KPMG: Our Impact Plan

2022 update

KPMG International | home.kpmg/ourimpactplan
Our highlights at a glance

**Planet**
- **Internal Carbon Price**: Set an internal carbon price
- **Net Zero Readiness Index**: Published our first Net Zero Readiness Index to analyze the progress of countries and their ability to achieve net zero by 2050
- **18%**: Reduction in net emissions since 2019
- **74%**: Renewable electricity usage (56% in 2020)
- **50%**: Emissions reduction by 2030

**People**
- **33% female**: Representation by 2025 at the leadership level, which includes Partners and Directors
- **48.4% women**: Headcount composed of 48.4% women (47.9% in 2020)\(^1\)
- **Collective Action Plan**: Created and introduced KPMG’s Inclusion, Diversity and Equity (IDE)
- **Developing policy guidance to assist with consistently putting the human rights commitment into action**

\(^1\) Headcount reported above based on Partners and staff employed as of 30 September 2021.
Prosperity

US$1.5 billion investment over the next 3 years to focus on our environmental, social and governance (ESG) change agenda

US$125 million invested in community initiatives globally (US$124 million in 2020)

Over 81,000 hours volunteered through pro bono work

Headcount grew to more than 236,000 (6.1 percent growth year over year)

Entering year three of our multi-year US$5 billion investment focused on technology, people and innovation

Developed a new strategy to economically empower 10 million disadvantaged young people by 2030

Governance

Global Board comprised of four females and five members that identify as members of underrepresented social groups

Published our first Modern Slavery Statement

All Global Board members have completed training on KPMG’s Code of Conduct and tax policies and procedures

Headcount reported above based on Partners and staff employed as of 30 September 2021.

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As the world faces one of the most significant periods of unrest for generations, KPMG is guided by its Purpose and Values that have, for more than 150 years, helped us build trust in capital markets, strengthen economies around the world and contribute to a sustainable society.

Meeting our responsibility comes in many forms — in our work and in our daily lives, through the Values we share and the quality of work we provide. Now more than ever, I firmly believe that the business community has an opportunity and responsibility to help shape a more sustainable future. Which is why KPMG was among the first in our profession to catalog our environmental, social and governance (ESG) commitments in one place and report our progress transparently against the World Economic Forum’s (WEF) International Business Council (IBC) metrics in KPMG: Our Impact Plan.

Our Impact Plan sets out the commitments we are making on our journey to become a better business and reaffirms our commitments to the United Nations (UN) Global Compact Principles and the UN Sustainable Development Goals.

I’m proud that with the release of KPMG: Our Impact Plan 2022, we get to show you the progress we’ve made so far, and how we’re working shoulder to shoulder with clients to support them on their own ESG journeys, across four important categories: Planet, People, Prosperity and Governance. Some highlights include:

— **Planet:** We’re implementing sustainable and equitable practices within our global organization by evaluating our supply chain and creating science-based transition plans so we can move to net zero in a fair and just way. As part of our commitment to be net zero by 2030, we set an Internal Carbon Price (ICP) that will help us measure and account for our carbon impact. From impact on biodiversity to the impact on social inequity, we’ve considered many dimensions of change and are confident we will make a significant difference.
— **People:** We created and introduced KPMG’s Inclusion, Diversity and Equity (IDE) Collective Action Plan throughout the global organization. We’re taking important steps toward gender diversity with females representing 48.4 percent of our people, and it’s our intention for women to fill more than one-third of leadership roles by 2025. We’re also developing guidance for our member firms around the world to help ensure their processes meet our human rights commitments.

— **Prosperity:** We announced last year a multi-billion-dollar investment to embed ESG into everything we do — enhancing our already robust tools and services to help accelerate our clients’ ESG journeys. Part of this investment will be used to build ESG hubs on multiple continents and create ESG accelerators to spur investment and innovation in emerging markets. We’re also training our more than 236,000 people to become agents of positive change and assisting clients on three pillars of opportunity: ESG transformation, ESG reporting and ESG assurance. And we continue to work alongside organizations to make significant contributions toward the achievement of the UN Sustainable Development Goal 4 (SDG 4) — including our work with UNESCO to help economically empower 10 million disadvantaged young people between now and 2030.

— **Governance:** Our work with the WEF, to set the IBC metrics for ESG reporting is one example of how we’re using our experience and knowledge to help shape the future of sustainable business. We’ve accepted roles at the International Integrated Reporting Council (IIRC), the Financial Stability Board’s (FSB) Taskforce on Climate-related Financial Disclosures (TCFD) and the Taskforce for Nature-related Disclosures (TNFD). We will work alongside the profession to support the work of the International Sustainability Standards Board, announced by the International Financial Reporting Standards (IFRS) Foundation at COP26, as it develops and publishes ESG reporting standards and help our clients adapt as the nature of reporting evolves. This work is part of the wider role we believe we must play to support the development of consistent and credible information on sustainability matters.

It was a busy year, and there’s more progress to read throughout this 2022 update; and I am pleased that we achieved this while still working to deliver uncompromising quality to clients. Last year, we reported double digit revenue growth for the first time in many years — proof to us that purpose and prosperity are inextricably linked.

There is so much more to do, and we are determined to focus on where we can make the biggest difference in the world. Our Impact Plan is our roadmap, but it’s also an opportunity for you to learn more about us and how we hope to change for better and hold ourselves accountable to all of our stakeholders. Meaningful, lasting change doesn’t happen overnight, but we know we’ll be able to learn from our efforts and drive change throughout our global organization.

I thank you for taking the time to read Our Impact Plan and look forward to continuing our journey to be an even stronger, more sustainable business.

**Bill Thomas**  
Global Chairman and CEO
Our Impact Plan represents the collective environmental, social and governance commitments of independent KPMG firms, affiliated with KPMG International Limited. The data represented in Our Impact Plan is aggregated data from KPMG firms for the 12 months to 30 September 2021 unless stated otherwise. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. Where the terms “KPMG”, “firm”, “we” or similar references are used without definition, they are intended to refer to KPMG International Limited and the independent KPMG firms.
Material Issues

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

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To understand what most concerns this group, we carried out extensive research, which included:

- Surveying a range of external stakeholders, including the C-suite and the public in nine of our largest markets
- KPMG employee engagement and employee trust data derived from our Global People Survey (GPS)
- Insights from our Next Generation Council — a global group of young KPMG leaders
- Understanding shifting stakeholder and business priorities arising from global and societal issues
- Consideration of significant business risks included in our Enterprise Risk Management framework
- Material issues identified by KPMG member firms

The result is a list of 12 issues that are considered most material to both our stakeholders and our organization in four priority areas: Planet, People, Prosperity and Governance. In Our Impact Plan, we set out commitments that respond to these material issues, reporting our progress transparently and revealing where we can make the greatest impact.

**Planet**

1. **Environmental sustainability**

Human activity has changed the Earth’s natural capabilities — pushing planetary boundaries and threatening humanity’s very existence. Addressing climate change, water pollution, deforestation and biodiversity loss is a key to enabling responsible growth. We’re committed to driving a culture of sustainable practices within our global organization, supply chain and beyond to help ensure a healthy planet for generations to come.

**People**

2. **Talent attraction, development and retention**

By fostering an environment that values continuous learning and development, we empower our people with tools to help them succeed and make their mark. We’re focused on growth and upskilling our talent with leading technologies and future-proof skills.

3. **Purpose, culture and values**

We’re led by our Purpose — to inspire confidence and empower change — and driven by our Values in creating a caring and inclusive culture that provides our people with opportunities to make an impact, solve challenges and tap into their passion for doing work that matters.

4. **Inclusion, diversity and equity (IDE)**

Unique experiences and perspectives enhance KPMG and help create the drive for a fairer, more equitable society that includes everyone. We’re committed to embedding and improving IDE across our global organization — encouraging people to come as they are.

5. **Health, well-being, workload and job security**

To create opportunities for themselves and others, our people need to be at their best, both physically and mentally. Our responsibility is to help ensure our people are healthy, secure and supported through the challenges in their personal and professional lives — enabling them to thrive.

KPMG has a diverse group of stakeholders that includes our people, clients, local communities, governments, regulators, the wider public and those invested in the capital markets.

We’re led by our Purpose — to inspire confidence and empower change.
Prosperity

6. Relevant, quality services in the public interest
We have a fundamental commitment to serve the public interest and build trust. We do this by leading in audit quality, driving responsible tax practices, and advising clients on ways in which they can transform their business to help create sustainable value — embedding ESG into client services.

7. Technology and innovation
Our continual investment in technology and innovation helps ensure we’re keeping up with the accelerating pace of technological change, positioning us for future success so we can meet stakeholder expectations and growth objectives.

8. Impactful community initiatives
We’re committed to having a positive impact on the communities we serve and we’re increasing our investment in a wide range of social initiatives with an emphasis on education for youth and underrepresented populations.

Governance

9. Financial and brand resilience
Through strong and agile processes and practices, we’re well positioned to remain resilient in increasingly complex and volatile environments — promoting wider economic growth and prosperity.

10. Information protection
We have policies, processes and controls on information security, personal information and data privacy. We provide annual training on confidentiality, information protection and data privacy requirements to all of our people. Our clients and stakeholders entrust us with sensitive information, and we’re committed to observing all relevant regulations and investing in leading systems to help keep them safe and secure.

11. Transparency and accountability
All our member firms are committed to our shared Purpose and Values, standards and service quality expectations. Our clear governance and practice management standards help ensure we’re driving consistency and accountability across our entire global organization.

12. Ethics, integrity and independence
We’re committed to the highest standards of personal and professional behavior in everything we do. Ethics and integrity are core to who we are and why everyone at KPMG is responsible and accountable for their conduct.

Our approach to identifying risk
KPMG International has an Enterprise Risk Management program led by our Global Management Team (GMT) and overseen by the Global Board Quality, Risk Management and Reputation Committee. The program uses our proprietary Dynamic Risk Assessment methodology to identify, connect and visualize risks across four dimensions: likelihood, impact, velocity and connectivity. It helps us better understand the risks we should focus on.

Every KPMG firm is required to identify and manage its risks through a formal risk assessment process for which each KPMG firm’s leadership takes responsibility.

Our global client and engagement acceptance and continuance processes and policies help us identify and evaluate potential risks, ethics or compliance issues prior to accepting or continuing a client relationship or performing a specific engagement. KPMG firms are required to evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client or engagement acceptance or continuance decisions pose significant risks, additional approvals are required.

You can read more in our Global Transparency Report 2021.
Reducing our impact on the environment to build a more sustainable and resilient future.
Earth’s natural capabilities are being tested at an increasingly alarming rate — pushing planetary boundaries and threatening humanity’s very existence. To help ensure a just transition, where no one is left behind, there’s a need for sustainable and equitable practices across business, government and broader society.

KPMG is committed to reach net-zero carbon emissions by 2030. This requires halving our carbon emissions by 2030 — while continuing to look at how we address climate change, water pollution, deforestation and biodiversity loss. We’re implementing sustainable practices within our global organization and evaluating our supply chain to help ensure a healthy planet for generations to come.

We provide resources and insights to clients that help shape business models, products and services that address climate change and help clients reduce carbon emissions.

To support our clients on their decarbonization journey, we created a global decarbonization hub focusing on:

- Emerging technology expertise that includes hydrogen, carbon capture utilization and storage, mobility and renewable fuels
- Decarbonization services delivering a wide range of climate and decarbonization support, including carbon offsets, circular economy, transition planning, energy efficiency, carbon removal and nature-based solutions

A climate policy and an incentives dashboard to support clients in understanding the emerging legal regulatory landscape across their geographic and industry footprints

KPMG is working hard to help prepare clients for the impacts of climate change. We provide resources and insights to clients that help shape business models, products and services that address climate change and help clients reduce carbon emissions.

With offices in 145 countries and territories around the world, KPMG has a unique perspective, which enables us to contribute expertise to the following groups:

- The Financial Stability Board’s (FSB) Taskforce on Climate-related Financial Disclosures (TCFD)
- The Value Reporting Foundation’s Corporate Reporting Dialogue
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Net Zero Financial Service Providers Alliance (NZFSPA) in support of the Glasgow Financial Alliance for Net Zero (GFANZ)
Our commitments

Decarbonization
— Achieve net-zero carbon emissions by 2030

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

Nature and biodiversity
— Understanding and improving our impact on nature and biodiversity

“...It is critical that we recognize the responsibility that we play in meeting the challenges that impact the future of our planet and threaten our quality of life, now and for future generations. We are committed to supporting the responsible transformation of organizations — including our own.”

Richard Threlfall
Global Head of ESG and KPMG IMPACT
Decarbonization

As a global organization, we have a clear role to play in a just transition to net zero. In 2020, we committed to set a science-based target (SBT) aligned with a 1.5°C trajectory. Our own carbon reduction target was validated by the Science Based Targets initiative (SBTi) in 2021, committing us to reduce our emissions by 50 percent by 2030.

Reducing our carbon footprint

Since 2019, our emissions have fallen by 18 percent across the global organization, which is a 24 percent reduction per individual. While this is in large part attributed to the COVID-19 pandemic, it’s also a result of efficiencies within our operations, such as investment in cloud servers, retrofitting lighting and central air systems.

Last year, as part of our SBT, we rebased our FY19 performance to include additional Scope 3 emissions, particularly emissions from our supply chain. As a result, our emissions increased to 1.8 million tCO2e, which is the baseline for our 50 percent decarbonization commitment. The addition of our supply chain into our greenhouse gas (GHG) inventory increased our emissions footprint by over 900,000 tCO2e. And in 2021, our supply chain emissions increased by over 30 percent because of our investment in new digital capabilities and capacity.

In the past year — largely as a result of remote working — there was a 23 percent reduction in Scope 1 and Scope 2 emissions and since 2019, there was a 32 percent reduction in emissions.

It’s worth noting that we have seen significant reductions from Scope 3 emissions falling due to a reduction in business travel in the past 2 years. Overall, there has been a decline in emissions from business travel — 75 percent drop since 2020 and 89 percent since 2019.

Our challenge and our commitment are to help ensure we don’t allow business travel to return to pre-pandemic levels and we lock in the new ways of working that have allowed us to continue to deliver quality services to clients, while reducing the need to travel. We will continue to make investments in best-practice hybrid working.

As a result, our emissions increased to 1.8 million tCO2e, which is the baseline for our 50 percent decarbonization commitment.

Grow Your Impact — Actions speak louder than words

To help increase the positive impact our people have on the planet and society, KPMG has developed the Grow Your Impact platform — designed to drive and increase participation in sustainability campaigns globally.

Refer to Appendix
Refer to Appendix
Refer to Appendix
Having a clear picture of our total carbon emissions helps benchmark our climate performance across the global organization and identify areas for improvement. Below is a breakdown of our total carbon emissions and emissions intensity ratio per individual:

### Total carbon emissions

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<thead>
<tr>
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<th>Global FY19</th>
<th>Global FY20</th>
<th>Global FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total carbon emissions (gross) in tCO2e</strong></td>
<td>1,814,771</td>
<td>1,442,892</td>
<td>1,497,445</td>
</tr>
<tr>
<td><strong>Scope 1 emissions (gross) in tCO2e</strong></td>
<td>22,880</td>
<td>17,608</td>
<td>8,636</td>
</tr>
<tr>
<td><strong>Scope 2 emissions (location-based) (gross) in tCO2e</strong></td>
<td>114,609</td>
<td>104,220</td>
<td>85,742</td>
</tr>
<tr>
<td><strong>Scope 3 emissions (gross) in tCO2e</strong></td>
<td>1,677,282</td>
<td>1,321,064</td>
<td>1,403,067</td>
</tr>
<tr>
<td><strong>Net tCO2e per individual</strong></td>
<td>8.15</td>
<td>6.19</td>
<td>6.2</td>
</tr>
</tbody>
</table>

To help organizations understand the challenges we face in the transition to net zero at a global level, KPMG IMPACT published the Net Zero Readiness Index, which analyzed the progress of 32 countries in reducing GHG emissions and their ability to achieve net zero by 2050.
Shifting to renewable energy

As part of our commitment to source 100 percent renewable electricity across the global organization by 2030, KPMG joined the global RE100 initiative. We will disclose information through our CDP (formerly the Carbon Disclosure Project) report. By October 2022, we’re committed to relying on 100 percent renewable electricity in our Global Board firms. Currently, 87 percent of the electricity consumed by our Global Board countries is from renewable sources.

KPMG’s renewable electricity usage across the global organization increased to 74 percent in 2021, up from 56 percent in 2020.

“During a live stream event during COP26 where the Asian Development Bank (ADB) announced the launch of its ambitious, first-of-its-kind partnership to establish the Energy Transition Mechanism (ETM) for Southeast Asia, I was finally able to explain to my family why I get out of bed every morning to do the work I do.

Southeast Asia’s coal plants are one of the largest carbon emitting sources in the region. The ETM program is aimed at helping countries phase out coal plants and facilitate transition by adopting clean energy — with potential to become the largest carbon reduction program in the world.

KPMG has been at the forefront of energy transition and ESG transformation. The ETM engagement with ADB is a significant opportunity for us to collectively drive the decarbonization agenda in the emerging markets. It has been a very rewarding experience personally to work on this project led by our Climate Change and Decarbonization Leader and colleagues in Singapore, Vietnam, Indonesia, Philippines and India.

It made my family proud knowing I’m involved in something important that has the potential to trigger significant change in the region, for a better world.”

— WenBin Lim, KPMG in Singapore

People of KPMG

Renewable electricity

<table>
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<tr>
<th>Year</th>
<th>Renewable electricity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>0%</td>
</tr>
<tr>
<td>FY20</td>
<td>10%</td>
</tr>
<tr>
<td>FY21</td>
<td>70%</td>
</tr>
</tbody>
</table>

Financial year: 1 October – 30 September
Setting an Internal Carbon Price

In FY22, KPMG agreed to set an Internal Carbon Price (ICP) to cover business travel and business operations globally.

Our ICP will help fund improvements across our value chain by setting a price on the emissions we generate. It will also influence investment decisions, incentivizing and, in some cases, providing the funds for KPMG firms to invest in new technologies and solutions. It will also help manage the change that’s needed across our business as we work towards our net-zero targets.

Decreasing supply chain emissions

KPMG established a global procurement ESG working group, with the objective of ensuring our suppliers are helping us achieve our commitments and are aligned with our Values. The group’s initial priority is to develop and enhance the work of our firms to deliver a net-zero supply chain.

People of KPMG

“I’m very proud of the work KPMG China does to help improve biodiversity and fresh water, ocean, wetland and forest ecosystem restoration. Since 2020, we have collaborated with Conservation International on a community-based freshwater initiative to help protect water resources in Guangdong province’s Dongjiang Basin, a major water source for the region.

Currently, we are in the midst of a 2-year initiative with Shenzhen Mangrove Wetlands Conservation Foundation (MCF) to monitor and oversee the Shenzhen Bay ecosystem, by improving the ecological quality, protecting endangered species, and promoting environmental awareness.

In addition to raising funds, KPMG employees volunteer their time to help with vegetation and small mammal surveying and wetland preservation. This first-hand information will be published in a joint report with MCF, along with other government entities, to inform further protection measurements taken in the area.”

— Wilson Pang, KPMG China

The group’s initial priority is to develop and enhance the work of our firms to deliver a net-zero supply chain.
Climate risk

We continue to report annually to CDP on our collective performance and management for climate-related issues, and this year, we maintained a B grade — displaying coordinated action on climate issues. To strengthen our rating, we’ll focus on quality assurance, supply chain engagement and further assessing climate risk.

KPMG plays an active role in the Taskforce for Climate-related Financial Disclosure (TCFD) to provide clear recommendations on how organizations should disclose consistent information on climate-related financial risk and the potential impacts.

We created a climate change resource center with tools and insights that help clients understand the financial reporting impacts a just transition to sustainability has on their business.

As part of Our Impact Plan, we review our climate approach and performance, and now present our progress annually to our Global Board. Risk oversight is an important part of the Global Board’s remit and it helps ensure we continue to improve our methods and services — while holding ourselves accountable.

Understanding climate risk

To understand the potential negative impact of climate change on our organization, we worked with our ESG professionals to commission a high-level physical risk assessment under a range of scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) on the majority of KPMG member firm offices and real estate assets around the world. Once completed, we will review the findings and develop an action plan.

KPMG in the UK created KPMG Climate IQ, a multi-industry risk management tool that enables companies to identify, quantify and manage their physical and transition risks due to climate change. As we continue on our journey, we’ll conduct a full KPMG Climate IQ assessment to develop a more comprehensive understanding of our exposure to climate risk. We’ll use the outcomes of this process to enhance our CDP response and as a foundation for a full TCFD report, which we plan to issue later this year.

Risk oversight is an important part of the Global Board’s remit and it helps ensure we continue to improve our methods and services — while holding ourselves accountable.
Nature and biodiversity

Being explicit in how we manage our impact on the natural world is a vital component of how we build a culture of sustainability across our business.

**Shaping a nature-positive future**

To help develop a risk management disclosure framework, we joined the Taskforce on Nature-related Financial Disclosures (TNFD). Over the next few years, we’ll help the TNFD to develop and deliver a risk management and disclosure framework for financial institutions, asset managers, insurance providers and organizations to report and act on evolving nature-related risks. This will help enhance the services we deliver for clients.

Two appointees from KPMG Australia were selected as TNFD members and will play an active role, as members of the Taskforce, in shifting global financial flows away from nature-negative outcomes and toward nature-positive ones.

**Becoming nature-positive and creating circularity**

To address nature loss, we assessed the locations of KPMG firms around the world to better understand the impact we’re having on key biodiversity and protected areas. KPMG is now working with our ESG professionals to develop a roadmap to become a nature-positive organization.

We’re also developing a plan to promote circularity and help KPMG become a circular organization. A circular economy — a system that does not consider used products as waste, but as raw material for reuse — is aimed at decoupling economic growth from resource consumption, helping to create long-term value. Circularity is also a critical enabler to achieve our net-zero objectives.

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7 Refer to Appendix
**Case study**

**Boosting biodiversity, KPMG in the UK**

Since 2014, the roof of KPMG in the UK’s London office has been home to two honeybee colonies, hosting a total of 80,000 bees. Before the pandemic, our colleagues had the opportunity to swap their work-suits for beekeeper-suits to visit our friends on the roof. Led by KPMG’s ‘urban bee head beekeeper’, our colleagues were able to learn about the positive impact pollinators have on boosting biodiversity, both across the UK office and in their own homes. To support the UK Department for Environment, Food & Rural Affairs’ (DEFRA) National Pollinator Strategy, we help solitary bees by placing bee hotels and planting pollinator flowers across our office. In support of the 2021 World Environment Day theme of Ecosystem Restoration, we held an employee learning session on the important role of bees and pollinators, and the ways colleagues can continue to support these insects at home. By encouraging bees to thrive, we’re strengthening the growth of plants, food and healthy ecosystems.

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**Case study**

**Fairphone circularity, KPMG in the Netherlands**

KPMG’s Product Circularity Improvement Program (PCIP), in collaboration with Circular IQ, was put into action by KPMG in the Netherlands’ recent work with their client, a Dutch telecom operator, and one of their key suppliers of more sustainable and circular smartphones, Fairphone.

As one of the first telecom operators to actively work on circularity with its suppliers, the client sought a way to measure and visualize the circularity of products. Based on Fairphone’s product data and insights on trade-offs in responsible material sourcing, KPMG and Circular IQ refined the product circularity report. The newly found insights sparked an in-depth discussion between the client and Fairphone, allowing both parties to understand better where their sustainability and circularity agenda’s meet.

An example of this is the trade-off between focusing on recycled content or fair mined materials (e.g., Fairtrade gold). The data-backed insights helped steer the conversation to understand Fairphone’s efforts better and the reasoning behind them, since only assessed and well-addressed impacts can lead to more sustainable and circular products like the recently launched Fairphone 4.
Creating a caring, inclusive, Purpose-led and Values-driven culture for our people.
Climate change, the COVID-19 pandemic, racial injustice and growing inequality continue to disrupt all aspects of life. Workforce attrition is at an all-time high, particularly among minority groups.

We’re committed to building future-proof skills, expertise and innovation and equipping our people to grow their careers and make an impact with work that matters. As we define, shape and build a workplace fit for the future, we’re involving our people every step of the way.

Engaging our people is vital to driving our agenda and we’re encouraged by our 73 percent response rate to our latest Global People Survey (GPS). We also gain valuable insights from groups including our Global People Steering Group, composed of People Leaders from our largest KPMG firms and regions, as well as our Next Generation Council, a diverse group of young KPMG leaders.

Our commitments

Inclusion, diversity and equity (IDE)
— Have an inclusive culture, built on trust
— Foster an educated, empathetic workforce; and
— Advocate for equal opportunity

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

Continuous learning
— Develop a continuous learning culture

Human rights
— Respect human rights
Preparing for the future means investing in our people's health and well-being, providing and supporting hybrid ways of working, in an inclusive environment, and upskilling our talent in areas such as technology and ESG — focusing on meaningful learning that will last a lifetime.

Nhlamu Dlomu
Global Head of People

Inclusion, diversity and equity (IDE)

What makes us different is also what makes us stronger. Building a welcoming culture where everyone feels safe and empowered can allow our people to reach their full potential, and ultimately help drive success.

Fostering an inclusive culture built on trust

This year, in collaboration with KPMG firms around the world, we added equity to the title of our IDE agenda.

Integrating IDE throughout the organization

Leveraging our people's input, we created and introduced KPMG’s Inclusion, Diversity and Equity (IDE) Collective Action Plan, which sets out the steps we’ll take to drive IDE across the global organization and within the communities we’re proud to serve.

How we define inclusion, diversity and equity at KPMG

Inclusion is about belonging

We commit to creating a safe environment built on trust; where we can bring our true authentic selves to work and feel valued for our unique contributions and perspectives.

Diversity is about difference

We commit to embracing and respecting the variety of unique experiences, cultures, identities and perspectives we collectively bring to KPMG.

Equity is about access to opportunities

We commit to standing against systemic barriers and biases. We help level the playing field and ensure everyone can succeed and thrive at KPMG.
Our IDE Collective Action Plan

Five critical goals to meet our ambition

- **Leadership accountability**: Ensure accountability through IDE aspirational goals, expectations and clear commitments.
- **Policies and guidelines**: Implement a global IDE policy so we are each aware of the behaviors required of us, and the mechanisms available so we can speak up and invest our time in IDE initiatives.
- **Transparent metrics and reporting**: Set a clear inclusion, diversity and equity ambition, establish appropriate objectives and measurements.
- **Global suite of resources**: Design, develop and curate a global suite of resources accessible to all, and help ensure bias in key talent processes does not exist.
- **Societal and client initiatives**: Drive a series of external initiatives to support and educate our clients and communities.

### 3 pillars

- **Allyship**: An inclusive culture, built on trust.
- **Speak up culture**: An educated, empathetic workforce.
- **Equity**: An advocate for equal opportunity.

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We’ve built a Global IDE Center of Excellence (COE) and rolled out a new global IDE policy that will enable us to deliver our IDE Collective Action Plan and we’ve developed a milestone tracker, to drive accountability. The objective of the policy is to ensure that all our people, wherever they are in the world, feel safe and empowered at work.

Building an educated, empathetic workforce
We provide global IDE eLearning courses to all our people that cover topics like inclusive leadership, overcoming implicit bias and inclusive hiring. In FY22, our ambition is to deploy educational resources and learning programs to all our people by developing digital global IDE learning pathways. We’ve developed a program of strategic learning events, with a strong focus on allyship and building a speak-up culture. KPMG hosted global summits for PRIDE, International Day for the Elimination of Racial Discrimination, International Day for Persons with Disabilities and International Women’s Day. The summits drew participation from more than 11,000 KPMG people in 60 countries and territories.

In addition, we’ve created an allyship guide aligned to our Values to provide our people with the tools they need to foster a supportive and inclusive workplace.

Advocating for equal opportunity
To help ensure our people, particularly our leaders, are held responsible for change we’ve developed and embedded new IDE goals across the global organization. Each year, all our people are encouraged to set an IDE goal as part of their performance management, to help build a diverse and equitable organization that’s inclusive to all.

Broadening our focus on ethnicity, LGBTQ+ and persons with disabilities
We’ve committed to broaden the scope of the global diversity data we collect and report on. Where we’re unable to set collective quantitative goals at the global level, we will propose actions that will help strengthen our approach to IDE across our member firms and expand our focus to include ethnicity, LGBTQ+ and persons with disabilities.

My hope is that every single one of our KPMG people around the world can act as allies to one another and feel comfortable bringing their whole selves to work. Because that’s when our people can truly shine and in turn, bring excitement, innovation and passion to our colleagues, clients and communities.

Kristine Remedios
Global Head of Inclusion, Diversity and Equity
KPMG in the UK, US, Canada and Australia are already making progress in this area, with wider representation from these groups. And as KPMG firms strengthen the collection of their people and diversity data, we will set a baseline for moving us forward, globally.

A number of KPMG firms have been leading the way in setting goals for the future. For example:

— KPMG in the UK has committed to 20 percent of its Partners and 25 percent of its Directors being represented by people from an ethnic minority by 2030
— KPMG in the US has an aspiration of 50 percent Partners and Managing Director representation from underrepresented groups, including doubling Black representation by 2025
— KPMG in Canada committed to 26 percent of its Partners being represented by people of color by 2025
— KPMG Australia has committed to 20 percent of its Partners being culturally diverse by 2025

“Being elected Chair of the Board of Directors of KPMG in Canada has been a long journey since I came to Canada from Jamaica as a young boy. I started at the firm straight out of university, but while my mentors kept saying I was Partner material, when I looked at leaders across the firm, I didn’t see people who looked like me. More and more, a priority is being made at the leadership level to ensure it’s representative of all Canadians. As Chair of the Board and KPMG in Canada’s Chief Inclusion, Diversity & Equity Officer, I have the opportunity to make sure my perspective and lived experience — which is shared by millions of Canadians across the country — are heard and considered during the decision-making process. These roles have not only given me a seat at the table but allowed me to lead by example as a champion of inclusion and diversity; it sends a pretty powerful message to people across the firm.”

— Rob Davis, KPMG in Canada
We have developed a new IDE Index which will provide a way for us to track and measure our progress against our IDE Collective Action Plan in a consistent way. This is in place to hold us accountable as well as track and measure our progress.

1. Inclusive culture built on trust
2. An educated, empathetic workforce
3. An advocate for equal opportunity
Closing the gender gap

We’ve carried out research on gender pay equality methodologies and legislation in our Global Board countries. Our approach is not only about numbers; it’s also about understanding the processes and programs that drive our metrics and ultimately build a more inclusive and equitable culture. By having a clear picture of our current state, we can set realistic goals and measure our progress.

While we’re making progress for a more equitable future that includes everyone, there’s still more to do. To level the playing field, we’re investing in new programs and initiatives that support women across the world.

In 2021, KPMG took steps toward gender diversity, with females making up 48.4 percent of our total headcount— an increase of 0.5 percent since last year. More specifically, our leadership group, composed of Partners and Directors, has had an increase of 0.9 percent.

More specifically, our leadership group, composed of Partners and Directors, witnessed an increase of 0.9 percent.

“I’ve received valuable advice from women I’ve worked with over the last 30-plus years, but when one of my mentors, a very successful female CFO, told me that her “failures” had played as important a role as her successes as she built her career, it got me thinking. Many women I speak to have experienced low confidence and fear of failure, but we all agree that overcoming obstacles and taking risks are part of the journey to finding success. I had to do something, because when women feel comfortable sharing their stories of failure and success, it empowers others to do the same — and that’s where the real learning happens. So, I began organizing ‘confidence and risk-taking’ workshops for female professionals and have now hosted over 65 workshops for more than 12,000 women in 10 countries and territories. I’ve seen first-hand how participants benefit from honest, real-life stories about how deliberate risk-taking helps us overcome our fears and grow in confidence. The more women share their lived experiences, the safer a space they create for others to follow suit.”

— Laura Hay, KPMG International

Read more about KPMG’s commitment to gender equality here.
Advancing gender equality

We’re working with KPMG firms to set goals that will help drive our commitment to advancing IDE across our global organization. Globally, it is our intention to achieve 33 percent female representation by 2025 at the leadership level, which includes Partners and Directors. This represents a third of our leadership across the globe and will help drive our commitment to advancing gender equality, across all KPMG member firms.

Moving forward, KPMG is committed to inclusivity and better monitoring gender beyond the binary.

Joining global voices

Each year, we review our external coalitions and commitments to ensure we’re continuing to build relationships with organizations that share our Values and align with our IDE strategy. This year, KPMG:

— Worked with the UN to deliver on our commitments as a signatory to the UN Global Compact Principles and UN Women’s Empowerment Principles — including working with our member firms to progress gender equity using a gender gap analysis tool
— Became a signatory to the World Economic Forum’s Partnering for Racial Justice in Business — aligned with our goals of expanding the scope of the global diversity data we collect and report
— Continued to support LGBTQ+ equality through our membership of the Out Leadership Global LGBTQ+ Business Network — where we sent KPMG LGBTQ+ emerging leaders across the globe to the 2021 OutNEXT leadership program, co-sponsored WorldPride in Copenhagen, and worked closely with the Chair of KPMG’s Global Pride Network
— Became a signatory to The Valuable 500 and committed to conducting a current global state analysis of disability inclusion efforts in order to share best practices, drive next steps and demonstrate our commitment to disability inclusion

Globally, it is our intention to achieve 33 percent female representation by 2025 at the leadership level, which includes Partners and Directors.
Everyone deserves strong and accessible support, and we put our people’s physical and mental health first. It’s our goal to lead the industry in developing employee well-being, fulfilment and flexible ways of working.

**Supporting physical and mental health**

Throughout the pandemic, we know that the demands placed on our people in both their personal and professional lives have at times felt overwhelming.

KPMG offers a robust Employee Assistance Program that’s customizable to individual needs. Additionally, all Global Board countries continue to provide an employee assistance offering that includes mental health and well-being support.

“I first experienced clinical depression over 15 years ago. It was so acute that for months, I’d struggled to eat or sleep and all I could think was that I was letting my team down. I tried to resign thinking my depression was influenced by work, but my office Managing Partner at the time told me we’d get through this together. Fast forward and I’m now KPMG in Canada’s Chief Mental Health Officer — the first position of its kind in the country. My job is to break the stigma surrounding mental health and to open boardroom doors — to make sure that our employees know that mental health is health, that nobody has to suffer in silence and that asking for help is the first step to recovery. My goal is for mental illness to be treated just the same as a physical illness, like cancer, and taken just as seriously. A world where we can talk openly about mental health while standing at the water cooler is within reach. I see proof of that every day.”

— Denis Trottier, KPMG in Canada
KPMG Australia’s well-being program ‘Be you, be well’ is centered on an integrated and holistic approach focusing on mind, body, connections and finance — intent to empower our people to achieve their optimal level of happiness, well-being and performance in and outside of the workplace. Scaling up well-being efforts has taken on new momentum and demand since the start of the pandemic, allowing KPMG Australia to take initiatives to the next level. The program is equipping leadership to really lean into mental health conversations with workshops and toolkits that aim to reduce the stigma associated with mental illness, allowing leaders to support with greater confidence. It is equally as important to equip peers with the confidence to support one another. Instituting the peer support and well-being circles by accreditation is building capabilities (beyond just HR) for true peer-to-peer connection. ClubWell — a program that connects our people — was also expanded and now has over 4,000 members. It now includes clubs of various interests and hobbies such as a book club, money matters, green champions and more, all building connection and a sense of belonging among like-minded people and leaders.
Building resilience and adapting to an emerging new reality of work

KPMG developed global principles for hybrid working and provided training and guidance to help our people work successfully in this new environment. We've created a digital workplace by providing enabling technology and tools that encourage productivity, connectivity and collaboration. In our latest Global People Survey (GPS), we were pleased to see 81 percent of those who responded reporting that they have the tools and resources to help them do their work.

Our office spaces are being redeveloped to create welcoming physical spaces, which enhance team working. To support the physical safety of our people, KPMG continues to follow local guidance on office openings, helping to ensure space is secure and hygiene measures are in place.

We continue to build a future-focused People strategy, supported by our new Collective Employee Value Proposition — aimed at ensuring that we continue to enable our people to thrive as the world of work evolves.

"I immigrated to the US at 3 years old. A year after coming to the US, I was paralyzed and have been using a wheelchair since. I got connected to others with disabilities through adaptive sports after listening to a newly injured quadriplegic speak at my middle school — and loved it! This led to an athletic scholarship to the University of Illinois at Urbana-Champaign (UIUC), where I got to train daily with Paralympians and world record holders. I also earned a bachelor's and master's degree in accounting, which opened the door to a job at KPMG in the US.

When I started as a new hire in January 2020, I was in the midst of training for the Paralympic Trials. I was able to work reduced hours to focus on training in the hope of making Team USA for the 2020 Tokyo Paralympic Games — and I made the team!

KPMG continues to support me with a flexible work environment so I can succeed both inside and outside of the workplace. And I’m still training to make Team USA again in the future."

— Yen Hoang, KPMG in the US
Continuous learning

We are empowering our professionals with access to lifelong learning opportunities — to better equip them to innovate, drive impact and develop future-proof skills.

Enabling self-directed learning

2021 marks year one in our 3-year investment in a new global learning technology ecosystem. The goal is to create a seamless and consistent learning environment to provide agile, scalable and measurable learning content to everyone at KPMG, and this technology is now being deployed across the global organization.

Designing for lifelong learning

We design programs to help ensure our employees have the right skills to support their clients’ needs today and into the future. In our 2021 GPS, 79 percent of respondents indicated that KPMG helps with opportunities to learn new skills and development, whereas 84 percent indicated that KPMG people do a good job sharing their knowledge and experience — promoting continued learning that can last a lifetime.

KPMG provides formal mandatory and technical training that enables people to deliver quality work to clients in all our professional services across Audit, Tax & Legal and Advisory. As an example, we’ve also embedded learning into KPMG Clara, KPMG’s smart audit platform designed to facilitate more seamless interactions between KPMG and clients.

And as part of our ESG plan, we’re providing our more than 236,000 people with ESG training to help ensure everyone is empowered to be an agent of positive change — working with leading global academic institution, the University of Cambridge Judge Business School.

Additionally, KPMG is rolling out a multi-year globally consistent digital and data literacy program to all of our people.

FY21 training provided in KPMG large member firms

Average annual training hours per individual: 51

Average training costs per individual: US$1,071

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*KPMG’s large member firms are broadly aligned with the 21 member firms represented on the KPMGI Global Board*
Building on the work we did in 2020 to identify areas of potential child, forced or compulsory labor risk across KPMG globally, we conducted a targeted diagnostic assessment which considered KPMG International’s own processes, systems and controls to manage modern slavery-related risks. The assessment and associated activity we have undertaken provide a foundation for KPMG member firms around the world to mature their processes and practices.

To transparently demonstrate our progress against our commitments, we will report annually on our performance against the three pillars of human rights due diligence as outlined in the UN Guiding Principles on Business and Human Rights.

In 2021, we worked with KPMG Banarra, a dedicated business and human rights consultancy based in KPMG Australia, to assess the alignment of KPMG International’s own policy with good practice human rights due diligence, focusing on modern slavery risk management.

The assessment provided guidance on how to enhance our policy commitment and use it to support KPMG member firms to implement their own modern slavery risk management policy and processes. We are in the process of developing policy guidance for KPMG member firms, a suite of tools and templates to assist with consistently putting the human rights commitment into action.
Prosperity

Driving purposeful business practices and good corporate citizenship.
2021 was a year filled with extraordinary challenges — and many of these were systemic and long-standing issues. With more than 236,000 people across 145 countries and territories, we recognize our role and responsibility to build a better world and engage our global community of professionals to be agents of positive change.

For FY21, KPMG reported annual aggregated global revenues of US$32.13 billion — a 10 percent growth in US dollar revenue from FY20. Our growth across functions: Advisory grew at 17 percent, Audit at 4 percent and Tax & Legal Services at 8 percent. And as we grow, our ability to strengthen our community support does too.

Read more about our 2021 Corporate Highlights here.

Our new global ESG plan includes a more than US$1.5 billion investment over the next 3 years to focus on our ESG change agenda — designed to support KPMG firms in making a positive difference for clients.

To stay ahead of the digital curve, we continue to make significant investments in our own digital transformation. We’re now entering year three of our multi-year US$5 billion investment focused on technology, people and innovation.

We’re committed to building a better KPMG than the one we inherited. To track and measure this impact, we’re enhancing our reporting to provide transparency in line with the newly established International Sustainability Standards Board.

In 2021, we continued to disclose and explain how we’ve applied the World Economic Forum International Business Council Stakeholder Capitalism Metrics, as well as other reporting frameworks, including the Global Reporting Initiative (GRI) Standards and the UN Global Compact Principles.
Our commitments

Purposeful business
— Always act with a clear purpose
— Lead the profession in audit quality
— Drive a responsible tax practice

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

In advancing Our Impact Plan, we continue working with KPMG firms across the globe and our internal ESG specialists to help ensure we apply leading-practice thinking to develop the most relevant commitments and actions to enrich the lives of our people, clients and communities.

Jane Lawrie
Global Head of Corporate Affairs
Purposeful business

Purpose helps an organization articulate its reason for being and creates deeper connections with people and communities. We have a long-standing legacy of building trust and protecting the public interest, and we’re focused on the issues that matter most to our clients and their stakeholders. Our ambition is to be the most trusted and trustworthy professional services firm and to use that trust to accelerate our growth.

Embedding ESG throughout our organization

Over the next 3 years — through our more than US$1.5 billion investment — we’ll ensure ESG is the watermark that runs through KPMG; from empowering our people to become agents of positive change, to providing training for all our people and enhanced approaches and services for clients.

Our new global ESG plan focuses on five priority areas:

We’re leveraging our ESG specialists from KPMG IMPACT to not only help clients, but to apply industry best practices throughout our global organization — allowing us to set a baseline of commitments that reflect the United Nations Sustainable Development Goals (SDGs).

Our ESG plan is designed to support KPMG firms’ clients in making a positive difference. To do this, we’re establishing five dedicated hubs to provide specialized expertise and advice on key ESG issues. We started embedding ESG in our tools and services and into our work with clients and will continue this journey in FY22 across three pillars of opportunity: transformation, reporting and assurance.
Investing in audit quality

Quality and integrity are the foundations that strengthen trust in the clients we serve. Audit quality is fundamental and is the key measure on which our professional reputation stands.

We’re committed to ensuring our approach to audit quality evolves as the audit itself continues to be reshaped with new technologies and methods that create a better experience for clients.

As we prepare for revised global quality standards, we’ve adopted a new Global Quality Framework to better outline how we deliver quality at KPMG and how all KPMG professionals are accountable for its delivery. We’re expanding access and training for leading technology and tools for our engagement teams, such as KPMG Clara, our smart audit platform, to help drive consistency, collaboration and efficiency.

Driving a responsible tax practice

The work we do to support organizations and their tax responsibilities is critical in supporting the communities in which they operate by helping to reduce debt, drive sustainable economic growth and help tackle the social justice issues that matter.

We believe it is imperative that we offer our voice consistently in the market to provide multinational organizations with a global view on the implications for their businesses — and the impact those choices have on society. KPMG delivers targeted approaches to help tax leaders embrace their role in ESG through resources like our tax impact reporting methodology to help clients assess their existing tax governance, access relevant tax data and prepare transparency reports.

Through our responsible tax program, we provide a global forum that includes a diverse range of stakeholders to engage productively in the ongoing, multifaceted conversation about tax and its role in an increasingly globalized, digitalized and often fragile environment.

Over the past year, we’ve held a series of roundtable and global webinars on issues, including tax transparency, driving the green recovery and the implication of carbon border adjustment mechanisms.

Our leadership in responsible tax also encompasses how we deliver our services to clients, the arrangements of each KPMG firm and their respective Partners’ tax affairs. We’re committed to acting lawfully and with integrity, providing high-quality advice and building mutually trusting relations with tax authorities. This is consistent with our Values and Global Code of Conduct. Read the full KPMG Principles for a Responsible Tax Practice.
Driving business transformation

KPMG’s Advisory capabilities are powered by a suite of digital and business transformation solutions which provide clients with the resources they need to help optimize risk, automate compliance and support the identification of opportunities driven by a rapidly evolving landscape and regulatory change. We continue to be recognized by the global analyst community, and were named a “Leader” by IDC, Forrester and HFS Research for our digital strategy, data analytics and AI services.

To read about how KPMG delivers on our fundamental promise of audit quality to serve the public interest, download KPMG’s Transparency Report 2021.

Case study

Building resiliency in the education system, KPMG in India

In February 2021, the Government of India, Government of Nagaland and the World Bank signed a US$68 million project to enhance the governance of schools across the state. Under this project, KPMG in India is helping support the Government of Nagaland improve its public-school education system, reaching 2,000 schools and 150,000 students from kindergarten to year 12, with future generations in mind, too. KPMG is playing a lead role in helping to improve and develop a more resilient education system by bringing in significant teaching-related interventions to enhance the quality of education, drive state-wide and system-wide reform, while focusing on improving overall governance of Nagaland’s schools, teaching practices and learning outcomes.

Case study

Food waste tax incentive, KPMG Australia

Food waste is a significant economic and environmental issue in Australia. When the largest food relief organization in Australia came to us for help, we consulted KPMG professionals in the US, Canada, France, the UK, and the Netherlands about incentives to help reduce food waste. We found that these countries have comprehensive tax and legal structures or frameworks to address these issues. Leveraging our collective insights, led us to develop the National Food Waste Tax Incentive proposal. It introduces a new tax incentive which applies to donations of food as well as food relief services, like transport and logistics. The Fight Food Waste Cooperative Research Center and the National Food Waste Strategy implementation roadmap also identified tax reform as the key approach. The goal is to help Australia achieve its food waste reduction target of 50 percent by 2030, help eliminate food insecurity, encourage companies to actively reduce food waste, and provide food relief through the donation of food and services to Australian charities.
KPMG is focused on making significant contributions toward the achievement of the United Nations Sustainable Development Goal 4 (SDG 4) to help ensure inclusive and equitable education for all.

We have developed a new, ambitious strategy to economically empower 10 million disadvantaged young people by 2030 through education, employment and entrepreneurship opportunities.

KPMG will deliver on this vision through a framework that will: equip students with the skills to succeed in the labor market; support job transition by providing students with knowledge, mentorship and opportunities to access work; and help transform the education ecosystem by upskilling educators and helping to create more effective education institutions.

Working with KPMG firms around the world, we’ll build on our existing focus on young people — prioritizing youth in secondary and tertiary education — in supporting students to transition into the world of work.

This year we’re strengthening our global collaborations with UNESCO, Junior Achievement and Enactus, and rallying behind an initiative to empower girls and women with technology skills. To scale our reach, we will leverage technology, make donations, expand volunteering and pro bono work.

In collaboration with UNESCO and other non-profits, we’re defining our approach to measure our impact and creating a clear plan for execution in 2023.

Supporting learning opportunities

As part of KPMG’s ongoing commitment to enable young people to possess the skills they need to become future-ready, we support a wide range of education initiatives that provide experiential learning opportunities that can last a lifetime.

Global Cyber Day: For the fifth consecutive year, KPMG held its annual Global Cyber Day — providing cyber literacy training for nearly 100,000 young people in 60 countries and territories — the largest in the program’s history. The initiative aims to educate youth on the importance of cyber security and internet risk and included guidance on safe use of personal data, social media, cyberbullying, online gaming and smartphones.

Cloud Curious Challenge: KPMG’s Cloud Curious Challenge was developed to teach our people and more than 10,000 children what the cloud is and why it’s important. This initiative broke a Guinness World Record for most views of a cloud technology lesson video on YouTube in 24 hours and allowed us to raise funds for Marie Curie, a charitable organization in the UK which provides care and support to people with terminal illnesses and their families. Watch the Cloud Curious Challenge video here.

Youth Empowerment AI Hackathon: Together with Microsoft, UNESCO’s Global Education Coalition and Enactus, KPMG held the global Youth Empowerment AI Hackathon for young people aged 18 to 25. Participants were provided with technical and social understanding of AI and were supported to develop ideas that will economically empower underserved young people. KPMG will now work with the three winning teams from universities in Ireland, Italy and Tanzania to turn their concepts into practical action and all students will be supported with a volunteer KPMG career mentor.

Microsoft Imagine Cup Junior: To further empower future generations, KPMG, Microsoft, UNESCO’s Global Education Coalition and YouthMobile are working together to organize the Imagine Cup Junior Virtual AI Hackathons series for students across Europe, the Middle East and Africa aged 13 to 18, including an event dedicated to girls.

We’re led by our Purpose — to inspire confidence and empower change.
Providing pro bono support to UNESCO

Furthering our commitment to education, we provided UNESCO with critical staff resources to support their Global Education Coalition’s operations and to further its mission. Our people provided pro bono work that helped the development of reporting, communications strategies and project management.

We also supported UNESCO in monitoring education financing, assessing to what extent education has been prioritized in governments’ fiscal responses since the COVID-19 outbreak — using KPMG’s government stimulus tracker, which tracks government aid packages being offered globally to mitigate the economic impact of the pandemic.

KPMG has recently joined the Global Skills Academy (GSA) under the umbrella of the Global Education Coalition. UNESCO and KPMG have forged an innovative collaboration to scale up the GSA’s initial target of reaching 1 million learners, to economically empowering 10 million youth by 2030. This strategy is informed by UNESCO research — supported by KPMG — to analyze labor market opportunities, the skills required, successful approaches to addressing the skills gap and supporting students to transition into work.

As part of GSA, KPMG is committed to providing financial and pro bono support, along with volunteer mentors for students and educators.

“Sometimes I pinch myself to make sure I’m not dreaming that this really is my job at KPMG. I originally joined the firm to work in audit, but a secondment arose to be a development lead to further build ‘IT’s Her Future’, a women in technology program at KPMG in the UK. I have the full support of the senior team to discuss issues, help deal with challenges and remove barriers for women. I also have a great team of volunteers, who truly are the stars of the show. We’ve developed a program that makes a tangible difference not only to women in our own firm, but elsewhere, crossing borders, age groups and on a global scale. We also work in the community to show young girls that it is possible to build a successful career in technology. Since joining the firm, I’ve seen the female headcount across our technology departments rise from 26 percent to 42 percent and our graduate intake stands at 50/50 gender parity. We need to continue to empower all women, that they have a place in technology, and we can only be successful if everyone truly belongs.”

— Liz Jessop, KPMG in the UK

Our people provided pro bono work that helped the development of reporting, communications strategies and project management.
Uplifting our local communities

Our charitable and non-profit support is directed towards organizations and initiatives that meet a compelling community need. We’re focused on areas where we have a significant presence — such as education and lifelong learning — and with programs and initiatives where a meaningful impact can be made.

Community investment value (FY21)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>KPMG Partner and employee cash donations</td>
<td>US$26 million</td>
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<tr>
<td>KPMG member firm and Foundation donations</td>
<td>US$51 million</td>
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<tr>
<td>Volunteering activities</td>
<td>US$18 million</td>
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<tr>
<td>Pro bono engagements</td>
<td>US$12 million</td>
</tr>
<tr>
<td>Other (including management costs)</td>
<td>US$18 million</td>
</tr>
<tr>
<td><strong>Total community investment value</strong></td>
<td><strong>US$125 million</strong></td>
</tr>
</tbody>
</table>

Number of hours

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro bono engagements</td>
<td>81,000</td>
</tr>
<tr>
<td>Volunteering activities</td>
<td>403,000</td>
</tr>
<tr>
<td><strong>Total community investment hours</strong></td>
<td><strong>484,000</strong></td>
</tr>
</tbody>
</table>

“When the global pandemic began, I felt the need to make a more direct impact in some way. Through a secondment opportunity with UNESCO, I was able to support the Global Education Coalition — which aims to address the disruption to education caused by the pandemic and ensure learning never stops.

I joined UNESCO as part of KPMG’s pro bono support to the coalition. With my prior experience working for United Nations’ agencies, and my most recent experience in communications at KPMG, I was able to provide strategic communication support for the team at UNESCO. Getting the chance to develop my skills and grow professionally while supporting UNESCO’s important work was amazing, and I’m grateful to KPMG for the opportunity. My secondment is proof that KPMG lives its Purpose and continues to stand behind its commitment to education and lifelong learning, especially in times when it’s needed most.”

— Arissa Sidoti, KPMG International
“At KPMG in the US, we introduced Data Citizens with Purpose® to give our KPMG professionals an opportunity to apply their new data and analytics skills through pro bono, data-driven services to non-profits. This program blends the firm’s desire to help the communities we serve with our need to develop and upskill our professionals through applied learning experiences. I have felt tremendous pride in seeing how much people in the firm care and how many want to take action to make a difference. Today, only about a year since we introduced the program, our KPMG professionals volunteered 27,000 KPMG Impact hours to help analyze data so that more than 75 non-profit organizations across the country were better equipped to effectively address organizational issues important to them.”

— Robert Parr, KPMG in the US

“My mentee and I spent a lot of time during her 4 years in high school, talking about her dreams and different avenues to achieve them. The day she graduated, she told me that our relationship is one of the main reasons she felt empowered to even apply to college, let alone attend. She is the first person in her family to go to college and it was an absolute honor to witness her take a very large step in fulfilling her dream of becoming a doctor. Though it must be noted, I am 100 percent sure I learned more from her in those 4 years than she could ever learn from me.”

— Amanda Bowker, KPMG in the US
Providing disaster relief

In the wake of natural disasters around the world — intensified by climate change — vulnerable populations are disproportionately at risk. As a global organization, these issues impact us all and when a crisis hits, we have a responsibility to help where we can.

Helping Bangladesh recover from devastating floods

Bangladesh has faced some of its worst river flooding in recent history, submerging villages and destroying crops and farmland — affecting over 10 million people. With many government schools shut down for months, communities needed school infrastructure improvements, access to clean water and toilet facilities, and livelihood diversification during flood season to prevent the risk of hunger.

With our support, ActionAid successfully achieved its goals of improving school infrastructure, including water, sanitation and hygiene facilities, flood preparedness and alternative livelihood generation — ensuring 1,872 students from eight schools benefited from a safe learning environment.

“While the refugee situation around the world continued to worsen, KPMG offered me the chance to be a part of something that opened my heart and gave me a sense of purpose. Through the Volunteer Vision program that KPMG in Germany offered employees, I was assigned a mentee from Syria named Nariman. She had a very strong educational background but needed some professional support and career guidance, navigating moving to Europe from Lebanon, where she was stuck with her husband and three children, all under the age of six — living in very difficult conditions. I was able to dedicate time during work hours to connect with my mentee and help her create a professional online profile. After sharing her profile on LinkedIn, within a few weeks Nariman was offered two jobs that enabled her to work remotely. When she received an offer from a British company along with their visas last December, it was the best Christmas present I could have asked for. Now, she works full time in the UK, and we’ve become friends. I’m even hoping to visit her this summer! I have already reapplied for the Volunteer Vision program again. It has honestly given me a purpose.”

— Claudia Buchberger, KPMG in Germany
Helping ensure a safe return to school in Mexico

When Mexico was hit by two major earthquakes, severely affecting the municipality of Miguel Sayaltepec, Oaxaca, it resulted in severe structural damage to schools in the region. Since then, many schools have not had access to water sources to cover the children’s basic sanitation needs. When the pandemic hit, the situation became even more dire as schools needed access to hand washing facilities to prevent the spread of disease. KPMG supported the rehabilitation of the infrastructure damages and assisted with the installation of 43 handwashing stations to help ensure a safe and sanitary return to class.

Providing pandemic relief to India

When India faced its deadly second wave of COVID-19 in 2021, hospitals were overwhelmed and needed vital support. KPMG launched a coordinated global fundraising effort with 12 member firms and raised over US$600,000 — with most donations supporting Red Cross initiatives that included the provision of oxygen, ambulance services, first aid and personal protective equipment.

“COVID-19 disrupted the entire education system across India in immeasurable ways, particularly schools run by non-profits, which struggled to stay connected with their students. Because of the immediate need for digitizing study material, KPMG volunteers stepped in to help local teachers. We provided IT infrastructure support and hosted sessions to increase awareness on cyber security. Our volunteers hosted learning sessions for students covering diverse areas like academic coaching, mentoring, soft skills and life skills, including extracurricular activities, like virtual museum tours. Virtual volunteering helped us reach students in remote locations and rural communities which were otherwise difficult to access. Since the pandemic began, we’ve organized over 2,200 volunteer sessions, the majority being around skill-based learning. We witnessed a 100 percent increase in the number of our volunteering sessions as compared to before the pandemic. Our volunteers have made a real difference in empowering our communities. We are thankful to our people and their families who invested their time and effort towards citizenship initiatives. Though the pandemic has distanced us, it has brought us closer together as a firm, even if it means virtually.”

— Ira Gupta Tuteja, KPMG in India

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Governance

Our Purpose and Values lie at the heart of the way we do things. To do the right thing, the right way, always.
We do what matters, and for over 150 years, we’ve inspired confidence by building trust, while empowering change to shape a better future. Our Purpose is rooted in rich history, built on our role to protect the public interest while shaping a better future for our people, clients and stakeholders. The immense pressures on business and society are rapidly evolving. And with the new challenges facing the world, our Purpose has never been so relevant.

To inspire confidence and empower change, we need to consider the economic, environmental and social impact of our activities, align our financial and societal performance as part of a shift toward stakeholder capitalism, and have strong governance in place to oversee all our activities.

Working with the World Economic Forum, setting the IBC metrics for ESG reporting is one example of how we’re using our experience and knowledge to help shape the future of sustainable business. This work is part of the wider role we believe we must play to support the development of harmonized, consistent and credible information on sustainability matters. We’ve accepted roles at the International Integrated Reporting Council (IIRC), FSB Taskforce on Climate-related Financial Disclosures and the Taskforce for Nature-related Disclosures (TNFD), among others.

Our commitments

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

Our Values represent what we believe in, and what’s important to us as an organization. If we can’t measure it, we can’t hold ourselves accountable for change and it’s critical that we continue to put our words into action. By being transparent and building on our progress we’re accelerating toward a more sustainable future.

Bill Thomas
Global Chairman and CEO
Our structure and governance

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

The Global Board is the principal governance and oversight body of KPMG International, currently consisting of 24 members from diverse geographies that reflect KPMG’s global presence. The key responsibilities of the Global Board include approving strategy, protecting and enhancing the KPMG brand and reputation, overseeing the GMT and approving significant policies with which KPMG firms must comply. It also approves the admittance or termination of KPMG firms as members of our global organization. Find out more about our Global Governance in our Global Transparency Report 2021.

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

Consistent with KPMG’s global policies, all personnel, including Global Board members, are required to comply with detailed policies on conflicts of interest and auditor independence, as well as KPMG’s Global Code of Conduct, which includes specific additional responsibilities for leaders.

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

Global Board members have a broad range of economic and social competencies. Board members have either economic/finance-related degrees and/or accounting qualifications and all have experience in running national KPMG practices which entails consideration of economic, social and environmental issues. Many Global Board members are involved in senior roles with non-profit organizations in areas such as education, and inclusion and diversity, as well as in national and international professional bodies and business associations. Some Global Board members have environmental competencies.

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

Tenure for our other Global Board members is 2 years, with members eligible to be appointed for one or more additional terms.
There are four female Global Board members and five members of the Global Board that identify as members of underrepresented social groups.

**Associating with the right clients and engagements**

Our global client and engagement acceptance and continuance processes and policies help us identify and evaluate potential risks, ethics, independence, or conflicts of interest issues prior to accepting or continuing a client relationship or performing a specific engagement. KPMG firms are required to evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client or engagement acceptance or continuance decisions pose significant risks, additional approvals are required. Read more in our Global Transparency Report 2021.

**Setting the highest standards of ethical conduct**

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

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

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

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

KPMG International develops Code of Conduct training for everyone at KPMG and everyone is required to confirm their understanding of, and compliance with, the Code of Conduct on joining KPMG and annually after that. KPMG firms are required to monitor our people’s completion of this training, as well as the completion of training on bribery and compliance with laws, regulations and professional standards. Any individuals contracted to provide services to KPMG firms should also undertake applicable ethics training.
Additionally, KPMG firms and professional accountants are bound by the International Code of Ethics for Professional Accountants (including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA)). KPMG has policies and procedures to enable KPMG firms and their people to comply with these standards.

**Committing to change within the organization**

KPMG established a global procurement ESG working group, a planet council, a prosperity council and Heads of Our Impact Plan in all our Global Board countries, with the aim to drive progress across the commitments the global organization has made in Our Impact Plan.

**Addressing modern slavery risks**

Over the past year, we formed a working group to address modern slavery risks. This group includes representation from the International Office of the General Counsel, Global Procurement and Corporate Affairs, and meets monthly to focus our efforts in addressing risk and opportunities. The Committee's work is overseen by the GMT, with regular reporting to the Global Board. Our formalized accountability structure for human rights and modern slavery will be a foundational step in increasing our maturity.

**Speaking up, safely**

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

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

**Supporting non-executive careers**

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