



Ethics & Compliance Program: Overview

"We act with integrity"

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Contents

Culture	1
Our Values	
Code of Conduct	
The communication imperative	3
Touch-points	
Training and communications	
Program oversight	4
Governance	
Governance structure	
Raising concerns	5
Channels of communication	
Ethics and Compliance Hotline	
Ombudsman	
Retaliation: Zero tolerance	6
Monitoring for compliance	6
Key contacts	7

At KPMG, we are proud of our commitment to ethics and integrity and the way we have embedded our Values—including **“We act with integrity”**—into all aspects of our business. KPMG—through its people, Values, programs, and policies—has made it a priority to help ensure that we have an ethical culture where everyone embraces a sense of personal responsibility for doing the right thing in the right way.

This overview highlights how the firm’s culture of professionalism and integrity is supported by our ethics and compliance program, which guides our people as they do their jobs—through a meaningful governance framework, resources, and tools; training and communication; and a robust compliance program. Everyone is encouraged to raise their hands when they have questions and concerns, and retaliation of any kind is strictly prohibited.



Culture

Our Values

KPMG’s Values lie at the heart of the way we do things and define our culture and our commitment to the highest principles of personal and professional conduct.

Our Values can be found in online and offline resources throughout the firm, including one of our most essential tools: [KPMG's Code of Conduct](#).

Integrity

We do what is right.

- Consistently leading by example with high standards and morals
- Being honest and truthful in words and actions
- Navigating pressures honestly, in a challenging environment

Excellence

We never stop learning and improving.

- Setting the standard for and executing with quality
- Continuously building on current performance and culture
- Taking responsibility and accountability for actions

Courage

We think and act boldly.

- Communicating openly and directly
- Striving for innovation and new thinking
- Relentlessly pursuing differentiation in the market

Together

We respect each other and draw strength from our differences.

- Showing care and consideration for others
- Embracing diversity and acting inclusively
- Collaborating within and across teams

For Better

We do what matters.

- Serving and strengthening our markets and communities
- Making the firm better for future generations
- Making a positive impact on society

Code of Conduct

The firm rolled out a new Code of Conduct in early 2018. This Code of Conduct is at the heart of our ethics and compliance program. It helps us to articulate our standards of behavior as we approach our work with professionalism and integrity. By setting forth in clear, conversational prose our Values, shared responsibilities, channels of communication, as well as key policies and protocols, the Code provides a roadmap to guide how our individual and collective commitments to professionalism and integrity should be manifested and maintained.

At the time of hire, and each year thereafter as part of an annual confirmation process, every one of our people is asked to confirm in writing that he or she has read the Code and understands and agrees to comply with it, which includes adhering to our Values, shared responsibilities, global commitments, and promises.

Our commitment to integrity also extends to vendors who conduct business with KPMG. They should read and understand our Code, and they are expected to follow our Code when working with us.

KPMG's Code of Conduct is available on the firm's Web site: www.kpmg.com.



Ethics and Compliance Program

- Provides information and tools to help our partners and employees act with professionalism and integrity.
- Empowers our people to raise questions and concerns without fear of retaliation.
- Promotes an ethical culture in which every individual understands and embraces his or her personal responsibility for doing the right thing in the right way.



The communication imperative

Touch-points

Clear, consistent, and ongoing communication, training, and reinforcement are necessary when building a culture of professionalism and integrity. For KPMG, that important process begins even before new recruits join our firm and continues as employees build their careers with us. At various “touch-points,” we reinforce the firm’s expectations around doing the right thing in the right way and reaffirm that no one has to go it alone. Our touch-points include:

- Recruiting and orientation of campus and experienced new hires, where the firm’s commitment to professionalism and integrity is communicated through presentations, interviews, and training.
- Ongoing performance management, which includes an evaluation of the individual’s performance with respect to ethics and integrity goals.
- Critical milestones, including new managers and new partners, where a person’s history of compliance with our Values and policies is assessed.
- Upon separation from the firm, when questions are asked about the individual’s experience with the firm’s ethical culture.

Training and communications

Every KPMG partner and employee is trained on the firm’s Code of Conduct upon joining the firm. Then, every two years thereafter, we refresh their understanding with online training on the Code, ethical decision-making, and relevant compliance areas.

Ethics and compliance learning points are also incorporated into the firm’s in-person technical and leadership training. Training effectiveness is measured through course completion and evaluation surveys. In addition, a Quarterly Training Summit brings together all of the firm’s professional training leaders to discuss plans, compliance trends, and opportunities for embedding key ethics and compliance messages in training programs.



Other program resources

- Our Ethics and Compliance Resource Center provides KPMG’s personnel with access to timely information about ethics and compliance issues and requirements.
- The firm’s internal news source, *KPMG Today*, is used to convey elements of KPMG’s ethics and compliance program and related compliance topics.
- The firm’s *Employee Engagement Survey* and focus groups are used to assess the firm’s ethical culture.



Program oversight

Governance

Governance is more than an organizational chart. Good governance requires that checks and balances exist at every level to help ensure transparency and objective monitoring of the actions and culture of the organization. KPMG has taken a number of meaningful steps to design a governance structure that supports a model ethics and compliance program.

Among these are the separation of the firm's legal, regulatory and compliance responsibilities from business operations. The firm's Vice Chair - Legal, Regulatory and Compliance also serves as the firm's General Counsel and oversees the firm's legal, government affairs and ethics and compliance activities. Further, the Professional Practice, Ethics and Compliance Committee of the firm's Board of Directors provides oversight and approves the firm's strategy in these areas.

Governance structure

Additional elements of KPMG's ethics and compliance governance include:

Legal, Risk and Regulatory Committee – the principal management-level structure through which the ethics and compliance program is designed, implemented, and evaluated for effectiveness and by which compliance-related issues flow up to the Board. The Committee also reports to the Board on how the firm manages risk.

Chief Compliance Officer – responsible for the overall day-to-day execution of KPMG's ethics and compliance program, with an independent reporting relationship to the Chair of the Board's Professional Practice, Ethics and Compliance Committee.

Management Review Panel (MRP) – monitors discipline and other remedial actions taken in response to substantiated incidents of noncompliance with applicable law, regulation, or firm policy and helps ensure fairness and consistency of remedial action across the firm. The MRP is comprised of senior leaders from all functions within KPMG and also is charged with determining sanctions for violations of the firm's independence policies.





Raising concerns

Our Code of Conduct affirms that it is every individual's responsibility to say something when he or she sees or experiences conduct that is inconsistent with a particular law, regulation, professional standard, or KPMG policy—or any behavior that may be incompatible with our Values. By raising their concerns, our people help us to deliver on our commitment to professionalism and integrity. Every concern that gets raised is reviewed and evaluated in a timely and considerate manner and, where necessary, appropriate corrective or disciplinary action is taken.

Channels of communication

At KPMG, our people have a number of communication channels open to them if they have a question or concern. Generally, the best starting point is an individual's people management leader or supervisor, but our people are always encouraged to report issues to whomever in leadership they feel comfortable consulting. Our engagement partners, practice leaders, and office managing partners are prepared to hear concerns, as are our more centralized resources, such as the Chief Compliance Officer, the Ombudsman, Human Resources, the Office of General Counsel, and the Ethics and Compliance Group.

Ethics and Compliance Hotline

Understanding that there are times when our people may feel uncomfortable raising concerns to these resources, KPMG offers an Ethics and Compliance Hotline, available at **1-877-576-4033** or www.kpmgethics.com.

The Hotline is a confidential and, if desired, anonymous reporting mechanism that facilitates reporting of possible illegal, unethical, or improper conduct. It is available 24 hours a day, seven days a week, to anyone, including all our personnel, clients, contractors, vendors, and partners and employees from other KPMG member firms. Additional information on reporting to the Hotline is available at www.kpmgethics.com.

Ombudsman

KPMG's Ombudsman serves as one of several designated channels of communication through which firm personnel may raise professional practice issues involving public company audit clients and their foreign operations. The Ombudsman operates under the firm's policies of confidentiality and non-retaliation and may be contacted directly at 212-909-5100 or us-ombudsman@kpmg.com. Reports to the Ombudsman also can be made through the Ethics and Compliance Hotline at **1-877-576-4033** or www.kpmgethics.com.





Retaliation: Zero tolerance

KPMG prohibits retaliation against anyone who, in good faith, reports possible misconduct or participates in an investigation, even if sufficient evidence is not found to substantiate the concern. KPMG will take appropriate action against any individual determined to be engaged in retaliatory conduct.

To protect identified reporters and other investigation participants from retaliation, KPMG maintains a program to monitor specific career metrics (e.g. employment status, performance evaluations, promotions, chargeability), and follows up when necessary to assess whether an individual may have been subject to retaliation.



Monitoring for compliance

Although responsibility for compliance ultimately rests with every partner and employee, the firm supports individuals with a compliance structure that is designed to empower their success. A robust compliance monitoring program is conducted by the Ethics and Compliance Group, whose professionals monitor compliance with continuing professional education, CPA licensing, and mandatory training requirements, among other things.

KPMG's compliance efforts are supported by partnerships with other firm resources, including the Independence Group, Risk Management, Human Resources, Internal Audit, Firmwide Security, the KPMG Business School, the Office of General Counsel, and others.

Key contacts

For more information, contact a member of the Ethics and Compliance leadership team:

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