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ICAO SEMINAR ON  
**GREEN AIRPORTS**

# Global trends in corporate responsibility reporting

**Bill Murphy**

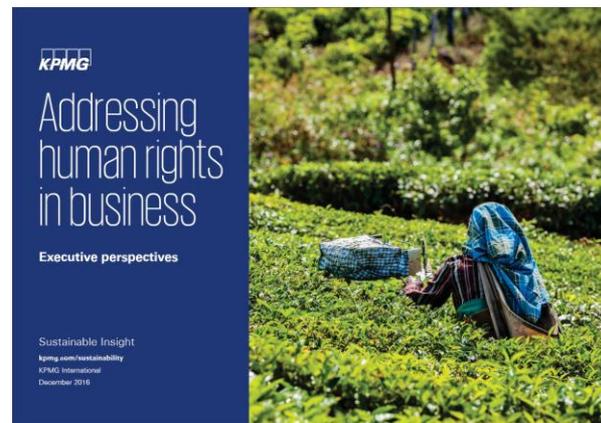
National Leader, Sustainability Services, KPMG





## KPMG Sustainability Services

- Pioneers of sustainability consulting: 25+ years of expertise
- Global network, local experience: Sustainability professionals in 60+ countries, supported by Global Centre of Excellence
- Sustainability plus: Integrated with tax, audit and advisory in multi-disciplinary teams
- Results-driven: Solid understanding informs practical solutions
- Thought leadership: Research on drivers of global change and successful business responses



# KPMG Survey of Corporate Responsibility Reporting

- 10th survey; first edition in 1993
- Covers a record 4,900 companies in 49 countries
- Spotlights four major emerging trends:
  1. Climate related financial risk\*
  2. Carbon reduction targets\*
  3. Human rights
  4. UN Sustainable Development Goals (SDGs)
- Online interactive tool to search results by country

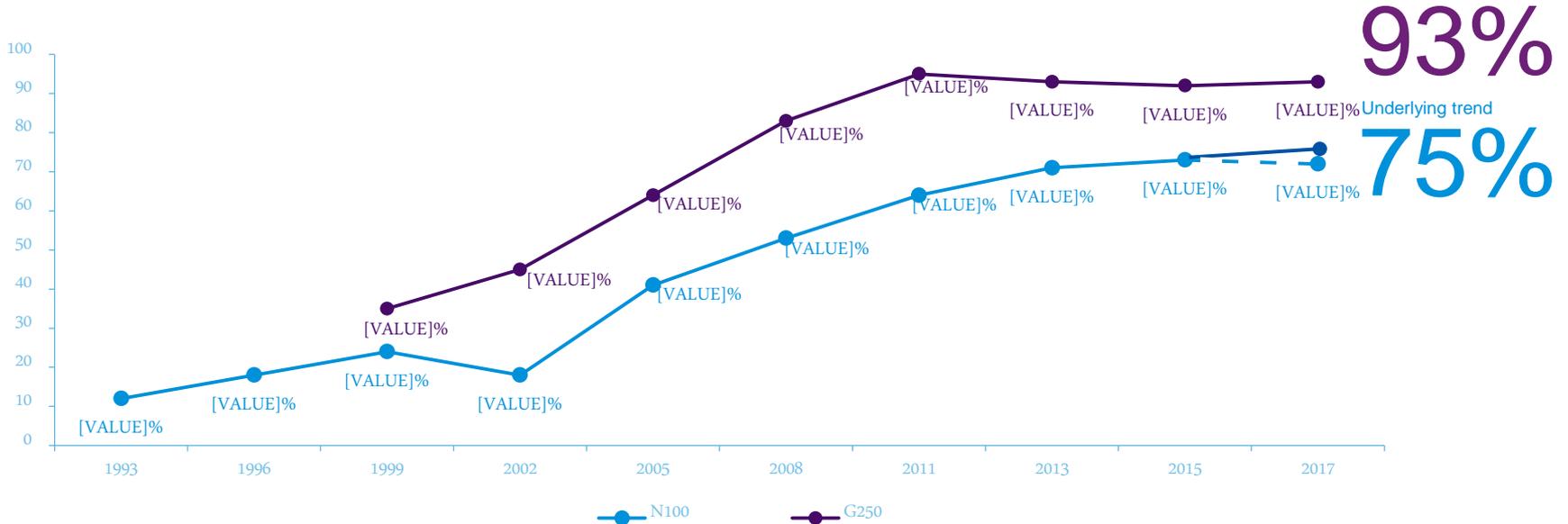
\*Discussed in this presentation



Please refer to: [www.kpmg.com/crreporting](http://www.kpmg.com/crreporting)

# CR Reporting has become standard business practice

Growth in global CR reporting rates since 1993



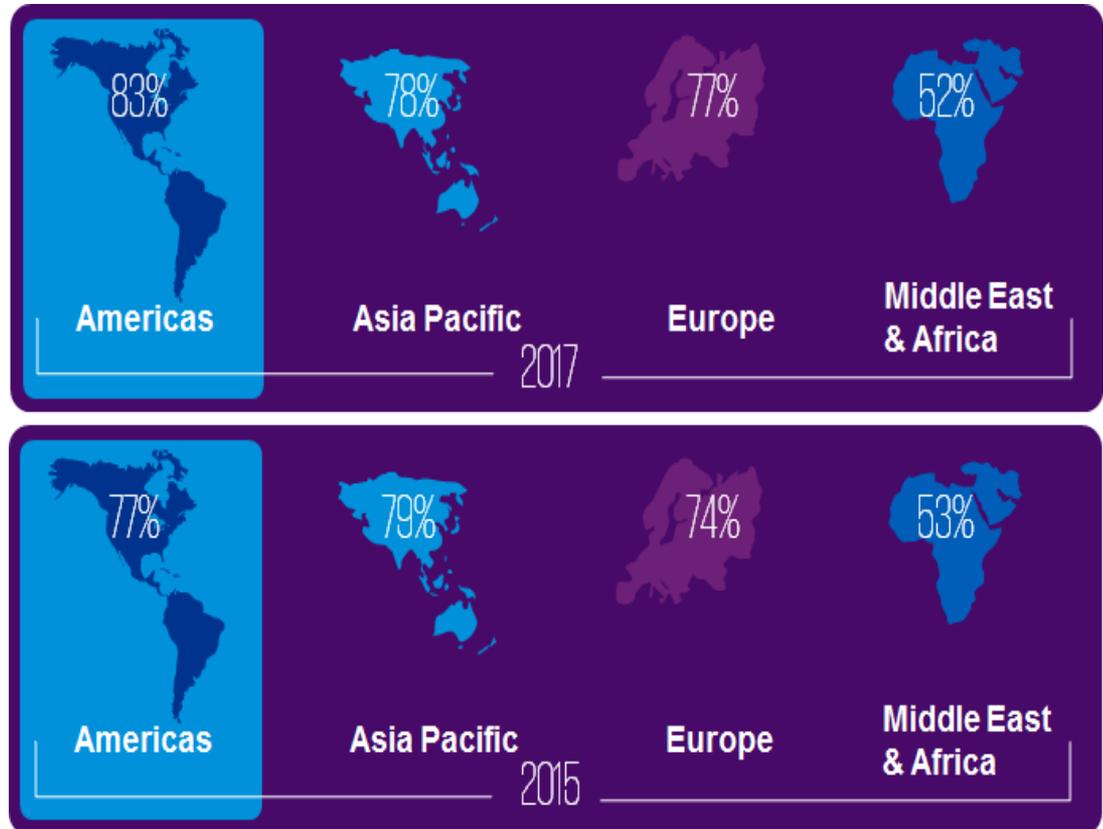
Base: 1765 N100 companies that report carbon reduction targets, 156 G250 companies that report carbon reduction targets

Note: The underlying trend of 75 percent applies when looking at the same sample of countries in 2015 and 2017. The overall N100 rate in 2017 is 72 percent due to the inclusion of 5 new countries with relatively low reporting rates in the 2017 research.

Source: KPMG Survey of Corporate Responsibility Reporting 2017

# Americas now leading CR Reporting rate by region

CR reporting in the Americas region has risen by 6 percentage points in the last two years. It is the region with the highest reporting rate in 2017



Base: 4,900 N100 companies

Note: The underlying trends of 78 percent for Asia Pacific and 77 percent for Europe apply when looking at the same sample of countries in both 2015 and 2017. The overall Asia Pacific regional rate in 2017 is 77 percent and the overall European regional rate in 2017 is 73 percent due to the inclusion of new countries with relatively low reporting rates in the 2017 research.

Source: KPMG Survey of Corporate Responsibility Reporting 2017



# More companies include CR data in their annual financial reports

The trend for large companies to include CR information in their annual financial reports continues to grow with more than 3/4 of the world's biggest companies integrating financial and non-financial data in their annual financial reports. This suggests they believe CR information is relevant for investors

## Companies that include CR information in annual financial reports



Base: 4,900 N100 companies and 250 G250 companies

Note: <sup>1</sup> The underlying trend of 60 percent applies when looking at the same sample of countries in 2015 and 2017. The overall N100 rate in 2017 is 57 percent due to the inclusion of 5 new countries with relatively low reporting rates in the 2017 research.

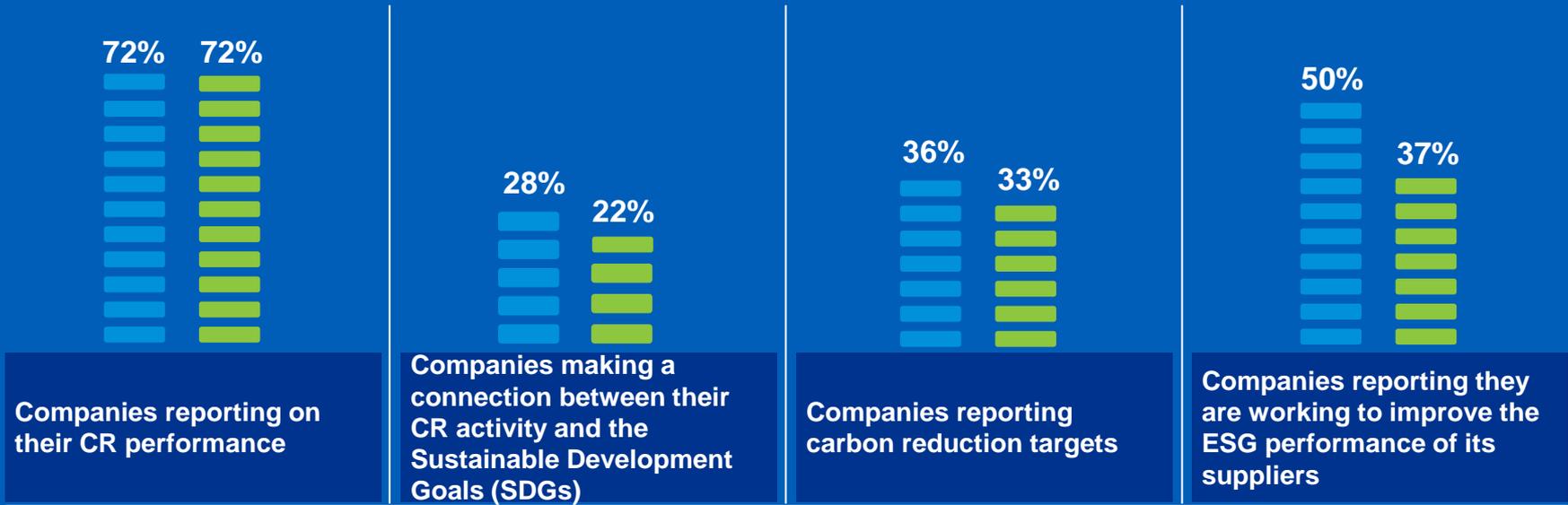
Source: KPMG Survey of Corporate Responsibility Reporting 2017

Base:Transportation = 165 N100 companies & 4 G250 companies



# How the Transportation sector compares to select global CR Reporting trends

■ All Sectors ■ Transportation



Base: All Sectors = 4,900 N100 companies & 250 G250 companies  
Transportation = 165 N100 companies & 4 G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2017



## Select sector examples

### Swedavia

**THIS IS SWEDAVIA**

### Airports with a focus on sustainable development

Swedavia owns, operates and develops a network of ten airports, from Kiruna in the north to Malmö in the south. The Company was formed in 2010 and is wholly owned by the Swedish State.

Swedavia's airports enable air travel within Sweden and act a bridge to and from the country. They are modern places for meetings and commerce, offering a variety of products, services and concepts.

**39.5 million passengers 2016**

Swedavia operates in an international market that is subject to competition. The Company's role is to create the access Sweden needs to facilitate travel, business and meetings - in Sweden, else where in Europe and around the world. Swedavia's primary customer is passengers. At the same time, airlines and the tenants that lease business, office or hotel premises in Swedavia's properties are important partners of the Company. Swedavia competes with other airports in its work to attract investments by airlines. Safety, security and sustainable development with a focus on customers are the basis of everything Swedavia does, both in its own operations and in society in general. Operations are run along solid business principles, and the Company shall build a business that is sustainable over the long term through development, planning and operational efficiency. Engaged employees and a good workplace are crucial to Swedavia's operations. Swedavia shall continue to reduce its carbon footprint and help reduce the environmental impact of the entire air travel industry. All of Swedavia's airports are environmentally certified at the highest level of the Airport Carbon Accreditation (ACA) programme.

### A world leader

Swedavia is a world leader in developing airports with the least possible environmental impact.

Swedavia's mission is to own, operate and develop ten airports

Together, the airports form a network that links Sweden's regions while serving as a bridge to and from the world beyond. Swedavia owns all the airports except Ronneby Airport and Luleå Airport, where Swedavia is responsible for commercial air traffic. Swedavia's vision is 'together we bring the world closer'. Swedavia shall help make air travel and cargo transport - logistically but also to and from Sweden - as accessible, efficient and attractive as possible.

Owned by Swedavia  
Partly owned by the Swedish Armed Forces, but Swedavia is responsible for commercial air traffic

**CO<sub>2</sub> 7%**  
Smaller carbon footprint per passenger than in 2010.

Read more about our environmental responsibility on page 44.

### Fraport



### Saving energy with the weather forecast

Climate protection is an important point in Fraport AG's sustainability program at the Frankfurt site. By the year 2030, CO<sub>2</sub> emissions are planned to be reduced to 80,000 metric tons a year. Different projects are contributing to reaching this goal, including the increased use of electric vehicles and ground handling equipment. The biggest item, however, is the improvement of energy efficiency in the operation of buildings and airport infrastructure.

Markus Petith works as an operational energy manager in the integrated Facility Management area. As a true "Fraport chick", the technical management expert completed his apprenticeship as a mechatronics technician in 2004 and, after several internal job changes and training courses, has been part a team with the other employees since 2016. All of them were specially selected to develop and implement energy saving measures.

Markus Petith: "On our team, I'm the one who has been working longest at Fraport. I'm familiar with the processes and needs of the different users of our facilities. We look for optimization potential everywhere. The facilities have to function in accordance with the requirements. One issue is specific user behavior: If an office is not used at night, the HVAC system doesn't have to run continuously."

The night flight ban in Frankfurt means that there are many ways of saving energy, whether by simply switching off unnecessary lighting or turning off the heating or air conditioning in rooms that are not being used. There is a great deal of potential in reviewing and readjusting the HVAC systems. Working with the employees of the "Central Infrastructure Management" (CIM) section, the energy manager uses computer programs to



simulate how the facility values change when the settings are changed.

For example, for several months, they checked the room climate in the "Airport City Mall" underground shopping center between Terminal 1 and the parking garages. Temperature, humidity and CO<sub>2</sub> levels in the air were measured and the values were compared. The goal was to realize savings without compromising the comfort of the passengers and the employees in the restaurants and shops. They improved interaction and heat recovery by reprogramming the HVAC systems. The reward was around 40% lower energy consumption compared to the previous month.

One of the people Petith works with is Rüdiger Schröder from CIM. Since 2008, the experienced graduate in supply engineering has been working to measure, control and regulate the buildings at Fraport.

Rüdiger Schröder: "The new Fraport headquarters is a particularly good example of

### Heathrow



successful energy management. We were able to predict demand for heating or cooling on the basis of the weather forecast. If sunshine is forecast for midday on a winter day, the heating system turns itself down in the morning and makes optimal use of the energy input. The sunshine, in combination with the morning heating, is then sufficient for controlling the temperature of the building. With the simulation program, we can predict the energy needs of the building up to three days in advance."

Before that, the systems were set according to the current temperature. If the sun came out on a cold day, the control systems were unable to respond to it. The solar heat would overheat sunny areas, causing the air conditioning to cool the rooms. The setup is different now. Data from the German Weather Service is evaluated at 15-minute intervals, future energy requirements are calculated and sent to the management and control systems in the form of optimized operating times and setpoint values. A further advantage of the new software is energy monitoring.

Previously only disturbances and excess temperatures were visible in the control room. After reprogramming, the amount of energy consumed and the forecast use for the next three days now appear.

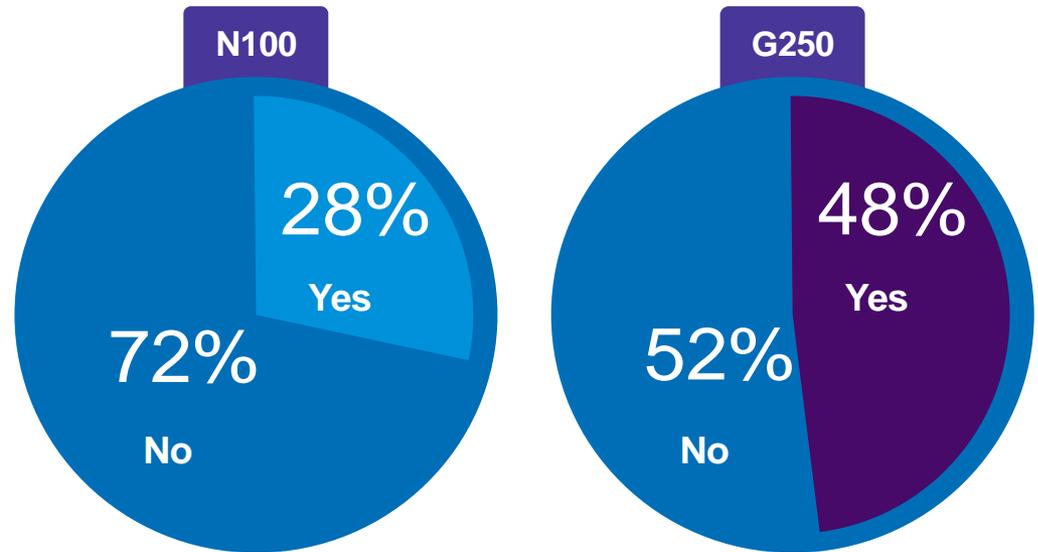
Because modern technology was already installed there, the headquarters were used to test the procedure. The only thing needed for the changeover was new software. Although the building was constructed in accordance with modern energy standards, 12% energy savings were achieved compared to 2014. Lower costs mean that the conversion of the facilities will have paid off in three years. The room climate for the users of the building is also improved significantly. More buildings will follow. The equipment of the stations 4 on Runway Northwest will be changed over in 2017, for example.



# Acknowledging climate change risk remains an area for improvement

Companies that acknowledge the financial risk of climate change in their annual reports

In the Transportation Sector this number goes down to 24 percent.



Base: 4,900 N100 companies and 250 G250 companies  
Source: KPMG Survey of Corporate Responsibility Reporting 2017

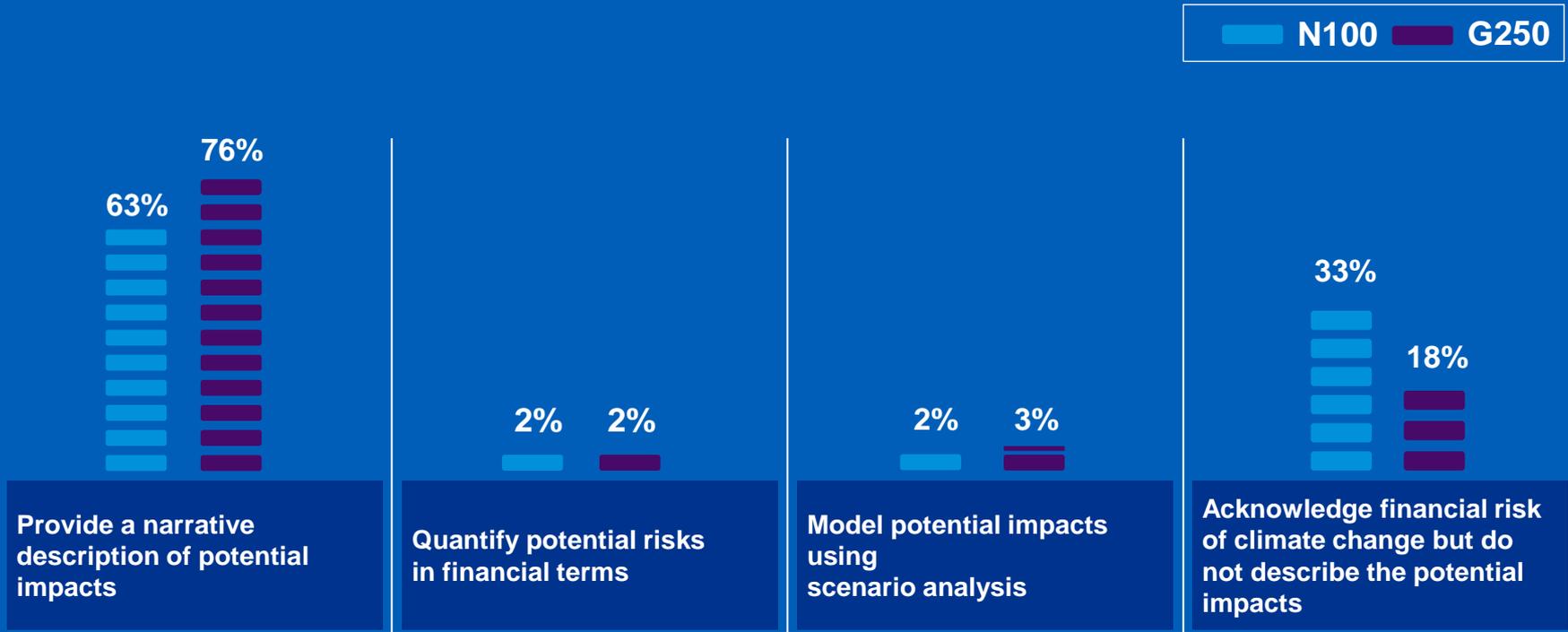


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# Few companies quantify the potential impact of climate change

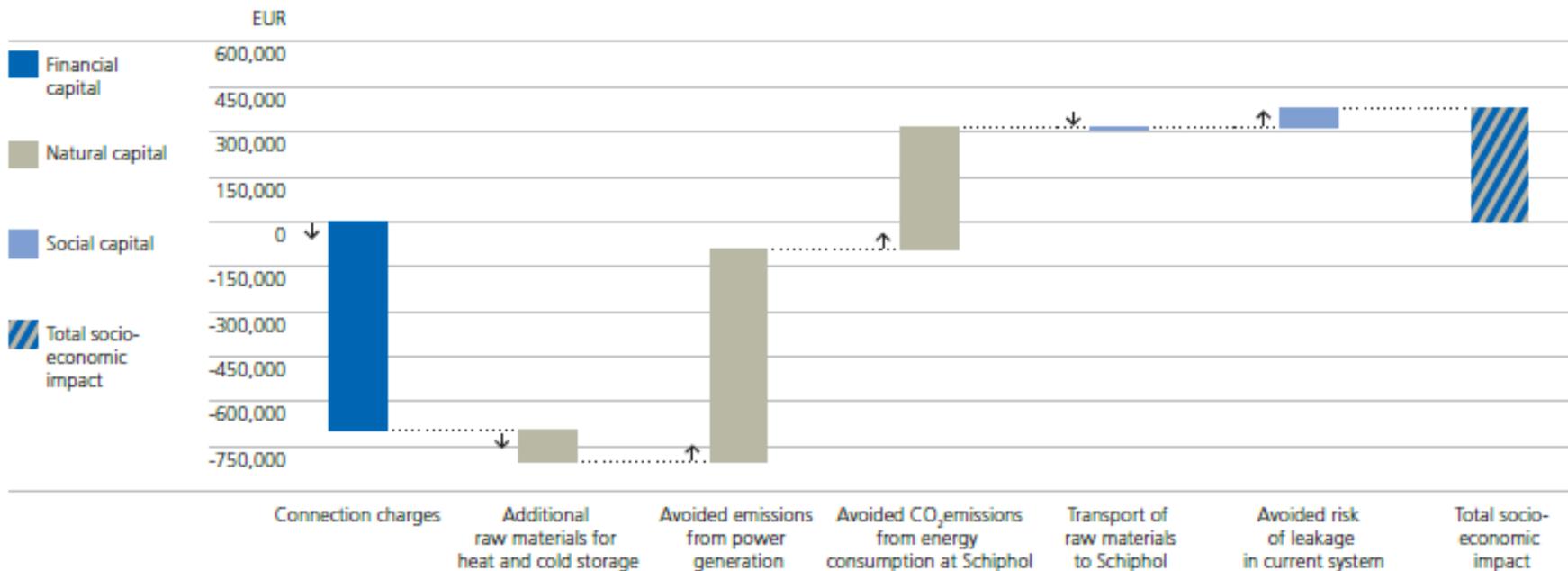


Base: 1,386 N100 companies & 119 G250 companies that acknowledge climate change as a financial risk in their annual report  
Source: KPMG Survey of Corporate Responsibility Reporting 2017  
Note: Numbers do not add up to exactly 100 due to rounding

# Sector quantification example

## Royal Schiphol Group

Monetisation of decision to invest in heat and cold storage at Pier G



# Carbon target disclosure

A solid majority of the world's largest companies (G250) now disclose targets to cut their carbon emissions.

Among the N100, the survey shows that 50 percent of reporting companies set carbon reduction targets

**G250 companies that set carbon reduction targets**

58%

67%

G250

■ 2015

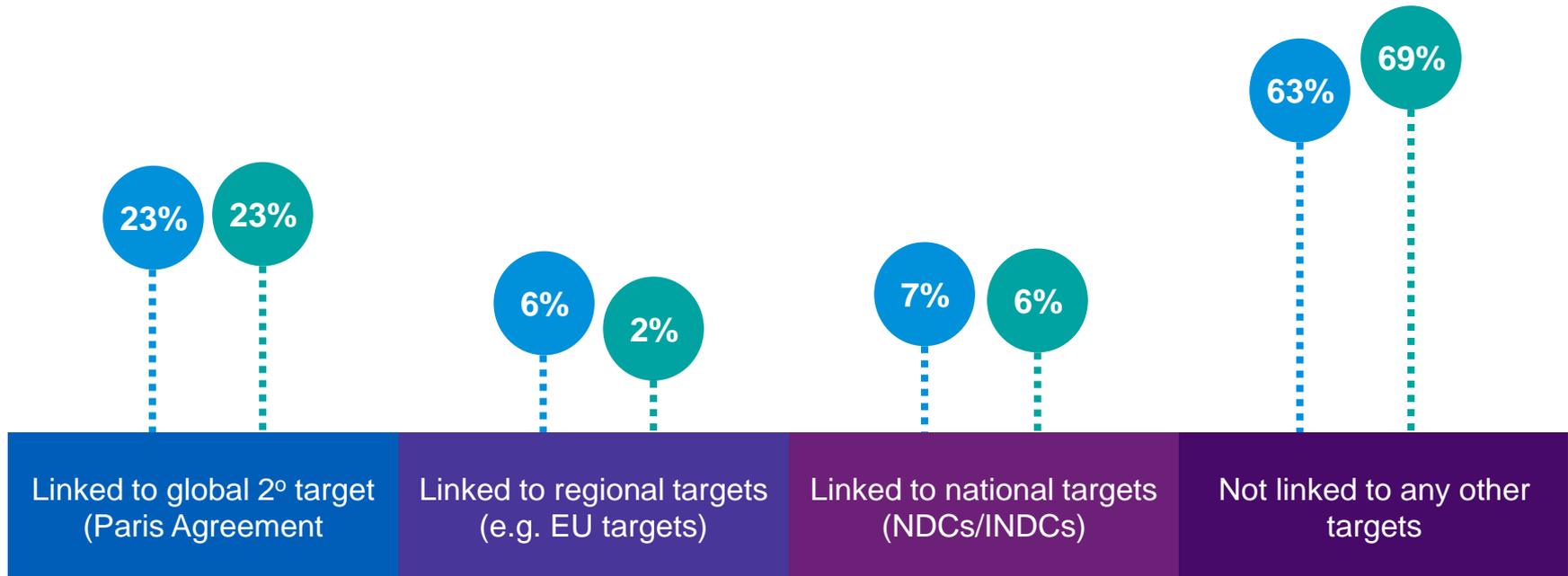
■ 2017

Base: 233 G250 companies that report on CR

Source: KPMG Survey of Corporate Responsibility Reporting 2017

# Most carbon targets are not linked to greater climate goals

Companies linking their carbon reduction targets to national, regional or global goals



■ N100 ■ G250

Base: 1,765 N100 companies that report carbon reduction targets, 156 G250 companies that report carbon reduction targets

Source: KPMG Survey of Corporate Responsibility Reporting 2017



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Questions?