbon) and Part 2 (Quality of reporting among the G250) relate to the world's largest 250 companies. These were identified as the top 250 companies listed in the Fortune Global 500 ranking for 2014 (the 'G250' companies).<sup>1</sup>

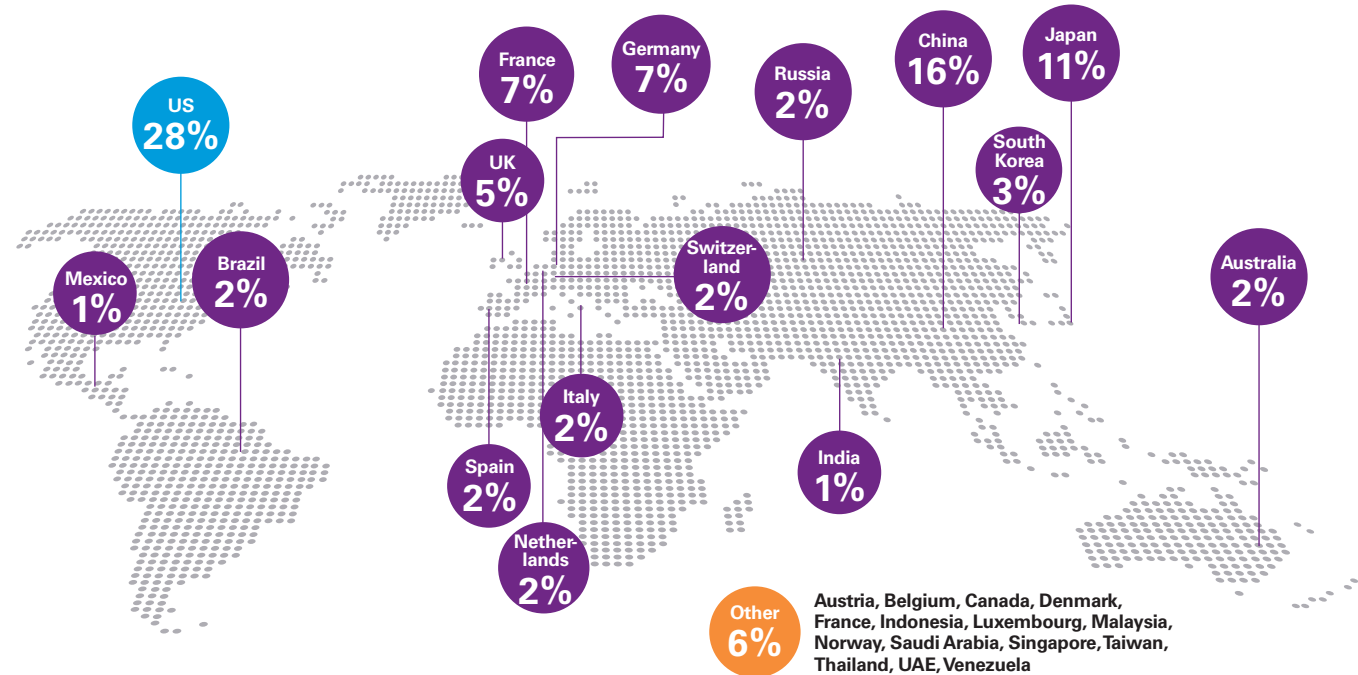
The results in Part 3 (Global trends in CR reporting) relate to the largest 100 companies in 45 countries: 4,500 companies in total (the 'N100' companies). KPMG member firms identified the N100 in their country by revenue based on a recognized national source, or where a ranking was not available or was incomplete, by market capitalization or another appropriate measure.

All company ownership structures were included in the research: publicly-listed and state, private and family owned.

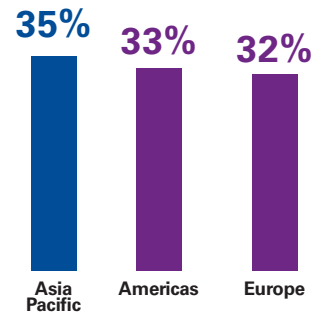
<sup>1</sup> www.fortune.com/global500/2014/

# G250 companies

**G250 companies operate in 15 industry sectors and are headquartered in 31 countries:**



**G250 companies by region**



**G250 companies by industry sector**

|     |                                     |    |                            |
|-----|-------------------------------------|----|----------------------------|
| 24% | Financial services                  | 4% | Construction & materials   |
| 12% | Oil & gas                           | 4% | Food & beverage            |
| 12% | Technology, media & telecoms        | 2% | Chemicals                  |
| 10% | Retail                              | 2% | Mining                     |
| 9%  | Industrials, manufacturing & metals | 2% | Personal & household goods |
| 8%  | Automotive                          | 2% | Transport & leisure        |
| 5%  | Utilities                           | 2% | Other                      |
| 4%  | Healthcare                          |    |                            |

Sector percentages do not equal 100 percent due to rounding

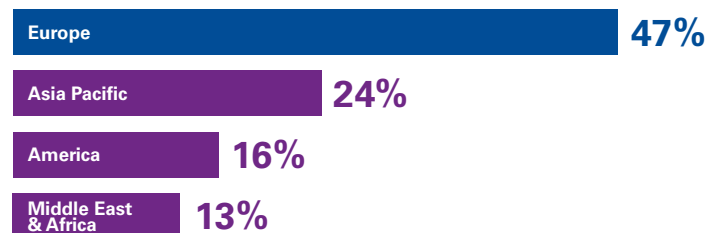


# N100 companies

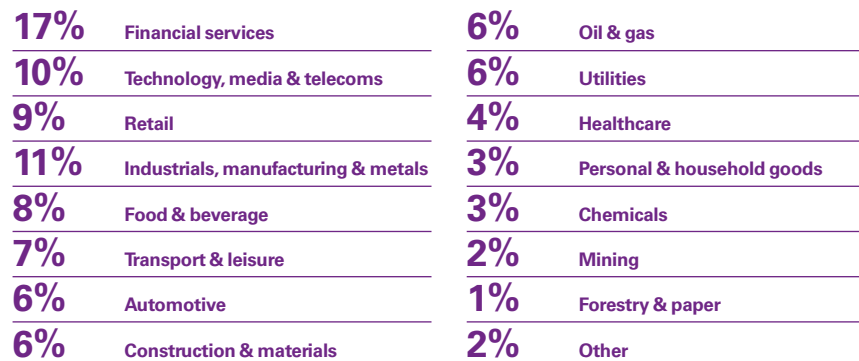
**N100 companies operate in 16 industry sectors and are headquartered in 45 countries:**

|                  |               |                |                 |
|------------------|---------------|----------------|-----------------|
| 1 Angola         | 12 France     | 23 Malaysia    | 34 Singapore    |
| 2 Australia      | 13 Germany    | 24 Mexico      | 35 Slovakia     |
| 3 Belgium        | 14 Greece     | 25 New Zealand | 36 South Africa |
| 4 Brazil         | 15 Hungary    | 26 Nigeria     | 37 South Korea  |
| 5 Canada         | 16 India      | 27 Norway      | 38 Spain        |
| 6 Chile          | 17 Indonesia  | 28 Oman        | 39 Sweden       |
| 7 China          | 18 Ireland    | 29 Peru        | 40 Switzerland  |
| 8 Colombia       | 19 Israel     | 30 Poland      | 41 Taiwan       |
| 9 Czech Republic | 20 Italy      | 31 Portugal    | 42 Netherlands  |
| 10 Denmark       | 21 Japan      | 32 Romania     | 43 UK           |
| 11 Finland       | 22 Kazakhstan | 33 Russia      | 44 UAE          |
|                  |               |                | 45 US           |

**N100 companies by region**



**N100 companies by industry sector**



Sector percentages do not equal 100 percent due to rounding

## Industry sector classification

**Companies were classified into industry sectors in line with the International Classification Benchmark (ICB) system:**

| KPMG sector                                  | Explanation   |
|--|---|
| Automotive                                   | Automobiles, Parts and Tires  |
| Chemicals                                    | Commodity Chemicals, Specialty Chemicals  |
| Construction & materials                     | Building Materials & Fixtures, Heavy Construction   |
| Financial services                           | Banks, Non-life Insurance, Life Insurance, Real Estate Investment & Services, Real Estate Investment Trusts, Financial Services, Equity Investment Instruments, Non-equity Investment Instruments   |
| Food & beverages                             | Beverages (Brewers, Distillers & Vintners, Soft Drinks), Food producers (Farming, Fishing & Plantations, Food Products), Tobacco  |
| Forestry & paper                             | Forestry and Paper  |
| Healthcare                                   | Pharmaceuticals & Biotechnology, Health Care Equipment & Services (Health Care Providers, Medical , Equipment, Medical Supplies)  |
| Industrials, manufacturing & metals          | Industrial Metals & Mining (Aluminium, Non-ferrous Metals, Iron & Steel), Aerospace & Defence, General Industrials (Containers & Packaging, Diversified Industrials), Industrial Engineering (Commercial Vehicles & Trucks, Industrial Machinery), Oil Equipment, Services & Distribution (including Pipelines), Alternative Energy (Renewable Energy Equipment, Alternative Fuels) |
| Mining                                       | Coal, Diamonds & Gemstones, General Mining, Gold Mining, Platinum & Precious Metals   |
| Oil & gas                                    | Oil & Gas Producers, Exploration & Production, Integrated Oil & Gas   |
| Personal & household goods                   | Household Goods & Home Construction (Durable Household Products, Non-durable Household Products, Furnishings, Home Construction), Leisure Goods (Consumer Electronics, Recreational Products, Toys), Personal Goods (Clothing & Accessories, Footwear, Personal Products)   |
| Retail                                       | General Retailers (Apparel Retailers, Broadline Retailers, Home Improvement Retailers, Specialized Consumer Services, Specialty Retailers), Food & Drug Retailers (and Wholesalers),  |
| Technology, media & telecommunications (TMT) | Fixed Line Telecommunications, Mobile Telecommunications, Software & Computer Services (and Internet), Technology Hardware & Equipment (Computer Hardware, Electronic Office Equipment, Semiconductors, Telecommunications Equipment), Electronic & Electrical Equipment, Media (Broadcasting & Entertainment, Media Agencies, Publishing)  |
| Transport & leisure                          | Travel & Leisure (Airlines, Gambling, Hotels, Recreational Services, Restaurants & Bars, Travel & Tourism), Industrial Transportation (Delivery Services, Marine Transportation, Railroads, Transportation Services, Trucking)  |
| Utilities                                    | Electricity, Gas, Water & Multi-utilities   |
| Other  | Support services (Business Support Services, Business Training & Employment Agencies, Financial Administration, Industrial Suppliers, Waste & Disposal Services)  |

# How we can help

**K**PMG is one of the pioneers of sustainability consulting – some KPMG member firms first offered sustainability services over 20 years ago – which gives KPMG’s network a level of experience few can match. Today, our member firms employ several hundred sustainability professionals located in around 60 countries.

## Local knowledge, global experience

Our global network means KPMG member firm professionals have in-depth understanding of the economic, political, environmental and social landscapes wherever your organization may operate. At the same time, our member firms are closely connected through our global Center of Excellence. This means that, whatever challenge you face, we can put together a team with international experience to help you.

## Contact

KPMG’s Global Center of Excellence for Climate Change & Sustainability  
[sustainabilityservices@kpmg.com](mailto:sustainabilityservices@kpmg.com)

## Sustainability Plus

We don’t work in a sustainability vacuum. We work side-by-side with KPMG member firm professionals from tax, audit and advisory including sector specialists, management consultants, tax accountants and experts in IT, supply chain, infrastructure, international development and more. You won’t receive generic advice and one-size-fits all solutions, instead you can benefit from a hand-picked multi-disciplinary team.

## Results-driven

KPMG firms help clients to develop future-fit business strategies based on solid understanding of the issues. We strive to think big and challenge convention, but also to find practical solutions that can create success and growth through change.

## Foresight needs insight

Our global Center of Excellence focuses on thought-provoking research, analyzing drivers of global change and developing practical business responses that you can apply within your own organization.

## Specialists in CR reporting and assurance

KPMG member firms can help your organization to:

- Understand what environmental and social information you should report
- Benchmark the quality of your reporting against industry peers
- Choose the right reporting approach and frameworks for your business
- Provide independent assurance for your internal and external reporting systems
- Integrate financial and non-financial information in your reporting
- Provide independent assurance of your sustainability performance reporting
- Report information for specific purposes, such as sustainability indices
- Verify the sustainability performance of your suppliers

## Specialists in carbon reporting and climate change consulting

We can support you in the following ways:

- Help you understand and comply with carbon-reduction and carbon reporting legislation worldwide
- Provide independent third party assurance of your carbon data
- Advise you on best practice carbon reporting and benchmark your carbon reporting against peers
- Identify and reduce climate-related risk in your supply chain
- Report information to the CDP

# Acknowledgments

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