



UK Corporate Responsibility Report 2020




In respect of the year ended
30 September 2020

February 2021

kpmg.com/uk



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It all adds up



Matt Young
Interim Head of Corporate Affairs



Throughout our 150-year history, we have played a role supporting the economic, social and environmental health of the UK. That's evident in everything we do – for our people, our clients and the communities in which we live and work.

Even though this has been an extraordinary year, the fundamentals of our Corporate Responsibility strategy remain unchanged: to use our skills and expertise where we know they will have the biggest impact. We tackle disadvantage, improve opportunities for young people and protect our environment. It's part of our mission: to support the UK in a connected world.

Even in the face of personal and professional challenges, our people continue to give their time, and their talents, to those that need them. We take our national social mobility strategy and modify it to address the needs of a specific place. This year's numbers speak for themselves: our volunteers reached tens of thousands of young people virtually.

Our charity partnerships

In May 2020, the NSPCC received a record number of calls to Childline. Like many charities, it saw a considerable drop in income because of the pandemic.

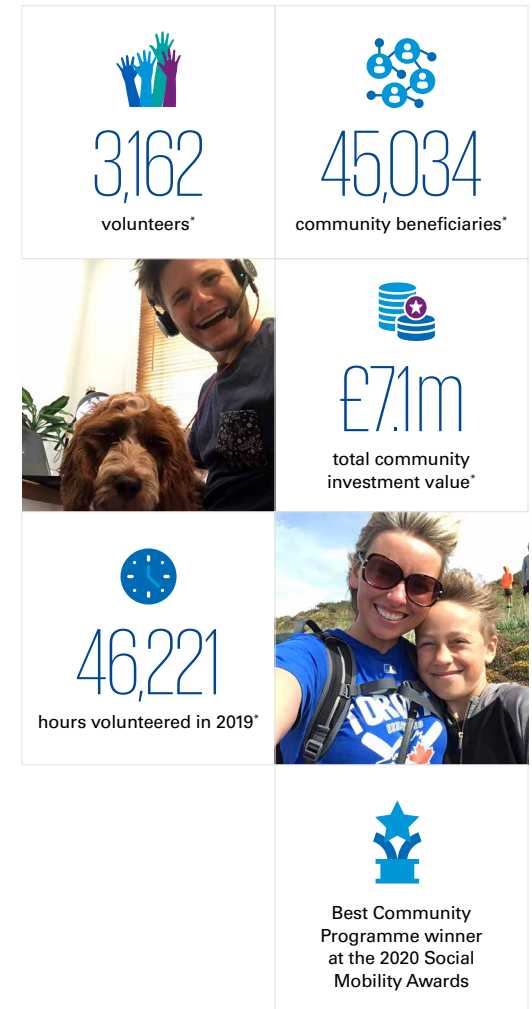
For that reason, we decided to extend our partnership: we have now raised over £1.2 million for the NSPCC. We also raised over £135,000 for our strategic and local charity partners during 2020.

Our roadmap to net zero

Having met our 10-year target to reduce our carbon emissions by 20%, we now plan to become a net zero business by 2030. We've also set targets approved by the Science-Based Targets initiative.

The story of our year

We have made a real difference for the environment, society and our communities – and so much of that difference has been because of the commitment of our people. As we look ahead, to 2021, we know that our plans are ambitious. What matters, though, is that our entire firm is committed to our Corporate Responsibility agenda.



* data assured by Grant Thornton

Environment and sustainability

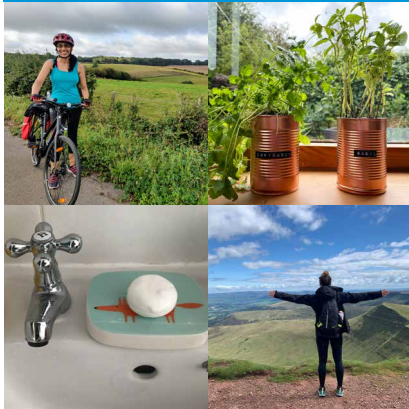
We are driving real and sustainable environmental change.



Environment and sustainability

We've made bold commitments to achieve the following by 2030:

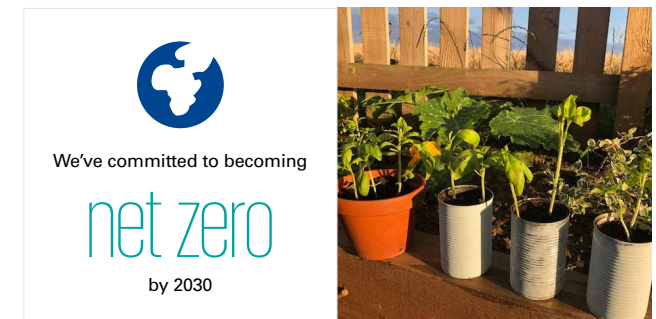
- use 100% renewable energy across our estate
- reduce the carbon impact of our supply chain and business travel significantly
- become a zero waste business – eliminating all avoidable waste from our operations



We'll be net zero by 2030

Our emissions in FY20 dropped by 58% compared to the previous year. While this is partly because of government restrictions and advice to work remotely where possible, our emissions were already on a downward trajectory. Our new ways of working, including a reduction in business travel of over 50% across all modes, helped us to exceed our 10-year target and reduce our carbon emissions by 71% from 2010.

To build on all that we achieved between 2010 and 2020, we have a new, 10-year strategy, including ambitious environmental targets, approved by the Science-Based Targets initiative. This puts us on course to become a net zero business across our entire value chain by 2030¹.



I have learnt to appreciate the smaller things in life."

Shruthi
Manager, Audit

Protecting the planet, from home

Cycling to work and growing her own vegetables have been Shruthi's way of giving back to nature in the past, but during the pandemic, she wanted to do more. "I could not resist joining Hubbub's Live Savvy Championship." The five-week Championship was a real eye-opener for Shruthi. "By taking part, I have become much more aware of my surroundings and the ways I can protect them. I have learnt to appreciate the smaller things in life like watching a seed sprout or a flower bloom. Most importantly, I have learnt to appreciate others' work and the value of sharing my learnings with them too."

Out of over 260 colleagues who signed up to the Championship, Shruthi was crowned our ultimate Live Savvy Champion, for completing the most sustainability challenges. "I am proud of the difference I have made in living a more sustainable and healthy life."

¹ Meeting our Science-Based Targets by 2030 will ensure our carbon footprint is reduced in line with the requirements set out in the Paris Agreement to limit global warming to less than 1.5 degrees.

Environment and sustainability



By switching to a renewable energy provider, participants in the Live Savvy Championship have saved the equivalent amount of emissions required to take a return flight from

London to Tokyo 3 times

By swapping to plant-based meals, our people have saved the equivalent amount of energy required to charge



7,652 smartphones



Through various water-saving measures, such as shortening showers and checking for leaks, participants in the challenge saved an estimated

138,230 litres

Our people are making a difference

With the pandemic re-shaping the way we live and work, we have to manage our environmental footprint differently. Our people have a huge role to play. We've hosted engaging and inspiring speaker events to help our people drive positive environmental action from home. We're delighted that over 600 colleagues joined us virtually for sustainability-focused webinars in 2020.

Our Live Savvy Championship, in collaboration with environmental behaviour change charity Hubbub, also saw employees take practical action to live more sustainably. From making their food go further to getting creative with plant pots, they've been able to save water, reduce carbon emissions and limit food miles too. We're proud of the impact they've made.

Our suppliers are helping drive change too

When setting our science-based targets, we made a bold commitment to significantly reduce the carbon impact of our supply chain. To work towards this ambition, we've doubled the number of suppliers we're collaborating with to reduce our collective emissions.

We're pleased that in our most recent survey, 63% of the suppliers on our sustainable procurement programme reported a decrease in carbon emissions. We know we have a responsibility to help our suppliers on this journey and work collaboratively with them to share best practice. We are proud that Carbon Disclosure Project (CDP) has awarded us Supplier Engagement Leadership status, in recognition of our work in this area.

We're also working closely with the Living Wage Foundation and Disability Confident Scheme to drive improvements and raise awareness across our supply chain.



CDP rating for 2020

A-



Awarded Supplier Engagement Leadership status from CDP



Number of colleagues who joined our sustainability webinars

600+



Education

We're harnessing the
power of education.



Education: boosting skills

Boosting skills across the UK

Numeracy, literacy and lifelong learning are the building blocks for social mobility. They lay the foundations for a healthy, inclusive economy. We know the COVID-19 crisis will have a profound impact on the skills development of our young people, particularly those from disadvantaged backgrounds.

We are supporting this lost generation. We're doubling down on our efforts to create opportunities for those from lower socio-economic backgrounds. Through our place-based approach, we're taking collaborative action on literacy, increasing numeracy engagement across the UK and boosting essential skills to power social mobility and lifelong learning.

We've adapted our education programme to reach tens of thousands of students facing significant academic and wellbeing challenges. We continue to evolve our work in response to the changing needs of schools and students.

Numeracy

We're committed to driving collaborative action on numeracy. With nearly half the working-age population possessing the numeracy skills of a primary school child, we know more needs to be done. Our work goes some way to help these people fulfil their potential and ensure the UK economy recovers after COVID-19.

National Numeracy Day

We were the founding supporter of National Numeracy Day in 2018, a campaign that raises awareness of the importance of numeracy in everyday life and helps people feel confident with numbers.

Due to COVID-19 restrictions, the third National Numeracy Day took place as a virtual festival on 13 May 2020. Featuring contributions from Skills Minister, Gillian Keegan; money expert, Martin Lewis; and TV presenter and mathematician, Rachel Riley, the campaign garnered support from businesses including Amazon, Pearson and Santander. Our support included a virtual 'Numeracy in the News' workshop with The Economist Educational Foundation.

In 2020, 54,000 people started their journey towards improved numeracy, bringing us to a total of over 103,000 since 2018. Over 1,300 organisations signed up as champions in 2020 (compared to 201 in 2019).



People who have taken the
National Numeracy Challenge
since 2018

100,000+



Champion organisations
who supported National
Numeracy Day 2020

1,300+



Education: numeracy

The Royal Institution: Maths Masterclasses

The Royal Institution (Ri) is an independent charity whose vision is to inspire young people to think more deeply about science and its place in our lives. We supported the Ri's 2019 Christmas Lectures, which saw mathematician Dr Hannah Fry bring the hidden power of maths to life, captivating millions of viewers. We gave our partner schools the opportunity to attend the live filming of the lectures and we invited pupils from partner schools to watch the screenings from our London and Birmingham offices.

As a follow up to the lectures we then launched our Maths Masterclass series with the Ri. These increase young people's engagement and confidence in working with numbers by exploring engaging and inspirational maths problems.

92%

of students said our Numeracy in the News programme with the Economist Educational Foundation helped improve their listening and understanding skills



10,000

downloads of our Numeracy in the News digital resources

Numeracy in the News

The Economist Educational Foundation is an independent charity, established by *The Economist*. In collaboration with the Foundation and with the support of our volunteers, we launched the Numeracy in the News programme, which helps young people make sense of the world using numeracy and to develop key critical thinking skills. By analysing data and statistics, students learn how numbers are applied in the real world and how journalists use them to bring news stories to life. In its pilot year, our in-person events reached over 100 students and our online resources saw 10,000 downloads from teachers and students across the UK.

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I took part in the Numeracy in the News workshop because I wanted to help students develop their numeracy skills in a fun and different way to what they'd normally be taught in a classroom. It was an enjoyable experience to see the different perspectives of the younger generation surrounding news stories and the reasons why they think numeracy is important."

Shaheen
KPMG 360 Apprentice

Education: literacy



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Reading unlocks a new world for children, and our support – through book donations and additional reading lessons – will make a massive difference to young people who might otherwise miss out. There's no better reward than watching children flourish and develop their own passion for literature."

Kat

Assistant Manager and Edinburgh Reading Partner School Champion

Literacy

One in five children leave primary school without reaching the level of reading they need to do well at secondary school – a figure that rises to one in three of our poorest children. Poor literacy skills hold people back. It also comes at a huge cost to the UK economy – an estimated £2.5bn each year².

Our long-standing support for action on literacy continues to gather momentum. We're bringing businesses together on this critical issue and running innovative outreach programmes, to mitigate against the negative impact of COVID-19 on young people's enjoyment of reading and literacy skills.

Vision for Literacy Business Pledge

Through our role as lead business signatory for the Vision for Literacy Business Pledge, we champion much needed change. Established in 2015, 79 leading businesses in 2020 publicly committed to help close the nation's literacy gap and boost social mobility. With COVID-19 having a significant impact on the literacy of disadvantaged students, our collective role is now more important than ever.

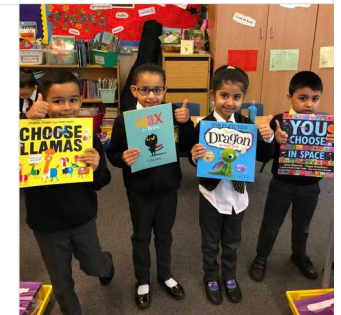


Vision for Literacy Business Pledge – co-founded by KPMG in 2015 – has now signed up

79 businesses

10,000+

books pledged to schools and early years settings across 18 social mobility coldspots and Opportunity Areas



Students enrolled on our virtual Tutormate Literacy programme made almost

2 levels

of reading progress – above expected development when measured against peers



² Every Child a Chance Trust, 2009. The Long Term Costs Of Literacy Difficulties.

Education: literacy



Reading the Future

Our flagship project this year in support of the Vision for Literacy Business Pledge was Reading the Future – a campaign with the National Literacy Trust providing Instant Libraries to 150 schools in areas with the worst social mobility outcomes. Reading the Future offers a virtual reading programme supported by author ambassadors and our volunteers, and participating schools benefit from free National Literacy Trust Membership, to further develop their literacy provision.

We know the importance of starting early and have also recently launched a campaign to increase the diversity of bookshelves in early years settings through our Little Box of Books initiative.

Books Unlocked

In celebration of the National Literacy Trust's Books Unlocked prisoner programme – an initiative which uses the power of reading to help prisoners reach their potential. Over the course of three months, we convened a range of stakeholders to bring to life the issues of literacy and lifelong learning. With visits from the Duchess of Cornwall, Baroness Lola Young of Hornsey OBE, and representatives from Key4Life and the Booker Prize Foundation, we considered the issues society faces today and how we might tackle them in the future. As well as raising awareness, we also made a donation from every coffee purchased at the event in support of the Books Unlocked programme.



KPMG's Reading the Future campaign will play an important role in mitigating risk by helping 22,500 disadvantaged children across the UK unlock a love of reading that can help them flourish at school and provide comfort during this uncertain time.

By gifting Instant Libraries to 150 primary schools that need them most, alongside incredible virtual storytelling from the firm's volunteers and leading children's authors, KPMG is helping to combat the potential long-term impact that school closures will have on disadvantaged children's life chances if their literacy ability falls even further behind that of their peers."

Jonathan Douglas CBE

Chief Executive of the National Literacy Trust

Education: lifelong learning



Since its inception in 2013,
WorkReady has supported over

13,000 students

83%

of students reported
improvement in teamwork skills
as a result of WorkReady –
our flagship employability
programme delivered exclusively
in social mobility coldspots



Our online coding classes
have been viewed

17,000

times in over 30 countries

Lifelong learning

Recognising that the world of work will constantly change, we complement our action on numeracy and literacy with transferable skills development. This enables young people to become lifelong learners and means that the generation of young people impacted by COVID-19 has the skills it needs to move into, and between, jobs.

WorkReady

Delivered exclusively in social mobility coldspots, or areas with poor social mobility outcomes, our flagship employability programme WorkReady educates thousands of students about the changing world of work and the 4th Industrial Revolution. It opens their eyes to the importance of digital fluency, adaptability and transferable skills such as creativity and problem solving using the Skills Builder framework. Our focus is on quality: we offer schools a tailored evaluation report and resources for teachers; our volunteers then deliver school assemblies to reiterate the importance of these skills.

As well as integrating Skills Builder into our outreach programmes, we are taking learnings from our community programme to improve skills in our own business. We are using the Skills Builder framework – making us a Skills Builder Trailblazer company.

We are trialling it with our Level 3 Business Administration apprentices. The framework explores what essential skills are, why they matter and how apprentices can boost them.



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I wanted to give
something back
to others who
may also be
struggling to find
their feet."

Safia
DevOps Engineer

Taking the complexity out of coding

After four years in Finance, Safia found her home in Technology at KPMG. "After seeing the increase of robotics and automation in my job, I found it fascinating and something clicked for me. This was what I wanted to do! I've been very grateful for the support and guidance I have received at KPMG, it has been such a brilliant opportunity".

Reflecting on the opportunity she'd been given, Safia wanted to help others discover their passion for technology too. "I wanted to give something back to others who may also be struggling to find their feet." The Introduction to Python Programming course, which in 10 weeks, upskills students with no prior knowledge of coding to become game-makers and financial fraud decipherers, has helped her achieve just that.

Having been viewed 17,000 times in over 30 countries, the programme has helped remove the complexity from coding, so much so that 85% of our participants told us they are now considering a career in technology.

Education: a place-based approach



Our place-based approach to tackling educational inequality was named the Best Community Programme at the 2020 Social Mobility Awards

Almost
20%

of community beneficiaries are from areas across the UK which have poor social mobility outcomes (coldspots)



Our place-based approach

Regional inequality across the UK is a major concern, which is why we take a place-based approach to target areas of greatest need.

We recognise that each area is unique. We take our national social mobility strategy and modify it to address the needs of a specific place. We also know we cannot go alone, so we work collaboratively with our charity partners. We know this will be of particular importance as we come to terms with the aftermath of COVID-19 and address the inequalities it has created.



By 2022, we now want to raise the percentage of beneficiaries of our community volunteering programme to

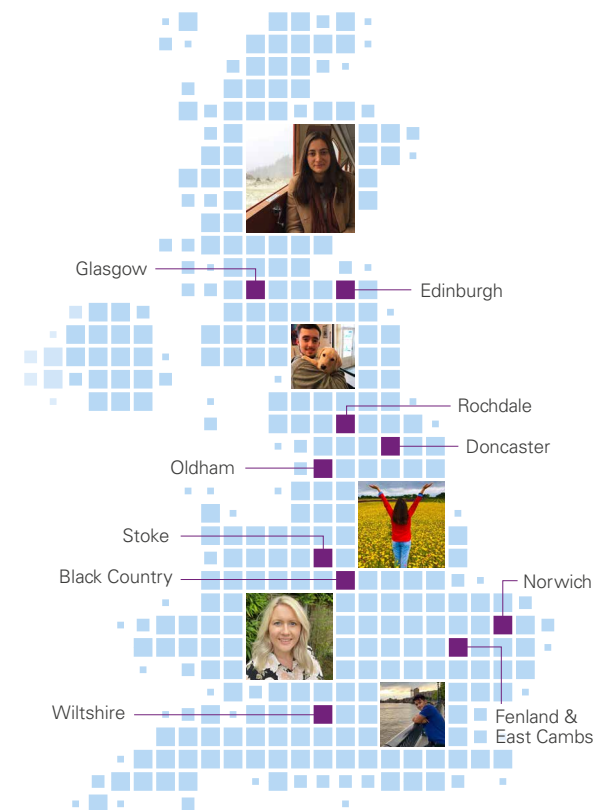
30%

Convening the business community

We are leading business engagement as a Cornerstone Employer in four Opportunity Areas: Norwich, Black Country, Fenland and East Cambridgeshire, and Oldham. We're also anchor lead for the Business in the Community Places campaign in Rochdale, working alongside several businesses to develop a roadmap to address local inequality.

Bringing together Cornerstone Employers

As a proud Cornerstone Employer for over three years, we were delighted to host the Careers and Enterprise Company's (CEC) inaugural national Cornerstone Conference: Businesses Backing Social Mobility in January 2020. The event coincided with the launch of the CEC's Closing the Gap research which revealed that in 18 months, the number of young people missing out on an employer encounter dropped from 1.2m to 700,000. Bringing together over 100 businesses, the event focused on the importance of creating meaningful encounters between young people and employers.



Pro bono for better



The support of KPMG has been outstanding. Their expertise meant our 300 teachers could focus on what they do best – teaching – safe in the knowledge the team from KPMG was making everything run smoothly behind the scenes.”

Matt Hood

Principal, Oak National Academy

Oak National Academy

Educational disruption caused by COVID-19 risks widening the attainment gap between poorer students and their more advantaged peers. To support students, and to help teachers and students guard against further disruption, we helped create the online classroom Oak National Academy. With the support of the Department for Education we helped produce 8,000 lessons in a four-week period to complement the provision of lessons both in school and virtually. Our people worked as project managers, supporting teams of teachers and overseeing the quality assurance of lesson production. In Oak’s first term, 20 million lessons were delivered to 4.7 million Oak visitors.



I’ve always been passionate in addressing the educational disadvantage in the UK and strongly believe in the power of education, so when I came across the opportunity to support Oak National Academy, it instantly caught my attention! We were an army of people, passionate about making sure students have access to good education regardless of the circumstances. Despite never having met anyone in person, we built a great friendship. The experience enabled me to work on something new and gave me a real sense of purpose and achievement. It was such a rewarding experience.”

Haengeun

Infrastructure, Government, Healthcare Modelling Assistant Manager



2,000 hrs

volunteered by our people
to support teachers as they
planned and prepared
8,000 lessons



Strategic philanthropy

**We give our time, and our expertise,
to those that need it most.**



Strategic philanthropy



Over

£1.2m

raised for the NSPCC



1,109

colleagues have spent
9,938 hours fundraising

Our national charity: the NSPCC

We are proud of our National Charity partnership with the NSPCC and everything we have achieved together so far. In recognition of this, and in light of the significant challenges the pandemic has created for children and young people, we decided to extend our partnership until September 2021. This will allow us to continue to fundraise, share our skills and expertise as a business and support the NSPCC and Childline as it implements its 10-year strategy.

Unsurprisingly, the pandemic has both exacerbated existing, and created new, challenges for children's emotional and mental wellbeing, with Childline experiencing a record number of calls as a result. For this reason, we remain more committed than ever to support through fundraising, volunteering and pro bono services.

Virtual fundraising highlights

Of our £1.5m fundraising target, we raised over £1.2m by December 2020. Even though the pandemic disrupted many of our planned fundraising events, our people have demonstrated their commitment to the NSPCC through innovative virtual fundraising opportunities instead. More than 1,000 participants took part in our virtual Around the World fundraiser, which resulted in our people collectively travelling over 100,000km for Childline. In addition, our people have organised virtual quizzes, exercise classes and taken part in the NSPCC's Run 30 and Ride 300 challenges.



Strategic philanthropy



Our donations supported the delivery of

14,300

Childline counselling sessions



140 colleagues have provided

1,245 hrs

of pro bono support



£940,000+

worth of support via time, skills and expertise



146,600+

children in 760 schools reached through the Speak Out, Stay Safe schools programme

Skilled volunteering and pro bono highlights

We know that COVID-19 has created challenges for schools and charities, so in response, we've volunteered our time and skills to help the NSPCC adapt to the new reality of working. We've used our expertise to support the NSPCC in its development and implementation of a refreshed organisational strategy and are supporting them to navigate the operational challenges presented by the pandemic.

We've also provided digital and analytical support: facilitating the implementation and training of Microsoft Teams, for use by NSPCC colleagues; and leveraging advanced analytic and visualisation techniques to analyse Childline Online message board data. The NSPCC will be able to use this to assess children's needs and shape future programmes and support.



It's been great to work with like-minded people, who are passionate about making a difference."

Ga Lok

Service Experience Lead for Learning

Shaping strategy through technology and teamwork

Ga Lok has been supporting the NSPCC for over a decade. On Sundays, he volunteers as a Childline counsellor, something he has now done for eight years. He's also raised over £5,000 for the charity by running the London Marathon. To add to this admirable list of support for the NSPCC, earlier this year, he took the unique opportunity to combine his passion for volunteering with his consulting skills, on a pro-bono strategy project.

The NSPCC needed our support to find a mechanism for gathering ideas across the organisation, to help shape its strategy, so Ga Lok led a team of KPMG experts to deliver a workshop responding to this ask. "We demonstrated how we use journey maps to show rich, multi-dimensional visualisations of the customer/employee experience. We covered creative problem-solving and frameworks to prioritise ideas, so the NSPCC can make maximum impact with its funds."

Shaping strategy through the use of technology has been exciting for Ga Lok, but it's the teamwork he's enjoyed most. "It's been great to work with like-minded people, who are passionate about making a difference."

Developing together: governance for better

**We share our leadership skills
with schools and charities.**



Developing together: governance for better

During the pandemic, the leadership skills our volunteers bring to charities and schools are even more valuable. We provide everyone with six days per year to volunteer. For governance roles, this increases to eight days in total.

We are proud to support over 500 school governors, charity trustees and enterprise advisers within our colleague population, who have collectively volunteered over 10,000 hours to their communities this year.



charity trustees, school governors
and school enterprise advisers



10,000+
hours volunteered
to communities
through these roles



We now support
nearly 50 families
with food parcels
on a weekly basis.”

Hamza
Data Protection Officer

Working with the most vulnerable

Hamza became a charity trustee to play his part in supporting the most vulnerable in the London borough of Harrow. As the pandemic struck, his charity had only been operational for less than six months, but it worked hard to respond quickly to the needs of the community. By converting a disused warehouse, located in central Harrow, to a fully functioning food bank, the charity made a huge difference to those most impacted by the challenges the pandemic presented. “We provided nearly 7,500 hot meals to frontline NHS staff in Northwick Park Hospital and to vulnerable residents in Harrow. We now support nearly 50 families with food parcels on a weekly basis.”

Reinvesting in his community, to ensure a safer and more equal environment for all, has been a rewarding experience for Hamza. “It has made me more humble by recognising the fortunate position I’m in.”

Developing together: governance for better



After-school crisis management

Amanda chose to become a school governor as an opportunity to give back to her local community. Little did she know, at the time of taking on the role, that a global pandemic was just around the corner. This would test her leadership skills in ways they have never been tested before.

It was 3.30pm on the last Sunday of half term. 154 children were due to return to school in 17 hours' time and Amanda had just received some worrying news: a member of the school community had tested positive for COVID-19, with the potential to have exposed all staff and key worker children to the virus too.

What a way to build crisis management skills! "In under 45 minutes, the headteacher and I were able to talk through plans, decide next steps and manage the communications plan." Amanda attributes their ability to respond quickly to the trust they have built together, as headteacher and chair of governors, over the past two years.

"I feel proud of the support I offer. The experience has helped me feel part of my community again and this has contributed to my confidence at work too."

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I feel proud of the support I offer ... it helped me feel part of my community again."

Amanda
Legal Services Solicitor



Helping students start their career journey

Throughout her university years, Kasturi felt as if she didn't always have access to meaningful careers advice, support and opportunities. She wanted to help change this cycle of social immobility for others, so signed up to become an enterprise advisor. "I wanted to work with young children to make sure that they received the support, mentorship and guidance they needed to flourish in their chosen career paths".

Kasturi enjoys the unique opportunity this role gives her to inspire students across London. "My highlight was when I shared my career journey with hundreds of students and received warm and positive feedback in return."

Being able to create such a positive impact on society makes every part of this role worth it for Kasturi. "It has given me a sense of satisfaction to know I am motivating someone to embark on a great journey".

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I wanted to work with young children to make sure they received the support they need."

Kasturi
Corporates Consulting
Assistant Manager

KPMG Foundation

The KPMG Foundation is dedicated to improving the lives of some of the UK's most vulnerable children.

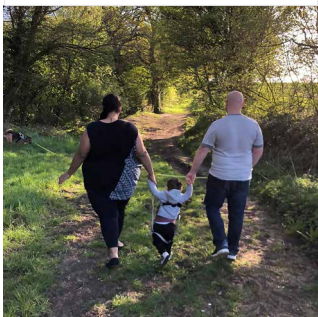


KPMG Foundation



£395,000

of additional grants awarded
during the pandemic



No child left behind

The KPMG Foundation is dedicated to improving the lives of some of the UK's most vulnerable children, including those in care. It focuses on helping children through their early years, including through 'whole family' approaches, in school, and through adolescence, wherever, whenever and however the greatest benefits can be achieved.

It is an independent charity supported by KPMG and celebrated its 20th anniversary in 2020.

The KPMG Foundation's response to COVID-19: respond, recover, renew

The pandemic has affected everyone. It has exposed the inequalities in our society more starkly than ever. For the most vulnerable children and young people growing up in disadvantaged communities and struggling families, the impact has been immense. The loss of contact between schools and families during March to September 2020, deprived many children of a vital safety net. It widened the already existing 'learning gap' between the poorest children and their better off peers. And it's these children who mostly lack the resources to make home learning a credible option.

The new National Tutoring Programme (NTP), was therefore a great fit for the Foundation, and investing £0.5m in it also helped leverage over £300m of government funding.

Tutors have been recruited from across England particularly in the most disadvantaged regions, to reach children already behind in primary and secondary schools, one to one or in small groups, in maths, English, sciences and humanities. The first tutors started after October half term, working in close collaboration with class teachers and school leaders. The NTP is in its first year, with potential to become more embedded in the education system for years to come.

We are proud of how the charities we work with have adapted to support families, schools and young people this year. Working with toddlers to teens and beyond, including from the most troubled backgrounds, their commitment and innovation has been inspiring. All of them are passionate about what they do, and the Foundation is proud to have provided £395,000 of additional support through this exceptional period.

KPMG Foundation

The Funder Pledge: to Listen, Learn and Act for the Long term

Communities and charities in the UK who've been hardest hit by the pandemic already know that funds are scarce. Their needs have grown.

The KPMG Foundation is a signatory to the Funder Pledge, to Listen, Learn and Act for the Long term. We work with a small number of charities and we will invest up to £5m in them over the next three to four years, to help ensure they are sustainable for the future. We will share our learning and work with them to help create lasting change in children's lives.

www.kpmgfoundation.org.uk



Improving lives of the UK's
most vulnerable children
and young people for

20 years



Early stage commitment
of £0.5m in the new
National Tutoring Programme
will support at least

250,000

children, across England,
by summer 2021



2020 has been a tough year – the needs in communities have risen, just as income has fallen. Our charity partners have pulled out all the stops for children at home and in school, often at speed, and in very uncertain times. We're listening, learning and understanding what they need for the longer term."

Judith McNeill
CEO, KPMG Foundation

Our data

**External assurance of our
environmental performance
and impact on the community.**



Our data

Our environmental impact

Our environmental performance during FY20 was materially affected by the impact of COVID-19. That said, we have continued to work to reduce our energy consumption and our carbon emissions where possible.

In November 2019, we achieved certification to ISO50001, the standard for Energy Management Systems. The development of the system has enabled us to monitor and report energy consumption more effectively and identify areas for continual improvement. Our electricity consumption has reduced 20% against FY19 due to the reduced use of our office estate during the pandemic. However, our natural gas has remained broadly the same, as lockdown occurred during the warmer months.

By using remote collaboration technology across the firm, we reduced the amount of business travel in FY20. We continue to purchase renewable energy for our managed estate and this year collaborated with our landlords in our leased buildings on renewable energy purchasing. We're pleased to report that 85% of the electricity we consume is purchased with Guarantees of Origin from renewable sources.

Please refer to the appendix for full reporting criteria.

Environmental KPI	2020*	2019*	2018*	2017#	2010#
Scope 1					
Natural gas (kWh)	11,349,922	12,031,497	12,908,266	11,126,743	–
Natural gas (kgCO2e)	2,086,910	2,211,991	2,374,605	2,049,145	3,334,743
KPMG owned/leased car travel (kWh)	1,525,469	–	–	–	–
KPMG owned/leased vehicles (kgCO2e)	364,287	906,271	1,207,723	1,325,004	1,383,514
Total – Scope 1 (kgCO2e)	2,451,197	3,118,262	3,582,328	3,374,149	4,718,257
Scope 2					
Electricity consumption (kWh)	18,445,331	23,382,774	23,280,460	26,411,803	–
Electricity emissions (location-based) (kgCO2e)	4,300,345	5,981,898	6,590,000	9,285,333	–
Electricity emissions (market-based) (kgCO2e)	946,441	1,117,083	2,428,808	3,247,760	20,750,717
Total – Scope 2 (kgCO2e)	946,441	1,117,083	2,428,808	3,247,760	20,750,717
Total – Scope 1 & 2 emissions (location-based) (kgCO2e)	6,751,542	9,100,160	10,172,328	12,659,482	–
Total – Scope 1 & 2 emissions (market-based) (kgCO2e)	3,397,638	4,235,345	6,011,136	6,621,909	25,468,974

* Denotes financial year

Denotes calendar year

Our data



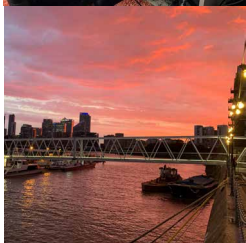
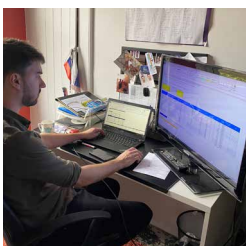
Environmental KPI	2020*	2019*	2018*	2017#	2010#
Scope 3					
Business-related car travel (kgCO ₂ e)	1,097,768	2,287,572	2,404,447	2,476,743	4,213,005
Air travel – short (kgCO ₂ e)	788,569	2,256,767	2,684,882	2,086,554	2,154,324
Air travel – medium (kgCO ₂ e)	1,140,324	2,901,549	3,519,208	3,112,774	3,483,660
Air travel – long (kgCO ₂ e)	10,880,008	29,798,651	33,737,688	29,162,389	26,100,724
Air travel – total (kgCO₂e)	12,808,901	34,956,968	39,941,778	34,361,717	31,738,708
Rail travel (kgCO ₂ e)	565,113	1,570,335	1,964,556	1,229,001	1,474,910
Transmission and distribution electricity (kgCO ₂ e)	369,829	507,406	561,757	868,156	1,670,969
Well to tank (kgCO ₂ e)	2,163,378	5,234,537	5,691,862	5,287,214	5,295,214
Total – Scope 3 (kgCO₂e)	17,004,988	44,556,818	50,564,401	44,222,831	–
Total – Scopes 1, 2 & 3 (market-based)	20,402,626	48,792,164	56,575,536	54,362,431	69,861,780
Total – Scopes 1, 2 & 3 (location-based)	23,756,530	53,656,978	60,736,729	56,882,313	–
Emissions per employee (location-based) (kgCO₂e)	1,503	3,257	4,088	4,072	6,814
Intensity ratio – Scopes 1 & 2 (market-based) (kgCO₂e/FTE)	427.15	552.46	697.36	906.26	–

Please refer to the appendix for full reporting criteria.

* Denotes financial year

Denotes calendar year

Our data



Environmental KPI

	2020*	2019*	2018*	2017#	2010#
Additional disclosures					
Purchased goods & services ³ (kgCO ₂ e)		128,873,000	153,962,000	–	–
Water (litres)	85,045,161	96,244,248	100,917,922	118,231,977	118,790,000
Paper (sheets)	19,034,000	35,808,000	39,866,875	46,781,575	78,433,500
Waste					
Total waste (kg)	1,336,920	1,969,074	2,642,252	2,813,597	2,495,504
Recycled waste (kg)	1,052,170	1,693,788	2,187,625	2,378,090	1,282,719
% waste recycled	79	86	83	85	51
Full-time equivalent	15,806	16,472	14,587	13,969	10,252

Please refer to the appendix for full reporting criteria.

³ Purchased goods and services data is reported a year in arrears. Data is obtained through our participation in the annual CDP climate change questionnaire and extrapolated to cover our total supply chain based on supplier spend. This data is reported and validated in the CDP process.

* Denotes financial year

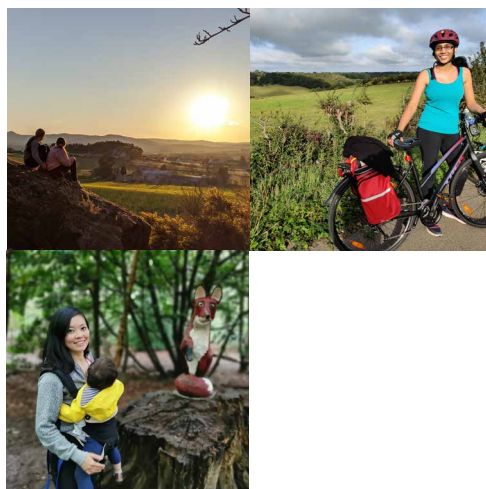
Denotes calendar year

Our data

Our community impact⁴

This year we have seen more targeted and focused volunteering support for the schools and charities our people have longer-term relationships with, such as through governance roles, as our people support them to manage the impacts of COVID-19. We have also supported a record number of beneficiaries as we increased our reach by pivoting to virtual volunteering.

Please refer to the appendix for full reporting criteria.



Community data

	FY20	FY19	FY18	FY17
Community benefits				
Individuals directly supported	45,034	30,395	20,855	17,344
Organisations supported	1,057	1,988	1,092	1,053
Leverage (cash)	£1.7 million	£1.6 million	£1.2 million	£1.0 million
Community investment				
Community contribution (cash, time, in-kind and management costs)	£7.1 million	£6.6 million	£4.9 million	£4.1 million
Number of volunteers during working hours	3,162	4,398	3,123	2,915
Time spent volunteering during working hours	46,221 hours	67,102 hours	48,184 hours	44,067 hours
FTE staff volunteering during working hours	20%	27%	21%	21%

⁴ Data in this table is reported in line with the London Benchmarking Group (LBG) framework where relevant.

Auditor's independent limited assurance report



Independent Limited Assurance Report to KPMG LLP

Grant Thornton UK LLP ('Grant Thornton' or 'we') were engaged by KPMG LLP ('KPMG') to provide limited assurance over the Subject Matter Information described below.

Limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over the information included within KPMG's UK Corporate Responsibility Report ('the Report') for the year ended 30 September 2020 listed in Appendix A to our report ('the Subject Matter Information').

Our assurance does not extend to any other information that may be included in the Report or displayed on KPMG's website for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are KPMG's Environmental and Community Investment KPI Reporting Method Statement as set out in Appendix 1 of the Report ('the Reporting Criteria'). The Subject Matter Information needs to be read and understood together with the Reporting Criteria.

Inherent limitations

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodological and assumption-based limitations KPMG have disclosed in the Reporting Criteria.

Members' responsibilities

The Members of KPMG are responsible for:

- the design, implementation, and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and

- the preparation of the Report and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to KPMG.

Our independence, professional standards and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) 1, 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements' and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's independent limited assurance report

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' ('ISAE 3000 (Revised)'), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410 – "Assurance Engagements on Greenhouse Gas Statements" ('ISAE 3410') issued by the International Auditing and Assurance Standards Board (IAASB). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant KPMG management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- performing selected limited substantive testing of the Environmental data forming part of the Subject Matter Information, including agreeing a selection of the Subject Matter Information to corresponding supporting information.
- evaluating the competence and independence of the KPMG Internal Audit team that performed selected limited substantive testing on the Community Investment data forming part of the Subject Matter Information, including agreeing a selection of the Subject Matter Information to corresponding supporting information.
- Re-performing of a selection of the KPMG Internal Audit team's limited substantive testing.
- considering the appropriateness of a selection of selected carbon conversion factor calculations, other unit conversion factor calculations and other calculations used by KPMG to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- re-performing a selection of selected calculations used by KPMG to prepare the Subject Matter Information;
- performing analytical review procedures over the Subject Matter Information, including a comparison to the prior period's amounts having due regard to changes in the business;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

Auditor's independent limited assurance report

Intended use of this report

This limited assurance report, including our conclusion, is made solely to KPMG in accordance with the terms of the agreement between us. That agreement permits disclosure to other parties, solely for the purpose of KPMG showing that it has obtained an independent limited assurance report in connection with the Subject Matter Information. Our work has been undertaken so that we might state to KPMG those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than KPMG for our work or this report, including our conclusion.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants
Cambridge

19 January 2021

The maintenance and integrity of KPMG's website is the responsibility of the Members of KPMG; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on KPMG's website since the date of our limited assurance report.

Appendix A: Subject Matter Information

1. Environmental data

Underlying Subject Matter	Units	Subject Matter Information	
		2020	2019
Direct emissions – gas and firm owned vehicle fleet [Scope 1]	kg CO2e	2,451,197	3,118,262
Indirect emissions - purchased electricity and renewable energy [Scope 2 – location based]	kg CO2e	4,300,345	5,981,898
Indirect emissions - purchased electricity and renewable energy [Scope 2 – market based]	kg CO2e	946,441	1,117,083
Other emissions from business related car, train and air travel, plus “upstream” emissions such as well to tank (WTT) and transmission and distribution (T&D) [Scope 3]	kg CO2e	17,004,988	44,556,818
Scope 1 energy consumption	kWh	12,875,391	12,031,497
Scope 2 energy consumption	kWh	18,445,331	23,382,774
Total water consumption	litres	85,045,161	96,244,248
Total paper usage	sheets	19,034,000	35,808,000
Total waste	kg	1,336,920	1,969,074
Recycled waste	kg	1,052,170	1,693,788

2. Community Investment data

Underlying Subject Matter	Units	Subject Matter Information	
		2020	
Individuals directly supported	Number	45,034	
Organisations supported	Number	1,057	
Community contribution			
(cash, time, in-kind and management costs)	£million	7.1	
Number of volunteers during working hours	Number	3,162	
Time spent volunteering during working hours	Hours	46,221	
FTE staff volunteering during working hours	%	20	

Appendix

Environmental and community investment data



Appendix: environmental and community investment KPI reporting method statement

Scope of the report

Performance data included within this report relates to: KPMG activity in the UK excluding Gibraltar and the Channel Islands that we had financial control over as of 30 September 2020.

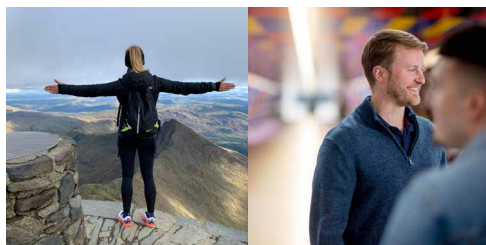
Setting revised baselines

Our policy on environmental and community investment data is that we will:

- Correct any identified errors >1% of the individual KPIs.
- Re-baseline using actual or estimated data if there is a material change to our operating structure.

How we report our key performance indicators (KPIs)

This section of the report outlines the basis of preparation of the key environmental and community investment performance indicators.



Environmental overview

We report energy and GHG emissions data for the following indicators:

- Energy consumption by fuel source (in kWh);
- Energy consumption by type (in kWh);
- Renewable electricity consumption (as a percentage of total grid electricity supplied);
- Scope 1 GHG emissions (in carbon dioxide equivalent (kgCO₂e));
- Scope 2 GHG emissions (in kgCO₂e) using both the location and market-based methods of calculation;
- Scope 3 GHG emissions (in kgCO₂e) for business-related car travel, rail travel, air travel and purchased goods and services;
- Total GHG emissions for Scope 1 and 2 (in CO₂e) for both location and market-based methods of calculation;
- Total GHG emissions for Scope 1, 2 and 3 (in CO₂e) for both location-based and market-based methods of calculation;
- Total annual GHG emissions per Full Time Equivalent (in kgCO₂e/FTE).

Standards and guidance

Our methodology for the reporting of GHG emissions has been developed using the following guidance and standards:

- GHG Protocol standards and guidance, including the Corporate Standard, Scope 2 Guidance and Scope 3 Calculation Guidance; and
- CDP guidance including the 2019 Climate Change Responders Pack and the Technical Note on Accounting of Scope 2 Emissions.

Data gathering process and methods

We use an electronic data collection process to gather our data. Energy usage data is based on invoices from our energy suppliers. Where data does not match our reporting period exactly – for example, where we only have 11 months of data – we forecast this information by extrapolation. For sites where energy invoices are unavailable, we estimate this information based on typical site consumption.

Increasingly, we measure our energy consumption through smart metering, a technology that uses mobile communications to collect real-time consumption data from energy meters.

Renewable electricity definition

Our figures for renewable electricity include all renewable electricity from third-party renewable suppliers which is traceable to KPMG through a signed contract or provision of surrendered renewable energy certificates (RECs). The figures exclude any renewables for which RECs have been passed on and retired by a third party.

Appendix: environmental and community investment KPI reporting method statement

Scope 1

These are emissions within our direct control and include those from:

- Diesel, petrol and other fuel used by cars owned by KPMG or leased for six months or more;
- natural gas used for space heating and hot water in our premises;

Conversion factors from the UK government's Department for Business, Energy and Industrial Strategy (BEIS) have been used to calculate GHG emissions from other fuel sources such as diesel, petrol, natural gas as well as those from vehicles.

Scope 2

These are emissions from electricity purchased to power our offices.

We report two different Scope 2 emission values: one using a 'location-based' method and one using a 'market-based' method. The location-based method involves using an average emissions factor that relates to the grid on which energy consumption occurs. This usually relates to a country-level electricity emissions factor. The market-based method applies if the company has operations in any markets where energy certificates or supplier-specific information are available. The method involves using an emissions factor that is specific to the electricity purchased. We have reported Scope 2 figures using both the location-based and market-based methodologies.

We use emission conversion factors as published by BEIS for each respective year of GHG reporting.

Location-based emissions

Emissions are calculated using a kWh to CO₂e conversion factor provided by BEIS for each calendar year.

Market-based emissions

Emissions are calculated using a kWh to CO₂e conversion factor based on one of the following sources (in order of priority):

- supplier conversion factors specific to our contract; these include some markets where supplies are 100% renewable, and where this is the case, we have sought evidence of singularity of supply; and
- UK residual mix carbon conversion factors from Association of Issuing Bodies (AIB).

Scope 3

Through the development of our Science Based Target, we have conducted an in-depth analysis of our Scope 3 emissions. These are indirect emissions that we do not directly control but that we may be able to influence. Scope 3 emissions reporting include emissions from our suppliers in providing us with goods and services; as well as business travel and indirect supply of fuel (well to tank) and transmission and distribution of electricity.

Purchased goods and services data is reported a year in arrears. Data is obtained through our participation CDP Supply Chain module, an additional service to the CDP Climate Change questionnaire and extrapolated to cover our total supply chain based on supplier spend. This data is reported and validated in the CDP process.

Waste data

The waste data that we report on is based on data provided from our approved waste management contractors. Data is provided on a monthly basis and for individual waste streams including general waste, dry mixed recycling, confidential paper disposal and waste associated with refurbishment activities in our office spaces. Weight data for scheduled collections of general waste and dry mixed recycling are based on industry averages for container sizes, multiplied by the number of collections made.

Recycling data includes recyclable material collected from site, supported with documentation confirming the material status as recyclable, subsequently treated as recyclable material without contamination and reported to KPMG as recycled.

Waste sent for Energy from Waste (EfW) is excluded from recycling data and documentation is provided to support EfW as the end fate of waste material collected from site classified as general waste.

Paper data

Paper data relates to number of sheets of paper purchased within the reporting period substantiated by procurement records.

Water data

Water data relates to consumption of water through actual data from metered supplies. Where actual data does not exist or where data is extrapolated this is estimated based on the typical consumption of a KPMG office using known data sets.

Appendix: environmental and community investment KPI reporting method statement

Community investment overview

We report Community Investment data covering the following indicators:

- Total Community Investment contribution (£)
- Number of employees engaged through volunteering (number of employees)
- % of employees volunteering (% of total employee number)
- Number of hours contributed (hours)
- Number of community organisations supported (number of organisations)
- Number of direct beneficiaries with improved employability skills (number of beneficiaries)

Standards and guidance

Our methodology for the reporting of community investment data has been developed using the following framework:

- London Benchmarking Group Framework for Community Investment

Data gathering process and methods

We use primary data sources from internal management information reporting and from third-party charity partners to collect our community investment data.

Employees volunteering and hours contributed

Internal management information is used to determine the number of employees that have volunteered for community investment activity and to record the number of hours contributed. Additional primary data is obtained from internal surveys and correspondence conducted with employees to identify volunteering activity and hours not centrally recorded. This information is consolidated and manually checked to ensure that volunteering activities and hours are unique and contributions are not double counted. Where employees have confirmed that they have volunteered, but not specified the number of hours contributed, the number of hours calculated is established using an average volunteering time recorded by volunteers participating in the same activity.

While every effort is taken to avoid double counting there is a possibility that activity may be recorded more than once. Our internal process has been established to reduce this possibility as far as is reasonably practical at this time and assurance of data and methodology is sought prior to reporting data.

Percentage of employees volunteering

This is determined using the recorded number of volunteers in the reporting period divided by the overall FTE of the firm.

Total Community Investment contribution

This is the combined total of financial, non-financial, time and management contributions towards supporting the community.

Financial

These are cash donations from KPMG to support community investment activity and that of approved charity partners. These donations are recorded centrally and supported by documented evidence.

Non-financial

These are in-kind donations of tangible assets (including IT equipment, furniture) to support charitable partners. These donations are also recorded centrally and supported by documented evidence.

Management

This includes salary costs and expenses related to employees directly responsible for the delivery of our community investment programme.

Appendix: environmental and community investment KPI reporting method statement

Time

A value of time dedicated to community investment is determined by multiplying the number of hours dedicated to supporting charity partners multiplied by an average hourly rate (by employee grade) for volunteering activity, pro bono arrangements and secondments to charity partners.

Number of organisations supported

This is the number of organisations supported through community investment activity. These are recorded through a combination of direct correspondence with the organisation or confirmation via a third-party broker or charity partner. Records of organisations supported is collated and stored centrally.

Number of beneficiaries

This is the number of individuals supported through community investment activity. The number of individuals supported is recorded through internal and third-party records for each activity and stored centrally. Due to data laws and regulations, individual beneficiaries cannot be individually identified and we endeavour to report transparently the number of individuals benefitting from support. It is not possible to guarantee that each beneficiary recorded is unique.





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