



Climate Change and Sustainability Services

**Empowering organizations, striving
for a sustainable tomorrow**

2024

KPMG in Thailand







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Sustainability is a journey

Businesses around the world increasingly recognize the need to respond to and manage environmental and social impacts. All issues ranging from resource scarcity and declining ecosystems to population growth, urbanization and human rights, need to be considered.

This shift in focus is underscored by global initiatives such as the Paris Agreement and introduction of the Sustainable Development Goals (SDGs) – both of which have been adopted across the ASPAC region. Companies are under increasing pressure to manage sustainability issues not only to protect and create corporate value, but also to communicate what it is that they offer to society. These non-financial issues bring new risks and opportunities, with significant implications on corporate value creation.

IN ORDER TO ASSESS YOUR ORGANIZATION'S READINESS TO ADDRESS THESE CHALLENGES, WE SUGGEST CONSIDERING THE FOLLOWING QUESTIONS:

1. Is your organization exposed to potential risks related to human rights, health and safety issues and/or responsible lending decisions?
2. Is your organization prepared for possible legislation and regulation change?
3. Is your organization aligned with the government's ambitions and initiatives for a more sustainable future?
4. Are you ready to respond to increasing customer and investor focus on sustainability issues?
5. Is exposure to environmental and/or social risk considered in organizational risk management procedures?
6. Is your sustainability reporting and related communication accurate and complete?
7. Is your organization prepared to identify, quantify and disclose the financial risks it faces from climate change and other key sustainability-related risks?
8. Are you investing in innovation, with the goal of developing more sustainable products and services?
9. Are you clearly communicating the social value generated by your organization?
10. Is your organization ready to respond to a global incident such as extreme flood, water scarcity from climate change or pandemics such as COVID-19?





Our value proposition

KPMG Thailand Climate Change and Sustainability Services can help you understand and address social, economic and environmental challenges. Our sustainability services practice is part of a global network comprising of more than 500 dedicated sustainability professionals, delivering advisory and assurance services in more than 50 countries. Our global network offers more than 30 years of sustainability knowledge and experience – all of which can be leveraged to support your business needs.

- We aim to provide guidance in terms of best ‘business’ (rather than NGO or engineering based) practices to manage environmental, social and economic sustainability challenges.
- Our team utilizes its extensive experience across a variety of environmental and social issues, in addition to sector and process expertise, to generate fit-for-purpose business-ready recommendations.
- We assist our clients in digesting and understanding complex and long-term sustainability topics and trends that may impact their operations.
- We also provide insights from our global network, which help our clients to be at the forefront of global movements.



HOW CAN WE HELP?

Our service offerings have been developed to assist you in your sustainability journey, from initial integration to obtaining external assurance for public sustainability disclosures. We have extensive experience working with organizations in a wide array of sectors, including financial services, oil and gas, government, transport and consumer goods.



STRATEGY AND IMPLEMENTATION

Assist in the development of short-term and long-term goals, key performance indicators (KPIs) and reporting structures, as well as prioritizing internal and external expectations



SUSTAINABILITY REPORTING

Assess the organization's sustainability performance in accordance with international sustainability frameworks, such as Global Reporting Initiative (GRI) Guidelines and the Integrated Reporting (IR) Framework



SUSTAINABLE FINANCE

Incorporate environmental, social and governance (ESG) criteria into responsible investment strategies to create lasting benefits for both clients and society



IMPACT AND SOCIAL RETURN ON INVESTMENT

Assess, measure and quantify social investment impact and social return on investment



RISK ASSESSMENT

Identify and measure ESG-related risks and evaluate options to address existing gaps



ASSURANCE

Third-party verification and assurance of non-financial information and sustainability disclosures included in standalone sustainability reports, integrated reports and annual reports



Strategy and implementation

Regulators and stakeholders are demanding companies to focus on improving ethical practices and processes. In response, many organizations are thinking more strategically about embedding sustainability in their organizational DNA. Those who adopt and incorporate sustainable practices are often better positioned to adapt to emerging risks and opportunities.

Integrating a sustainability strategy into your overall business approach can be beneficial in several ways:

- Engage with stakeholders in order to understand expectations; informing strategic priorities based on their input
- Strengthen sustainability governance within your organization; implement a strategic framework that includes clear responsibilities and KPIs
- Organize ongoing sustainability initiatives, including monitoring and evaluating how effective efforts have been
- Differentiate yourself by aligning sustainability goals to your organizational objectives, incorporating these at all levels of the business

HOW CAN WE HELP?

KPMG in Thailand can assist your organization in the following ways:

- Develop a robust sustainability strategy, including short- and long-term goals, KPIs and reporting structures, and data reporting framework for performance monitoring and disclosure.
- Stakeholder engagement and prioritization of internal and external expectations
- Implementation of a sustainability strategy, establishing a defined plan of actions, a baseline from which to measure progress and a clear view of priorities

Sustainability reporting

Concerns about environmental, economic and social responsibility have risen to the forefront amongst stakeholders in both the private and public sectors.

As a result, performance reporting is now 'business as usual' for the majority of companies regionally and globally. Stakeholders now increasingly expect entities to identify and communicate environmental, economic and social risks, their impacts, and measures to address these effectively.

Reporting on sustainability performance enables you to:

- Show commitment to sustainability to both internal and external stakeholders
- Gain stakeholder confidence by telling 'your story' and demonstrating your organization's approach to addressing sustainability-related challenges and opportunities
- Track and establish organizational progress by comparing year-on-year performance
- Proactively tell your value creation story, distinguishing yourself from your competitors

HOW CAN WE HELP?

KPMG in Thailand can assist your organization in the following ways:

- Standalone sustainability report, aligned with international reporting guidelines, such as Global Reporting Initiative (GRI)
- Comprehensive reporting, aligned with the International Integrated Reporting Council (IIRC)
- Corporate social responsibility (CSR) reports
- Greenhouse gas (GHG) reporting

KPMG in Thailand will support you in preparing and building reports according to relevant voluntary and regulatory guidelines.



Sustainable finance



Asset owners and managers understand that sustainability risks and opportunities can affect returns on investment – positively or negatively. Furthermore, responsible banking is a rapidly spreading global initiative and stakeholders increasingly expect asset owners and managers to factor in environmental, social and governance (ESG) criteria when making investment decisions. The alignment to SDGs, solid targets, synergy and partnership between stakeholders, integration into business culture and transparency are becoming more important.

By understanding the opportunities and threats of sustainability-related issues your organization is better positioned to:

- Set short-term and long-term targets and objectives for your (responsible) investment strategy that connects with stakeholders and organizational core values
- Meet stakeholders, regulator and government transparency expectations and requirements
- Develop a more robust picture of investment opportunities and risks, integrating sustainability and responsible business factors

HOW CAN WE HELP?

At KPMG in Thailand, we provide three main service channels:

- **Benchmarking and readiness assessments:** benchmark and determine ESG risks as well as ESG due diligence for acquisitions. Furthermore, we can support identification and analysis of gaps between an investment's sustainability strategy and performance, and voluntary industry standards, such as UN Principles for Responsible Investment (PRI) and the Equator Principles
- **ESG vision and strategy development:** evaluate and develop ESG business strategies and policy statements, research and generate sector policies, and advise on indices and ratings, including ethics and integrity management in alignment with SDGs and relevant regional and national frameworks.
- **ESG disclosure and reporting:** disclose performance. (e.g., through a responsible investment reporting)





Impact and social return on investment



Businesses investing in social endeavors often fail to quantitatively measure the impact their programs generate. This prevents stakeholders from understanding both the positive outcomes, as well as areas which require improvement. Conducting impact assessments and determining the value created (in financial terms) strengthens the case for investing in social ventures at the board level.

By measuring social impact you are able to:

- Manage and communicate the social value created by your organization with your stakeholders
- Increase investor confidence and attract potential investors by providing financial return on investment information
- Understand and measure your organization's social investments and its impact, allowing you to pinpoint any shortfalls and take corrective measures

HOW CAN WE HELP?

KPMG has developed varied valuation and impact assessment approaches, each appropriate to different levels of rigor, complexity and financial contribution. These include True Value Methodology (KPMG proprietary tool), the Social Impact Assessment tool and the internationally recognized Social Return on Investment tool

- **The True Value methodology** provides you with a detailed assessment of your organization's most significant economic, social and environmental impacts, both positive and negative. Our methodology applies a financial value to the impact generated in order to give a complete overview of the value that an organization creates
- **The Social Impact Assessment** KPMG in Thailand assists you in analyzing, monitoring and managing your organization's social impact. This tool is used for comparatively smaller projects, where maturity level is lower and is often applied at the early stages of implementation
- **The Social Return on Investment tool** provides detailed quantification of your impact, including unintended consequences, in order to accurately identify social return on investment

Risk assessment

Risk and sustainability are clearly interrelated. From a burgeoning population to shifting social norms, changing weather patterns to declining ecosystems, the sustainability risk landscape grows more complex and interconnected every year. Lack of awareness or even negligence in past decision making processes has contributed to many of the global risks we face today.

Risk managers are now incorporating ESG-related measures into their registers, in an effort to head off such risks, develop appropriate alleviation processes and minimize adverse impact.

By doing so, organizations are able to:

- Reduce the impact of ESG-related events, potentially alleviating the impact of unforeseen events by utilizing a holistic risk review, beyond financially focused influences
- Generate innovative services; risks provide a platform for both private and public sectors to identify opportunities to create innovative and sustainable services, thereby attaining a competitive advantage in the market



HOW CAN WE HELP?

To respond to today's rapidly changing environment, we use KPMG's proprietary **Dynamic Risk Assessment (DRA)**, a three dimensional approach, which seeks to understand connections between risks and the speed at which impact occurs.

Our Sustainability Services team applies DRA to three specific categories:

- **Materiality assessments:** assess risks and opportunities related to your operations utilizing stakeholder engagement and our online voting tools
- **ESG due diligence:** explore the environmental, social and governance risks unique to your organization
- **ESG performance:** monitor risks related to ESG within your organization

Assurance

External assurance is designed to provide independent third-party verification to your stakeholders. The objective is to ascertain whether the information is true and accurate, free of bias and demonstrates the integrity of your organization's processes and performance. Such transparency may indicate to stakeholders that the data is free from error and reliable.

Independent third-party assurance offers benefits, including:

- Demonstrate management's commitment to improving disclosures to the market and/or regulators
- Present credible sustainability performance data, gaining stakeholders' confidence
- Support scoring models for external benchmarks and sustainability indices, such as the Dow Jones Sustainability Index and the Carbon Disclosure Project
- Improve internal controls and reporting processes – KPMG in Thailand utilizes the assurance process as an opportunity to identify areas for improvement

HOW CAN WE HELP?

KPMG in Thailand provides third-party assurance using recognized assurance standards such as ISAE 3000 and ISAE 3410 which enable a degree of rigor equivalent to that of financial reporting. These standards may be applied to a variety of non-financial information including, but not limited to:

- Individual data points (e.g. greenhouse gas footprints, emissions, health and safety data, community investment spend)
- Standalone sustainability reports
- Integrated reports
- Responsible investment reports
- Specific government reporting



Other specialized services



At KPMG in Thailand, we also offer an array of specialized services to complement our core offerings. These present a wide range of approaches designed to supplement a growing economy with an increasing interest in sustainability practices and outcomes.

BUSINESS AND HUMAN RIGHTS

Businesses are under increasing pressure to take action on human rights issues. We support companies in identifying the financial, legal, and commercial implications of environment, health and safety risks and opportunities.

Drawing on the knowledge and experience of professionals across KPMG's worldwide network of member firms, we help design sustainable procurement strategies and supplier monitoring frameworks, highlighting risks related to child labor, human rights and minimum wage.

CLIMATE RISK/TCFD

In 2015, the Financial Stability Board (FSB) formed the Task Force on Climate-related Financial Disclosures (TCFD) and requested companies disclose their material climate-related risks to financial stakeholders.

KPMG in Thailand supports its clients in navigating the TCFD recommendations, identifying climate-related risks and opportunities, and understanding the financial implications involved. Finally, we support clients in working to incorporate relevant disclosures into financial filing and annual reporting.

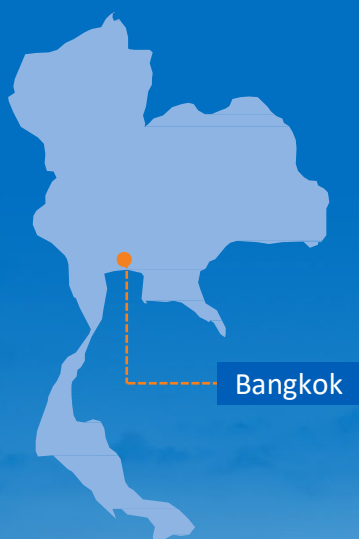
SUSTAINABLE SUPPLY CHAIN

While businesses are held accountable for suppliers' social impact, gaining visibility and control in modern supply chains can be a challenge. KPMG in Thailand specialists can assist your organization to map supply chains, identify risks, track product ingredients, improve supplier performance and strengthen supplier relationships.

KPMG in Thailand

KPMG in Thailand is a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited. In Thailand, KPMG has a long tradition of professionalism and integrity. Combined with our dynamic approach to serving clients in a digitally driven world, our expertise in Audit & Assurance, Legal, Tax and Advisory services has seen us work with renowned companies to help them solve complex challenges, steer changes, disrupt sectors and grow. Collaboration and innovation are ingrained in our approach, with our people aiming to provide genuine, sustainable value for our clients. KPMG in Thailand also covers KPMG in Myanmar and Laos.

KPMG in Thailand



Our specialized industries

- Automotive
- Banking
- Construction and real estate
- Consumer and retail
- Energy and natural resources
- Government and public sector
- Industrial markets
- Infrastructure
- Insurance
- Life sciences and healthcare
- Media
- Private equity
- Technology
- Telecommunications
- Transport and logistics

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