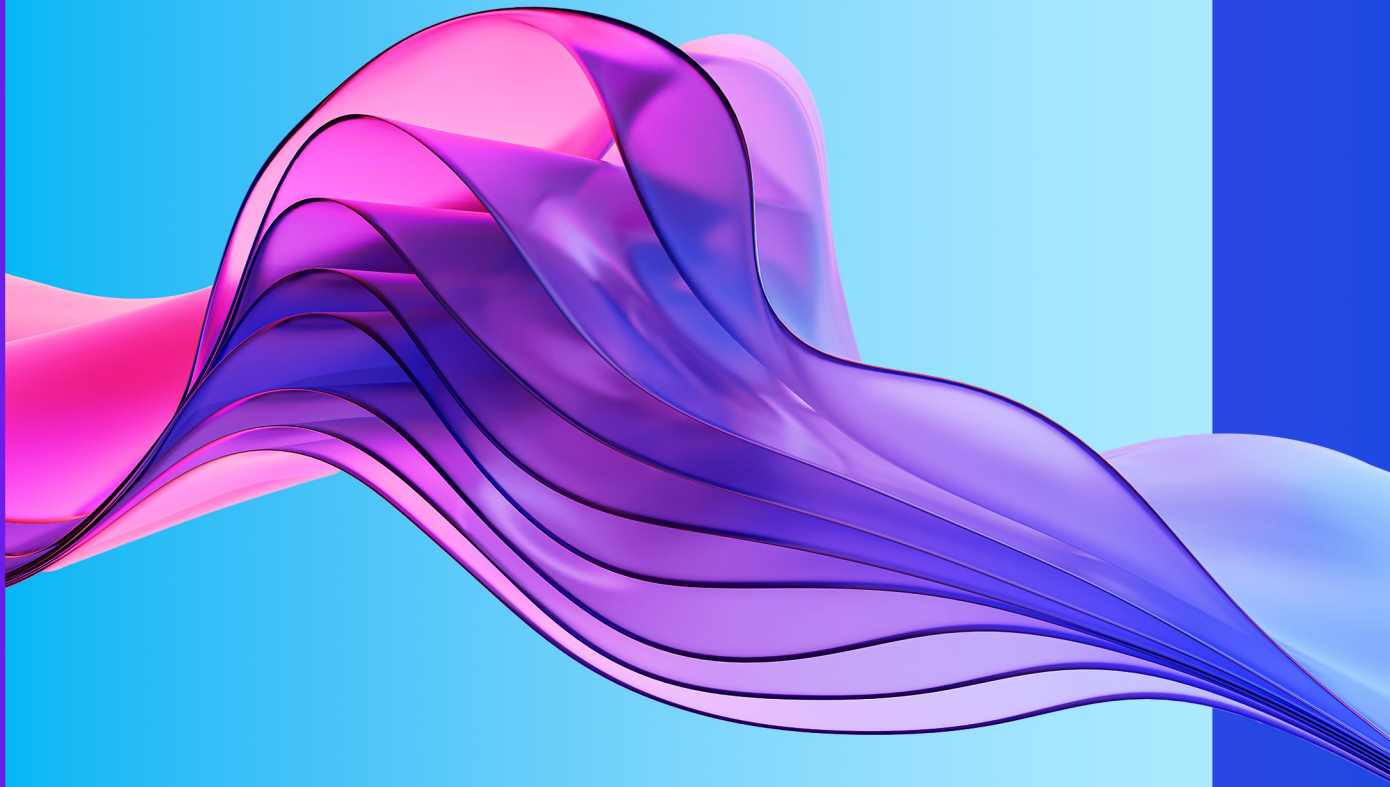




# Modern Slavery Statement 2023



KPMG International Services Limited



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# KPMG International Services Limited's Modern Slavery Statement 2023

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 taken and will be taking to prevent slavery and human trafficking from occurring in its business and supply chains for the period from 1 October 2022 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 (professional services) is considered relatively low while our supply chain poses higher risk in certain industries and locations.

We are committed to demonstrating our progress over time, and in this third statement we set out the steps we have taken this year and 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.

### 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 supplier spend. Some services may be contracted by us outside of the Global Procurement process.

# Our policies in relation to slavery and human trafficking

## Policy commitment

Ethical behaviour is of the utmost importance to us and begins with KPMG'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](http://www.kpmg.com).

The KPMG Business and Human Rights Statement outlines the 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 our commitment to:

- Undertake to avoid causing or contributing to adverse human rights impacts through our own activities, and address such impacts when they occur, and
- Seek to prevent or mitigate adverse human rights impacts that are directly related to our operations, products or services through our business relationships.

Human rights impacts are monitored across KPMG as part of Global Quality & Risk Management processes. 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 2023 (which ended on 30 September 2023), 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 working group is comprised of personnel from our Corporate Affairs, International Office of the General Counsel, Global Procurement, and Global People departments). 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

Leveraging lessons learned from the supplier due diligence exercise we carried out last year, we refined and improved our approach to supply chain risk

assessment. We evaluated the results of an initial supplier survey to identify suppliers with factors that can increase inherent modern slavery risks, such as suppliers operating in high-risk geographies or relying on workers in vulnerable populations or suppliers with business models structured around high-risk practices and/or high-risk product and service categories.

For suppliers with potential high-risk factors, we supplemented the results of the initial supplier survey with additional diligence using reputable licensed external resources.

When the presence of inherent risk factors was identified, a more detailed survey was used to assess whether a supplier has the relevant policies, standards and controls in place to prevent and address modern slavery risks in their own workforce as well as in their supply chain.

## Ongoing Monitoring and Due Diligence

### Due Diligence

- We strengthened existing due diligence processes and continued to monitor the effectiveness of our risk management actions.
- Global Procurement has developed and implemented a supplier integrity risk screening process for all suppliers. This includes sanctions, financial crime (such as fraud or money laundering) and adverse media screening. Modern slavery and human trafficking issues are often strongly associated with money laundering, corruption, bribery, and other financial crimes. Therefore, such screening may identify high-risk suppliers that would be subject to enhanced due diligence and risk assessment.

### Supplier Code of Conduct

- We have substantially revised our Supplier Code of Conduct to clarify the expectations and requirements on suppliers who adopt it. Building on our objectives set out last year, the Code now requires suppliers who have adopted it to meet the same standards and practices as ours in relation to eradicating modern slavery and human trafficking.
- We endeavour to incorporate our Supplier Code of Conduct in all our supplier agreements, unless suppliers have their own codes of conduct with similar standards and commitments in respect of modern slavery.
- To encourage adoption of our Supplier Code of Conduct, we have provided training to our commercial contracting and procurement lawyers and professionals and developed a playbook on how to have discussions with our suppliers on Supplier Code of Conduct adoption.
- In addition to our new suppliers, we expanded our Supplier Code of Conduct adoption efforts to our existing suppliers.
- 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.

## Training and Capacity

- We have developed guidelines on how to handle Modern Slavery-related contract provisions and provided additional training to our Global Procurement professionals and commercial contracting and procurement lawyers in relation to including Modern Slavery-related provisions in supplier contracts.
- Global Procurement professionals completed enhanced web-based training on modern slavery risks in our supply chain.
- We have provided our Risk team with training on modern slavery risks in supply chain so that they are better equipped to spot modern slavery issues when they perform research as part of our supplier due diligence, screening and monitoring.
- We have started developing bespoke internal modern slavery training based on our enhanced knowledge base.

## Grievance and remediation

In our financial year 2023, we carried out the following actions with regards to grievance and remediation:

- We evaluated the KPMG International hotline processes for handling reports of modern slavery and determined that such processes will lead to efficient investigation and rectification of reported modern slavery incidents. The hotline is a vehicle for KPMG 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 entity or KPMG 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 Global Code of Conduct. To date, no modern slavery complaints have been received.

# Next steps

For financial year 2024, 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.
- Continue Modern Slavery Working Group meetings to track our efforts and identify opportunities to improve.

## Due diligence

The lessons learnt from our supplier surveys and other efforts addressing modern slavery will inform how we refine our approach to modern slavery due diligence. Based on such lessons, we intend to:

- Improve our supplier outreach survey and related processes and develop and implement enhanced scoring methodologies.
- Develop a supplier engagement and feedback plan for high risk suppliers.
- Enhance our approach to monitoring ongoing supplier performance and improvement.
- Consider options to incorporate tracking of modern slavery risks in our new supplier onboarding process.
- 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.
- Further 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 improving our modern slavery-related training and extending it to our personnel involved in managing parts of our operations, alliances, and supply chains who may potentially be exposed to modern slavery and human trafficking risks. We also plan to:

- Continue to develop an internal modern slavery program for Global Procurement professionals and commercial contracting and procurement lawyers,
- Incorporate mandatory modern slavery training as part of Global Procurement's new joiner onboarding,
- Identify and explore opportunities to work with an external provider on a tailored modern slavery knowledge session, and
- Evaluate options for expanded modern slavery awareness training to our personnel and suppliers.

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.

Publication name: Modern Slavery Statement 2023

Publication number: 139174-G

Publication date: December 2023