



KPMG in Canada Environmental Policy

June 2022

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Principle and commitment

Reducing our impact on the environment to build a more sustainable and resilient future is at the heart of KPMG's environmental strategy. Environment, Social, and Governance (ESG) is the watermark running through our firm – from empowering our people to become agents of positive change, to the services we provide to our clients and our collaboration with critical stakeholders.

KPMG in Canada is a staunch supporter of the UN Sustainable Development Goals. SDG13: Climate Action is one of our four SDG priorities. The activities required to deliver our services have both a direct and indirect impact on the environment. We are committed to environmental stewardship and reducing our environmental impact through the following actions:

- **Decarbonization**: Achieve net-zero emission by 2030
 - Reaching a **1.5°C science-based target** which will focus on achieving a **50% reduction** of KPMG's direct and indirect greenhouse gas (GHG) emissions by 2030
 - Committing to **100% renewable electricity (RE)** by 2022
 - Setting an **Internal Carbon Price (ICP)** to better manage our business travel and business operations
 - Offsetting any remaining GHG emissions through externally **accredited voluntary carbon offsets** to mitigate any remaining green house gas emission that cannot be removed from our operations and supply chain.
- **Climate risk**: Give financial markets, clients and our leaders clear, comprehensive, high-quality information on the impacts of climate change
- **Nature and biodiversity**: Understanding and improving our impact on nature and biodiversity

Purpose

We recognize that we have a moral obligation towards our people, clients and the broader community to ensure that we are actively managing and reducing the impact of our operations and services on the environment. Building out a sustainability policy and model can also help us better understand and futureproof our business practices.

Application

The Environmental Policy applies to all offices of KPMG in Canada.

Action

We will take the following actions to support our commitment of reducing our environmental impact:



Our people

- Educate our people around the importance of environmental issues.
- Provide information, support and tools for our people to reduce their environmental impact.
- Raise awareness and embed environmental sustainability into the way we do business.



Our clients

- Encourage action and share our own experiences with clients with the support of our ESG practice.
- Our ESG client service team will provide advice to clients to help them comply with environmental standards on how their business affects the environment and, where appropriate, provide actionable pathways for them to reduce their impact.



Energy and emissions

- Cut greenhouse gas emissions (direct and indirect) by 50% between 2019 and 2030 as part of a 1.5°C science-based target and become a net-zero organization by 2030.
- Consider environmental issues and energy performance in the procurement, design, refurbishment, and management of the buildings we lease, and aim for LEED Standard on all improvements as applicable.
- Power our operations with 100% renewable electricity sources either directly or through the purchase of renewable energy certificates by 2022. Engage in a Power Purchase Agreement (PPA) beyond 2022, contributing to the greening of Canada's power grids.
- Report our renewable energy and carbon emission reduction targets annually.
- Encourage options such as remote working, virtual service delivery and digital collaboration tools to minimize the environmental impact from business travel; and encourage rail travel where possible.
- Meet, as a minimum, and exceed, where possible, all relevant legislation, guidance and other requirements applicable to energy efficiency, energy use, energy consumption and environmental aspects of the firm.



Supply chain

- Choose environmental options where possible when procuring goods and services.
- Assess the environmental targets and performance of key suppliers.
- Develop an approach to embed environmental performance as a component of our procurement practice.



Waste and water

- Measure waste generation and water consumption across our operations, where possible.
- Strive to reduce/divert the waste we send to the landfill from our operations.
- Strive to reduce water consumption from our operations.
- Promote waste hierarchy (avoid, reduce, reuse and recycle), seek ways to recycle or recondition Information and Communications Technology (ICT) equipment, batteries and mobile devices, as well as recycling other consumables such as paper, plastic, metal and glass, among others.



Legal and other requirements

- Regularly monitor the policy to ensure that we conduct our activities in full knowledge of and in compliance with all environmental laws, regulations, and other relevant standards.
- Contribute to our Global Planet Council.



Community investment

- Support innovative organizations focused on environmental sustainability.
- Continue to support our key environmental community partners and develop new partnerships wherever possible.

Process

In delivering on the policy, we are committed to a program of continual improvement and will set targets, measure progress against them and, where appropriate, share our progress with stakeholders.

Governance and reporting

Our environmental performance is monitored through Our Impact Plan Steering Committee.

We report on our environmental impact annually through our Global Climate Response (GCR). Data collected from landlords through an annual survey will be examined by our in-house sustainability team. Environmental performance data and analysis are reviewed and approved by our Social Impact Lead and Chief Operating Officer.

The Green Champions Network was established in December 2021. The network members work closely with the regional sustainability councils to strategize and drive regional green initiatives, aligning with the firm's directions.

We will communicate the policy and our environmental performance through internal and external channels.

Review

The policy will be reviewed annually.

*Review and approved by: Heather Baker
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Next review in June 2023*





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