



# Our ESG solutions

2024



# KPMG ESG solutions



01

## ESG Strategy

### Assessment

Our ESG Strategy Assessment offering includes 8 key components:

- 1) Materiality/ maturity assessment
- 2) Carbon baseline
- 3) Market positioning
- 4) Asset vulnerability
- 5) Cost benefit
- 6) Target-setting
- 7) Roadmap
- 8) Reporting strategy

To help you understand where you are on the ESG maturity model, we provide benchmarks against your peers and conduct key stakeholder interviews. The materiality assessment helps identify your material ESG topics by analyzing their importance against stakeholder concerns and business impacts. We help prioritize the list through a cost-benefit analysis, goal setting, and integrating ESG strategy into enterprise-wide strategy. Finally, we can help develop a roadmap to execute on your prioritized list of ESG commitments, including how to tell your story.

02

## Climate

Our Climate solution focuses on helping you set and operationalize your climate strategy. There are a number of levers to consider depending on your needs, including energy efficiency, renewable PPA, technology & innovation, climate tax strategy, climate investment/ financing, capital asset planning for buildings, fleet, and other infrastructure, and carbon markets & offsets – all to help you achieve your decarbonization strategy. Along with these levers, we model the physical and transition risks of climate change to devise mitigation strategies for your most pertinent vulnerabilities.

# KPMG ESG solutions continued

03

## Social

Our Social solution considers social impacts across your organization and value chain, including workforce DEI, culture, employee safety, consumer protection, human rights, modern slavery prevention, health equity, board diversity, and executive engagement. We assess how embedding a social strategy inside and outside your organization can increase shareholder value, improve your employee engagement, and ultimately build your brand in the marketplace.

04

## Governance

Our Governance solution focuses on helping businesses leverage process and organizational structure to bolster the ESG strategy with the appropriate management and board oversight. This includes helping management create processes to enable the four major pillars of the ESG journey (Assess, Design, Operationalize, Measure and Report). Additional focus is applied to helping the board understand their responsibilities to oversee ESG, including any reporting requirements, how they should be structured, and compensation alignment. Proper execution of ESG governance give stakeholders confidence and comfort that the strategy is being executed as designed and embedded in the overall enterprise strategy.

# KPMG ESG solutions continued



05

## Sustainable Finance

Our Sustainable Finance solution focuses on ESG investing strategy development, adopting responsible investing, and navigating emerging regulatory standards. Additionally, with our extensive knowledge of the capital markets, KPMG can help support you throughout the lifecycle of ESG Bonds with the following:

- 1) Reviewing financing options
- 2) Designing ESG bond criteria
- 3) Execution
- 4) Agreed upon procedures to align with a reputable international framework, such as the Green Bond Principles (GBP)
- 5) Ongoing stakeholder management
- 6) Monitoring & investor reporting support.

06

## Tax ESG

KPMG has extensive experience helping companies navigate their unique Tax ESG journey. Our global expertise is supported by industry-leading proprietary tools, templates, and engagement accelerators that demystify the Tax ESG rating agencies and empower you to clearly assess associated internal and external risks and opportunities. KPMG can assist in evaluating the current state of ESG credits and incentives, the desired future state by future business line and location, and how sustainable finance and renewable energy tax credits can play a role in helping achieve ESG goals. We will support your organization across the entire spectrum of Tax ESG needs— Tax ESG Performance Benchmarking, Tax Strategy Development, Tax Governance and Controls Deployment, and Tax Impact Reporting.

# KPMG ESG solutions continued



07

## ESG Due Diligence

Our ESG Due Diligence solution supports both buy-side and sell-side transactions. We look at a wide range of potential liabilities, compliance issues, and hidden risks that could reduce the deal price or opportunities that could increase the target's value. This solution includes identifying material topics, collecting and evaluating data, analyzing potential risks, and reporting on these findings. Overall, we will help provide a holistic evaluation of the ESG issues to prioritize key risks and opportunities and provide observations and recommendations for moving forward with the deal process.

08

## Supply Chain Sustainability

Our Supply Chain Sustainability solution focuses on supply chain visibility to identify risks and opportunities in your ESG journey, including ethical supply chain, Scope 3 emissions, and supplier DEI. To inform initial steps of an ESG roadmap, KPMG performs a supplier segmentation and prioritization to identify key areas of focus. Leveraging KPMG's technology alliances, we will provide enhanced visibility and insights into your supply chain. From third party risk management (TPRM) to an end-to-end Source-to-Pay (S2P) software solution, KPMG can implement software that best supports your needs, enabling ESG information to be incorporated into overarching supply chain decisions for a cohesive, coordinated approach.

# KPMG ESG solutions continued



09

## Risk & Regulatory

Our ESG Regulatory and Compliance Risk solutions are designed to help bolster your risk and compliance programs and meet the rising expectations and scrutiny of regulators.

**ESG Compliance and Risk Program Assessments and Enhancements:** Performing compliance and risk management program assessments and providing targeted, risk-based recommendations to ensure the programs meet rapidly evolving regulatory expectations regarding alignment of practice to disclosures, the enhanced role of compliance, and data quality and governance considerations.

**Risk Management Framework Uplift:** Helping build ESG and other climate considerations into existing operational and other risk management frameworks, from developing more robust risk taxonomies to developing and executing advanced risk and control assessments.

10

## Value Creation

Our ESG Value Creation solution is a consistent and quantitative approach to assess and enhance an asset's sustainability performance along the full investment lifecycle. First, we look into business model and revenue related ESG upsides, then operating model and cost/productivity related ESG upsides; next, we look into upcoming ESG risks and opportunities from regulatory changes, and finally, we assess ESG governance & compliance to manage the asset's performance. All in all, we help you identify where the potential for Value Creation in the asset exists from an ESG perspective.

# KPMG ESG solutions continued

11

## ESG Reporting

Our ESG Reporting Readiness solution helps you across the ESG Reporting Journey:

**Establish:** Alignment of material ESG topics to standards and metrics for reporting, benchmark current disclosures to peers and industry best practices.

**Assess:** Assessment of current capabilities including ESG reporting strategy and structure, controls, systems, data management and governance.

**Design:** Development of an ESG reporting program and target operating model.

**Implement:** Execution of the ESG reporting target operating model, including training and communications.

**Sustain:** Continuous monitoring of reporting requirements, process, and effectiveness.

12

## ESG Assurance

Our ESG Assurance solution provides assurance over ESG data, processes and reporting, building trust amongst stakeholders in reported ESG information. All assurance services are performed under AICPA standards.

Examples of prevailing forms of reporting in the market include:

- Corporate social responsibility (sustainability report) assurance including full report and specific indicators
- Greenhouse gas attestation
- Green bonds assurance (use of proceeds)

Assurance services are provided at different levels:

- Examination engagement (reasonable assurance – AT-C205)
- Review engagement (limited assurance – AT-C 210)
- Agreed-upon procedures (specific procedures – restricted use – AT-C 215)

An aerial photograph of a wind farm. In the foreground, a large white wind turbine is partially visible, with its two blades extending towards the top right. Below it, a dense forest of green trees covers a hillside. In the background, several other wind turbines are scattered across a green landscape under a bright blue sky with wispy clouds. A semi-transparent blue rectangle is overlaid on the left side of the image, containing white text.

# How our ESG services fit into our approach



# KPMG's point of view on the ESG journey from strategy to reporting

## Transformation Journey

## Reporting and Assurance

**Assess**  
Identify current state of ESG and prioritize critical areas

**Design**  
Integration of current & future state into goals that feed strategy

**Operationalize**  
Tangible initiatives to make progress against specific areas identified as ESG focal points

**Measure & Report**  
Continuously review performance and future ESG-related decisions that need to be made

**Maturity & Materiality**  
Evaluate material ESG topic areas and current ESG maturity

**Carbon Baseline**  
Baseline current emissions footprint/ level and identify "needle-movers"

**Market Positioning**  
Assess ESG performance relative to peers. Develop synthetic ESG rating

**Asset Vulnerability** Identify and quantify asset base's current value-at-risk against several hazard types

**Cost-Benefit Analysis**  
Identify and estimate financial exposure to relevant ESG issues

**Target-setting**  
Agree on disclosure frameworks to adopt and specific targets that will guide ESG implementation

**Strategy Development**  
Create ESG strategy and integrate into enterprise-wide strategy

**Roadmap Planning**  
Develop actionable plan for embedding ESG into Op Model (processes, data, roles, etc.)

**Reporting Strategy**  
Develop actions to address and enhance ESG reporting gaps

**Climate**  
Set a net zero ambition, assess impacts of climate change on capital programs, and model climate risks

**Social**  
Embed social strategy inside and outside your organization with considerations for DEI, health equity, human rights, etc

**Governance**  
Tightly integrate ESG into decision-making and evaluation processes and procedures

**Sustainable Finance**  
Leverage of financing options to reduce upfront capital outlay and increase ROI of ESG projects

**Tax ESG**  
Apply tax code to decrease the cost of ESG initiatives by realizing tax credits, deductions, and other incentives

**ESG Due Diligence**  
Integrate ESG needs into M&A strategy, portfolio management, and target identification

**Supply Chain Sustainability**  
Embed sustainability into supply chain through fair labor, responsible sourcing, scope 3 emissions mgmt, etc

**Risk and Regulatory**  
Navigate the evolving regulatory environment and integrate ESG into Enterprise Risk Management

**ESG Data & Measurement**  
Quantify emissions and other key ESG metrics and create a robust reporting system fit for internal and external uses

**Reporting**  
Track ESG progress and any key adopted standards (ISSB, GRI, SASB, TCFD, etc.)

**Assurance**  
Independent assurance on ESG reporting

**Asset Monitoring**  
Utilize tools such as KPMG's Climate IQ to monitor the impact of climate change, resilience, and risk mitigation on the overall asset base and shifts in macroeconomic landscape (e.g., demand and supply factors)

Technology Enablement, Data Sources, Control Infrastructure, Policies & Procedures, and Governance Framework

Program & Change Management

Training



# Keeping in touch



**Edgar Isingoma**

Partner  
Head of Impact  
KPMG East Africa

E: [eisingoma@kpmg.com](mailto:eisingoma@kpmg.com)



**Janice Kotut**

Partner  
Climate Finance

E: [jkotut@kpmg.co.ke](mailto:jkotut@kpmg.co.ke)



**Bernard Amukah**

Partner  
Head of ESG Measurement  
and Reporting

E: [bamukah@kpmg.co.ke](mailto:bamukah@kpmg.co.ke)



**Maurice Gachuhi**

Partner  
Head of ESG Assurance

E: [mgachuhi@kpmg.co.ke](mailto:mgachuhi@kpmg.co.ke)



**Tracy Lane**

Associate Director  
Climate Change and  
Renewable Energy Expert

E: [tracylane@kpmg.co.ke](mailto:tracylane@kpmg.co.ke)



**Peter Kyambadde**

Partner  
ESG Lead, Tax and  
Regulatory Services

E: [psyambadde@kpmg.com](mailto:psyambadde@kpmg.com)

A scenic landscape featuring a gnarled pine tree on a rocky cliff overlooking a body of water at sunset. A blue gradient overlay on the left contains the text 'Thank you'.

**Thank you**