



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.



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Arjan has over 20 years' experience in sustainability consulting, focusing on strategy, performance improvement, and reporting and assurance. He is one of the architects of KPMG True Value and in recent years has specialized in working with multinational clients from multiple sectors to help them measure and manage their societal impacts and integrate that information into their business decisions.



Frits Klaver

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Frits works with major international companies to help understand, measure, and quantify in financial terms, the societal value they deliver. He was a key contributor to the development of the KPMG True Value Services. He has helped deliver over 25 KPMG True Value projects for clients from different industries, ranging from electronics and telecommunications, to transportation and cement and mining.

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

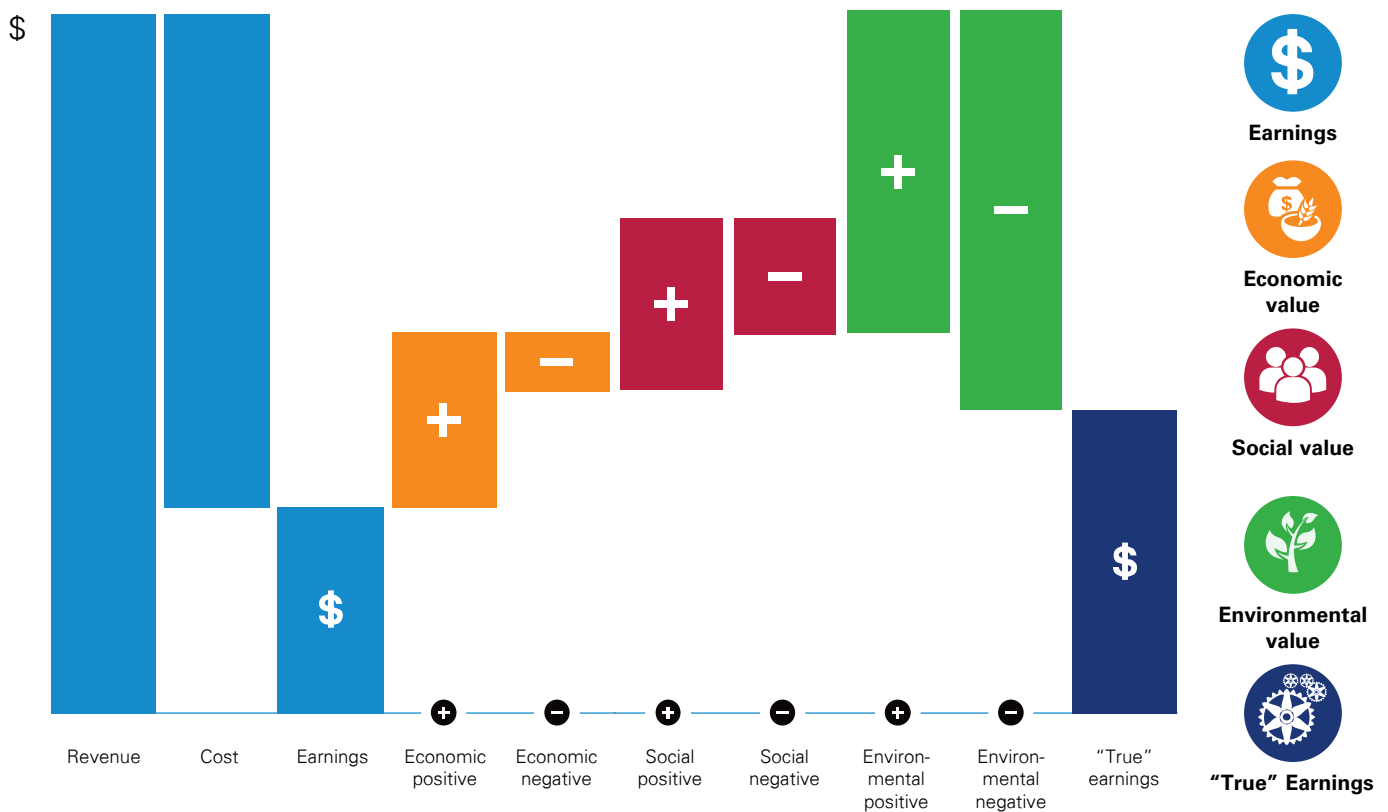


Introducing the KPMG True Value Bridge

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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