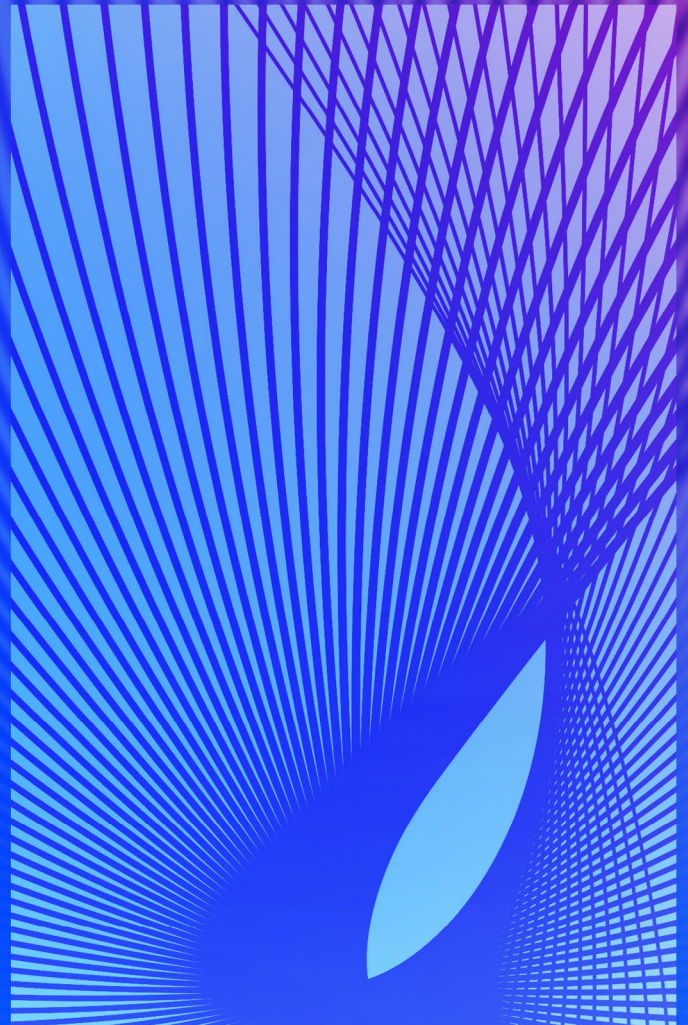




Modern Slavery Statement 2021

KPMG International Services Limited

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KPMG International Services Limited's Modern Slavery Statement 2021

This statement has been published in accordance with the Modern Slavery Act (UK) 2015 (the "Act"). It sets forth the steps KPMG International Services Limited ("the Company", "we", "our" or "us"), has and will be taking to prevent slavery and human trafficking from occurring in our supply chains and businesses for the period from 1 October 2020 to-date.

We believe slavery and human trafficking are very serious issues that must be tackled head on. In order to effectively address these issues and manage our efforts, we have adopted a proactive approach. A key priority for us remains to focus on our suppliers, particularly focusing our efforts to review, assess, and

monitor high and medium risk suppliers. We believe that this is the best approach for us as the risk of slavery and human trafficking within the industry most relevant to us (i.e., professional services) is considered relatively low while our supply chain poses higher risk in certain industries and locations.

We are committed to demonstrating our progress over time, and in this first statement we set out the foundational steps we have taken to embed modern slavery due diligence in a way that is tailored and appropriate to our risk profile and business.

Our organisational structure and principal activities

The Company was incorporated as a private company limited by guarantee on 20 February 2020. It commenced its principal activities on 1 October 2020.

The principal activities of the Company and its subsidiaries are to provide services, products and support to, or for the benefit of, the member firms of the KPMG global organisation ("member firms").

The Company's key activities made available to, or for the benefit of, member firms include, but are not limited to: supporting member firms in their execution of the KPMG global strategy across their Audit, Tax and Legal Services and Advisory businesses; managing its global procurement activities (including procuring technology products and services); managing global alliances with major technology vendors; developing and maintaining technology solutions to enhance member firms' services to clients and for their own use; providing certain technology and IT support for member firms; developing and implementing global client programs to assist and support client teams

in member firms in proposing and winning work; assisting in the development of policies, processes and standards to be applied across member firms; monitoring compliance by member firms with KPMG quality standards; and facilitating the sharing of best practices, knowledge and data across the KPMG global organisation.

The objective of these principal activities is to further the economic interests of the member firms for their mutual benefit. The Company does not carry on trade, or other activities, with a view to profit and does not provide professional services to clients. Such client services are exclusively provided by the member firms. No member firm has any authority to obligate or bind the Company or any other member firm vis-à-vis third parties, nor does the Company have any such authority to obligate or bind any member firm.

Throughout this document, "KPMG" refers to the member firms and the Company.

Supply chain structure

We leverage a global supply chain to address most of our supply needs. The member firms are part of our supply chain, however, we interact with them differently than we would with our other suppliers. Furthermore, the member firms are obliged to follow KPMG's policies and standards, including quality and risk management standards in respect of how they operate and how they provide services to clients. Due to such differences between the member firms and our other suppliers, all references

to "suppliers" and "supply chain" in this statement do not include references to the member firms. In addition, the steps outlined in this statement relate to suppliers contracted using our Global Procurement professionals, which represent the vast majority of our third-party suppliers. Some services may be provided to us outside of the Global Procurement process on occasion.

Our policies in relation to slavery and human trafficking

Policy commitment

Ethical behaviour is of the utmost importance to us and begins with the KPMG global organisation's Global Code of Conduct (the "Code"). This includes not tolerating behaviour within KPMG or by suppliers that is illegal, unethical or that breaches human rights. The Code shows how our Values inspire our greatest aspirations and guide all our behaviors and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities.

Everyone at KPMG is required to comply with the Code and to confirm their compliance with the Code. Everyone is also required to take regular training covering the Code. We are committed to holding ourselves accountable for behaving in a way that is consistent with the Code. Individuals are encouraged to speak up if they see something that makes them uncomfortable or that is inconsistent with our Values. The Code is a publicly available document that may be accessed at www.kpmg.com.

The KPMG global organisation's Business and Human Rights Statement outlines its public commitment to aligning with the UN Guiding Principles on Business and Human Rights ("UNGPs") and applies to the

Company. In line with the UNGPs, this Business and Human Rights Statement is a sign of the KPMG global organisation's commitment to:

- Undertake to avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur, and
- Seek to prevent or mitigate adverse human rights impacts that are directly related to their operations, products or services through their business relationships (this may include clients and suppliers).

Human rights risk considerations are included in the KPMG global organisation's Global Quality & Risk Management and People & Culture policies.

We endeavour to require our direct suppliers to review and agree to comply with the KPMG global organisation's Supplier Code of Conduct and Business and Human Rights Statement.

Due diligence processes

In our financial year 2021 (which ended on 30 September 2021), we carried out the following actions:

Accountabilities and governance

- Formed a working group to address slavery and human trafficking risks (such committee is comprised of personnel from the International Office of the General Counsel, Global Procurement, and Corporate Affairs (including Communications) which are departments of the Company), which began meeting, and will continue to meet monthly, to focus efforts on addressing supply chain related slavery and human trafficking issues.

Risk area identification

- Worked closely with KPMG Banarra, a dedicated business and human rights advisory team which is part of the KPMG member firm based in Australia, to identify areas of potential risk across the Company globally. The analysis focused on factors that can elevate inherent modern slavery risk, which include potential intersections with vulnerable populations, business models structured around high-risk work practices, high-risk product and service categories and company engagement in high-risk geographies. Through this work, we identified aspects of our operations and supply chain that potentially could be exposed to modern slavery risks. Each of the identified areas carries one or more inherent risk factors which elevate the risk of child, forced and compulsory labour occurring. An identified risk area does not mean that incidents of harm have been identified, but that the presence of inherent risk factors make it more likely that people may be subjected to modern slavery practices. These include:
 - **Operations.** We identified that our use of shared services, outsourcing and contingent workers, and our donations and alliances, are areas that have the potential to intersect with one or more modern slavery risk factors.
 - **Outsourced and shared services** include use of shared services and/or outsourcing as a means to achieve corporate objectives, such as outsourced IT and business processes services for functions such as data hosting, finance and accounting. Such arrangements are considered high-risk as they may diminish visibility over labor practices when compared with direct employment relationships.
 - **Alliance relationships** include activities such as joint ventures for marketing or partnering on joint market propositions. They

are an area of risk as a result of a potential intersection of high-risk geographies and low visibility of labor practices.

- **Donations** and subscriptions include intersections with community organisations and industry bodies. They are a potential high-risk area as a result of the potential intersection with vulnerable populations and high-risk geographies.
- For our supply chain, we used data analytics to overlay country and sector risk with procurement spend. This process enabled us to form a high-level understanding of the regions and supplier categories associated with a higher risk of modern slavery in our supply chain. This provided a focus for future improvements in our supplier data collection that will enable us to enhance the granularity and accuracy of ongoing supplier risk management.

Due diligence

- Commissioned KPMG Banarra to undertake a diagnostic assessment of our procurement policies, management systems and controls and grievance mechanisms and remediation processes, to identify ways to explicitly embed modern slavery considerations into our supplier risk management. This assessment is due to be completed in our next reporting period. The assessment will create a baseline against which we intend to report on our progress and establish our plan for progressing the enhancement of our approach over time.
- Commissioned KPMG Banarra to develop a modern slavery training workshop for senior professionals within the Company to socialize our efforts in addressing modern slavery and raise awareness of key areas of potential risk. The training is planned to be delivered in our next reporting period.

We acknowledge that we are at the start of our journey to address modern slavery risks in our operations and supply chains and we are committed to the continuous improvement necessary to align with good practice in this regard. Our focus over the next reporting period will be to strengthen existing due diligence process and develop a formal process to monitor the effectiveness of our risk management actions. We look forward to reporting on our progress in future reporting.

Grievance and remediation

In our financial year 2021, we carried out the following actions with regards to grievance and remediation:

- Confirmed that the KPMG global organisation's hotline allows for reporting of concerns regarding

modern slavery. The hotline is a vehicle for KPMG's personnel, clients (of member firms) and other third parties (such as suppliers, contractors, sub-contractors, external consultants, alliance partners, or other third-party resources) to confidentially report concerns they have relating to certain areas of activity by any KPMG global organisation entity, member firm or Company personnel. All reports are confidential, and anonymity is provided to those who request it. Individuals are encouraged to report without fear of retaliation, and it is explicitly noted that retaliation is a serious violation of the Code. To date, no modern slavery complaints have been received.

Next steps

For financial year 2022, we plan to carry out the following actions:

Policy commitment

- Review existing policy to identify opportunities to strengthen our public modern slavery policy commitment.

Due diligence

The results of the diagnostic assessment we have commissioned will support our efforts to refine our approach to enhancing our modern slavery due diligence. We intend to:

- Implement a risk-based approach to assessing and monitoring suppliers within our supply chain. In continuing to evolve our approach to risk-assessing our suppliers, we will focus on areas of highest potential risk to people in our supplier categories.
- Streamline our processes to capture suppliers that historically were dealt with outside the scope of our

Global Procurement team's remit to ensure our policies and requirements cascade to them over time.

Monitoring effectiveness

- Develop metrics that will enable us to evaluate the progress we are making with respect to addressing modern slavery and human trafficking.

Capability building

- Develop and implement a capability building program for Company personnel involved in managing parts of our operations and supply chains potentially exposed to modern slavery and human trafficking risks. Such training will initially focus on making those professionals aware of slavery and human trafficking, how to identify it and their responsibilities as Company personnel in helping combat slavery and human trafficking.

This statement was approved by the Board of KPMG International Services Limited, and is signed by:

Bill Thomas
Global Chairman and CEO
KPMG International

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