



KPMG, 2017

# The road ahead

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KPMG's Survey of Corporate  
Responsibility Reporting 2017

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New Zealand Supplement  
October 2017

FUELLING ✈  
PROSPERITY

[kpmg.com/nz](http://kpmg.com/nz)





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# About this report

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KPMG International's Survey of Corporate Responsibility Reporting continues to be the world's most well-respected, comprehensive and authoritative survey of corporate responsibility reporting.

First launched in 1993, KPMG's Survey has become the global benchmark research in relation to the corporate responsibility (CR) reporting landscape.

The 2017 edition is our 10th edition, and is the largest and most extensive yet, with 4,900 companies across 49 countries included. New Zealand has contributed to the survey since 2011.

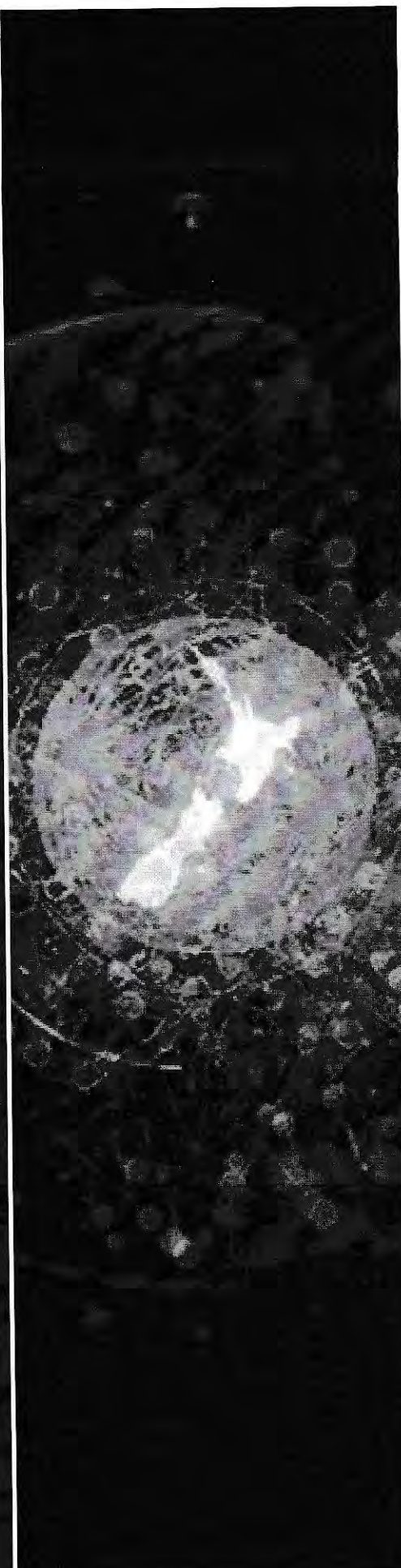
The survey provides a detailed look at global trends in CR reporting and insights for business leaders, company boards, and CR and sustainability professionals. It is designed to offer guidance on good practice to corporate professionals who assess and prepare their own CR reports. It also serves as a guide to investors, asset managers and rating agencies who now factor environmental, social and governance (ESG) information into the assessment of corporate performance, risk and ultimately value.

KPMG New Zealand has produced this supplementary report. Our aim is to examine the New Zealand CR reporting space in more depth, and provide additional insights specific to our market.

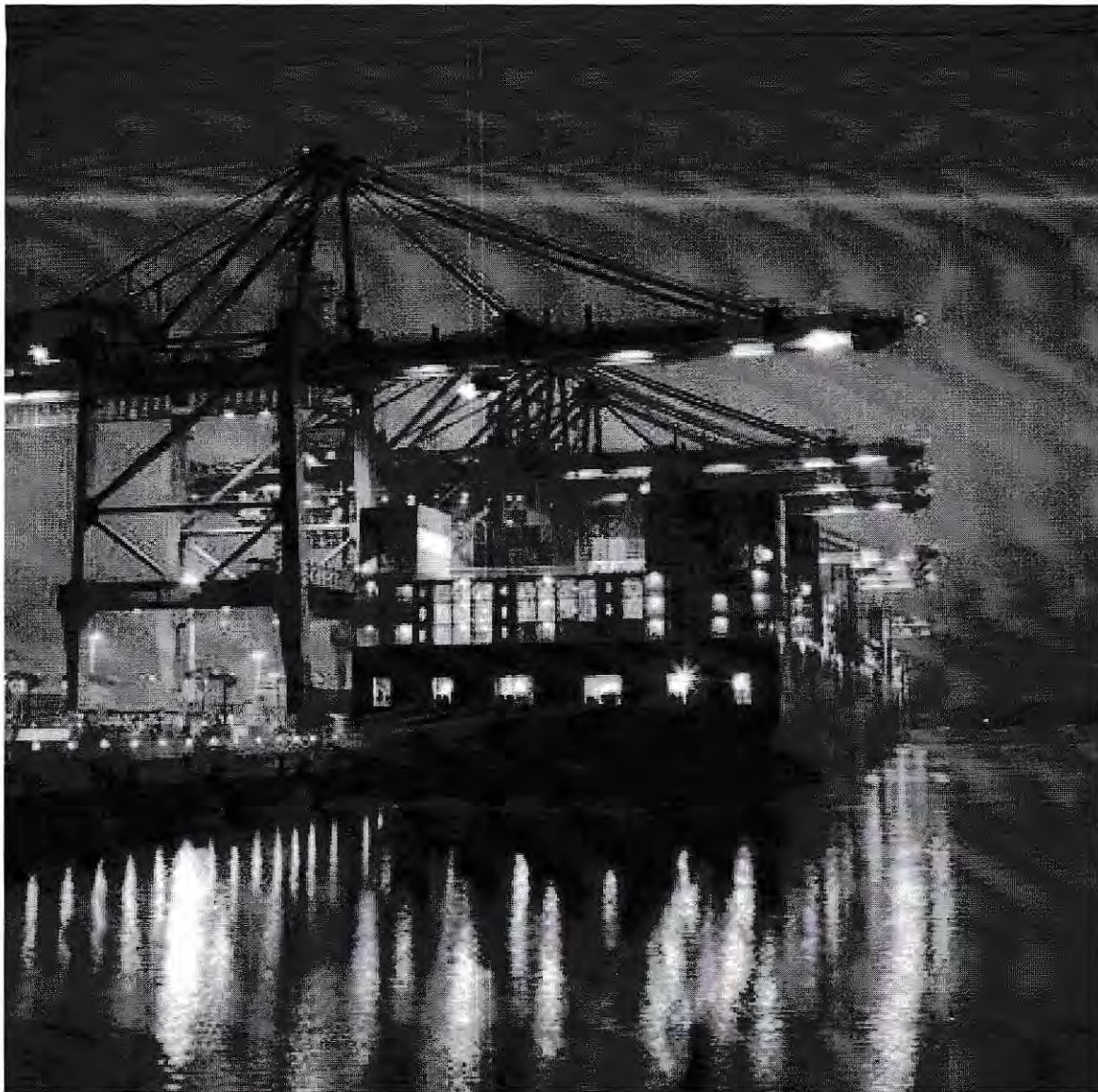
Our interest lies beyond looking at the numbers – to explore the why and how of CR reporting in New Zealand. Importantly, this 2017 report coincides with the launch of the new New Zealand Stock Exchange (NZX) Corporate Governance Code (NZX Code), which marks a significant turning point in New Zealand's reporting landscape.

You can download the full global report at: [www.kpmg.com/crreporting](http://www.kpmg.com/crreporting)

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# Scope and approach

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New Zealand's top 100 companies (by revenue) form the basis for the survey results and the findings in this supplementary report.

For the first time, we include commentary on the top 10 Maori companies.

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To complete the global survey, professionals from 49 KPMG member firms carried out thousands of hours of research. Publicly available disclosures made by the 100 largest companies by revenue (**N100**) across 49 countries, including New Zealand, were reviewed. We also studied the world's largest companies by revenue based on the Fortune 500 ranking (**G250**). Data disclosed prior to June 2015 was not included in the research.

In clarifying the scope of our work, three important points include:

### **1. What constitutes corporate responsibility (CR) reporting in our analysis?**

Companies may communicate their approach to CR performance in a number of ways. For the purposes of this research, "overall disclosure" included any publicly available information or published statements on CR/sustainability made by the company. These included financial reports, integrated reports, standalone CR reports, and information provided online.

As a result, determining whether a company is deemed to have communicated their sustainability strategy and performance sufficiently to be considered a 'reporter' is based on a level of judgement.

### **2. Impact of group versus local reporting**

Many of New Zealand's largest companies are part of group structures with the parent entity located overseas. For this New Zealand supplement, it is worth noting that 24 of our **N100** report via their global parent, and do not have New Zealand-specific disclosures. As with global methodology, local results were used in preference with global results used to complete the picture.

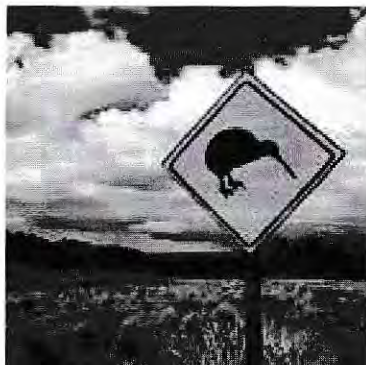
Globally, of the 4,900 companies studied, 49% are headquartered in Europe; 22% in Asia Pacific; 14% in the Americas; and 14% in the Middle East and Africa.

### **3. Inclusion of Maori sector research analysis**

For the first time, we conducted additional research into the reporting landscape of the top 10 Maori companies. Whilst these companies are not large enough to feature in the **N100** by revenue, the Maori sector plays a significant part of New Zealand's cultural and business landscape.







# Summary of key findings

"The growth of CR reporting in New Zealand over the last two years can be attributed to increased consumer awareness and investor pressure, as well as a broader appreciation among businesses that non-financial risk management is key to long-term value protection and creation."

## One

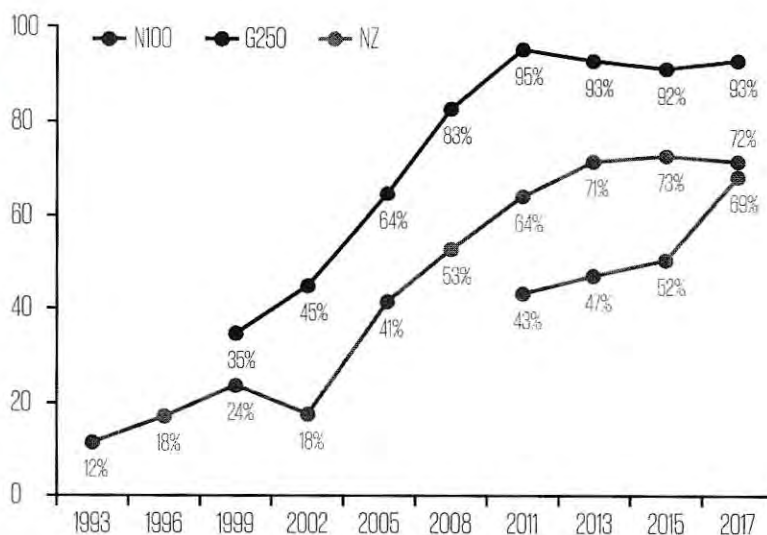
### New Zealand is catching up and records the second largest increase in CR reporting since 2015

With an overall disclosure rate of 69%, New Zealand is catching up to the global average among the N100 of 72%. The rate among the world's 250 largest companies (G50) is 93%.

This represents a 17% increase in New Zealand in CR reporting rates since 2015. This is the second largest percentage increase among the 49 countries in the survey. This is an encouraging outcome given the significance of the changing reporting landscape.

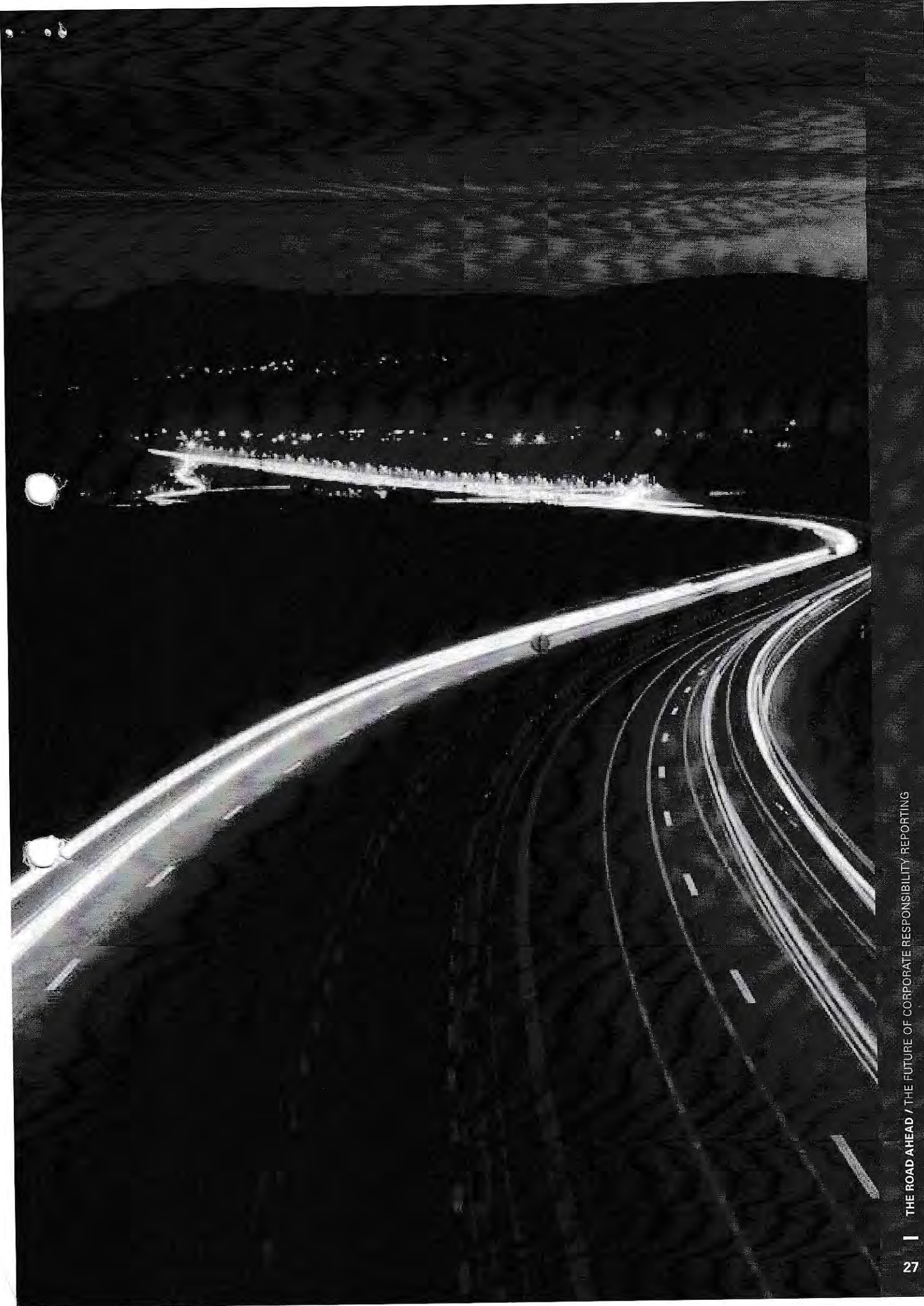
Mexico recorded the largest increase (32%) as businesses and the stock exchange responded to foreign investor demands and new Government regulation requiring companies to report on their carbon emissions.

### Growth in global CR reporting since 1993



Source: KPMG Survey of Corporate Responsibility Reporting 2017







## Contact us



**Erica Miles**  
Director

T: +64 9 363 3664  
E: [emiles@kpmg.co.nz](mailto:emiles@kpmg.co.nz)



**David Sutton**  
Partner

T: +64 9 367 5844  
E: [davidsutton@kpmg.co.nz](mailto:davidsutton@kpmg.co.nz)



**Simon Wilkins**  
Partner

T: +64 9 363 3480  
E: [swilkins1@kpmg.co.nz](mailto:swilkins1@kpmg.co.nz)

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