



Valuing your impacts on society

**How KPMG True Value can
help measure and manage
your impacts**

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You can't manage what you don't measure

KPMG professionals can help

In business, it is often said that you can't manage what you don't measure.

This is just as true when it comes to how your business affects society.

Companies are under increasing pressure to show they make a positive contribution to society as well as generating profits for shareholders. Focusing on the financials alone is no longer enough.

In many sectors and markets today, an organization's positive impact on society can make the difference between winning or losing a contract. So measuring and managing those impacts is simply good business sense.

In recent years, methodologies to measure an organization's impacts – both positive and negative – have become much more sophisticated.

A growing trend is to express all economic, social and environmental impacts in a common financial metric; doing this can inspire productive conversations in the boardroom and management meetings, and help to change thinking and action within organizations.

The KPMG True Value methodology has been at the forefront of this movement since its launch in 2014. Since then, dozens of organizations around the world have used KPMG True Value to measure their impacts on society and apply that learning to their business.

Contact us to find out how KPMG member firms can help you.



Ian Hong

Partner
Sustainability Services
KPMG Services Pte. Ltd.
ihong@kpmg.com.sg



Cherine Fok

Director
Sustainability Services
KPMG Services Pte. Ltd.
cherinefok@kpmg.com.sg

How KPMG True Value works

KPMG analysts carry out a detailed assessment of your organization's most significant economic, social and environmental impacts, both positive and negative.

The assessment is totally scalable: it can be applied to a single product or service, to a company's global operations or to the entire value chain including suppliers and the downstream use of the company's products.

Once they have defined the company's material impacts, KPMG analysts then apply a financial value to them. They select the most appropriate valuation factors from a comprehensive KPMG database which is sourced from academic research around the world and continuously expanded and updated.

Examples of positive (+) and negative (-) impacts assessed:

Economic

- + Paying taxes
- + Creating jobs
- Avoiding fair taxes
- Paying bribes

Social

- + Improving health
- + Providing education
- + Community development
- Paying low wages
- Damaging workers' health
- Failing to protect data privacy

Environmental

- + Using renewable energy
- + Recycling waste
- + Rehabilitating land
- Emitting greenhouse gases
- Causing pollution
- Depleting water resources

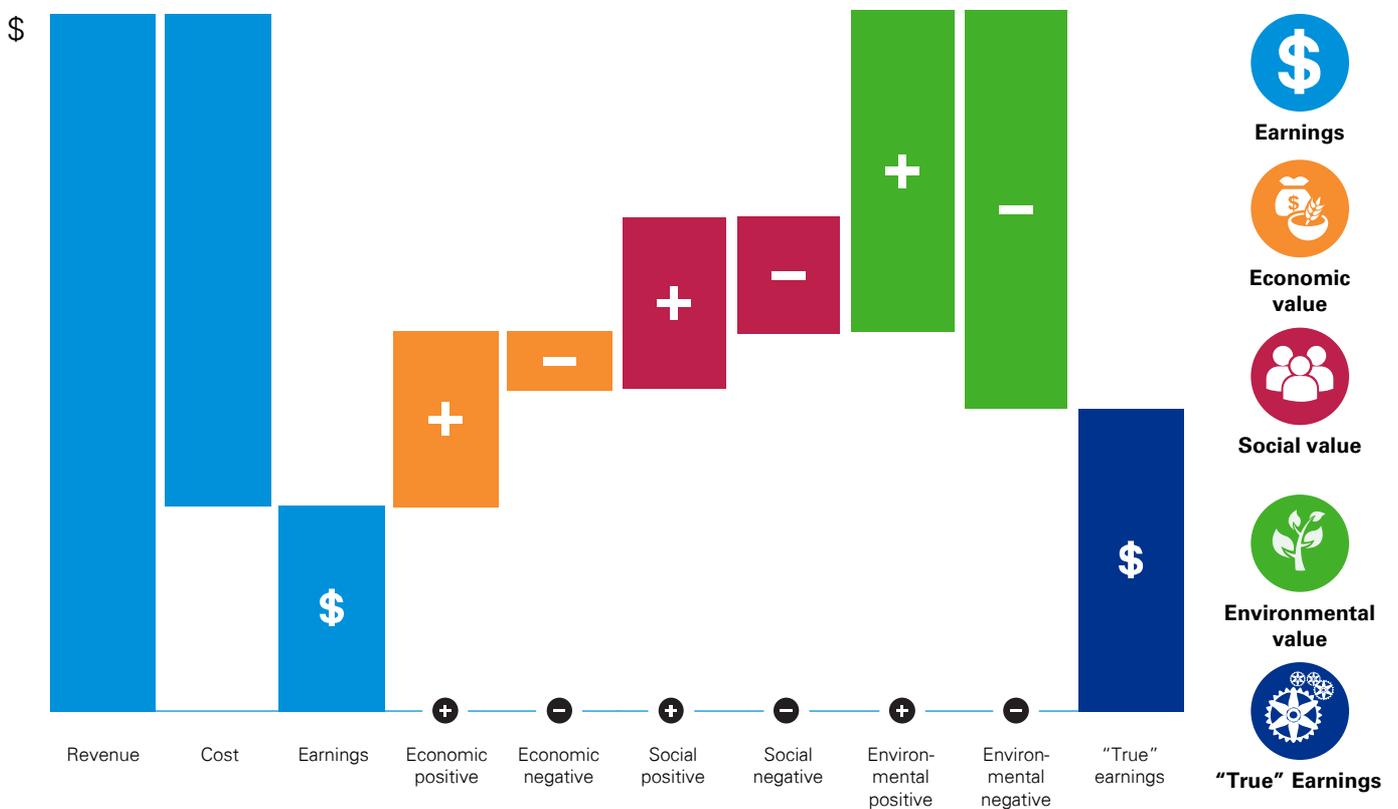


Introducing the KPMG True Value Bridge

The results of the KPMG True Value analysis are typically visualized as a KPMG True Value Bridge.

The KPMG True Value Bridge enables managers to compare and contrast the company's diverse impacts using a common financial metric. It also helps leaders to understand how the company's "true" earnings (including its socio-economic and environmental impacts) compare to its financial earnings.

A generic KPMG True Value Bridge



How to create more value for society and your shareholders: find out more

KPMG International's report, *A New Vision of Value*, explores the growing connections between corporate and societal value creation.

It explains how the KPMG True Value methodology can help companies understand, quantify, and increase the value they create both for society and their shareholders.

The report shows how this can help businesses increase their revenues, drive down costs, and improve their risk profile.



How KPMG True Value helps build better businesses

KPMG True Value is a flexible methodology that can be applied to any company in any sector. While every KPMG True Value project is different, three common uses have emerged in recent years:

01

Improve decision-making

When it comes to selecting which projects and activities to progress, KPMG True Value helps corporate decision-makers to look further than financial return-on-investment. By providing data-driven insight into impacts on people and the environment, KPMG True Value helps business leaders factor these considerations into investment decisions, alongside conventional financial data. This can help companies reduce risks and enhance drivers of growth.



Download the client story:
kpmg.com/truevalue

02

Enhance reporting and strengthen relationships

KPMG True Value can provide a far richer view of a company's contribution to society than conventional financial or sustainability reporting alone. That's why many companies use KPMG True Value to enhance their corporate reporting.

Transparency around social and environmental impacts can help to strengthen corporate relationships with critical stakeholders like investors, governments, customers and NGOs. It may also help to improve performance in corporate sustainability ratings.



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03

Build the business case for innovation

KPMG True Value helps innovators measure the impacts of products and services on people and the environment. With pressure growing on businesses to demonstrate a (net) positive contribution to society, KPMG True Value can play an important role in the innovation process. It can help companies maximize the positive impacts of their products and services, thereby creating a point-of-difference in the marketplace and potential competitive advantage.



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Local KPMG contacts

Argentina

Martin Mendivelzua
mmendivelzua@kpmg.com.ar

Australia

Adrian V. King
avking@kpmg.com.au

Austria

Peter Ertl
pertil@kpmg.at

Azerbaijan

Vugar Aliyev
valiyev@kpmg.az

Belgium

Mike Boonen
mboonen@kpmg.com

Brazil

Ricardo Zibas
rzibas@kpmg.com.br

Canada

Bill J. Murphy
billmurphy@kpmg.ca

Cyprus

Iacovos Ghalanos
iacovos.ghalanos@kpmg.com.cy

Chile

Luis Felipe Encina
lencina@kpmg.com

China

Maria Cheng
maria.cheng@kpmg.com

Colombia

Fabian Echeverria
fecheverria@kpmg.com

Czech Republic

Miroslava Prokesova
mprokesova@kpmg.cz

Costa Rica

Florelly Quesada
fquesada@kpmg.com

Denmark

Frances Iris Lu
franceslu@kpmg.com

Finland

Tomas Otterström
tomas.otterstrom@kpmg.fi

France

Philippe Arnaud
parnaud@kpmg.fr

Germany

Christian Hell
chell@kpmg.com

Greece

George Raounas
graounas@kpmg.gr

Hungary

István Szabó
istvan.szabo@kpmg.hu

India

Santhosh Jayaram
santhoshj@kpmg.com

Indonesia

Ian Hong
ihong@kpmg.com.sg

Ireland

Michael Hayes
michael.hayes@kpmg.ie

Israel

Oren Grupi
ogrupi@kpmg.com

Italy

PierMario Barzaghi
pbarzaghi@kpmg.it

Japan

Kazuhiko Saito
kazuhiko.saito@jp.kpmg.com

Yoshitake Funakoshi

yoshitake.funakoshi@jp.kpmg.com

Kazakhstan

Saken Zhumashev
szhumashev@kpmg.kz

Luxembourg

Gilles Poncin
gilles.poncin@kpmg.lu

Peru

Rosario Calderon
rccalderon@kpmg.com

Poland

Krzysztof Radziwon
kradziwon@kpmg.pl

Portugal

Martim Santos
martimsantos@kpmg.com

Malaysia

Kasturi Nathan
kasturi@kpmg.com.my

Mexico

Jesus Luna
jjluna@kpmg.com.mx

Romania

Gheorghita Diaconu
gdiaconu@kpmg.com

Netherlands

Arjan de Draaijer
deDraaijer.Arjan@kpmg.nl

New Zealand

Erica Miles
emiles@kpmg.co.nz

Nigeria

Tomi Adepoju
tomi.adepoju@ng.kpmg.com

Norway

Anette Rønnov
anette.ronnov@kpmg.no

Russia, Ukraine, Georgia and Armenia

Igor Korotetskiy
ikorotetskiy@kpmg.ru

Singapore

Ian Hong
ihong@kpmg.com.sg

Slovakia

Quentin Crossley
qcrossley@kpmg.sk

South Africa

Shireen Naidoo
shireen.naidoo@kpmg.co.za

South Korea

Hyoung-Chan Kim
hyoungchankim@kr.kpmg.com

Jung-Nam Kim

jungnamkim@kr.kpmg.com

Spain

José Luis Blasco Vazquez
*Global Head, KPMG
Sustainability Services*
jblasco@kpmg.es

Sweden

Tomas Otterström
tomas.otterstrom@kpmg.se

Switzerland

Anne Van Heerden
annevanheerden@kpmg.com

Taiwan

Niven Huang
*Regional Leader, KPMG
Sustainability Services in Asia
Pacific*
nivenhuang@kpmg.com.tw

Thailand

Paul Flipse
pflipse@kpmg.co.th

Turkey

Sirin Soysal
ssoysal@kpmg.com

UAE and Oman (Lower Gulf)

Hanife Ymer
hymer1@kpmg.com

UK

Troy Mortimer
troy.mortimer@kpmg.co.uk

US

Katherine Blue
kblue@kpmg.com

Uruguay

Martin Clerino
martinclerino@kpmg.com

Venezuela

Jose O. Rodrigues
jrodrigues@kpmg.com

kpmg.com/sustainability



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