



Values in Action

2017 Citizenship Report

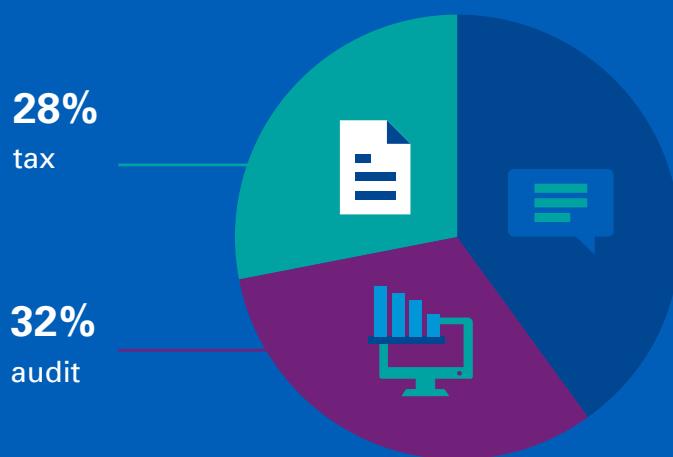


KPMG at a glance



\$8.96 B

US Revenue



About KPMG LLP

KPMG is one of the world's leading professional services firms, providing innovative business solutions and audit, tax, and advisory services to many of the world's largest and most prestigious organizations.

KPMG is widely recognized for being a great place to work and build a career. Our people share a sense of purpose in the work we do, and a strong commitment to community service, inclusion and diversity, and eradicating childhood illiteracy.



110

business offices



31K+

total employees



2,178

partners



5,000

new hires



10,800

engaged suppliers



13 B

total supplier
spend

From the Chairman and CEO

Igniting passion and purpose for the greater good

Thank you for your interest in KPMG's citizenship efforts.

For 120 years, our firm has been passionately committed to improving the communities where we live and work. We view citizenship as a responsibility and core value, essential to who we are and vital to building the public trust that is so important to our business. Across our firm, our professionals share a common set of values. These guide our actions and form the foundation of our culture—a culture that encourages people to channel their diverse backgrounds, experiences, and interests into serving causes that fuel their passion for the greater good.

Like many socially responsible organizations, KPMG supports a wide range of initiatives that seek to benefit society and safeguard the environment. In 2017, we donated more than \$47 million to nonprofits and logged nearly 200,000 volunteer hours in the United States alone. As a firm, we strategically marshal our investments, volunteerism, and service around lifelong learning and education. We believe these areas of focus are essential to building strong communities and economies, and ultimately facilitating a more diverse and prepared workforce.

Our efforts span the educational continuum ([see page 17](#)) and the results have been tangible. Through our flagship initiative, KPMG's Family for Literacy, we have put four million new books into the hands of children in need and continue to pair our people with primary schools where they volunteer their time reading to young students. At the other end of the learning continuum is The PhD Project, the only national program promoting diversity among business school faculty. Our firm led the launch of the program in 1994, and we've since convened like-minded companies who help sponsor it. Through this unique initiative, we have helped add approximately 1,000 minority faculty to college teaching ranks, with another 270 minority doctoral students on their way to joining them.

In concert with the KPMG Foundation, we seek to empower young people, prepare tomorrow's leaders, and expand the skills of professionals deep into their careers. As the skills gap grows—and as technology continues to redefine the nature of work in every industry and every job level—our programs will become even more relevant.

It is deeply gratifying to see the profound impact our firm has had on so many and how our collective efforts continue to build public trust. I thank our people for upholding the values upon which KPMG was founded more than a century ago and for consistently serving with passion and purpose. They represent the true spirit of our firm and our rich history of dedicated service.



A handwritten signature in black ink, appearing to read "Lynne Doughtie".

Lynne Doughtie
Chairman and CEO, KPMG LLP

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About this Report

This report covers fiscal year 2017 (October 1, 2016 to September 30, 2017). Additional information can be found on our website: www.kpmg.com/us

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Introduction

Making a tangible difference

Living in a world of constant change creates many opportunities for KPMG to make a tangible difference – for our clients, society, and our local communities. Strengthening the fabric of society and helping communities is at the core of what we do.

Building trust

We take pride in our role as a guardian of the capital markets, helping investors make informed decisions. Our clients and the public affirm our commitment by their willingness to place their trust in our professionalism and integrity. Our clients appreciate the ways in which we innovate to help them navigate uncertainty and develop solutions to their most pressing challenges. As business and society continue to evolve, earning and maintaining trust will remain paramount.

Empowering change

We believe that education is essential to unlocking society's potential. It drives individual achievement as well as the big ideas and innovation that help companies and economies thrive and move forward. To empower the change we want for the world, we've committed ourselves to using the lenses of inclusion and innovation to support lifelong learning, strengthen literacy among young learners, stimulate their interest in business, technology, math, and science, and build the next generation of business leaders.

Serving communities

Our culture is one in which we support and care for our talented people. We encourage them to channel their diverse backgrounds, experiences, opinions, and passions into serving the causes that matter most to them – and to our communities. Local agencies and institutions find us to be a willing, skilled and trustworthy partner. They experience firsthand that our people share a passion for giving back, collectively embracing the call to stewardship and joining forces with others to leave the world in a better place for future generations.

Yes, we're accountants and business advisors who serve our clients and the public every day – but there's so much more to KPMG. In a constantly changing world, our firm can be trusted to anticipate the needs of tomorrow and deliver solutions to address the toughest business and societal challenges of our times.

“In a constantly changing world, our firm can be trusted to anticipate the needs of tomorrow and deliver solutions to address the toughest business and societal challenges of our times.”



Jennifer Hall, senior associate on KPMG's Citizenship team volunteers for Hurricane Relief efforts.



Recognized as one of the **top 50 most community minded companies in the US**



Living our values

Building public trust

Trust underpins everything we do as stewards of the capital markets. We recognize that trust is earned – and we place the utmost priority on acting ethically, objectively, and with integrity. Our seven values are the foundation of our culture where everyone at KPMG takes personal responsibility to do the right thing in the right way. As part of being committed to our clients and communities we adhere to a values-based Code of Conduct and follow strong data protection and privacy practices.

Code of Conduct

At the center of our values-based culture is our [Code of Conduct](#), which in addition to reaffirming our values, spells out our shared responsibilities, global commitments, and other promises — to each other, our clients, and the capital markets we serve.

All of our people confirm, when they join the firm and annually thereafter, that they understand our Code of Conduct and accept their call as stewards – as those responsible for aligning their behaviors with KPMG's values, promises, and actions. All partners and employees also complete mandatory training every two years that reinforces the principles found in the Code and further underscores the firm's expectations.

Data protection and privacy

Protecting confidential data and information is a cornerstone of our profession and our value-based Code of Conduct, we take this responsibility to our clients and communities very seriously. With the rapid pace of technology developments, our role as guardians of the capital markets – and our duty to our clients as professionals – requires that we establish stringent standards and tools for our teams to confidently ensure the privacy and protection of all data.

This is accomplished through an information protection framework that includes a system of internal controls that brings together professional standards, policy, process, and technology. They are able to draw inspiration and strength from their roles to ensure they act ethically, and with objectivity and integrity.

Supplier relationships

Our suppliers are important partners for us and they play important roles in our efforts to be responsible corporate citizens. We expect them to commit to a set of [Ethical Principles](#) that include:

1. Acting with integrity
2. Respecting the individual
3. Committing to the community

Championing human rights

Respecting – and championing – human rights is critical. It's a dual commitment that we address through our actions and decisions. It is also evident in our [Prohibition on Human Trafficking](#), our Recruitment and Wage Plan, and in our stringent guidelines on not accepting products or services from subcontractors, outside consultants or other third parties who use human trafficking or forced labor.

These are some of the many ways we live out our values and build the public trust. Our professionals recognize that there is a higher purpose to all that they do – whether that's a tax filing, a financial statement audit, or a transformation project. They are able to draw inspiration and strength from their roles to ensure they act ethically, and with objectivity and integrity.

Our Values

- We lead by example
- We work together
- We respect the individual
- We seek facts and provide insight
- We are open and honest in our communications
- We are committed to our communities
- Above all, we act with Integrity

Living our values in times of disaster

When disasters such as Hurricanes Harvey, Irma, and Maria, or the Southern California wildfires hit, entire communities are affected. In times of disaster, not only does our firm provide for our people, but we consider the impacts on our clients and the community at large. Over the years, we have regularly helped individuals, governments and businesses deal with the impact of these natural disasters through our citizenship efforts as well as our [multifaceted business services](#). When they need a trusted business advisor, whether that's knowing about special advisory opportunities and local services to instituting antifraud programs and using their [resources most efficiently to function](#), we are here to help.

For New York-based principal Rich Girgenti, who leads KPMG's Disaster Relief services, helping communities in times of need ensures a higher purpose. "Being on the ground and helping our clients is really rewarding. It helps us demonstrate that we stand for more," he says. In 2017, Rich and his team mobilized several times including one instance after a hurricane disaster when they worked closely with a business to create a sustainable disaster recovery plan for their out-of-region data center.

"Being on the ground and helping our clients is really rewarding. It helps us demonstrate that we stand for more."

Rich Girgenti, Principal, Advisory,
KPMG Disaster Relief services

"We worked with the client on a whole range of things including developing an enterprise disaster recovery plan, creating a testing strategy to ensure the plan was aligned with industry standards, validating the data recovery process as well as transitioning knowledge to the new center's organization," offers Anthony Monaco, an Advisory partner having national responsibility for the delivery of risk consulting services to our state and local clients.

As senior leaders, both Rich and Anthony believe strongly that earning the trust of the community and governments begins with corporate citizenship – led at the top. "Our firm provides multiple opportunities and incentives to demonstrate our core values and work with our communities. When Hurricane Irma landed in Florida, several areas were hit quite hard. We quickly mobilized teams across the U.S. to figure out how best to serve our clients while working closely with our local teams on clean ups and on the ground collaborations," says Anthony.

It's clear that regardless of the type of disaster or its ferocity, together as a firm, the KPMG team has significant experience and expertise to offer and can help communities and businesses get through extremely difficult times reassured and inspired to succeed. "All the while living our core values, building and earning trust and feeling truly proud of our work and our role as corporate citizens," sums up Anthony.

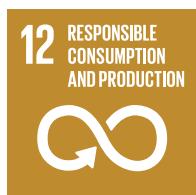


Environmental sustainability

Our commitment to the sustainable development goals

In 2015, KPMG International co-created the [SDG Industry Matrix](#) in partnership with the UN Global Compact (UNGC) to help businesses connect the 17 Sustainable Development Goals (SDGs) [also referred to as the Global Goals] with their commercial activities to help advance the goals collectively. These Global Goals play a fundamental role in the United States, from helping us better analyze how we can use our strengths and resources to drive the SDGs forward to better framing our commitment to empower the next generation of leaders through lifelong learning (such as #4: Quality Education) — more on [page 14](#).

In particular, SDG #7 (clean energy), #12 (responsible consumption) and #13 (climate action) give us concrete direction and a framework to refine our ongoing efforts to reduce our carbon footprint.



2020 goals



10%
Reduction of
carbon footprint



100%
Renewable
energy



Decrease
non-essential
travel



Design
efficient work
places

Our progress



32%

Reduction of
office electricity
since 2010



30,000

Trees planted—
one for every new
hire since 2013



3,000

Living Green
Network members
in over 100 offices
across the country

Bee kind to the planet

KPMG's San Francisco office (SFO) is home to some buzz-worthy tenants on the eighth-floor balcony: a honey bee hotel consisting of a single queen, hundreds of male drones, and 60,000 female worker bees.

According to the American Beekeepers Federation, eight percent of the bee population disappeared in 2017. In 2015 and 2016, there was a 44 percent decrease in colonies. With 30 percent of the world's crops and 90 percent of the world's wild flowers relying on cross-pollination for survival, bees are critical to our food supply.

The idea came to Peter Vogt, associate director for Operations Services, when he heard about KPMG's London Canary Wharf office housing a bee colony. Aya Nagoshi, senior associate for Operations Services and co-chair of the SFO Living Green Network, and Peter reached out to KPMG's property manager, to explore how the office could help the declining bee population.

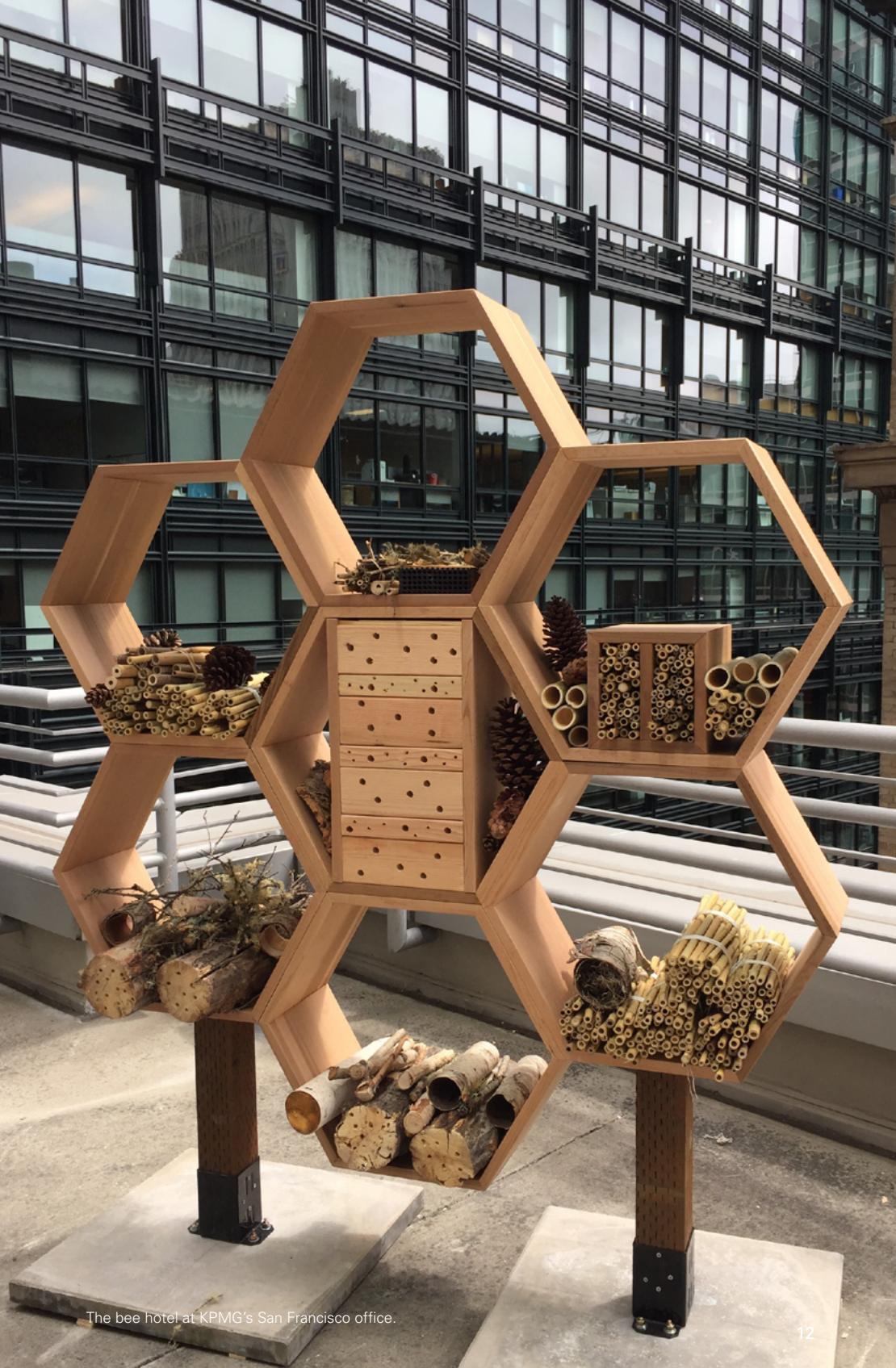
"We wanted to raise awareness of the importance of supporting these hard-working bees who are so vital to our global food supply, as well as biodiversity and the health of our ecosystems."

Debbie Messemer, Partner, KPMG San Francisco

Hines, who won the EPA's 2018 ENERGY STAR Partner of the Year-Sustained Excellence Award, also shared the same commitment to sustainability and protecting the environment. Together, KPMG and Hines worked with a professional bee keeper to ensure proper and healthy urban beekeeping.

"It was imperative that we take action and do what we can as corporate citizens to support bee survival in our community. We wanted to raise awareness of the importance of supporting these hard-working bees who are so vital to our global food supply, as well as biodiversity and the health of our ecosystems," said San Francisco Partner Debbie Messemer.

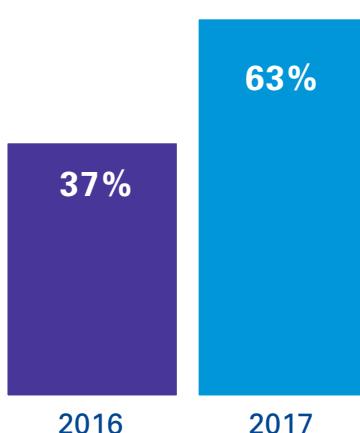
The LEED Silver® certified San Francisco office is the first KPMG office in the U.S. to host its own hive. The bee balcony space also includes an organic, bee-friendly pollinator garden and a "bee hotel." In addition to honey bees, the bee hotel houses plants designed to attract mason bees and drones, as well as monarch butterflies, in order to provide a safe nesting site and healthy nutrition.



The bee hotel at KPMG's San Francisco office.

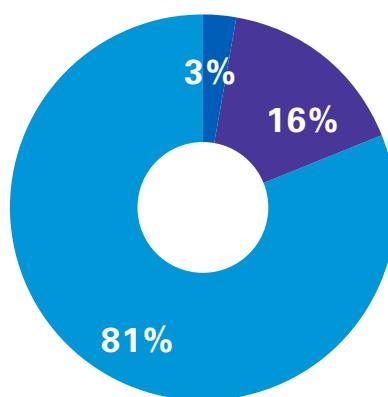
Our environmental footprint

Percent of electricity from renewable sources



KPMG is on target to source 100% of our electricity from renewable sources by 2020.

Percentage of carbon footprint by scope (2017)



- **Scope 1**
Direct energy emissions
- **Scope 2**
Indirect energy emissions
- **Scope 3**
Travel and other indirect emissions

2016 2017

Carbon footprint [Metric tons of CO₂e/yr]¹

	2016	2017
Total scope 1 emissions	6,275	6,318
Total scope 2 emissions	29,702	29,305
Total scope 3 emissions	150,001	151,069
Total gross emissions	185,978	186,692
Renewable energy certificates	(12,510)	(21,515)
Total net emissions	173,468	165,177
Gross emissions per FTE	5.9	5.9
Net emissions per FTE	5.5	5.3

1. Period of time is October 1 to September 30, more extensive metrics along with our methodology are posted on our website.

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Lifelong learning

Inspiring and empowering the next generation

At KPMG we understand and value the benefits of a foundation of education – and how that can set us up for a lifetime of learning. It can be the key to unlocking potential and sustaining our communities. Through it, we can also tangibly address issues such as poverty and inequality that are often preconditions for continued success and our growth as a society.

We believe that developing next generation leaders through a long-term strategic investment in lifelong learning addresses an essential societal need and fills the talent pipeline with leaders who will be uniquely prepared to embrace the challenges of a global marketplace.

Consider this: every year, over 1.2 million students drop out of high school in the United States alone. Among those that do graduate, less than half of them are able to proficiently read or complete math problems. That means many more are entering college ill-equipped, which is potentially holding them back from entering the workforce with the skills they need to succeed.

Add to that the rise of automation and increasing technology advances and we have a workforce in the making that will enter the job market lacking the skills and aptitude required of them.

To play our part in breaking that cycle, we champion lifelong learning.

To empower this next generation of leaders, we take an approach that combines our focus on innovation and inclusion to support students throughout their journey. That begins with creating cultivated programs from Pre-K to the C-Suite. We provide them with the tools and support they require – a commitment well aligned with our support of the UN Sustainable Development Goals, especially Goal #4: Quality Education. We've seen firsthand how education can help lift societies and create a sense of purpose.



“At KPMG, we believe that education unlocks potential. Our investment in lifelong learning is helping strengthen literacy rates, build skills in business, engineering, technology and math, and preparing future generation of business leaders to take us into the next century of growth.”

Rob Arning, Head of Citizenship, KPMG and Chairman, KPMG Foundation

Juan Carlos Gonzalez, an intern in our Milwaukee office, volunteering at a Junior Achievement event last year. He will return to KPMG this Fall as a fulltime associate.

How we are responding

We have a wealth of tools to address the skills gap, including a clear commitment from our leadership, the KPMG Foundation, a dedicated citizenship team and our enterprising people who continue to support their local communities.

We're passionate about literacy as we view it as the most critical step along the path to success. Literacy is at the foundation of lifelong learning, and access to books is necessary to build strong reading skills. [KPMG's Family for Literacy \(KFFL\)](#) is the firm's flagship Citizenship program with a mission to eradicate childhood illiteracy by putting new books into the hands of children in need and developing the next generation of young leaders through reading.

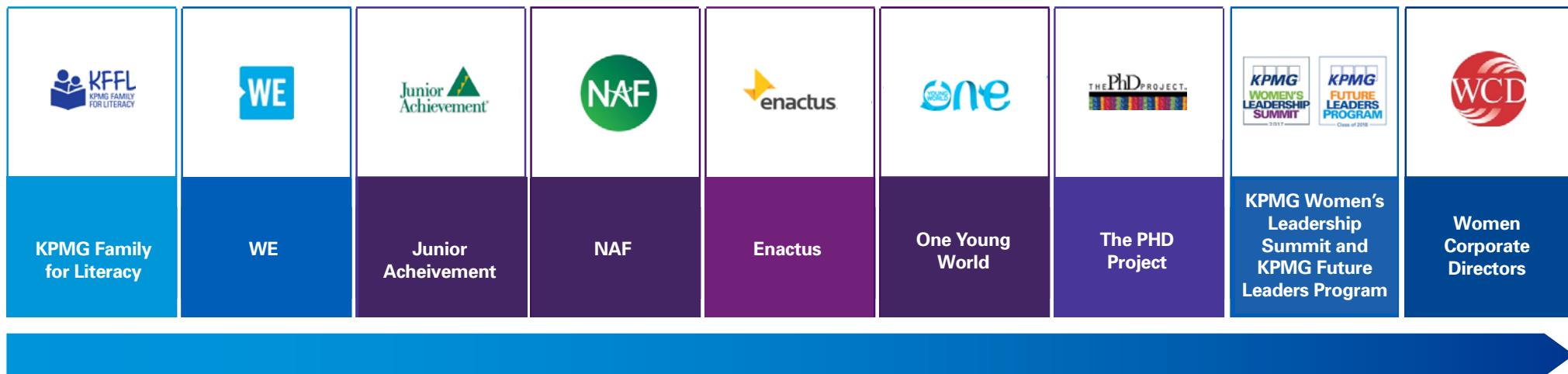
Recognizing the importance of service learning and seeing a way to help youth appreciate the importance of literacy, KPMG U.S. became a sponsor of [WE](#) in 2016. Together, KPMG and WE are working hard to help youth develop 21st century skills like collaboration, communication and problem solving, while creating positive change in the world through literacy.

As problem solvers, strategic advisors, innovative and trusted partners, our extraordinary people bring diverse perspectives and are passionate about what they do - even as they work on our client's progress, they are championing the success and resilience of society at large. Every day, KPMG is making a tangible difference. Our commitment respects the fact that learning never ends.



A KPMG employee participates in a KFFL drive.

Lifelong learning continuum



We support students at each stage of their academic career through ongoing collaborations with various nonprofits that share our commitment to youth and education.

Our core initiatives begin with [KPMG's Family for Literacy \(KFFL\)](#), which focuses on literacy at the prekindergarten and elementary stages. We encourage students to drive social change through literacy-building efforts with [WE](#) and work with [Junior Achievement](#) to promote financial literacy at the middle and high school levels. We then work to inspire interest in accounting among high school students through NAF.

Our commitment extends to college, through [Enactus](#) and [KPMG Future Leaders Program](#) and then beyond college with [One Young World](#) and the [PhD Project](#), which helps diverse doctoral students attain PhDs and become business professors and mentors to the next generation.

Finally, we support business professionals through the [KPMG Women's Leadership Summit](#) and [Women Corporate Directors](#).

Impacting children's lives, one book at a time

Two-thirds of children in lower income communities lack access to books – the single biggest barrier to literacy – resulting in low reading proficiency, a key predictor of a child's future educational and economic success. To help bridge this gap, KPMG's Family for Literacy ([KFFL](#)) Read to Succeed initiative provided nearly 160,000 new books in 2017 to children in need across the United States.

During the initiative, which was conducted in partnership with the award winning nonprofit social enterprise First Book, KPMG donated its three millionth book through the KFFL program. KFFL chapters hosted book fairs at Title I schools in 70 cities allowing students to shop for new books of their very own.



Proud KPMG staffers from our Denver office stand along with some of the students from Allendale Elementary School during a KFFL drive.



youtube.com/watch?v=JPiTFU5S0e8&feature=youtu.be

“Mobile book fairs” in eight additional cities provided educators who serve children in low-income communities the opportunity to obtain new books that meet the needs and interests of their students – at no cost. Additionally, thousands of KPMG professionals from across the country logged more than 8,000 volunteer hours in support of Read to Succeed.

And for the first time, an online national auction was held during Read to Succeed with participants bidding on travel packages, sporting event tickets and memorabilia, and other prizes. Significant dollars were raised for First Book, helping fund an additional 25,000 books for children in need.

Two-thirds of children in lower income communities lack access to books – the single biggest barrier to literacy.



509,647
new books donated
annually



3.5 M
new books
donated as of
end of FY17

Ensuring students are future ready

It's no secret that recruiting the best talent is incredibly competitive in today's environment. Meanwhile, some of our country's young people continue to find it hard to garner the skills they'll need for tomorrow. So, how do you bridge the talent gap?

NAF focuses on preparing high school students for their careers and college by working with companies like KPMG to help close the gap. In the process, these future leaders learn critical skills from our professionals and put them into practice with a paid internship.

In 2017, KPMG worked with NAF – and two KPMG clients – to pilot the NAF Future Ready Lab (FRL) for 21 rising high school seniors from six different City of New York high schools.

The FRL program provided the students a five-week paid summer internship, during which they applied skills from the classroom; enhanced their professional, technical and soft skills; and presented case study findings to a panel of industry executives.



NAF: Developing future generations of leaders

[youtube.com/watch?v=kw0WftO4sx8](https://www.youtube.com/watch?v=kw0WftO4sx8)



96%

NAF seniors graduated from high school in 2016-2017 school year



96K+

students served in 2016-2017 school year

KPMG professionals volunteered their time to share their knowledge with the participating students. This included a wide variety of topics ranging from business ethics to cyber security, financial statement basics, and how the Sustainable Development Goals (SDGs) provide a roadmap for business to do good while doing well. Additionally, the KPMG recruiting team provided practical advice on how the students could build their personal brands.

KPMG volunteer mentors spent several hours each week working with the NAF interns. The mentors worked with groups of students, providing both in-person and virtual guidance on a host of topics including college readiness, presentation skills, problem solving, and critical thinking.



92%

NAF seniors in
2016-2017 school year
are "college-bound"



22

NAF Academies were
supported by over
850 KPMG volunteer
hours in FY17

"I went to an under-resourced high school with great opportunity but little guidance. It was tremendously satisfying to have the opportunity to mentor kids from a similar background as myself during the NAF Future Ready Lab."

Isaac Dallas, Associate Advisory,
KPMG Operations & Compliance Risk

4

Activating our people

Inclusion drives innovation

At KPMG, our people are extraordinary. Their different perspectives, experiences and insights enable us to make a tangible difference in all that we do. And they help enable an inclusive and diverse culture, better positioning us to adapt, grow and thrive in a changing business environment.

This inclusive culture in turn drives innovation – a result of how our people collaborate and share unique ideas and viewpoints. Research shows that diverse workforces outperform their homogenous counterparts with key positive outcomes such as improved decision-making and superior performance.

We know that creating an inclusive and diverse culture requires strategies and actions designed to attract, hire and retain diverse talent. Equally important is providing them with the tools, resources and the pathways to grow their careers and reach their potential. By supporting our people throughout their own journey of lifelong learning, we cultivate their intellectual capital of unique skills, backgrounds, and experiences for innovative solutions, and also enable them to thrive in their careers.

Diversity networks give back

Today's transformative times require fresh thinking, new skills and experiences and a high level of collaboration. At KPMG, our approach to and core belief in inclusion and diversity influences everything we do – including how our employees give back to their communities.

To truly leverage our workforce's diversity of ideas and experiences, we have several Employee Resource Groups that empower members to give back. One of the networks, the Hispanic Latino Network (HLN) – which launched in 2005 and has over 2,400 members across the country today – launched its first national community service campaign, HLN Gives Back, in April 2017. All Chapters were asked to host at least one community service event between May 1, 2017 and August 31, 2017. The goal: to accrue 1,500 volunteer hours among the network.

Erika Ruiz, a senior associate in KPMG's Advisory practice in Boston, joined HLN when she started at KPMG as a way to connect with other professionals with similar backgrounds. "You want to see senior leaders who look like you. Diversity begets diversity," she says. As an HLN Chapter Leader in Boston today, she works actively to help raise funds, volunteer and organize community days for the local Hispanic and Latino community.



KPMG volunteers from our Atlanta office Hispanic Latino Network create book bags for students at Woodward Elementary School

During HLN Gives Back, Erika and her colleagues partnered with United Way and Sociedad Latina to work with 10 eighth-grade students on how to tackle urban pollution in their communities. The students spent half a day with KPMG's HLN members working on actual client scenarios, group discussions on their proposed solutions as well as a career panel and an office tour. In Atlanta, KPMG Corporate Finance Chief Compliance Officer – and HLN Chapter Leader – Al Izaguirre led the way with 29 HLN colleagues on a KPMG Family for Literacy (KFFL) book drop at a grade school where over 80% of students identified as Hispanic or Latino. "For many of these children, the books we gave them were the first or second books they had ever owned. It brought huge smiles to their faces," he remembers.

Altogether, the Network achieved a 43 percent participation rate across 23 chapters and 2,823 volunteer hours. As Nick Coy, a senior associate in Inclusion and Diversity in KPMG's Dallas office, summed it up: "It's nice to know that our small actions can have big impact. HLN Gives Back was a tangible example of how we can do that – be an example to others and walk the walk."

In addition to our people giving back in communities where they live and work, KPMG leadership regularly builds time into practice meeting and trainings to encourage our people to come together on a common cause. For example, at a recent KPMG Global Mobility Services national offsite meeting, leaders arranged time for a volunteer exercise with Pack Snack succeeding in packing 25,000 meals in two hours that were then donated to the North Texas Food Bank. During KPMG Days of Caring or Volunteer Days, many offices provide opportunities for every person in the office to volunteer at local nonprofits as teams.



208

Diversity
Networks
and Inclusion
Councils**Employee Resource Groups:**

- African American Network
- Abilities in Motion Network
- Asian Pacific Islander Network
- Hispanic Latino Network
- KPMG Network of Women
- pride@kpmg Network
- Veterans Network



45%

partners and employees are members
of one or more ERG/Inclusion Council

49%

partners and employees participate in
Diversity Network events

"Diversity begets diversity."

**Erika Ruiz, senior associate, Advisory Services,
KPMG and a member of the HLN Boston chapter**

Inclusion and employee engagement performance summary

A snapshot of our progress in helping our employees grow within their careers and reach their potential with KPMG:



Named to the list of "Fortune 100 Best Companies to Work For" eleven times since 2006



8th 2018 ranking on DiversityInc's Top Companies for Diversity

No.8 among the Top Companies for Mentoring

No.4 among the Top Companies for Diversity Councils

No.10 among the Top Companies for Executive Women

No.5 among the Top Companies for Employee Resource Groups



8 years in Training Magazine's **Top Ten** Hall of Fame (plus 5 years near the top of the Learning Elite list)



Top 5 Best Companies for Multicultural Women

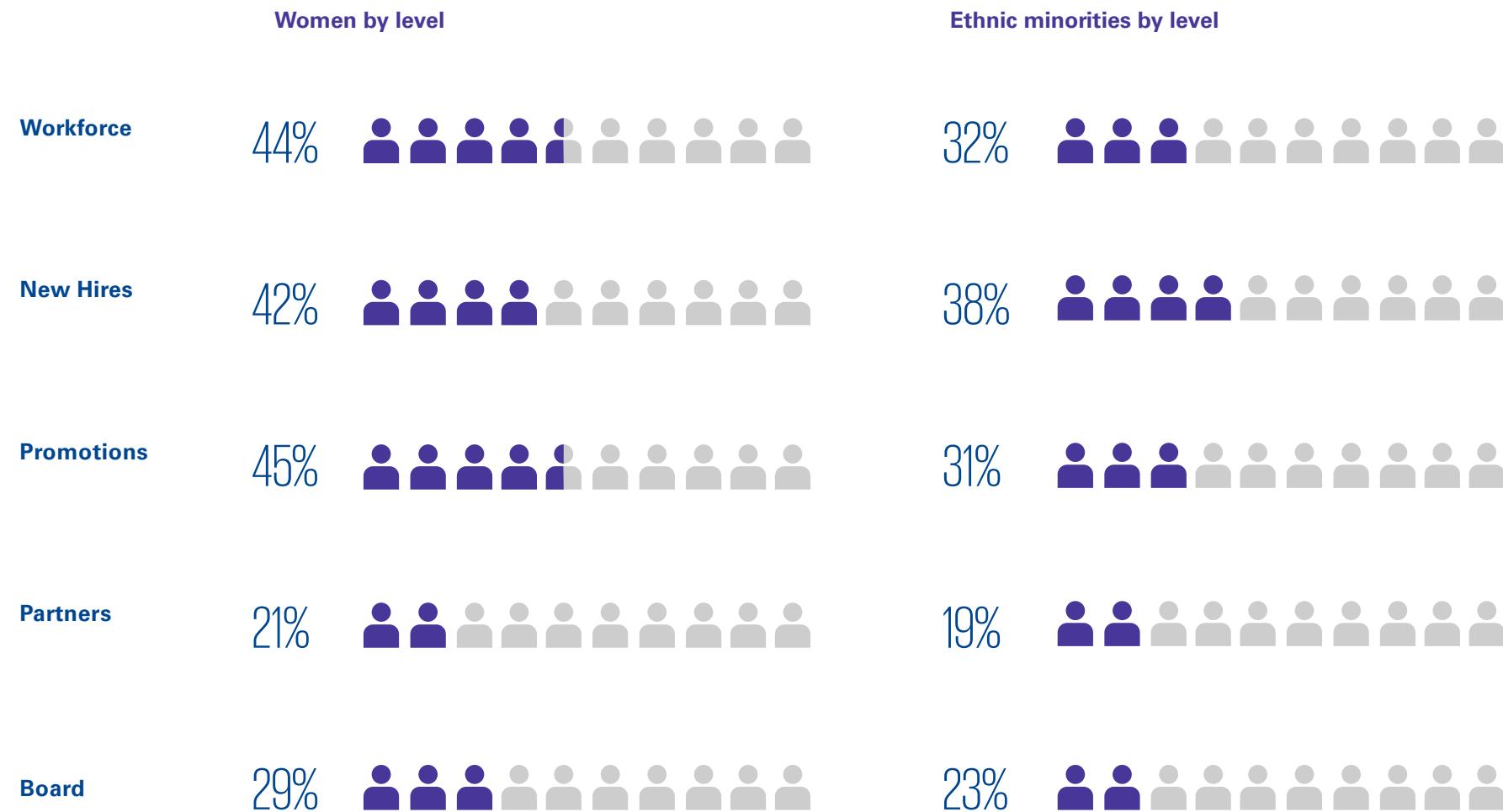


No. 36 on Best for Veterans



Perfect score on the Disability Equality Index for 14 consecutive years

Diversity performance summary



Enabling an innovative culture

In 2017, we launched a firm-wide Innovation Challenge, designed to unlock creativity and cultivate the very best ideas for new KPMG services and bring our employees together in the process. They were asked to identify an opportunity, build a team, lead with passion and submit their idea through video. Semi-finalists then developed a business case and presented to leadership.

The first challenge was focused on digital services and generated a surge of creative ideas from our people around digital and mobile solutions. The second – focused on generating ideas to enhance audit quality – challenged teams to think through ways to refine our quality, effectiveness, teaming, and cross-functional collaboration when pursuing, planning and/or delivery audits in the future. Finally, the third challenge, titled *What's Your Startup?* called for out-of-the-box thinkers, visionaries, and those passionate about bringing an idea to life.

The challenges generated 74 video submissions with nine finalists who traveled to New York to present to a panel of judges. The challenges' diversity of focus enabled a cross section of our employees to come together to create tangible solutions for our firm's collective success and furthered our efforts to create and maintain a culture that thrives on innovation.

“Ultimately, an inclusive and diverse culture spurs innovation and drives our growth because it attracts and empowers top talent who inspire each other – and our clients – with richer points of view to deliver real value. It's an intrinsic and vital part of who we are.”

Lynne Doughtie, Chairman and CEO, KPMG

Developing our people

Our commitment to developing our people through continuous learning is evidenced by a \$450 million investment in a 55-acre, state-of-the-art learning, development and innovation facility being built in the Lake Nona community of Orlando, Florida. This facility represents the largest capital investment in our firm's history – an investment in our people – and will ensure KPMG partners and professionals continue to have access to leading-edge learning and development opportunities to enrich themselves, stay connected to our values and culture, and remain equipped to deliver the highest quality in this fast-changing marketplace.



Construction began in 2017 and will be completed in late 2019. Fully operational in the first quarter of 2020. The space is to inspire confidence and spark curiosity as we build the future of our profession and our professionals.

Lake Nona learning, development and innovation facility



Elements that celebrate the firm's rich history, values, and culture



An innovation lab designed for team creativity, collaboration, development of specialized skills as well as client engagement



Recreational amenities focused on total wellness, including a sizeable fitness facility, hiking and biking paths, and other recreational spaces

KPMG Business School



95%

Percentage of KPMG courses rated good to great by participants



1.8 M

CPE credits were earned in aggregate by KPMG professionals last year

Supporting our KPMG family in San Juan

Our KPMG San Juan employees arrived in Miami in September 2017 to an eruption of joy from relieved loved ones and welcoming colleagues. Just days before, Hurricane Maria had hit their home city, leaving in its wake wide destruction and loss. In the aftermath of the hurricane, KPMG launched a relief operation in Puerto Rico to evacuate the firm's professionals and their family members while also providing needed provisions to those that chose to stay back. We ferried almost 90 people to sites on the American mainland via a private, chartered jet.

Seeing the immense devastation caused by one of the worst hurricane seasons ever, concerned KPMGers jumped into action and donated to KPMG's Disaster Relief Fund (DRF). More than \$1 million was raised through the DRF for hurricane relief efforts. These funds were then matched by KPMG.



Hurricane Relief: KPMG San Juan

youtube.com/watch?v=iTvCmXI190M&feature=youtu.be

Thanks to these donations and on-the-ground help from a group of KPMG volunteers, 44 employees, 33 family members, and five dogs were flown from San Juan to Miami and 3.2 tons of supplies delivered to aid colleagues remaining on the island. Well after the Hurricane hit, we continue to support clients and our people on the ground as recovery efforts continue in Puerto Rico.

A legacy in the making with the American Cancer Society

The [American Cancer Society](#) (ACS) predicts that there will be more than 1.7 million new cases of cancer diagnosed in 2018. Of those, almost 40 percent will be terminal cases, making the need to find cures for cancer extremely urgent. At KPMG, we believe that small actions can lead to huge impact. And that defines our 12 year-long relationship with the ACS, which began after Gene O'Kelly, a former KPMG Chairman and CEO, passed away from a terminal brain tumor in 2005.

In his memory, we started the New York Financial Services Cares Gala as an annual event and award ceremony to raise funds for the ACS every June. Over 12 years, the Gala, which has expanded to include many more companies and leaders across the financial services industry, has helped raise over \$16 million for cancer research. Led by Rob Arning, Vice Chair of Market Development for



Shalom Kalnicki, MD, FASTRO, FACRO, Professor and Chairman, Department of Radiation Oncology at Montefiore Medical Center and Albert Einstein College of Medicine, receives the Eugene O'Kelly Award from KPMG's Rob Arning at the American Cancer Society Financial Services Cares Gala.

KPMG, our work with ACS has provided KPMG's employees with multiple opportunities to participate in a cause that binds us all together.

According to Rob Arning, "KPMG has a special connection to the ACS Financial Services Gala as an award is given each year in honor of Gene O'Kelly. Gene was my colleague and friend and an individual who understood the importance of public service and how doing good was also good for business. He was a role model for so many of us through his compassion and dedication to the community."

ACS Senior Director Debbie Colgan calls KPMG a 360-degree partner, effectively connecting the dots between raising funds and awareness about prevention and associated health risks. "KPMG is helping us address both ends of the spectrum effectively: from expanding the Gala every year to raising awareness about cancer through health and wellness outreach with its employees."

Over the years, our efforts have expanded well beyond the ACS annual gala to grassroots activities such as volunteering in local communities and leading efforts for other cancer awareness organizations such as No-Shave November.

In 2014, we got involved in another campaign for No-Shave November when Atlanta Partner Rob Coble was diagnosed with cancer. Rob's colleagues in Deal Advisory grew their beards and mustaches, raising nearly \$50,000 to show their support. Their initiative inspired an [Advisory-wide campaign](#) in 2015, raising more than \$85,000, and last year, No-Shave November "grew" into a firmwide effort, raising over \$175,000 in the process.

Jeff Rojek, KPMG Audit Partner, New York sums it up well.
"I would like our young professionals to be inspired to jump in and get involved ... keep the legacy going and stay engaged with the same enthusiasm to help others who suffer from cancer."

"Giving back to our communities is part of who we are as a firm...what's important about being successful in business is that at one point in your career, you can give back."

Anthony Dalessio, Office Managing Partner, Long Island

Internally, our Abilities in Motion (AIM) diversity network initiated the Let's Talk Cancer series to create a forum for members to share stories about their experiences with cancer and how they managed work and life through it.

Supporting communities - Our impact in 2017



Time

51%

of employees
who volunteer at
least 1 hour

110K

paid employee
volunteer hours

197K

employee
volunteer hours

22,700

hours spent serving
on nonprofit boards



People

5,900

nonprofit
organizations
served

1,100

employees who
serve on nonprofit
boards

1,500

people trained in
nonprofit board
readiness



Money

\$1.97 M

Total amount of
cash contributions
from volunteer
fundraising

\$27.3 M

Total amount of
cash contributions
from KPMG LLP and
KPMG Foundation

\$18.5 M

Total amount of
cash contributions
from partners &
employees



Recognized by
The Civic 50 as
one of the

top 50

most community
minded
companies in the
United States

Looking ahead

As we continue to work with our nonprofit collaborators along the Lifelong Learning continuum to improve education rates and empower the next generation of leaders, we raise our eyes toward driving individual achievement and collective impact among our employees. To empower the change we want for the world, we live our values in tangible ways and have committed ourselves to using the lenses of inclusion and innovation. That begins with creating and sustaining a culture that thrives on inclusion, innovation and the power of our people's passions.

Change at KPMG begins with our people and a commitment to citizenship. Moving forward, we will continue to strengthen our commitment, work with our people to always earn the trust of our clients and communities and show our strength as a firm of strategic thinkers and difference makers. These actions will serve to create the better world we envision. Together.

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