



# Our Impact Plan

January 2021

KPMG International

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A message from our

# Global Chairman & CEO

As a firm, we're driven by our Purpose — to inspire confidence and empower change. And after a year like 2020, our purpose has never been so important.

The world faces existential challenges; confidence is shaken and change is needed. A global pandemic. Protests against racial injustice. Rising unemployment and inequality. Not to mention forest fires, floods and other natural disasters linked to climate change. Solutions to these problems requires cooperation, collaboration and a willingness to do what is right across all parts of society, including business.

That's why KPMG is even more determined to make a positive impact on the world. It is our responsibility to help shape and lead on those critical issues facing the world, where our capabilities make a difference. To create inclusive and fair workplaces, drive sustainable and purposeful growth for our clients, build trust in and harness the power of the capital markets to spur needed innovations, empower the most disadvantaged in our communities and help preserve our planet so future generations can thrive.





# Delivering our Purpose: to inspire confidence and empower change.

So, for the first time, in order to hold ourselves to account for these responsibilities, we've brought together our firm's environmental, social and governance (ESG) commitments under one umbrella: Our Impact Plan.

Using our Values as a guide, Our Impact Plan clarifies our commitments and actions across four important categories: Planet, People, Prosperity and Governance. We've approached this plan by reviewing our collective commitments including our carbon footprint, renewable energy usage and inclusiveness.

Over the coming months and years, we will look at how to strengthen our commitment in these areas, and work across all of the KPMG global organization to develop the roadmap to implementation. We will report our progress openly, even where we do not currently have the answer, so we can track our progress. And through the everyday work of our firms, we will focus on building trust and delivering growth with purpose — bringing the best of KPMG to help our clients so all our communities can thrive and prosper.

We recognize that we are not perfect and that more needs to be achieved. But if you can't measure it, you can't hold yourself accountable for changing it. By seeing things as they are today, we can understand the gap that needs to be filled so we can work towards achieving the future we want. That's how we change, why we want to share Our Impact Plan with you, and why I'm personally committed to making sure we do get better.

We're starting to report against the WEF IBC Stakeholder Capitalism Metrics to give our stakeholders a common way of measuring and understanding our year-on-year progress. All of which will help us to achieve sustainable growth with purpose, inspiring confidence and empowering change, reaffirming our long-standing commitment to the UN Global Compact principles, while delivering against the United Nations Sustainable Development Goals (SDGs).

**Bill Thomas**  
Global Chairman and CEO  
KPMG International

# Contents



05

## Planet

Reducing our impact on the environment to build a more sustainable and resilient future.



14

## People

Creating a caring, inclusive and values-led culture for our people.



26

## Prosperity

Driving purposeful business practices and good corporate citizenship.



36

## Governance

Our Values lie at the heart of the way we do things. To do the right thing, the right way, always.

Our Impact Plan represents the collective environmental, social and governance commitments of independent KPMG firms, affiliated with KPMG International Limited. The data represented in Our Impact Plan is aggregated data from KPMG firms for the 12 months to 30 September 2020 unless stated otherwise. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. Where the term "KPMG," "firm," "we" or similar references are used without definition, they are meant to collectively refer to KPMG International Limited and the independent KPMG firms.



# Planet

**Reducing our impact on the environment to build a more sustainable and resilient future.**





**A**mong the many images of lockdown, perhaps some of the most profound and lasting are streets empty of traffic, skies free of airplanes, and the unfamiliar sound of birdsong returning to our built environment. As a result, by early April 2020, when billions of people were confined to their homes, global CO<sub>2</sub> emissions decreased by almost a fifth compared to the previous year's average.<sup>1</sup>

Not forgetting the human cost, COVID-19 has reminded us of what can be achieved in our quest to save the planet, and forced us to re-evaluate how we respond, as a business and as individuals, to deliver upon the United Nations Sustainable Development Goals (SDGs) and United Nations Paris Agreement on climate change. The good news is that a majority (71 percent) of leaders surveyed in KPMG's 2020 Global CEO Outlook say they want to lock-in climate change gains made as a result of the pandemic. We are no different.

Climate change affects us all and demands robust action. Since we launched our Global Climate Response in 2008, we've been actively seeking ways to reduce our environmental impact, globally. Over that time KPMG set ambitious targets for reducing emissions and using renewable electricity, and we have either met or exceeded these goals. We've also reported carbon emissions annually and provided additional climate-related disclosures. In Our Impact Plan, we're raising the bar even higher, in terms of the targets we've set and our level of reporting.

Through KPMG IMPACT we're also supporting our clients to transform their businesses and supply chains to rapidly reduce their carbon impacts. We're bringing the expertise of KPMG professionals across the globe to help clients reduce carbon emissions, transition to renewable energy and integrate climate risk into corporate strategies. We've also advised extensively on green finance and are working with the World Economic Forum to drive systemic change to accelerate the energy transition.

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The world has only 10 years to halve greenhouse gas emissions and recognizing the issue as a business risk is the first step to playing an active role in addressing this shared, existential challenge.”



**Richard Threlfall**

Global Head of KPMG IMPACT  
Global Head of Infrastructure  
KPMG International

<sup>1</sup> Source: UN Emissions Gap Report 2020



Taken by Lauren Napheys of KPMG in the US as part of the 2041 Foundation's ClimateForce: Arctic 2019 leadership development expedition.

# Our commitments

## Decarbonization

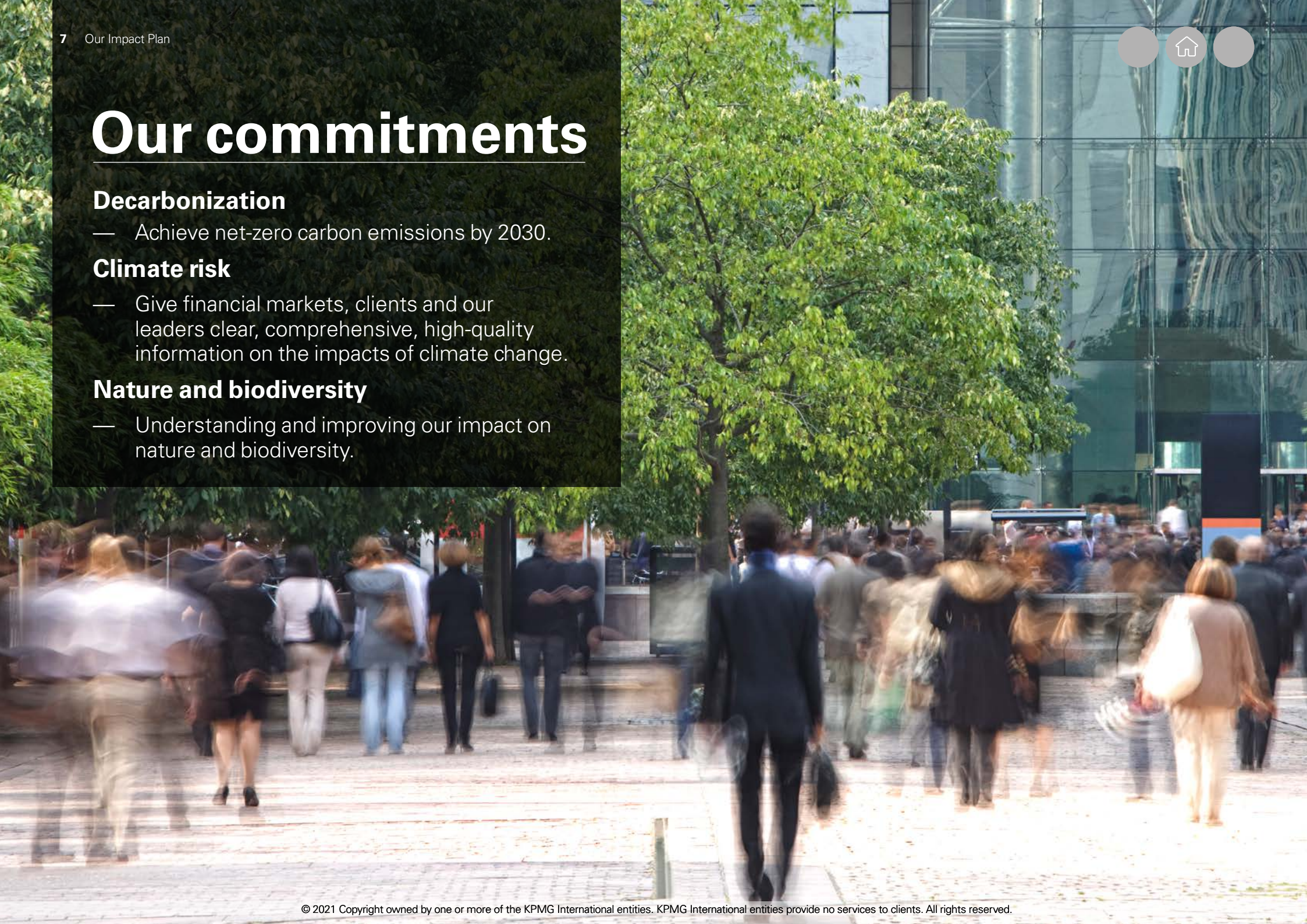
- Achieve net-zero carbon emissions by 2030.

## 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.





## Carbon reduction

Net carbon emissions per FTE

↓ 13%

2016–2019

Ahead of 2016–2020 target of a

10% reduction

## Renewable energy

2019 energy from  
renewable sources

57%

On track to beat  
2020 target of

60%

# Decarbonization

## Our commitment:

Achieve net-zero carbon emissions  
by 2030.

7 AFFORDABLE AND  
CLEAN ENERGY



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCT



In 2019, we achieved our 2020 target of reducing our CO<sub>2</sub>e (carbon dioxide equivalent) emissions per full-time equivalent (FTE) by 10 percent compared to 2016. In fact, net CO<sub>2</sub>e emissions per FTE fell 13 percent over this period. We have used this momentum to set new, even more ambitious goals for 2030. Our in-house experts developed a carbon forecasting model to map the sources and impact of our emissions, to understand what we need to do to accelerate decarbonization. As a result, we've set a new global commitment to become a net-zero carbon organization by 2030. This will see us:

- Cut greenhouse gas emissions (direct and indirect) by 50 percent between 2019 and 2030 as part of a 1.5°C science-based target
- Source 100 percent renewable electricity by 2022 in Global Board countries, and by 2030 for the wider global organization
- Offset any remaining emissions we cannot remove from our operations and supply chain, by investing in externally accredited carbon removal projects.

As part of this decarbonization plan, we will also focus on reducing business travel through new ways of working and creating sustainable supply chains.

## Our performance

To date, nine KPMG firms are carbon neutral, accounting for 15 percent of our workforce, while net CO<sub>2</sub>e emissions per FTE have come down by 13 percent between 2016 and 2019. This has been achieved by reducing our impact from activities like air travel. This year, as a result of the pandemic and our investments in technology, we expect to see further reductions that enable KPMG firms to rebase the level of flights required for client work and for cross-border training, meetings and collaboration.

Across the world, in 2019, 57 percent of our electricity came from renewable sources and if our progress continues as we expect, we will exceed our 2020 target of 60 percent. The move to renewable energy from some of our largest member firms is helping to drive this pace. Most significantly, during this reporting period (1 January 2019–31 December 2019), KPMG in the US has managed to reach 100 percent renewable electricity.

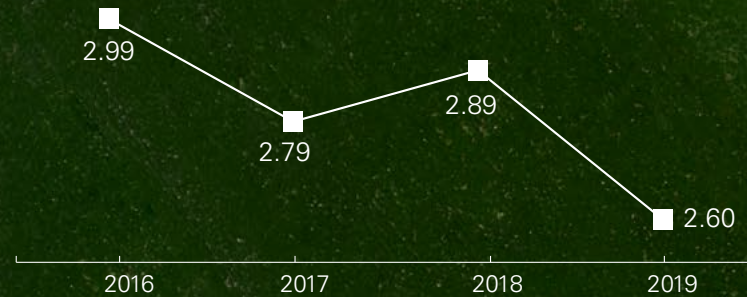
These achievements were underpinned by improvements in our systems and processes, which have helped improve completeness and accuracy of our climate-related performance and reporting.

Detailed information on our sources of emissions can be found [here](#).



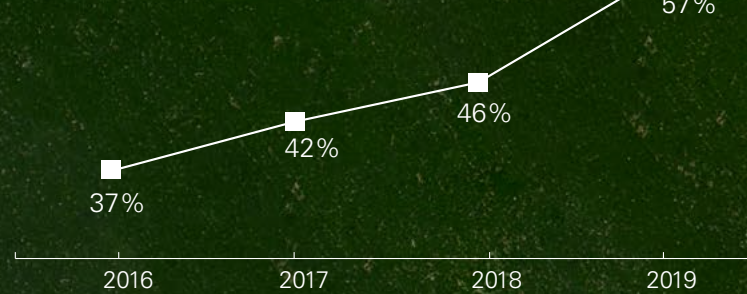
### Net greenhouse gas emissions per FTE (tCO<sub>2</sub>e/FTE)

Global



### Renewable electricity (percentage)

Global



*Climate-related data represents the reporting period 1 January 2019–31 December 2019. This reflects the data of 41 KPMG firms which has been used to estimate total emissions on a global basis.*



Total greenhouse gas emissions in thousands (gross) (kt CO <sub>2</sub> e)				
	2016	2017	2018	2019
Americas	272	271	310	325
Asia Pacific	107	107	116	125
EMA	299	295	304	272
<b>Total</b>	<b>678</b>	<b>673</b>	<b>730</b>	<b>722</b>

Total greenhouse gas emissions in thousands (net) (kt CO <sub>2</sub> e)				
	2016	2017	2018	2019
Americas	251	242	277	285
Asia Pacific	79	75	80	76
EMA	234	233	241	209
<b>Total</b>	<b>564</b>	<b>550</b>	<b>598</b>	<b>570</b>

Climate-related data represents the reporting period 1 January 2019–31 December 2019. This reflects the data of KPMG International and 41 KPMG firms which has been used to estimate total emissions on a global basis.

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Our carbon reduction plan will aid not only our own progress towards reducing the effects of the climate on tomorrow's world, but it will also contribute to our clients' efforts to reduce their end-to-end carbon footprint. With this new set of global commitments across KPMG, I am confident that we are making the right decisions today to make a difference tomorrow.”



**Bill Thomas**  
Global Chairman and CEO  
KPMG International



# Climate risk

We recognize that climate risks and opportunities are dynamic and interconnected and that it's vital to evaluate their potential impact on our business operations. That's why we report annually to CDP (formerly the Carbon Disclosure Project) on our collective performance and management for climate-related issues. For our most recent disclosure, we achieved a B grading — showing we're taking coordinated action on climate issues.

As part of Our Impact Plan, we will regularly review our climate risk approach and performance and present our progress to the Global Board. As part of this process, we're now further improving our approach to climate risk assessment and impact reporting, and are playing an active role in the Taskforce for Climate-Related Financial Disclosure (TCFD).

KPMG's climate-related risks are identified and managed through our Global Climate Risk Action Group, which is chaired by the Global Chief

Operating Officer. The group convenes on a quarterly basis to:

- Lead the formal assessment of KPMG's climate risks under a range of different future climate scenarios
- Lead action to mitigate material climate risks where appropriate
- Make suggestions about the ways in which climate risk could be integrated into governance and risk management for the organization.

Our Global Climate Risk Action Group has identified the potential substantive strategic, reputational and financial climate risk impacts (Regulation, Legal, Reputation and Acute Physical) and opportunities (Market, Technology and Reputation) to our organization. By creating better awareness of the risks and opportunities from climate change through our disclosures, we will drive a more efficient allocation of capital to their mitigation or enablement, improving our financial stability. We're now in the process of setting specific metrics that inform their measurement.

## Our commitment:

Give financial markets, clients and our leaders clear, comprehensive, high-quality information on the impacts of climate change.

13 CLIMATE ACTION





## Our people tackling climate change and its impacts

KPMG in Malaysia plays an active part in helping to save our marine ecosystem, through the [Eco Dive](#) program. Our efforts help to monitor coral reef health, nurture younger people to become eco ambassadors, and raise public awareness about the plight of coral reef conservation.

KPMG firms around the world are building staff champion networks, to encourage sustainable lives at work and at home. Starting in the Turkish firm, 'Climate Warriors' are focused on raising awareness and funds that have been used to provide permanent protection for 12,000 acres of rainforest, locking in two million tonnes of carbon — the equivalent to the average annual footprint of 400,000 people. And, two aspiring future KPMG leaders from KPMG in the US, took part in [ClimateForce: Arctic 2019](#), an expedition to the Arctic, led by polar explorer Robert Swan, great grandson of KPMG founder Sir William Peat. During the expedition they learned more about environmental issues such as climate change science, and have returned to KPMG as Environmental Champions, driving change in support of a more sustainable future.



Lauren Napheys of KPMG in the US with renowned Arctic explorer, Robert Swan.

# Nature and biodiversity

According to the United Nations (UN), around one million animal and plant species are now threatened with extinction. On top of this, three-quarters of ice-free land and two-thirds of marine environments have been severely altered. And, according to the World Economic Forum (WEF)<sup>2</sup>, there are significant economic costs of this devastation, with more than 50 percent of global GDP in some way dependent upon nature. On the upside, the WEF<sup>3</sup> estimates that transitioning to a nature-positive economy could create 400 million new jobs and generate US\$10 trillion in annual business value.

At KPMG we understand that nature and biodiversity represent financial risk as well as opportunity, and acknowledge that these risks need to be quantified and understood. We also recognize that circular economies — economic systems aimed at eliminating waste and reusing scarce resources — are critical to our ability to minimize our impact on nature and biodiversity.

KPMG is proud to be a founding member of the Informal Working Group developing the Taskforce for Nature-related Financial Disclosures (TNFD), and to provide pro bono expertise to this taskforce from our sustainability experts in KPMG IMPACT. The objective of the TNFD is to create a resilient global economy in which capital supports nature and people to flourish — in line with the UN Framework Convention on Climate Change (UNFCCC) Paris Agreement and the UN SDGs.

## Our performance

KPMG is committed to the push to protect biodiversity and to work with, rather than against, planetary boundaries.

<sup>2</sup> Source: World Economic Forum, The New Nature Economy Report

<sup>3</sup> Source: World Economic Forum, The New Nature Economy Report

## Our commitment:

Understanding and improving our impact on nature and biodiversity.



To do this, we're striving to gain a better understanding of our impact on nature and to improve our biodiversity performance.

Using insights from the 2020 [Circular Transition Indicators \(CTI\) Framework](#), which we played a central role developing with the World Business Council for Sustainable Development, we will continue to move towards eliminating use of single-use plastics, reducing water and paper use, and reusing or recycling electronic waste. Prompted by the IBC Stakeholder Capitalism Metrics, KPMG firms have also started identifying which of our offices are either in or adjacent to key biodiversity areas, and in areas of high and extremely high water stress, to ensure we adopt best practice.

Over the next 12 months, we will further develop our approach to managing these issues and will adopt targets and metrics appropriate to our sector and our impact. While that work is underway, we will continue to ensure we build awareness of our personal and professional impact on our natural world, and encourage our people to empower change, by engaging in activities that make a lasting, positive impact on the environment.



KPMG Australia responded to the devastating 2019–2020 bushfires that ravaged the country. It established a pro bono fund to provide critical support to federal and state government, as well as raising more than US\$200,000 for the Australian Red Cross. Our people also worked with local businesses, sporting organizations and other groups to boost communities affected by the fires.

**Tim Sanders**

KPMG Australia Partner and  
volunteer firefighter



# People

**Creating a caring, inclusive  
and values-led culture for  
our people.**





**C** OVID-19 had a huge impact on people in every organization. Staying healthy — physically, mentally and emotionally — has never been more important. In 2020, KPMG firms rapidly moved to remote working around the world, adapted our offices to be safe for those needing to be there, and increased our focus on the well-being of our people as they juggle personal and professional lives, help educate their children and care for friends, family and colleagues. Across KPMG, people have stepped up to the challenge with true resolve, producing critical work for clients and helping others in their communities — from delivering food to the elderly and supporting local businesses, to working with voluntary services.

We've placed a high priority on engaging with our people and using their insights and views to help shape and drive our agenda. We continue to run regular listening events and surveys, to gather feedback and — crucially — to translate ideas into action. In these times, our people have a lot to say about what they expect from work, as demonstrated by the 78 percent response rate to our most recent annual Global People Survey.

With the future world of work remaining uncertain, our Global People Steering Group (comprised of the People Leaders from our largest KPMG firms and regions), has been crafting and actioning our response during this period, as well as identifying key themes and actions for the future. In addition, we're running a 12-month program called the Next Generation Council, which includes a diverse group of younger KPMG people eager to shape new and better ways of working. These initiatives are helping to define improved working environments and address areas such as flexible working, diversity, technological capabilities, training and career development, mental health, well-being and social impact.

It is these diverse views that are helping us to create fulfilling career opportunities for our people. And while we still have a lot to do, we are proud that our achievements have been widely recognized. For example, business students have consistently ranked KPMG as one of the 'World's Most Attractive Employers to Work For'.

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Helping tackle societal issues, such as physical and mental health, growing inequality and access to education require us to draw on our Purpose and Values. They remind us that our organization is first and foremost about people.”



**Nhlamu Dlamu**  
Global Head of People  
KPMG International



# Our commitments

## Inclusion & diversity

- Have an inclusive culture, built on trust; have an educated, empathetic workforce; and be an advocate for equal opportunity.
- Eliminate discrimination in respect of employment and occupation.
- Empower women in the workplace, marketplace and community.

## Health & well-being

- Protect the health of our people — both physically and mentally — and enable them to be effective and productive.

## Continuous learning

- Develop a continuous learning culture.

## Human rights

- Respect human rights.





# Inclusion & diversity

We believe an inclusive culture, which values diversity, leads to better decision-making, drives greater creativity and innovation, better meets the needs of our clients and is more motivating for our people. As a signatory to the UN Global Compact Principles and UN Women's Empowerment Principles, we're committed to eliminating discrimination in employment and occupation, and empowering women in the workplace, marketplace and community. These principles lay a foundation for our efforts to create a world where everyone is treated fairly and gender, race and identity are not barriers to fulfilment.

The events of the past year have put racism firmly in the spotlight, once again requiring a renewed focus on our approach to inclusion and diversity (I&D). The tragic killing of George Floyd in May 2020 led to a powerful movement for real change that swept across many parts of the world. People said 'enough is enough'. We, too, wanted to change.

In July 2020, we held a 72-hour virtual discussion called Courageous Conversations, inviting all our people across the globe to share their views and build solutions to help KPMG become an even more inclusive organization. This unique, crowd-sourced event led to the development of our Collective Action Plan — co-created by our people, I&D experts, and leaders around the world. The plan, built around three principles, sets out the practical steps we will take to tackle injustice and inequality.

## Our commitments:

Have an inclusive culture, built on trust; have an educated, empathetic workforce; and be an advocate for equal opportunity.



Eliminate discrimination in respect of employment and occupation.



Empower women in the workplace, marketplace and community.



## The three principles underpinning our Collective Action Plan

1

**An inclusive culture, built on trust**

2

**An educated empathetic workforce**

3

**Be an advocate for equal opportunity**



Sanjna Mander of KPMG in the UK

To hold ourselves accountable for change, we're now defining measurable goals that will sit at the heart of this plan, including making our leaders accountable for both new I&D goals and rolling out new global policies. This will ensure that each of us becomes more aware of our expected behaviors, channels for speaking up, and the opportunities we have to take positive action.

We've also committed to creating a clear anti-racism ambition with associated goals and measurements for 2022, as well as to broaden the diversity data we collect and report on so that we can continuously track our progress. To ensure we empower change, we will drive additional education initiatives across KPMG and support our I&D teams to eliminate bias in the development and recognition of talent. In recognition that we all need to do better, we will be renewing our efforts to support and educate our clients and communities so others can learn from our experience, enabling us to accelerate and empower change more broadly.

While many of these actions are still to be rolled out, many KPMG firms are already taking action by setting bold goals and holding their leaders accountable for progress.

Throughout 2020, we hosted online events for our people to promote the importance of inclusion. Experts provided guidance on how to empower change and gave advice on becoming effective allies. In June, more than 2,500 of our people joined our inaugural Global Pride Conference, an online event to learn from civil rights experts, KPMG leaders and Pride champions. In December, more than 3,000 KPMG people joined our International Day of People with Disabilities Summit, to hear from disability advocates and accessibility leaders, as well as learn from the experiences of our colleagues.

While we're aware of the need to empower change across KPMG firms, we also recognize the role we can play to help accelerate greater inclusion and diversity across business and within our communities.



Senda Kavindele of KPMG in the UK



## Holding ourselves accountable for change

KPMG in Canada set a 2022 goal to achieve a partnership of 30 percent women and 20 percent visible minorities. The Management Committee is already 62.5 percent female.

The UK firm's Board has already achieved gender parity and is now driving further change through programs such as its 10-week GROW program, which provides coaching for women, LGBT people, persons with a disability, those from low socio-economic backgrounds and other underrepresented groups. Their Black Lives Action Plan is accelerating efforts to double the proportion of Black colleagues in leadership positions, and everyone across the UK firm has been asked to take part in a new *Allies* program for our Black colleagues, with leaders accountable for progress.

Meanwhile Accelerate 2025 is a 5-year strategy from KPMG in the US, to have more individuals from underrepresented groups choose KPMG in the US as their employer of choice, build careers with us, and advance to leadership positions within the US firm and within the accounting profession. The KPMG US Chairman and US Management Committee are accountable for measurable progress against that strategy and cascading accountability to their respective management teams.

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As we look to the future, we must act with urgency, purpose, and stewardship. KPMG in the US has launched Accelerate 2025 to ensure that more individuals from underrepresented groups choose KPMG as their employer of choice, build careers at KPMG, and advance to leadership positions within our firm and within the profession. Our commitment to fairness through education and building healthy communities remains strong. Additionally, we are proud to partner with KPMG firms around the world to become a net-zero carbon organization by 2030, while continuing to operate on 100% renewable energy and take additional actions to address climate change.”



**Paul Knopp**

US Chair and Chief Executive Officer  
KPMG in the US



## Driving education and awareness across the world

KPMG in France celebrated The European Disability Employment Week, raising awareness of how inclusive work environments for people with disabilities foster innovation and creativity. Through daily awareness actions, this helped our people understand how to be an effective ally to those with disabilities.

The Abilities in Motion (AIM) Business Resource Group (BRG), in the US firm, supports partners and employees who have a disability or who serve as a caregiver for someone with special needs. In addition to this support, the BRG Advisory Board champions the AIM 1i5 (one in Five) program — named after the fact that one in five Americans has a disability — which invests in developing the next generation of AIM leaders through mentorship, recognition and career advocacy.

The Leading with Pride program in KPMG Australia is about to hit its second year running. Designed for future leaders who identify as LGBTQ+, it focuses on further developing their leadership skills so they become the inspiring and impactful leaders they want to be, and our clients need them to be. And to drive inclusive leadership, our Australian firm also rolled out a program to help partners understand how to see and address personal bias.

**Internal and external leaders and LGBT champions speak to more than 2,500 of our people during our Global Pride Conference in June.**





## Supporting our communities

In the US, many Black businesses and families cannot access capital from banks in their communities. In response, our US firm is working to advise the Black Bank Fund and National Black Bank Foundation, to strengthen Black-owned banks through direct investment. This capital will allow these banks to extend new loans to Black entrepreneurs, families and businesses. This non-profit foundation will simultaneously provide financial literacy and wealth-building programs for the communities in which these banks operate.

KPMG in Brazil's Impulse program offers 50 one-year scholarships to young Black talent, which includes third-party support for learning English as a foreign language and learning through KPMG's Journey to Digital. The program also offers mentoring sessions, networking and international immersion opportunities, to improve career chances inside and outside KPMG.

In several countries, KPMG firms have made a major contribution to gender diversity through involvement in the 30% Club, which campaigns for countries' top companies to achieve 30 percent women on their boards. KPMG in the US is also the global lead sponsor of the [WomenCorporateDirectors Foundation](#). This is the preeminent organization for women directors globally, which aims to increase women's representation on boards and in board leadership positions, and offers educational governance programs, networking opportunities, applications for open board seats and a powerful global peer community.

IT's Her Future is our UK firm's initiative to drive gender diversity within technology, both at KPMG and with our clients. In this ongoing program, we aim to attract, recruit, engage, promote and retain women at KPMG. Since it commenced in 2016, the proportion of female joiners into technology roles within KPMG in the UK has increased from 25 percent to 44 percent, with the program winning numerous awards. We've expanded the initiative to other KPMG firms including China, the Netherlands and Australia.

In India, KPMG's Aspire program empowers disadvantaged girls who are also first-generation learners in their family. We support the girls with technology and English classes, 'soft' skills development, career counselling, mentoring, educational visits, extracurricular activities and funding for school and college fees.





## Our performance

While we're making progress with inclusion and diversity, we want to do much more. We already report on a range of goals relating to diversity, inclusion and other elements of our I&D Collective Action Plan, but we believe more focus is needed and we are developing further goals and measurements. Through our 2020 Global People Survey, we do know that the vast majority of our people (87 percent) feel they're treated with dignity and respect at work. Of the partners promoted internally in 2020 (including the new FY21 partner class), 30 percent were female in our largest ten KPMG firms.<sup>4</sup>

<sup>4</sup> Including KPMG Global Services.

Safia Mirza of KPMG in the UK

## Age % by level as at 30 September 2020

Leadership



Management



Team members



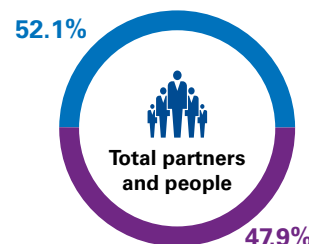
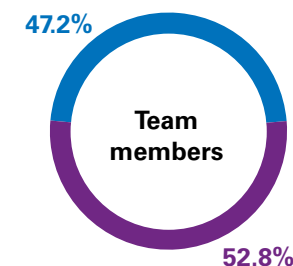
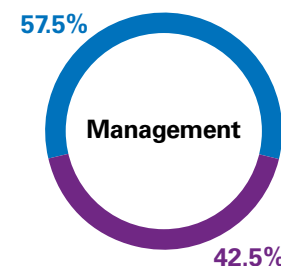
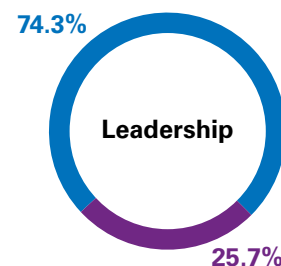
Total people



■ <25 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55+

Percentages based on KPMG people employed as at 30 September 2020. Excludes internships and contingent labor. Leadership includes partners and other senior directors.

## Gender % by level as at 30 September 2020



● Male  
● Female

Percentages based on KPMG people employed as at 30 September 2020. Excludes internships and contingent labor. Leadership includes partners and other senior directors. KPMG does not yet gather data on other genders.



# Health & well-being

We place great importance on our duty to care for our people. During the pandemic, our number one priority has been our people's health and well-being.

Through our expanded listening strategy, which included running monthly COVID-19 pulse surveys, we brought our people together during the pandemic to share their experiences and talk about the support they needed — in both their work and personal lives. It enabled us to adapt, rapidly, to offer greater flexibility in working hours and support our people with home working. Our Next Generation Council also had plenty of useful ideas for improving how we respond to, and anticipate, our people's needs.

Listening in this way also alerted us to the disruption and stresses our people were experiencing because of COVID-19. In September 2020, we hosted a virtual World Mental Health Day Summit, where 6,000 people across more than 70 countries and territories joined Global Chairman & CEO, Bill Thomas, to hear personal stories from colleagues and external mental health advocates, and learn about coping strategies from experts and physicians. Additionally, we've provided further expert support for our people, and all Global Board

countries provide an employee assistance offering that includes mental health and well-being support.

Lockdowns notwithstanding, we've also been busy making our many locations safe for people to return to work. Throughout the pandemic, we've collaborated across countries and territories to ensure we learn from one another, helping to develop and adopt common principles for people returning to KPMG or client offices. From managing access to our buildings and implementing phased returns, to providing vital information to estate managers and workers via mobile apps, enhanced office cleaning and hygiene, we're demonstrating our commitment to protecting our people's health and well-being.

## Our performance

In a recent internal COVID-19 people survey across 60 KPMG firms, which represent 61 percent of our global headcount, 87 percent of respondents said they're confident that KPMG leaders will protect employee health and well-being, and 94 percent said they're able to maintain focus on clients, goals and objectives despite their current challenges.

## Our commitments

Protect the health of our people — both physically and mentally — and enable them to be effective and productive.

3 GOOD HEALTH AND WELL-BEING





# Continuous learning

The demands on our people are evolving at breath-taking speed. In the past year alone, we've all learned how to carry out highly complex tasks virtually through online collaboration. It's a reminder of the importance of continuous learning. But we aren't just equipping our people with the tools to succeed within KPMG; we want to help them build the skills they need to thrive in what will be, for many, a multi-organization, multi-vocation career.

KPMG firms around the world offer comprehensive learning opportunities via technology, third-party resources and academia. Partners and people have the chance to work with some of the world's leading business study organizations, while our KPMG Business School encompasses technical, business and leadership skill development. Everyone who joins a KPMG firm participates in our performance development process, where they are encouraged to develop a tailored personal development plan in conjunction with their manager.

Given the irreversible move to a digital world, we continue to invest in reskilling people in emerging technologies. We're training in critical technology areas driving digital transformation, such as big data, artificial intelligence (AI), machine learning, cloud computing, robotic process automation, blockchain and more. In addition to our own learning platforms, we're leveraging third-party learning platforms like LinkedIn Learning and Pluralsight.

## Our commitments

Develop a continuous learning culture.



## Our performance

KPMG firms continue to invest heavily in our people's professional and personal development. In our 2020 Global People Survey, 77 percent of respondents agreed that "KPMG helps me with opportunities to learn new skills and develop myself"

During the pandemic, the demand for digital learning surged, including a 500 percent increase in the use of KPMG's Virtual Classroom platform. We immediately pivoted our learning to online, including upskilling our Learning & Development teams to better support our people, clients and other stakeholders.

## FY20 training provided to our ten largest firms by headcount

# 45 hrs

Average annual training hours per individual

# US\$1,062

Average training costs per individual

Average training costs and hours provided for the largest ten KPMG firms by number of people, inclusive of data for KPMG Global Services. Excludes professional designation training, such as training to become a certified public or chartered accountant.

# Human rights

KPMG has publicly committed to the United Nations (UN's) Guiding Principles on Business and Human Rights, as outlined in our International Business and Human Rights Statement. This reflects our respect for human rights and builds on our long-standing support for the UN Global Compact, to which we are a signatory. This means supporting the protection of human rights, avoiding being complicit in human rights abuses (including those involving business relationships), and helping to eliminate all forms of forced, compulsory and/or child labor.

We expect all of our stakeholders, including our suppliers and clients, to respect the internationally recognized human rights set out in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We will take action if a human rights risk is identified.

While the professional services industry is not typically considered a high-risk sector for labor-related breaches, we are acutely aware that risks can arise across our operations and supply chain. We have a critical role to play in managing potential harm to people through a risk-based approach to human rights due diligence. We also acknowledge that we're early in our journey to fully understanding our human rights risks and impacts, and we are committed to the work necessary to improve this understanding so we can take all necessary action.

## Our performance

Reporting against the IBC Stakeholder Capitalism Metric on the 'risk for incidents of child, forced or compulsory

labour' has provided us with an opportunity to better understand some of our human rights risks and impact.

We continued our journey by working closely with KPMG Banarra, a dedicated business and human rights consultancy based in KPMG Australia, to identify areas of potential risk across KPMG globally including service delivery centers, suppliers, alliances and investments.

We focused on factors that can elevate risk including working with vulnerable populations or on engagements in high-risk geographies. Through this work, we identified aspects of our operations and supply chain that could be exposed to potential risks including property and facilities services, procurement, and client services (depending on the client, sector and engagement type).

Having conducted this work, we are now commencing a risk assessment which considers our processes to manage these risks. This will inform priority areas of focus and help us build a roadmap of actions that we will scale and implement in line with industry standards and leading practice.

As we strive to continuously improve, we will draw on the practical experiences of KPMG firms across the globe. For example, KPMG Australia has adopted a Human Rights Policy with specific modern slavery commitments, a measured approach to embedding human rights controls, and is actively supporting business to understand the 'risk to people' with the Australian Human Rights Commission.

## Our commitments

Respect human rights.





# Prosperity

Driving purposeful  
business practices and  
good corporate citizenship.





**We passionately believe that the work we do for clients should also be good for our people, our communities and the world at large.**

We have a fundamental commitment to serve the public interest and build trust. Everything we do has to be underpinned by objectivity, independence, ethics and integrity, from our commitment to lead the profession in audit quality and drive responsible tax practices, to launching KPMG IMPACT and delivering the highest quality work to advisory clients. Through our audit and tax services, KPMG firms aim to help businesses to run in a fair and transparent way, and through KPMG IMPACT and our advisory services, we aim to help clients become more effective and resilient in the face of rising volatility and complexity. This in turn fosters wider economic growth and prosperity.

In FY20, KPMG posted aggregated global revenues of US\$29.22 billion and employed almost 227,000 people across 146 countries and territories. But we believe we have a wider responsibility to support sustainable growth and stakeholder capitalism than is indicated by these measures alone. By focusing on being a purposeful business, we are accelerating our own work, and our work to support clients deliver against a broader environmental, social and governance agenda.

One area of focus for KPMG firms is in amplifying our efforts on education and lifelong learning and continuing to work in our communities. With the help of our people around the world, we believe we have the opportunity and responsibility to support others on their education journey.

“

Together, guided by our Values, we strengthen markets, facilitate sustainable growth and drive progress throughout society. Our passion for doing the right thing is rooted in our 150 years of history and is what makes this organization KPMG.”



**Bill Thomas**  
Global Chairman and CEO  
KPMG International



# Our commitments

## Purposeful business

- Always act with a clear purpose.
- Lead the profession in audit quality.
- Drive a responsible tax practice.

## Education and communities

- Support education and lifelong learning.
- Provide UNESCO with pro bono resources for the Global Education Coalition.





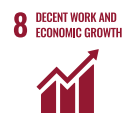
# Purposeful business

## Our commitments:

Always act with a clear purpose.

Lead the profession in audit quality.

Drive a responsible tax practice.



We aim to act with clear purpose at all times, inspiring confidence and empowering change, not just for our people and clients, but for society at large. By living our Values — Integrity, Courage, Excellence, Together, For Better — and considering the impact of our work from the perspective of a broad range of stakeholders, we believe we're driving purposeful business, fostering prosperity on as broad a scale as possible and helping to address the biggest issues facing our planet. This is true across all areas of our business.

## Making a positive impact on billions of citizens

Healthcare technology giant, Philips, has a bold ambition to improve the lives of 2.5 billion people by 2030 — including 400 million in underserved communities. Acting responsibly towards the planet and society is in the company's DNA, and it aims to embed its purpose further into every part of the organization, showing its people how their daily activities drive the business and make the world a better place.

A vital step in this journey is to bring together financial and non-financial performance indicators, incentives and rewards. KPMG has been working with Philips' leadership, to build a framework for making decisions based upon this broader definition of value, including performance dashboards, visualized as a compass, to highlight progress.

We helped them test the approach in key markets and businesses, refining the framework as we went along. The company is now integrating purpose-related targets and metrics into management decision-making, and cascading this to people at all levels of the organization — which has increased employee engagement. By reimagining the definition of 'success' in business, Philips should be in an even stronger position to gain a competitive edge by creating value for all its stakeholders.

## Supporting Taiwan's focus on social enterprise

Since 2014, KPMG in Taiwan has been engaged with the local government to put social procurement at the heart of capitalism. Taiwan's Social Innovation Action Plan (2018 to 2022) aims to create an ecosystem for social enterprises to nurture and grow small or medium-sized enterprises into successful — even publicly listed — companies. KPMG supports the plan by bringing in the private sector to support core strategies such as legal adaptation, innovative platforms, fundraising and incubation. All of which helps to drive a positive environmental and social impact, as well as revenue growth, job creation and business innovation.



## Decarbonizing New South Wales' electricity infrastructure

KPMG Australia developed a comprehensive electricity infrastructure roadmap for Australia's New South Wales (NSW) government, to support the state's transition from coal-based generation to clean, renewable resources. Being Australia's most populous state, NSW represents 33 percent of Australia's economy.<sup>5</sup> This energy transition represents a once-in-a-generation opportunity that "could set NSW up to be a global energy superpower."<sup>6</sup>

Working with the government, KPMG Australia crafted a policy designed to work for energy users, investors and communities and which is designed to attract up to AU\$32 billion in private investment in regional energy infrastructure by 2030; support over 6,300 construction and 2,800 ongoing jobs in 2030, mostly in regional NSW; save around AU\$130 a year on the average NSW household electricity bill and AU\$430 a year on the average small business electricity bill between 2023–2040; and contribute to the NSW Government's Net Zero Plan by delivering 90 million tonnes of reduced carbon emissions by 2030.

We bring integrity to financial reporting and help ensure the successful working of the markets, by giving investors the confidence in the information they need to make key decisions. That's why we're committed to leading the profession in audit quality. And it's why accountability for audit quality starts at the very top of our organization, with every KPMG leader responsible for continually raising the bar for quality, integrity and public trust. We are making significant investments to drive consistency and quality across our global audit practices and closely monitor audit quality across all KPMG firms.

The Global Audit Quality Committee's responsibility is to strive for globally consistent audit quality. We have a Global Audit Quality Monitoring Group — that we are growing in size and scope — that inspects audits around the world, and a Global Compliance Review Program that reviews KPMG firms' commitment to quality and compliance with KPMG policies. Getting audit quality right is what we are focused on to fulfill our role to society, serve our markets and build public trust. For more information on our approach to audit quality, see the [Global Transparency Report 2020](#).

We recognize that as the world becomes more interconnected and enterprises respond to the demand for greater transparency, the discussion intensifies about who pays tax and where and when they pay it. We're responding to this need with the development and implementation of our Global Responsible Tax Principles and through our Global Responsible Tax Project, which brings diverse stakeholders to the table to engage in a sustained and robust debate about the issues shaping globalization and taxation.

Our focus on responsible tax also encompasses our advice to clients, our engagement with regulators and other stakeholders, the arrangements of each KPMG firm, and our respective partners' tax affairs. We are committed to acting lawfully and with integrity, to provide high-quality advice and build mutually trusting relations with tax authorities. This is consistent with KPMG's [Values and Global Code of Conduct](#). Read the full [KPMG Principles for a Responsible Tax Practice](#).

<sup>5</sup> Source: NSW Government

<sup>6</sup> Source: Energy NSW





## Our performance

In 2020, we launched KPMG IMPACT, which brings together our capabilities across the globe to help our clients address the biggest issues facing our planet. Through KPMG IMPACT, we support our clients to deliver growth with purpose and support the achievement of the Sustainable Development Goals (SDGs), so all our communities can thrive and prosper.

To deliver higher audit quality, consistency and accountability, our Global Board committed all KPMG firms to a common set of values, standards and service quality expectations. A new Global Quality Framework outlines how every partner and employee contributes to delivering high-quality audits. And through our smart audit platform, KPMG Clara, we're embedding innovative technology and tools for

engagement teams and are rolling this out across the globe. Finally, across our global organization, we are building on our sound quality foundations, enabling KPMG firms' compliance with the new industry-wide quality management standards, expected to be effective from December 2022.

We continue to focus on our Global Tax Principles which encapsulate our commitment to a responsible tax practice and supplement the guidance of the professional bodies by which we are governed. And we continue to drive the debate around responsible tax with diverse stakeholders, building on our KPMG Global Responsible Tax Project, which has facilitated this debate over the past 4 years.

## Driving the debate around responsible tax

The Responsible Tax Project commenced a number of years ago and acknowledged that as a member of the Big 4, we are a stakeholder in the tax system and need to engage in the debate with other stakeholders. The project has brought together a diverse range of stakeholders to debate and discuss issues as and when they emerge.

When COVID-19 seriously impacted people's lives and the world economy, tax systems were on the front lines in many jurisdictions as a tool for swift, short-term support, and a lever for longer-term recovery. As the pandemic continued and certainty remained elusive, there was a growing need for multi-stakeholder discussions on emerging tax issues. Against this backdrop, KPMG continued its series of Responsible Tax roundtables by inviting taxpayers, academia, media, government, global bodies, politicians, non-governmental organizations and tax professionals to virtual roundtable discussions, to share their perspectives and inform thinking on diverse tax issues and responsible tax behavior. These kept the global Responsible Tax community connected, and helped build an understanding of the immediate, medium and long-term responses to COVID-19. Participants shared perspectives on how tax policy could support a post-COVID-19 recovery, and the potential challenges and opportunities of various approaches. In December 2020, KPMG launched a new publication called [Tax policy considerations in the wake of COVID-19](#), using insight from these roundtable events.



# Education and communities

## Our commitments:

Support education and lifelong learning.

Provide UNESCO with pro bono resources for the Global Education Coalition.

3 GOOD HEALTH  
AND WELL-BEING



4 QUALITY  
EDUCATION



10 REDUCED  
INEQUALITIES



17 PARTNERSHIPS  
FOR THE GOALS



We recognize that education is key to lifting people out of poverty and is one of the most powerful drivers of economic growth, social mobility and well-being. That's why KPMG's Global Board is committed to supporting SDG 4 'Quality Education and Lifelong Learning' globally. We're currently establishing quantified and measurable impact-focused goals that we will track, measure and report.



## Enhancing social inclusion and prosperity through education

We're a flagship partner with [Enactus](#), an international organization that supports future leaders and drives positive change in communities across the globe. We help to connect students with academic and business leaders, through entrepreneurial-based projects that empower people to transform opportunities into real, sustainable progress. KPMG has supported Enactus for more than two decades and, today, uses its scale to mentor students and support national programs in more than 30 countries. In 2020, we were the presenting sponsor of the Enactus World Cup, to showcase social enterprise projects. A record 500,000 attendees, from 81 countries, participated virtually. KPMG people acted as judges and panellists, and 97 percent of attendees said they learned something that will help them in future.

KPMG in India is working with children studying at schools in marginalized communities, who lack access to computers and laptops at home. With schools closed across the nation, they're shifting to online classes. In addition to providing over 65 laptops and more than 450 tablets, volunteers from KPMG in India are helping teachers develop virtual content for students, and holding story reading sessions. Volunteers have also held sessions to help in subjects such as Economics and Accountancy for students in the senior grades who are struggling to keep up with online teaching. These efforts are making a difference in keeping children engaged at home and maintaining their learning momentum.

In response to the pandemic, KPMG in the UK adapted its education program to reach more than 45,000 young people from disadvantaged backgrounds, preparing them for the world of work, helping with academic support and mentoring. In 2018, the UK firm founded National Numeracy Day, a campaign that raises awareness of the importance of numeracy in everyday life and helps people feel confident with numbers. In 2020, 54,000 people started their journey towards improved numeracy, bringing us to a total of over 103,000 since 2018 and more than 1,300 organizations have signed up as champions. As part of the UK firm's Pro Bono for Better program, it supported the Oak National Academy, an online classroom built as a collective response from teachers and education specialists to support children's learning at home and guard against further disruption. With the support of the Department for Education, the UK firm helped produce 10,000 lessons in a 4-week period to complement the provision of lessons, both in school and virtually. In Oak's first term, 20 million lessons were delivered to 4.7 million Oak pupils. In recognition of our work, the UK firm won Best Community Programme at the 2020 Social Mobility awards.



KPMG in India helped distribute laptops and tablets to students and teachers to help with the transition to virtual classrooms and avoid disruption to children's learning during the COVID-19 pandemic.

US\$79m

Cash contributions from  
KPMG firms, their partners  
and people

Volunteering activities

US\$17m

US\$12m

Pro bono engagements

Other (including  
management costs)

US\$16m

US\$124m

**Total community  
investment value**

\* All figures are in US\$ millions

**Number of hours '000s**

81

Pro bono engagements

395

Volunteering activities

476

**Total community  
investment hours**Community investment data based on information received  
from KPMG firms with annual revenues over US\$100 million.**Samuel Ajayi-Obe of KPMG in the UK**



During the pandemic, over 1.5 billion learners have had their education severely impacted. The closure of schools and the move to remote learning has had a disproportional impact on vulnerable children, especially those with limited or no access to technology. We're proud to be one of the private sector founding members of [UNESCO's Global Education Coalition](#), along with Microsoft, GSMA, Weidong, Google, Facebook, Zoom and Coursera. As part of this initiative, we're deploying subject matter experts from KPMG firms around the world, on a pro bono basis, to help scale up distance learning solutions, so that no child or young person is left behind.

The stress the pandemic has placed on our communities has been felt far and wide. We have each experienced or heard stories of the loneliness our colleagues, loved ones or the elderly have faced during lockdowns; seen the stresses placed on the emergency services and healthcare workers; and seen the struggles many have dealt with getting the food, medicines and other essential supplies they need to meet their basic needs. Throughout these times, we try to use our skills and resources to help alleviate these burdens by making an immediate difference to those that need it the most.

## Our performance

We recognize more needs to be done and are establishing impact-focused targets against SDG 4. Currently we monitor the monetary value and time investment KPMG and its people make in support of community initiatives, the majority of which is focused on supporting education and lifelong learning.

## Supporting our communities through the pandemic

[KPMG China](#) raised more than US\$500,000 in donations through a staff-matched fundraising appeal, which helped to fund urgently needed medical supplies and equipment. Meanwhile in Ireland, our people volunteered to support elderly citizens at home. At KPMG in Italy, we've supported 45 Family Houses that host about 800 care leaver children for many years. In 2020, we doubled our financial contribution to supply health equipment and provide hundreds of refurbished KPMG computers to children, giving them critical access to online teaching while helping advance the circular economy.

During the height of the pandemic's first wave, KPMG in South Africa committed US\$135,000 to support education, food relief and action against gender-based violence. One organization we're supporting with this investment is Face Clues, a non-governmental organization that uses speech therapy techniques to improve language at schools. KPMG in South Africa also supported 10 Early Childhood Development Centers through teacher stipends, reaching more than 500 children and 70 staff.



A teacher and pupils from South Africa work on speech therapy techniques as part of the Face Clues program.



# Governance

**Our Values lie at the heart of the way we do things. To do the right thing, the right way, always.**



**O**ur Purpose and Values guide us and continue to shape our business, informing our actions and defining the work we do every day. To inspire confidence and empower change, we need to consider the economic, environmental and social impact of our activities, align our financial and societal performance as part of a shift towards stakeholder capitalism, and ensure we have strong governance to oversee all our activities.

Our work with the World Economic Forum, setting the IBC metrics for ESG reporting, is one example of how we're using our experience and knowledge to help shape the future of sustainable business. We are seeing this work as part of the wider role we believe we must play to get to harmonized, consistent and credible information on sustainability matters — both risks to and impacts by companies. We have been pleased to accept roles at the International Integrated Reporting Council (IIRC), FSB Taskforce on Climate-related Financial Disclosures (TCFD), Corporate Reporting Dialogue and Sustainability Accounting Standards Board (SASB), among others.

“

Through Our Impact Plan we intend to measure our year-on-year progress, holding ourselves accountable for transforming our words into action.”



**Jane Lawrie**  
Global Head of Corporate Affairs  
KPMG International

**Our Values represent what we believe in, and what's important to us as an organization.**

Integrity

Excellence

Courage

For better

Together

# Our commitments

- Act lawfully, ethically and in the public interest.
- Work against corruption in all its forms, including extortion and bribery.



## A highly experienced governance body

KPMG has a strong governance structure for overseeing our activities, setting policies and aligning our Strategy with our Purpose. KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG global organization. Its governance bodies are comprised of the Global Council, the Global Board, the Global Management Team (GMT) and Global Steering Groups.

The Global Board is the principal governance and oversight body of KPMG International, currently consisting of 24 members from diverse geographies that reflect KPMG's global presence. The key responsibilities of the Global Board include approving strategy, protecting and enhancing the KPMG brand and reputation, overseeing the GMT and approving significant policies with which KPMG firms must comply. It also approves the admittance or termination of KPMG firms as members of our global organization. You can find out more about our Global Governance in our Global Transparency Report 2020.

The tenure of our Global Chairman & CEO is limited to two terms of 4 years, while our Regional Chairmen's terms on the Global Board are limited to their term of office in their regional role. Tenure for our other Global Board members is 2 years, with members eligible to be appointed for one or more additional terms. All members of the Global Board are executive members; it has no independent members.

Consistent with KPMG's global policies, all personnel, including Global Board members, are required to comply with detailed policies on conflicts of interest and auditor independence, as well as

KPMG's Global Code of Conduct, which includes specific additional responsibilities for leaders.

Global Board members, like all our people, are prohibited from acting as the director or officer (including company secretary) of any non-KPMG entity except for: a not-for-profit that is not an audit or assurance client; an entity established for personal family reasons that is not a client; or an appointment made in the normal course of conducting restructuring engagements.

Global Board members have a broad range of economic and social competencies. Board members have either economic/finance-related degrees and/or accounting qualifications and all have experience in running national KPMG practices which entails consideration of economic, social and environmental issues. Many Global Board members are involved in senior roles with not-for-profit organizations in areas such as education, and inclusion and diversity, as well as in national and international professional bodies and business associations. Some Global Board members have experience entailing environmental competencies.

The Global Board receives regular updates and education on economic, environmental and social issues as part of its role in considering and approving KPMG International's various significant projects in these areas, many of which have been outlined in this, Our Impact Plan.

There are three female Global Board members and five members of the Global Board that identify as members of underrepresented social groups.





## Key risks which have increased over the last year include:

### Environmental, social and governance (ESG):

stakeholders are expecting increasingly ambitious, rigorous responses to climate change, health and well-being, inequality and other ESG issues. In 2020, to support our clients, we launched KPMG IMPACT, which brings together our capabilities across the globe to help our clients address these issues.

### Geopolitical:

anticipating, evaluating and adapting to changes resulting from geopolitical events or economic volatility. KPMG's Geopolitics team have played an increasingly critical role through 2020 supporting KPMG firm clients to better understand the geopolitical matters affecting their businesses.

### Technology:

the accelerating pace of technological change requires an effective technology and digital enablement strategy, to meet our stakeholder expectations and financial growth objectives. We continue with our multi-year US\$5 billion investment in technology, innovation and people.

## Understanding the material issues relevant to our business and our stakeholders

KPMG has a diverse range of stakeholders, including our people, our clients, our local communities, governments, regulators, academia, the media and the capital markets. To understand what most concerns this group, we carried out extensive research in late 2019, surveying C-Suite, external stakeholders and the public in seven of our largest markets: Canada, China, France, Germany, Japan, UK and US. We also used employee engagement and employee trust data before and during the pandemic and took into consideration the shifting stakeholder and business priorities arising from global and societal issues — from COVID-19 and Black Lives Matter to the #MeToo movement.

These findings were augmented with significant business risks from our Enterprise Risk Management (ERM) framework, along with material issues identified by KPMG firms. The result is a list of 12 issues which are considered most material to both our stakeholders and our organization:

- Ethics, integrity and independence
- Relevant, quality services in the public interest
- Financial and brand resilience
- Information protection

- Transparency and accountability
- Talent attraction, development and retention
- Purpose, culture and values
- Inclusion, diversity and equal opportunity
- Health, well-being, workload and job security
- Technology and innovation
- Climate action
- Impactful community initiatives

KPMG International has an Enterprise Risk Management (ERM) program led by our GMT and overseen by the Global Board Quality, Risk Management and Reputation Committee. The program uses our proprietary Dynamic Risk Assessment methodology to identify, connect and visualize risks across four dimensions: likelihood, impact, velocity and connectivity. The pandemic has shown just how interconnected risks can be and how quickly they can escalate, so this enhanced approach to risk assessment has never been more relevant. It helps us better understand the risks we should focus on.

Every KPMG firm is required to identify and manage its risks, including those arising from the above issues — through a formal risk assessment process for which each KPMG firm's leadership takes responsibility.



Our global client and engagement acceptance and continuance processes and policies help us identify and evaluate any potential risks, ethics or compliance issues prior to accepting or continuing a client relationship or performing a specific engagement. KPMG firms are required to evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client or engagement acceptance or continuance decisions pose significant risks, additional approvals are required. You can read more in our [Global Transparency Report 2020](#).

## Setting the highest standards of ethical conduct

At KPMG, we know that trust is earned by doing the right thing. We're committed to the highest standards of personal and professional behavior in everything we do. Ethics and integrity are core to who we are and everyone at KPMG is held to this promise of excellence. Being signatories to the [UN Global Compact](#), we work against corruption in all its forms, including extortion and bribery.

Our [Global Code of Conduct](#) outlines the responsibilities all KPMG people have to each other, our clients and the public. It shows how our Purpose and Values inspire our greatest aspirations and guide all our behaviors and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities.

In our Global Code of Conduct, we clearly state that we don't tolerate illegal or unethical behavior within KPMG or from clients or suppliers or public officials with whom we work. Bribery and corruption are unethical, even in situations where it might not be considered illegal in a particular jurisdiction.





All KPMG firms are required to have processes to assess prospective clients, sub-contractors and suppliers in relation to bribery and corruption. KPMG firms must also assess their bribery and corruption environment annually and establish and maintain processes to monitor, manage and control the interactions of the firm, its personnel and its agents with government entities and government officials, in order to ensure compliance with applicable law and regulation and to maintain public trust. You can find out more about KPMG International's position on bribery and corruption [here](#).

KPMG International develops Code of Conduct training for everyone at KPMG and everyone is required to confirm their understanding of, and compliance with, the Code of Conduct on joining KPMG and annually after that. KPMG firms monitor our people's completion of this training, as well as the completion of training on bribery and compliance with laws, regulations and professional standards. Any individuals contracted to provide services to KPMG firms should also undertake applicable ethics training.

Additionally, KPMG firms and professional accountants are bound by the International Code of Ethics for Professional Accountants (including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA)). KPMG has policies and

procedures to enable KPMG firms and their people to comply with these standards.

We also help businesses remain alert to new threats and respond to any fraud risks. For many years, through our Global Fraud Barometer, we have helped identify the latest fraud trends and patterns affecting the economy.

### Speaking up, safely

KPMG has a comprehensive approach to monitoring and reporting any illegal or unethical acts. Our Global Code of Conduct sets out a clear process for anyone seeking advice or wanting to report illegal or unethical behavior, and we openly encourage a culture of speaking up without any fear of reprisal. KPMG firms are required to have reporting mechanisms for individuals to report any illegal or unethical acts that take place internally or externally, with clear policies on when to escalate reported incidents to Global or Regional leadership.

Supporting our 'speak up' culture, KPMG International has a hotline for reporting any suspected instances of unethical behavior. The service is managed by a third party and is available to all KPMG people, clients and other third parties. This is in addition to other mechanisms that may exist within our KPMG firms.

## Supporting non-executive careers

In recognition of the demanding and important role that board members play in championing outstanding governance, and the challenges that they face in meeting their responsibilities, KPMG firms' Board Leadership Centers (BLC) aim to help board members enhance their commitment and ability to help drive long-term sustainability and enhance stakeholder confidence. Operating in over 40 countries and territories, KPMG firms engage with directors and business leaders through an array of BLC programs and perspectives — including the KPMG Audit Committee Institute — to help articulate their challenges and promote continuous improvement of public and private company governance. Drawing on insights from KPMG professionals and subject matter experts worldwide, the BLC delivers practical thought leadership — on risk and strategy, talent and technology, globalization and compliance, financial reporting and audit quality and more — all through a board lens. An example of the support and insight the BLC provides can be found [here](#).



**A**s part of The World Economic Forum's International Business Council, KPMG has been part of a task force developing universal and material ESG metrics. For more information on how we are using the Stakeholder Capitalism Metrics, and other reporting frameworks, such as the GRI Standards and the UN Global Compact Principles, to report against our most material topics, [click here](#).



# Contacts

For more information on our ESG journey and the details within Our Impact Plan, please contact:

**Jane Lawrie**

**Global Head of Corporate Affairs**

KPMG International

E: jane.lawrie@kpmg.co.uk

**Serena Brown**

**Global Head of Corporate Citizenship**

KPMG International

E: serena.brown@kpmg.co.uk

To speak with KPMG IMPACT on how KPMG firms can support you on your ESG journey, please contact:

**Richard Threlfall**

**Global Head of KPMG IMPACT**

**Global Head of Infrastructure**

KPMG International

E: richard.threlfall@kpmg.co.uk

**John Kjorstad**

**Global COO, KPMG IMPACT**

KPMG International

E: john.kjorstad@kpmg.co.uk

[home.kpmg/socialmedia](https://home.kpmg/socialmedia)



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