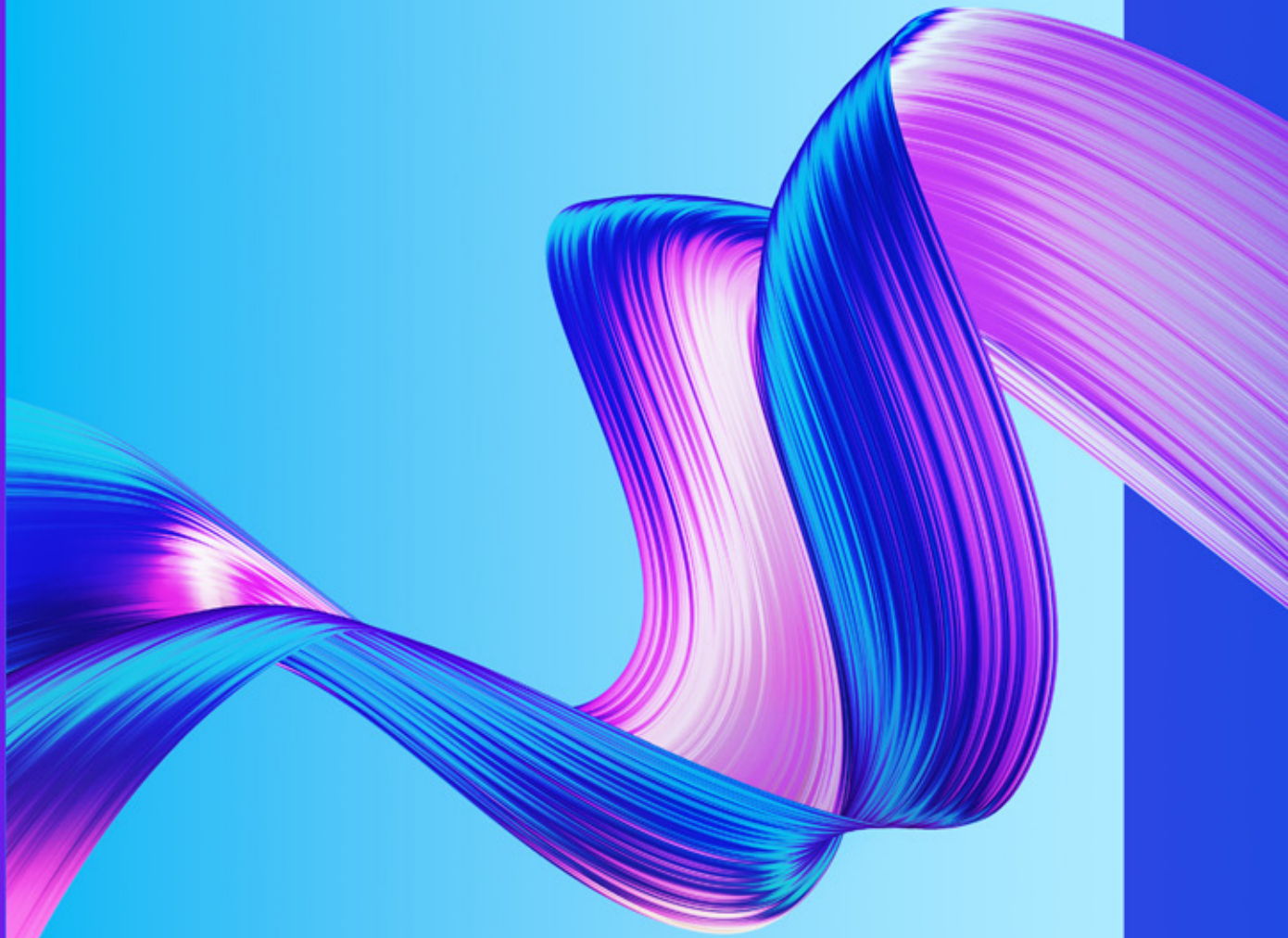




Modern Slavery Statement 2022



KPMG International Services Limited



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KPMG International Services Limited's Modern Slavery Statement 2022

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 businesses and supply chains for the period from 1 October 2021 to-date.

We believe slavery and human trafficking are 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 as a professional services firm 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 second statement we set out the steps we will take to further embed modern slavery considerations 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 and other entities; 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 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 the member firms. In addition, the supply chain-related steps outlined in this statement relate to suppliers contracted using our Global Procurement process, which represent the vast majority of our third-party suppliers. Some services may be contracted by 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.

In addition, we have a Supplier Code of Conduct, a key objective of which is to require the suppliers who adopt it to assist us in our efforts to prevent modern slavery in our supply chain and set expectations for them to meet our same high standards and practices

Due diligence processes

In our financial year 2022 (which ended on 30 September 2022), we carried out the following actions:

Accountabilities and governance

- We continued to operate our modern slavery working group to address slavery and human trafficking risks and to share best practice and knowledge in this area (such committee is comprised of personnel from Corporate Affairs, International Office of the General Counsel and Global Procurement). This working group primarily focused its efforts on overseeing and coordinating the activities outlined in this statement including addressing supply chain related slavery and human trafficking issues.

Risk analysis

- The working group reviewed and considered the results of an initial mapping exercise performed by, KPMG Banarra, a dedicated business and human rights advisory team that is part of the KPMG member firm based in Australia. This mapping exercise identified areas of potential risk for the Company globally. The analysis focused on factors that can increase inherent modern slavery risks, such as where suppliers are in high-risk geographies or rely on workers in vulnerable populations or where suppliers have business models structured around high-risk work practices and/or high-risk product and service categories. Specifically, this exercise 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 increase the risk of child, forced and compulsory labour occurring. An identified risk area does not mean that incidents of harm have been identified, but rather 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 labour 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 labour 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. In turn, 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

Further Risk Analysis

We have reviewed the results of KPMG Banarra's 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. We will monitor whether these considerations improve our risk profile.

Our Global Procurement professionals sent self-assessment surveys to all suppliers to further understand risks in our downstream supply chain. We had a 60 percent response rate from the suppliers. We are in the process of a detailed analysis of the results to help us identify and assess potential risks and how they might be addressed.

Modern Slavery-Specific Terms in our Standard Templates and Supplier Code of Conduct

- We have revised our Supplier Code of Conduct. A key objective of this Code is to require our suppliers who have adopted it to meet the same standards and practices as ours in relation to eradicating modern slavery and human trafficking. A further objective of our Supplier Code of Conduct is to require our suppliers who have adopted it to provide us with the necessary assistance to expose and address modern slavery risk, including, for example, responding to due diligence questionnaires and providing us with information required to action remediation.
- We endeavour to incorporate our Supplier Code of Conduct in all our supplier agreements. For example, we have updated our standard procurement agreement templates to require suppliers to comply with our Supplier Code of Conduct.
- We reduced the number of services contracted outside of our Global Procurement process, which means that this statement and how we address modern slavery applies to a larger proportion of our suppliers than we previously reported.

For suppliers that we contract with outside of the Global Procurement process, we have revised the contracting templates and/or existing agreements with the majority of them (by spend) to include modern-slavery specific terms (as described above).

Training

- We have provided training to our Global Procurement professionals and commercial contracting and procurement lawyers in relation to including Modern Slavery-related provisions in supplier contracts.

- Members of our Senior Leadership, our Global Procurement professionals, commercial contracting and procurement lawyers, and other professionals attended KPMG Banarra's modern slavery training workshop in order to make known our efforts in addressing modern slavery and to raise awareness of key areas of potential risk.

We acknowledge that we are at the start of our journey to address modern slavery risks in our operations and supply chains, but 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 processes and develop a formal process to monitor the effectiveness of our risk management actions. We look forward to reporting on our progress.

Grievance and remediation

In our financial year 2022, we carried out the following actions with regards to grievance and remediation:

- We 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 complains have been received.

Next steps

For financial year 2023, we plan to carry out the following actions:

Policy commitment

- Review existing policy to identify opportunities to strengthen our public modern slavery policy commitment.
- Continue to expand adoption of our Supplier Code of Conduct.
- Expand the Modern Slavery Working Group to include other relevant individuals.

Due diligence

The results of the diagnostic assessment and the third-party supplier survey will continue to inform and support our efforts to refine our approach to enhancing our modern slavery due diligence. We intend to:

- Create a plan to address and mitigate risks identified through supplier surveys, develop a supplier engagement model with enhanced metrics, and implement a process to monitor and promote supplier compliance on an ongoing basis.
- Refine the 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.

- Continue to streamline our processes to capture suppliers that historically were dealt with outside the scope of our Global Procurement process to ensure our policies and requirements cascade to them over time.
- Expand supplier due diligence to suppliers outside our Global Procurement process by sending further surveys and analyzing the results.

Monitoring effectiveness

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

Capability building

Continue to develop and implement a capability building program, including by developing and providing more targeted modern slavery-related training, for Company personnel involved in managing parts of our operations and supply chains who may potentially be exposed to modern slavery and human trafficking risks.

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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Designed by Evalueserve.

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