



Climate, decarbonization, and nature strategy for private equity

Considerations across the investment cycle for value creation opportunities

Private equity's role in decarbonization

Climate, decarbonization, and nature are rising on the Private Equity agenda, driven by internal and external factors:



Opportunities for value creation



Stakeholder demands and LP pressure



Regulatory changes



Financial value at risk

Private equity (PE) is uniquely placed to drive the decarbonization agenda, as well as take advantage of the significant value creation opportunities that will arise from it. Market leaders are increasingly considering Climate and ESG across the deal cycle, and incorporating climate considerations throughout.

KPMG understands what good looks like when it comes to end-to-end climate, decarbonization and nature strategy, and has worked to help shape PE firms' approach at firm, fund, and portco level.

Our climate, decarbonization, and nature services span the investment cycle, from target setting and strategy development, assessment of material risks and opportunities, to fund design and launch, through portco decarbonization and operational transformation and implementation. We support our clients as they navigate market forces and complexity to capitalize on key megatrends and opportunities. In a rapidly shifting market, our ambitious, practical, and right-sized solutions across the portfolio ensure a positive, lasting impact, through an approach that integrates with your investment and business strategy, and a focus on translating climate and ESG action into value creation.

Climate and decarbonization is increasingly a source of value creation

Monetize low-carbon businesses

Investors are looking for differentiated businesses and may be willing to pay a premium for decarbonized companies. Business models focused on avoided emissions, coupled with decarbonization, present value to buyers.

Improved deal feasibility

ESG and decarbonization value harvesting has been shown to improve deal feasibility, command higher multiples at exit, and increase compliance reviews during diligence.

Cost take out

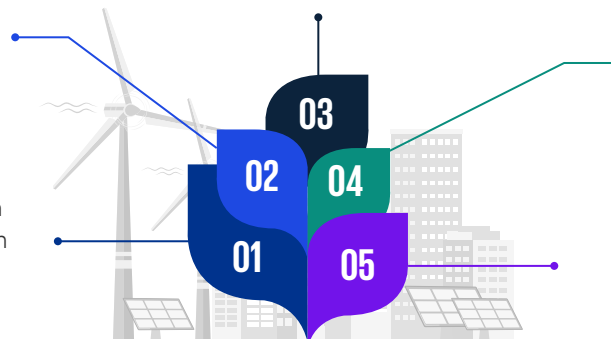
Upskilling Deal and Ops Teams on how to take cost out and drive value through decarbonization by understanding which levers to prioritize and where to realize the best ROI.

Green Premiums

Customers may be willing to pay premiums for certified "green" products which are differentiated in a way that is measurable and traceable.

Budget setting

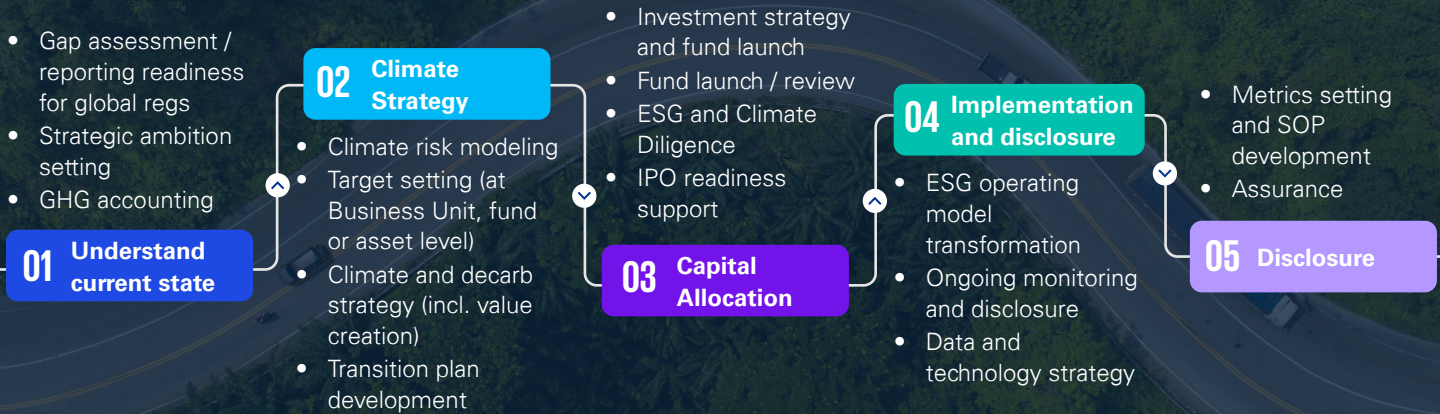
Helping teams to prioritize CAPEX and OPEX spend can enable the most significant value creation.



Our services

KPMG provides end-to-end climate strategy and emissions reduction with PE firms and their portfolios. We help shape their approach to climate change from the Firm, through the Fund and into their portfolio companies. This breadth of experience makes us unparalleled in capability and experience to support you across your climate and decarbonization strategy. KPMG has deep experience with locally specific resources that are supported by a global footprint.

Regardless of starting position, KPMG can support you across your climate and decarbonization journey:



Selected experience

Holistic climate strategy

KPMG helped global asset manager Apollo embed a comprehensive strategy to manage climate risks and opportunities.

[Changing weather: putting climate at the heart - KPMG UK](#)

Apollo Global Management

Scenario analysis and climate risk

KPMG supported a global alternative asset manager to understand their climate-related risks and opportunities in order to meet regulatory requirements, drive value creation, and inform investment theses.

Global Asset Manager

Investment fund strategy

KPMG assisted with the development of a Climate Investment Framework for a PE House for the development of more than \$100 Billion in energy transition and decarbonization investments.

PE House

Portfolio company decarbonization

KPMG developed a decarbonization pathway, defined priority levers, and assessed the financial impact of the pathway for a portfolio company in order to meet GP decarbonization targets and capex and opex requirements.

Passenger & Cargo Airline Portco

Contact us



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