



Supplier Code of Conduct

KPMG Australia

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KPMG.com.au

Introduction

As a professional services firm, KPMG Australia is visible to all types of businesses and operates with a global impact through our services and supply chain. We believe that a strong commitment and a strategic approach to sustainable development is essential for managing the challenges and opportunities of a rapidly changing global environment.

We view our suppliers as partners and care about the way they do business. The KPMG Supplier Code of Conduct ("Code") is a result of our ambition to establish a proactive collaboration with our suppliers in the promotion of lawful, professional, and responsible practices that integrate respect for human rights, business ethics and the environment.

Our suppliers' performance and alignment to high standards of business is an important and impactful part of the value chain for KPMG Australia. We anticipate suppliers would communicate the Code to related entities, suppliers and subcontractors who support them in supplying to KPMG Australia, so that they are aware of and understand the standards set within the Code.

We are committed to engaging with our suppliers to evaluate their performance against the Code.

Thank you for your continued efforts and collaboration with KPMG. Please direct all questions about this Code to: procurement@kpmg.com.au.

Andrew Wiles

Andrew Wiles
Chief Financial Officer

Paul Ktenas

Paul Ktenas
Head of Procurement

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Commitment

In 2002, KPMG became a signatory to the United Nations Global Compact (UNGC) signalling our commitment to responsible and ethical business practices in the marketplace.

KPMG Australia values leading by example, acting with integrity and fostering an ethical culture where everyone embraces a sense of personal responsibility for doing the right thing in the right way. KPMG Australia is committed to sustaining the highest legal, environmental, ethical and professional standards consistent with the Ten Principles of the UNGC in the areas of human rights, labour, environment and anti-corruption. The Code has been developed with recognition of the Ten Principles, national legislation and KPMG policies already embedded within the Firm, including the KPMG Australia Human Rights Policy.

Application

The Code applies to all suppliers and their employees, agents and subcontractors (collectively referred to as “Suppliers”) that produce goods and/or provide services for KPMG Australia. KPMG Australia expects that suppliers will meet, and work to exceed, the minimum requirements set out in this Code.

Monitoring and evaluation

KPMG Australia will test the alignment of supplier policies and practices with the Code through its supplier management program which includes a supplier due diligence questionnaire and ongoing supplier monitoring. KPMG Australia reserves the right to periodically request documentation and evidence that demonstrates alignment with this Code. It is the Supplier's responsibility to educate its employees, agents, subcontractors and extended supply chain about the principles and requirements in this document. We recognise the importance of working with our Suppliers on achieving alignment and will provide an opportunity for improvement wherever it is appropriate to do so.

Supplier Requirements

1. Governance and Ethics

- Compliance with relevant legal and regulatory requirements with regard to all areas of business and operations, including corporate governance, occupational health and safety, labour standards and environmental management is ensured.
- All aspects of business are conducted in an ethical manner, and all instances where these standards are breached are reported.
- Policies and management systems that enable alignment with this Code are effectively implemented.
- Clear managerial responsibility for performance measurement and evaluation is allocated and there is a demonstrated commitment to continuous improvement.
- Accurate information regarding business activities, labour, workplace health and safety, and environmental practices is provided and such information, without falsification or misrepresentation, is disclosed when requested.
- Use of sub-contracting is clearly documented, declared and submitted for approval.
- Workers have an accessible mechanism to report grievances that facilitates open communication between management and employees.¹

2. No Forced and Child Labour

- All employment is freely chosen.
- No forced labour or bonded labour is used.

¹ [UNGC: Principle 3](#)

- No child labour is used, and all workers meet applicable minimum legal age requirements.²
- There is no employment of young persons under 18 at night or in hazardous conditions.
- Identified forced and child labour impacts are remediated in line with international good practice in grievance and remedy.

3. Wages and Working Hours

- Working hours, wages and overtime pay are set in compliance with the Fair Work Act of 2009³ and/or all other applicable laws.
- All workers are paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.⁴ Wages should always be enough to meet basic needs and to provide some discretionary income.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure and any deductions from wages not provided for by national law without the expressed permission of the worker concerned are prohibited.

4. Freedom of Association

- Workers are allowed to freely associate with others, form and join (or refrain from joining) organisations of their choice, and bargain collectively without interference, discrimination, retaliation, or harassment.
- A parallel means for independent and free association and bargaining is facilitated where the right to freedom of association and collective bargaining is restricted under law.
- Worker representatives are not discriminated against and have regular access to carry out their representative functions in the workplace.

5. Work, Health, and Safety

- Workers are provided with a safe and healthy working environment.
- Regular and recorded health and safety training is provided to all workers, and repeat training for new or reassigned workers.
- Compliance with all applicable laws and regulations regarding working conditions is demonstrably ensured
- Work health and safety of employees is treated as a priority throughout all significant aspects of business activities.
- Appropriate action, such as policies, standards, procedures, contingency measures and management systems, are taken in order to prevent occupational illnesses and work-related accidents and to provide a safe and healthy workplace to its employees.

6. Inclusion, Diversity and Equality

KPMG Australia acknowledges people's diverse backgrounds, as we believe this allows us to gain a better understanding of one another, cultivate greater respect, and nurture deeper connections within our people, suppliers and within broader communities. Inclusion, diversity, and equity is core to our existence at KPMG and better for our people, our clients, suppliers, and the communities that we work in. Having an inclusive culture is not only the right thing to do but a strategic priority for our organisation. Our inclusion, diversity and equity strategy focuses on achieving a strong sense of belonging, embrace unique differences, identities, cultures and perspectives and create greater access to opportunities for everyone.

KPMG Australia's core pillars in relation to Inclusion, Diversity & Equity are:

² UNGC: Principle 5

³ Fair Work Act 2009

⁴ Fair Work Ombudsman – Minimum Wages

- Cultural Diversity
- LGBTQ+ Inclusion
- Gender equity
- People with Disability
- Indigenous Inclusion
- Family and Caring

KPMG Australia are committed to ensuring there is no discrimination against any employee or suppliers based on race, religion, age, gender, national origin, citizenship status, marital status, sexual orientation, gender identity, disability, pregnancy, veteran status, or other legally protected status, in all hiring and employment practices.⁵ We have a commitment to gender balanced teams and a strong representation of women at the senior leadership level.

With a commitment to improve Inclusion, Diversity & Equity at all levels of our business, we continue to work with Champions of Change Coalition (CCC),) Workplace Gender Equality Agency (WGEA) and the United Nations Women's Empowerment Principles (WEPs),) to ensure we are setting targets in a tangible and measurable way to foster diversity and gender equality across our firm. We continue to be an Australian Network on Disability (AND) Gold Member supporting the inclusion of people with disability in all aspects of business, as well as being recognised as a Gold tier inclusive employer for LGBTQ+ people in the Australian Workplace Equality Index.

We seek to work with suppliers who have inclusion, diversity, and equity at their core. This means we aim to work with organisation who are working to reduce their gender pay gap, have commitments to increasing the diverse representation across their employees or have strategies or policies to ensure accessibility of goods and services are embedded within design and proposed solutions.

7. Environment Sustainability

KPMG Australia believes in a fair and just transition to net zero. As a leading provider of ESG services, we have a responsibility to look at the impact of our own operations and supply chain and to play our part in global decarbonisation efforts.

Under our Climate Action Plan (CAP) 2023-2030, we are committed to achieve a 50 percent science-based gross reduction on our 2019 baseline emissions by 2030. Our Sustainable Procurement Framework acts as our roadmap to supporting our suppliers to reduce their emissions in line with the Paris Agreement and accelerating nature positive outcomes based on regeneration, resilience, and resource circularity.

To help achieve our ambition, we have made the following commitments for our supply chain:

- a. 80% of our suppliers, by spend, to have set a science-based target (SBTi) approved, or equivalent carbon reduction target by 2025
- b. All major suppliers of purchased goods (furniture, IT, office supplies and in-house catering) to set waste, packaging or circularity targets by 2025
- c. Develop a zero-deforestation policy in 2023 and engage with major suppliers of purchased goods to adopt the policy by 2025

As part of our commitment to sustainability and reducing our environmental footprint, we expect our suppliers to share our vision and values. Specifically, we aim to work with suppliers who are on the same or similar journey to becoming net zero in their own operations. This means that our suppliers actively measure and reduce their carbon emissions, adopt sustainable practices and materials, and strive for continuous improvement in their sustainability performance. By partnering with suppliers who share our commitment to sustainability, we can collectively make a meaningful difference in our efforts to create a more sustainable future.

⁵ [Fair Work Ombudsman – Minimum Wages](#)

8. Supplier Diversity

KPMG Australia is committed to supporting a culture in which diversity is valued internally and externally. We support supplier diversity through engagement with minority and Indigenous Businesses, women owned businesses, disability, social enterprises, and not for profit businesses to demonstrate our corporate citizenship initiatives and aim to influence the creation of a more sustainable and inclusive economy. Through our engagement with these suppliers in our supply chain, it helps increase their exposure to corporate procurement while creating employment and training opportunities, sustainable growth and social and financial inclusion.

We actively seek opportunities to support Indigenous Businesses through our membership with Supply Nation, partnership with First Australians Chamber of Commerce and Industry (FACCI) and other opportunities aligned with the strategic direction set within our Reconciliation Action Plan. We also actively use the Social Traders platform to engage and support social enterprises with opportunities that can be impactful and create sustainable social procurement outcomes. We also work closely with AND to connect, recruit and provide a truly accessible and inclusive workplace to individuals with a disability.

Whilst KPMG Australia does not enforce supplier requirements in relation to the diversity of their own supplier chain, we prefer to partner with Suppliers who have embedded diversity within their policies, programs, and initiatives. Any initiatives undertaken by a supplier to promote and build diversity and sustainable relationships will be viewed favourably.

9. Anti-Bribery and Corruption

KPMG Australia promotes integrity and ethics in all aspects of its activities. KPMG Australia's position is that bribery and corruption are unethical and unacceptable and are inconsistent with our values and our Global Code of Conduct.⁶ In support of this position, we have an extensive anti-bribery and corruption program globally.⁷ This includes detailed policies applicable to all member firms and their personnel, as well as training, compliance procedures and an international whistle blowing hotline.

KPMG Australia expects Suppliers to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion.^{8 9} Any and all forms of corruption, extortion and embezzlement are strictly prohibited and may/will result in immediate termination and legal action.

10. Gifts and Entertainment

Suppliers should not offer KPMG People or any related person or company excessive gifts or entertainment which contravenes our Global Code of Conduct or offer any gifts or entertainment that may have an adverse impact on our reputation.

11. Privacy

KPMG Australia expects Suppliers to protect personal privacy and comply with applicable privacy laws as well as secure data against unauthorised access or use in accordance with firm standards.¹⁰

12. Artificial Intelligence

KPMG Australia expects Suppliers who use AI in the delivery of services or products to KPMG to comply with all applicable laws, including anti-discrimination, consumer protection, privacy and security laws in Australia and other relevant jurisdictions, and to align with KPMG's Trusted AI Framework.¹¹

⁶ [KPMG Global Code of Conduct](#)

⁷ [KPMG Anti-Bribery and Corruption](#)

⁸ [Australian Criminal Code](#)

⁹ [UNGC: Principle 10](#)

¹⁰ [KPMG Privacy Policy](#)

¹¹ [Trusted AI Framework](#)

13. Use of Association

Suppliers should not time to time.

14. Value and Quality

KPMG Australia expects:

- Compliance with all specifications, requirements and terms and conditions following the award of a contract.
- Confirmation that all statements, communications and representations are accurate and truthful in their proposals, bids or contract negotiations for KPMG Australia and its clients.
- Submission of accurate invoices and prompt correction of any errors and provide KPMG Australia with reasonable access to relevant business records and employees.

15. Continuous Improvement

The standards of conduct described in this Code are important to the ongoing success of KPMG Australia. Where applicable, we will support Suppliers in the establishment of leading practices in order to meet and exceed the standards outlined in the Code. KPMG Australia will test the alignment of supplier policies and practices with the Code through its supplier management program.

As a Supplier to KPMG Australia, the Supplier's role begins, but does not end, with understanding this Code. If any ethical or legal compliance issues arise that raise any questions, the Supplier has the responsibility to notify KPMG Australia immediately.

Review

The Code will be reviewed annually.

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