



Climate change, Nature and Sustainability Services

A KPMG Service for G-Cloud 14

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Scope Overview



Service Description:

KPMG uses cloud software and services to address clients' sustainability challenges. This includes helping organisations to develop and implement sustainability strategies, deliver decarbonisation, achieve net zero, reduce environmental impact, embed circular economy, comply with sustainability regulation, enhance social impact and manage their exposure to climate change and nature risks.

These strategies enable organisations to deliver their sustainability targets, reliably and effectively communicate and report on their progress, enhance their resilience, reduce their negative environmental and social impact, protect their reputation and enhance their licence to operate in society.

These services leverage KPMG's digital tools such as: ClimateIQ; Decarbonisation Pathways; Double-Materiality Assessments; Measure to Report Target Operating Model; ESG Data Map; ESG Regulatory Horizon; and ESG Tax Database.

KPMG's services also include our Sustainable IT Framework, which supports clients with a pragmatic set of solutions to specifically target and manage greenhouse gas emissions resulting from the provision of digital services. KPMG's Sustainable IT Framework considers TCFD, TNFD, ISSB and ESRS guidelines, the UK Green and EU Taxonomy and KPMG works hand in hand with their clients to tailor to their focus area, digital sustainability strategy and key requirements. KPMG works with clients on all stages of their Sustainable IT journey, from initial assessment and scoping, to implementation, addressing all facets of the transformation (organisational, governance, architecture, IS/IT landscape, culture and communication) to ensure long-term change in the sustainability of digital service delivery.



What are the benefits?

- Identify, quantify and manage climate change and nature related risks
- Report GHG emissions and natural capital data aligned with regulation
- Ensure sustainability ambitions and risks are understood and managed
- Track and prepare for future regulations and technologies
- Access expert climate and nature scenario analysis, including via ClimateIQ
- Deploy sustainability experts rapidly and at scale
- Conduct sustainability horizon scanning to mitigate emerging risks
- Reduce emissions related to digital infrastructure and services
- Enhance the sustainability of supply chains and procurement
- Establish effective and influential sustainability functions



Our service features

- Physical and transition climate and nature risk analysis and mitigation
- Decarbonisation strategy and implementation planning
- Sustainability Target Operating Model design and implementation
- Sustainability reporting, assurance and data management
- Sustainability horizon scanning including identification and assessment of relevant regulation
- Sustainability assessment of procurements and supply chains
- Circular economy
- Developing and implementing a sustainable IT strategy and operating model
- Social value
- Establishing sustainability portfolios

Detailed Service Descriptions

Our Approach

KPMG helps organisations with all aspects of their sustainability challenges. This includes helping organisations to develop and implement sustainability strategies, deliver decarbonisation, achieve net zero, reduce environmental impact, embed circular economy principles, comply with sustainability legislation, regulation and policy, enhance their social impact and to understand their exposure to climate change and nature related risks. These strategies enable organisations to deliver their sustainability targets, reliably and effectively communicate and report on their progress, enhance their resilience, reduce their negative environmental and social impact, protect their reputation and enhance their licence to operate in society.

KPMG supports clients in all aspects of their sustainability journey by offering strategic and operational cloud software and services that enable organisations to accelerate progress, mitigate sustainability risks and capitalise upon opportunities. These services leverage KPMG's digital tools such as: ClimateIQ; Decarbonisation Pathways; Double-Materiality Assessments; Measure to Report Target Operating Model; ESG Data Map; ESG Regulatory Horizon; and ESG Tax Database.

1. Physical and transition climate and nature risk analysis, assessment and mitigation, (including TCFD and ISSB reporting and disclosures)

KPMG has extensive experience of identifying and assessing risks and opportunities related to the physical and transition impacts of climate change and nature degradation for clients across multiple sectors and supporting clients to deliver their disclosure obligations in related to TCFD / ISSB. This analysis is enabled by a leading software toolset, including KPMG's ClimateIQ tool, a comprehensive multi-industry risk management digital tool that evaluates key KPIs to quantify an organisation's exposure to climate change and in doing so help formulate strategic decisions in line with operational needs and regulatory requirements. The Climate IQ tool is a cloud-based technology that can produce large datasets at scale, allowing for simulations of multiple scenarios and sensitivity analyses of financial projections. Climate IQ uses a data repository compatible with machine learning and Artificial Intelligence.

The tool is able to globally assess physical and transitional risks on a bespoke or an automated basis including:

- Data simplification and down-selection of scenarios to evaluate those KPIs that matter most to your organisation
- Impact of different risks on selected performance indicators
- Analysis of the rate of change of various risks under different time horizons and severity thresholds
- Dynamic visual mapping of risks under different climate change scenarios

KPMG's physical and transition risk analysis can be applied to all types of risks and underlying assets, including impacts on equipment, people, infrastructure and more. For example, with respect to infrastructure, KPMG's Infrastructure Resilience and Adaptation service helps organisations build resilience against infrastructure climate risks, safeguarding their long-term value. We work with clients to integrate climate resilience considerations into their organisational processes, structures, culture, and systems, ensuring they are prepared to navigate the evolving climate and nature landscape. By mitigating climate and nature risks, protecting asset value, and creating sustainable long-term value, we help organisations thrive in the face of climate and nature challenges.

Detailed Service Descriptions

2. Decarbonisation strategy and implementation planning

KPMG's multi-disciplinary sustainability experts use the latest cloud software and bespoke digital tools to support clients to develop decarbonisation strategies and transition plans. This includes KPMG's 'Decarbonisation Pathways' tool that is used to help organisations model future sector-specific scenarios to achieve decarbonisation ambitions across GHG Protocol Emission Scopes 1, 2, and 3. This tool is built at the asset level, ensuring that future planning decisions can be made around the infrastructure assets that generate emissions. The Decarbonisation Pathways Tool is focused on future scenario planning by modelling potential decarbonisation projects and their impact on an organisation's pathway to net zero. It allows organisations to:

- Make projections at the asset, department, or organisation level
- Account for energy efficiency and asset utilisation changes over time
- Plan around asset lifecycles
- Incorporate costs and approximate investment into scenarios
- Compare between scenarios or combination of scenarios flexibly

3. Sustainability Target Operating Model (TOM) design and implementation

KPMG's Sustainability TOM delivers a pre-built, leading practice sustainability function, enabling clients to develop standardised processes and frameworks that can maximise the value the application of cloud technology. The comprehensive Sustainability TOM design framework includes:

- People
- Functional Process
- Technology
- Governance
- Service delivery model
- Performance insight and data



Detailed Service Descriptions

4. Sustainability reporting, assurance and data management

KPMG has extensive experience of using cloud-based technology and tools to support organisations to develop and deliver high-quality sustainability reporting that enables effective decisions, performance oversight and management, generating stakeholder confidence and enabling the delivery of sustainability outcomes.

This is supported by using digital tools to enable clients to understand the interactions, dependencies and conflicts of their sustainability KPIs and metrics, derived from an assessment of the sustainability impacts and data elements that make up and are produced by their organisation. KPMG has mapped regulations, standards and frameworks to produce a network of over 7,000 sustainability metrics that are mapped to their component data elements and their data sources, totalling more than 3,000 individual Sustainability Data Elements and 1,000 internal, external and third-party data sources. These can be interrogated using cloud-based software to enable clients to develop or enhance their sustainability reporting.

5. Sustainability horizon scanning including identification and assessment of relevant regulation

KPMG has extensive experience of supporting clients to conduct horizon scanning to identify opportunities and risks related to sustainability, for example those related to changes in technology, regulation, policy, stakeholder behaviours and societal trends.

KPMG can use a suite of cloud-based solutions to support this analysis. For example, KPMG's cloud-based 'KPMG Regulatory Horizon' tool provides real-time coverage of regulatory news, with the ability to curate data for further analysis and resolution. Data is provided through API access or KPMG hosted web portal. KPMG Regulatory Horizon is made up of several component modules. The key features of the platform includes:

- **News:** Captures real-time news from hundreds of sources around the globe, including relevant sustainability sources.
- **Insights:** KPMG editorial with insights, thought leadership and opinion, including sustainability topics.
- **Initiatives:** High level regulatory initiatives, including sustainability, that impact organisations.
- **Obligations:** Enabling identification and interrogation across several regulations.
- **Controls:** Reference control standards integrated with obligations
- **Q&As:** Knowledge library in the form of question and answers.

KPMG has a deep knowledge of the sustainability regulatory landscape and can support clients to identify, assess and agree responses to sustainability regulation and policy. This is supported using technology tools and solutions. For example, one relevant tool includes KPMG's cloud-hosted sustainability tax database which provides up to date knowledge about environmental related taxes, incentives and grants that Governments have introduced to address the critical issue of influencing behaviours on sustainability, climate change and decarbonisation.

Detailed Service Descriptions

6. Sustainability assessment of procurements and supply chains

KPMG supports clients to conduct sustainability assessment of procurements and supply chains using cloud-based technology and digital solutions. For example, this includes the ESG Cognitive Contract Management tool, which allows organisations to assess the sustainability component of contracts to check alignment with core sustainability goals.

7. Developing and implementing a sustainable IT strategy and operating model

KPMG Sustainable IT Solution combines their industry experience, consulting & modern technical skills to help business leaders assess and evolve towards building a sustainable IT organisation.

KPMG works with clients on all stages of their Sustainable IT journey, from initial assessment and scoping, to implementation, addressing all facets of the transformation (organisational, governance, architecture, IS/IT landscape, culture and communication) to ensure long-term change.

KPMG Sustainable IT Framework includes -

- **Assess and plan** - Maturity assessment & carbon benchmarking, optimisation levers qualification and prioritization, curation of strategy, plan and roadmap
- **Measure** - Environmental footprint (method and tooling), GreenOps
- **Act** - Datacentre decarbonisation, eco-design principles, assets end-of-life, Sustainable IT procurement, application rationalization, accessibility, culture (awareness and training).
- **Govern and steer** - Program management, Sustainable IT practices in governance and processes, regulatory requirements, Sustainable IT certifications.

KPMG has developed in house accelerators that include:

- **Green IT Maturity Assessment** - Analysis of 10 scientifically based maturity models across strategy, hardware and software measured on a scale of 1-5 across 33 requirement dimensions.
- **Carbon Footprint Calculator** - An assessment covering 5 IT categories Equipment; Network; Printings; Data Centre; Cloud.
- **Sustainability Impact Modeller** - A KPMG created tool that instantly turns information (Server and DC data) into intelligent insights via an interactive dashboard assisting you in developing your sustainability strategy.

Detailed Service Descriptions

8. Circular Economy

KPMG supports clients to develop and implement circular economy strategies and practices within their organisations. This includes establishing circular economy objectives, metrics and indicators to drive behavioural change and impact decision making, improving the capability of teams in managing whole-life carbon and circular economy, and developing circular economy implementation plans. KPMG uses multiple digital tools to support this, such as the 'KPMG Circularity Manager', which KPMG has developed to help businesses measure and continuously improve their circular economy performance – the tool automates data collection from different sources and calculates the circularity of materials and processes.

9. Social Value

KPMG's Social Value service helps organisations develop, evaluate, and measure the impact of their social value strategies. In today's environment, social value is increasingly becoming a key consideration for businesses, with regulatory pressures and growing stakeholder expectations demanding a focus on social impact. By mitigating risks, providing quantifiable outcomes, enhancing reputation, and creating long-term value, our service helps organisations make a positive impact on society while achieving their business goals. Additionally, KPMG leverages advanced data analytics and cloud-based reporting tools to streamline the measurement and evaluation of your social value initiatives, providing you with the insights needed to make informed decisions and maximise your social impact.

10. Establishing sustainability portfolios

KPMG supports clients to establish portfolios of sustainability activities to enable them to identify, prioritise and deliver sustainability initiatives throughout their organisations, covering sustainability initiatives related to all aspects of organisations including infrastructure. Our framework provides prioritisation frameworks, decision-making processes and portfolio management structures and governance to enable organisations to remain resilient, comply with rapidly evolving regulation, secure advantage from sustainability related opportunities and address growing stakeholder expectations. KPMG leverages cloud-based reporting tools to provide clients with the insights needed to make informed decisions within their portfolios and maximise their impact.

Contact Details

This service definition document provides an overview of our climate change, nature & sustainability services, with context about how KPMG can support you. For further information, please contact:

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