



OUR IMPACT PLAN 2025

KPMG Australia

1 July 2024 – 30 June 2025

About Our Impact Plan 2025

Our Impact Plan provides an annual opportunity for KPMG Australia, KPMG Fiji and KPMG Papua New Guinea (PNG) – unless stated otherwise – to bring together voluntary disclosures on our ESG commitments and actions across four important categories: Prosperity, Governance, People, and Planet. This report, released August 2025, covers our activities for the financial year to 30 June 2025 (abbreviated as ‘2025’ in the report).

This impact report has been prepared in alignment with the WEF IBC Stakeholder Capitalism Metrics and in accordance with the Global Reporting Initiative (GRI) Standards, so you can be confident we are reporting in the same way as many other leading organisations around the world. We also share our progress against our longstanding commitment to the UN Global Compact Principles and the UN Sustainable Development Goals.

Detailed mapping to these frameworks, including our GRI Index, can be found in Our Impact Plan 2025 Databook, which contains our reported data. The ‘Our Progress Card’ and ‘Our Story’ documents can be read as companion pieces to this report.

Limited assurance has been completed over key data, including firm-wide revenue, taxes paid and people metrics – as we progress towards publication of fully audited accounts.

Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past and present as the Traditional Custodians of the land, water and skies of where we work.

kpmg.com/au/rap

Welcome

Hello everyone,

This year has been a remarkable journey, filled with both significant challenges and great achievements, testing our resilience and adaptability. We’ve navigated global economic uncertainties while simultaneously transforming our business and embracing the rapid rise of artificial intelligence. On Trusted AI, we continue to be guided by our ‘Client Zero’ principle of using on ourselves what we in turn provide to support our clients.

We’ve refreshed our strategy – including significant work undertaken by our Consulting business redefining how it delivers value to clients – to focus on what truly matters: helping our clients and communities tackle new challenges, manage impacts on people, planet and the economy and embrace the future, sustainably. Our investment in technology and capabilities, including Trusted AI, has been a game changer.

But none of this would be possible without our people. Their care, commitment, and willingness to embrace change, and deliver for our clients and the communities within which we live and work, are what make us stand out.

This report is a testament to their contribution and the impact we’ve made together. Join us as we reflect on our challenges and achievements, and look to the future.



Martin Sheppard,
National Chairman



Andrew Yates,
CEO

Our commitments

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Our Impact Plan FY25 highlights

PROSPERITY

Making a positive social and economic impact

We employed almost 9,000 people and 684 Partners. We recorded \$2.315 billion in revenue and \$396 million in taxes were paid by the firm and its Partners. In an unpredictable environment, our **diverse business model** has been a strength.

We **reshaped our business** to drive innovation and transformation for our firm and our clients, putting AI at its centre. We delivered work to support over 13,000 clients.

We launched a **new ambitious commitment** to 'Help shape better economic futures for 100,000 young people in need by 2030'. Our people and Partners engaged in over **34,000** hours of volunteering, mentoring and pro bono work, with our community impact contribution for FY25 valued at \$9.83 million.

GOVERNANCE

Our Purpose and Values guide everything we do

We held our **Ethical Leadership Summit** – upskilling over 250 emerging leaders. We also conducted a Fit For Purpose program where 4,445 of our people connected their personal purpose with that of the firm.

KPMG Australia became the first organisation globally to obtain ISO 42001 (AI) certification by BSI, **recognising our strong AI governance framework**.

Patty Akopiantz was reappointed as an independent director, sitting alongside Mike Baird AO and Jane Hemstitch AO on our Board. Michael Ebeid AM was reappointed as an Independent Board Adviser. Carmel Mortell commenced as the firm's Deputy Chair; and Martin Sheppard was appointed Chairman of KPMG Asia Pacific, effective 1 October 2025. Our risk governance leadership was expanded with a fully dedicated Chief Risk Officer and Head of Office of General Counsel on our National Executive Committee.

PEOPLE

Creating a caring, inclusive, purpose-led and values-driven culture

Our employee **gender pay gap reduced** to 8.7%. Women in Partnership rose to 37% and Partners identifying as culturally diverse reached 18.4%. We were recognised as a **2025 Platinum Employer** in the Australian Workplace Equality Index.

We upskilled a broad base of our firm in AI. Over **7,300 AI training digital badges** were completed by our people.

Our recent mid-year pulse survey recorded a 5% increase in our people's perceptions of sustainable workload. We adopted the **Voluntary Guidelines for Sustainable and Supportive Work Practices** developed by the Australian Accounting and Assurance Public Policy Committee (AAAPPC).

PLANET

Supporting our firm's, our clients' and Australia's transition to net zero

We delivered over **460 sustainability engagements** and worked with over 200 clients on assurance, climate risk and climate related disclosures, targets and strategies. We brought an ESG lens to more than 30 significant market transactions.

We set sustainability as a core principle in our AI strategy, and for the first time purchased **renewable electricity** to cover the electricity use associated with our offsite data centres.

We received a record number of applications for the third year of the **KPMG Nature Positive Challenge** – with ethical oil startup Levur claiming the top prize.

Prosperity

Making a positive social and economic impact

Our commitments

**STRONG ECONOMIC
CONTRIBUTION**

**EXCEPTIONAL CLIENT OUTCOMES
THROUGH WORK THAT MATTERS**

**BUILD A THRIVING TECHNOLOGY
BUSINESS AND INNOVATE WITH
OUR CLIENTS, ALLIANCE PARTNERS
AND THE STARTUP ECOSYSTEM**

**HELP SHAPE BETTER ECONOMIC
FUTURES FOR 100,000 YOUNG
PEOPLE IN NEED, BY 2030**



Prosperity means more than strong financial results

At KPMG, prosperity is about creating lasting value for our clients, our communities and the broader economy. This year, in the face of extraordinary unpredictability, we stayed focused on helping our clients anticipate challenges and adapt, and developing our great people.

We refreshed our firm-wide strategy to reflect what the moment demands: agility, with a sharper focus on AI, technology and more innovative and rewarding ways of working. Our annual CEO Outlook survey confirmed generative AI is now the top investment priority for Australian CEOs, and our teams are helping clients respond with confidence.

We continued to innovate and enhance service delivery across our divisions, supporting over 13,000 clients during the year. In Consulting, we partnered with Microsoft to develop KPMG Compliance Tracking AI, a powerful AI solution that helps our clients manage evolving regulations, simplify compliance and optimise their controls to reduce risk. In Tax, we launched KymTax, a generative AI-powered platform co-developed by our Digital Solutions and Tax Centre teams. By streamlining the drafting of initial tax advice, it helps teams deliver smarter, faster support to clients. Our Audit division accelerated the adoption of new technologies, such as Clara AI and AI Transaction Scoring, to enhance assurance and efficiency.

These innovations matter because they help our clients move faster, make better decisions and prepare for the future.

But prosperity also determines how we support the next generation.

That's why we reviewed our community impact strategy and set a new goal: to shape better economic futures for 100,000 young people in need by 2030. The work is already underway. Our KPMG Laptops for Lifelong Learning program reached its milestone of providing 1,000 students with a laptop a year ahead of schedule. AI Amplified, a joint initiative with Microsoft and Year 13, is helping young people build the digital skills they will need in a changing world.

Our own firm's performance was steadfast, underpinned by strong client delivery and continued investment in technology capability and our people. Client satisfaction held firm at 8.7 out of 10.

As one of Australia's largest professional services employers, we are proud to directly employ almost 9,000 people, including 637 graduates who joined us this year. We delivered \$2.315 billion in revenue and improved profitability in 2025, reflecting the trust our clients place in us and the strength of our multidisciplinary model.

This allowed us to continue to invest through our \$80 million transformation program, modernising our platforms and making our work easier for everyone. We also acquired Chartertech, and opened a third premises in Fiji to operate as an AI hub, strengthening our delivery capability across the region.

Throughout all the events of this year, our resolve is unchanged: to support our clients to build a more prosperous and resilient Australia. Our talented teams achieve this through the work we deliver, the relationships we invest in, and the impact we strive to make every day.

Andrew Yates
CEO

OUR COMMITMENT:

STRONG ECONOMIC CONTRIBUTION

About us

We are part of a global organisation of independent professional services firms, with more than 275,000 Partners and employees working in member firms spanning over 140 countries and territories around the world.

Employment

As of 30 June 2025, we employed 8,967¹ people across Australia, Fiji and PNG.

637 graduates were hired during the year. We also appointed 71 new Partners and executive directors, bringing the total partnership to 684. Of our new Partners, 42.2% are women and 25.8% identified as culturally diverse.

Refer to [Our Impact Plan 2025 Databook](#) for more information.

Financial results

For the year ended 30 June 2025, KPMG Australia recorded total revenue of \$2.315 billion,² a small decline compared to the previous year. Careful management of the cost base, productivity enhancements, and business realignment improved firm profitability and supported continued investment. Partner earnings improved on the prior year, with average equity Partner remuneration increasing by 10.3%.

Welcome

Highlights

Prosperity

Governance

People

Planet

Responding to a rapidly changing market, the firm launched a refreshed firm-wide business strategy, adjusting priorities for the conditions and putting AI at its centre. The year saw a considerable shift for its Consulting division, rebalancing traditional consulting services with increased focus on technology transformation and AI, driven by changes in the global professional services market. The firm closed its standalone Commercial Law business.

Financial results

A\$bn	FY25	FY24	Change
Total revenue	\$2.315**	\$2.386**	-3%
Recoverable expenses	\$0.184	\$0.167	10%
Revenue	\$2.131	\$2.219	-4%

**Includes revenue from KPMG Fiji and KPMG PNG. In FY25 these were \$20m for Fiji and \$17m for PNG.

KPMG Australia CEO Andrew Yates said, ‘This is a strong result in what was a highly unpredictable environment. I’m really pleased with how our people and Partners responded to the challenges that emerged during FY25. In this year like no other, our multidisciplinary model came to the fore, with excellent results across most parts of the firm.’

- The mid-market Enterprise business remained a stand-out, building on last year’s strong double-digit growth to record a 13% increase in revenue.
- Audit & Assurance performed strongly, with revenue up 7% – reflecting the impact of improving technology and new audit mandates.

- Increased investment in technology and senior talent saw robust growth in the Tax & Legal business (up 8%). The firm exited its standalone Commercial Law business during the year, while retaining the Tax Controversy & Disputes legal practice.
- The Deal Advisory & Infrastructure business saw revenue rise by 2%, reflecting an improving market.
- The market environment for the Consulting business was impacted by a significant reduction in the government use of consultants, as well as the broader economic slowdown, with revenues down 18% for the year.

Revenue contributions from the businesses were: Audit & Assurance \$365 million, Consulting \$749 million, Deal Advisory & Infrastructure \$332 million, Enterprise \$434 million, Tax & Legal \$240 million, Other (including KPMG Futures) \$11 million.

The three-year digital transformation underway across the organisation neared its end, with systems moving into the cloud and being AI-enabled. The strength of the firm’s AI governance was recognised with KPMG Australia becoming the first organisation globally to obtain ISO 42001 (AI) certification from BSI.

‘We remain at the forefront of tech development, with our industry-leading AI platform KymChat and other AI tools driving significant productivity benefits for our firm. I’m excited about what it means for our capability in meeting the evolving needs of our clients and offering our people new skills and opportunities.’

This year again, Grant Thornton Australia has completed limited assurance over firm-wide revenue, as KPMG continues to progress towards publication of fully audited accounts.

Investment

KPMG continued its investment in technology and people, including an \$80 million innovation program to develop new technology for the firm and its clients. The firm also invested in ethical leadership and culture, including hosting the inaugural Ethical Leadership Summit for KPMG people and saw record training take-up in AI by its people. In line with its commitment to continually strengthen audit capability, KPMG continued to invest in audit quality, both in AI-enabled technology and ESG assurance capacity.

During FY25, KPMG acquired national technology and financial solutions firm Chartertech Pty Ltd, adding around 140 specialist technology and accounting staff to the Enterprise business, expanding team size and adding new technology capability. KPMG also opened an AI Build Hub in Fiji to help enhance digital innovation and AI capabilities across the region.

Taxes Paid

Total Taxes Paid by the Australian firm and its Partners on income generated from the firm totalled \$396 million in 2025.³ Partners paid on average an effective tax rate on profits of 35.8%.

KPMG has a responsible approach to tax, strong governance and policies and is committed to transparency around tax. For more information please see ‘Driving a responsible tax practice’.

Limited assurance has been completed over Total Taxes Paid by the firm and its Partners for FY25. Please see Independent Auditor’s Assurance Report page 26 of our [Databook](#).

1. Includes full-time, part-time and casual employees in Australia, Fiji and PNG. Excludes Partners and contingent workers.
2. Revenue has been stated in accordance with the recognition and measurement requirements of AASB 15 Revenue from Contracts with Customers. The FY24 comparative has been presented on a consistent basis. Total revenue includes the results of KPMG Fiji and KPMG PNG which are consolidated in accordance with the accounting principles. This metric is subject to limited assurance by Grant Thornton Australia. Please see Independent Auditor’s Assurance Report page 26 of [Our Impact Plan 2025 Databook](#).
3. The total taxes paid by KPMG Australia to Australian Government authorities includes corporate income taxes, net goods and services tax payable, fringe benefits tax, payroll tax, stamp duty and estimated tax payable by Partners on income generated from KPMG Australia. The taxes paid amount for KPMG Australia’s own tax liabilities is calculated on a cash basis (i.e. tax payments made net of any tax refunds received during the financial year) and can be reconciled to data recorded in its financial systems for the same period. An estimate for income taxes paid by Partners on the income they receive from KPMG Australia is also included in the taxes paid amount. Any taxes on income Partners may receive due to activities outside of KPMG are excluded. To calculate this amount, an estimated average effective tax rate for the income received from KPMG Australia by Partners has been applied to distributions received from the previous financial year (i.e. taxes paid is assumed to be paid on a cash basis). For FY25, Partners paid on average an effective tax rate of 35.8% on income received from KPMG Australia. Total taxes paid excludes any taxes paid by KPMG Australia’s New Zealand subsidiaries, KPMG PNG and KPMG Fiji and any taxes paid by Partners on other income generated by their activities outside of KPMG Australia. This metric is subject to limited assurance by Grant Thornton Australia. Please see Independent Auditor’s Assurance Report page 26 of [Our Impact Plan 2025 Databook](#).

Purposeful client work

OUR COMMITMENT: EXCEPTIONAL CLIENT OUTCOMES, THROUGH WORK THAT MATTERS

This year we brought together diverse talent across our divisions and cutting-edge technology solutions to help our clients solve complex challenges, transform their businesses, and respond to the opportunities emerging from a rapidly changing market.

We have published insights and research to inform our clients on the latest developments impacting organisations locally, and around the world. Trending topics included AI and digital transformation, trade and tariffs, geopolitics, financial and sustainability reporting as well as cyber security.

Delivering exceptional client value across our firm

Our **Audit & Assurance** division ensures integrity, transparency and reliability remain at the centre of clients' reporting. With mandatory assurance over sustainability reporting coming into effect in Australia, Audit and Assurance services have never been more important in providing confidence for the capital markets, which in turn improves economic prosperity.

FY25 has seen a considerable shift in strategy for the **Consulting** business. Consulting has redefined how it delivers value to clients, reorienting for future demands of our clients – particularly to support technology-enabled transformation programs. The business has helped its clients operate efficiently and effectively to meet their operational and strategic goals.

Our **Deal Advisory & Infrastructure** division is focused on building a better Australia through planning, procurement, delivery and optimisation of infrastructure, assets and places. In addition, it has delivered impactful deals to improve the efficiency of capital invested.

Our **Enterprise** division delivers a comprehensive suite of audit, tax, deals, and advisory services to support its mid-market and private clients at every stage of their business lifecycle. It has supported clients to effectively navigate evolving laws and regulations, as well as meet customer needs. This year, we've focused on helping our clients leverage AI and technology-driven solutions to grow and transform their organisations.

In FY25, our **Tax & Legal** practice continued to deliver tailored tax solutions that improved clients' compliance and efficiency, more broadly supporting the efficacy of tax receipts by government and the country's taxation system. We invested in top talent recruitment to strengthen our capability and undertook a leap in innovation, including through the launch of KymTax.

Client feedback

This year, over 13,000 clients trusted KPMG Australia to deliver work.

Through our Voice of the Client program we received feedback on over 800 client engagements, helping us ensure we are delivering impactful and valued work, aligned to their needs.

This year, our client satisfaction metric remains high at 8.7 out of 10.

We received feedback for over 800 client engagements across all our divisions. This year, our client satisfaction metric remains high at 8.7 out of 10.



AI and emerging tech

OUR COMMITMENT:
BUILD A THRIVING TECHNOLOGY BUSINESS
AND INNOVATE WITH OUR CLIENTS, ALLIANCE
PARTNERS AND THE STARTUP ECOSYSTEM

We are Client Zero

In the process of transforming our own business, we took a deliberate decision to make ourselves 'client zero'.

By positioning ourselves as our first client, we directly experienced the complete lifecycle of AI implementation – spanning ideation, development, usage, and governance – before offering such solutions to our clients. This proactive approach allowed us to intimately understand the challenges and opportunities of this process.

Our bespoke AI assistant KymChat, launched in 2023, has answered nearly 3 million requests across 5,000 active monthly users – boosting employee productivity. Read the case study [here](#).

We acknowledge that AI and emerging technologies come with risks and complexities that should be addressed clearly and responsibly. We tested our rigour by standing up a team to pursue the new ISO 42001 (AI) certification by BSI – ultimately becoming the world's first organisation to achieve this standard for our AI management. Read more detail [here](#).

Through this 'client zero' approach, we have learned a lot!

We are sharing the lessons and our tools with clients, ensuring they benefit from our firsthand experiences and strategies to successfully and responsibly integrate AI in their own organisations.

Technology and research partnerships

Strategic alliances with leading technology partners – including Microsoft in AI, IBM in security, OneTrust and Google in Privacy, and SAP in Trusted SAP – have continued to allow us to accelerate our pace of innovation and create robust solutions for our clients.

Importantly, we continued to contribute to leading thinking and research to deepen our collective understanding of governance, strategy and trust around AI. Our partnership with the Human Technology Institute (HTI) has led to the co-design and delivery of a UTS/KPMG AI masterclass to uplift the capability of our Partners, as well as continue to contribute to the articulation of standards for human-centred AI governance.

This year, we also announced a new five-year research partnership with the University of Melbourne – and together we released the world's most comprehensive global study into the public's trust, use and attitudes towards AI to date. Read here for details: [Trust, attitudes and use of artificial intelligence: A global study 2025](#).

Developing new, trusted AI solutions

We launched new initiatives to help clients leverage AI including:

- KPMG Compliance Tracking AI helps clients to ensure they are compliant with relevant legislation. It draws from over 20,000 best practice controls, automating the extraction of obligations from legislation and authoritative documents and simplifying the compliance process.

- KPMG Learning Design Studio helps clients to train their people better, faster. An idea conceived through the firm's Futures Foundry program to meet our internal learning needs, it uses AI to generate educational content to fit diverse learning styles.
- KPMG Regulation Sync supports Australia's new ESG reporting standards, using AI to help clients ensure they are prepared for the new mandatory climate-related disclosures.
- KPMG Workbench, a global initiative in part spearheaded by our Australian team, has been launched to simplify the rollout of agentic AI for the firm and for our clients. Developed with Microsoft, KPMG Workbench is a safe and secure development platform that provides access to scalable agentic AI tools and resources from multiple technology vendors.

Most importantly, all these innovations have been developed with strict adherence to our [Trusted AI framework](#). This ensures we accelerate AI capability, leverage global expertise and foster local innovation in a way that aligns with our principles, ethics, and governance.

KPMG Futures

KPMG Futures is a specialist part of our business that explores future-ready capabilities and develops breakthrough technologies for us, and our clients.

KPMG Origins, the blockchain-powered track-and-trace compliance platform created and incubated by the firm, was spun off during the year into OriginsNext – a new independent startup which serves customers across agriculture, construction and resource recovery.

Our bespoke AI assistant KymChat has now answered nearly 3 million requests.

We continued to deepen our expertise in Quantum, participating in the local and global initiatives such as the 2025 Quantum Australia Conference. We also extended our quantum-safe cryptography work, helping clients through our KPMG Quantum Security framework to prepare for the future of computing.

Our Futures Foundry accelerator, which helps the firm develop and incubate new AI technologies, continued this year with over 20 internal teams moving through the program. Two solutions from past Futures Foundry programs were introduced to market: an AI-powered tool that schedules reminders for home care clients, and the KPMG Learning Designer Studio.

Market recognition

In their most recent Perspectives report, Source Consulting found that clients **ranked KPMG Australia first for AI advice and implementation quality**. The research surveyed 200 executives, directors and senior managers in Australia who had bought consulting services in the past two years.

KPMG was the 2024 Finalist for Microsoft's Global AI Innovation Partner of the Year Award, and in Australia, we won the 2024 Microsoft ANZ Business Transformation Partner of the Year Award, recognising our excellence in innovation and implementation of customer solutions underpinned by Microsoft technology.

KPMG was also named IBM's 2024 Global Systems Integrator (GSI) Partner of the Year, acknowledging our work in driving innovation and creating cutting-edge solutions through our strategic partnership with IBM.

Community impact

OUR COMMITMENT:
HELP SHAPE BETTER ECONOMIC FUTURES FOR 100,000 YOUNG PEOPLE IN NEED, BY 2030

This year we carried out a comprehensive review of our community impact strategy to ensure we make meaningful long-term change in our communities.

We launched a new ambitious commitment to ‘**Help shape better economic futures for 100,000 young people in need by 2030**’, building on our legacy of partnering with community organisations that deliver impact for young people in low socio-economic areas and Indigenous communities. The strategy focuses on three pillars of impact: Future Fit Skills, Digital Inclusion, and Food Security & Education.

Our impact in numbers

This year, 2,236 KPMG people contributed over 34,360 community impact hours through volunteering, mentoring, secondments and pro bono engagements. Our people held over 385 board roles with not-for-profit organisations. We also delivered 97 pro bono engagements providing advisory, tax and audit services. Our community impact contribution is valued at approximately \$9.83 million.

In FY25, we reached 12,198 young people through our initiatives with community partners including ABCN, AI Amplified, WorkVentures and OzHarvest as well as our scholarships with The Pinnacle Foundation, GO Foundation, the Australian Indigenous Education Foundation (AIEF) and the Westerman Jilya Institute.

Celebrating 20 years of future-fit skills with ABCN

We marked 20 years of partnership with the Australian Business and Community Network (ABCN). As one of its founding members, KPMG has been at the forefront of this journey with ABCN to bridge the opportunity gap for public school students from low socio-economic areas, increasing students’ career aspirations, developing their future of work capabilities and boosting their engagement in learning. Our long-term impact with ABCN over the years includes:

- 2,544 KPMG employees giving their time as mentors and volunteers.
- Over 7,751 students positively impacted through participating in ABCN programs and mentoring sessions delivered with KPMG.
- 15 ABCN three-year scholarships awarded through the ABCN Doug Jukes Memorial Scholarship.

AI Amplified with KPMG, Microsoft and Year 13

KPMG Australia and Microsoft partnered with Year 13 to create a joint AI skilling program called AI Amplified. The program helps young people access free essential AI knowledge, skills and confidence in emerging technologies like generative AI. To date, more than 7,276 users have engaged with AI Amplified and completed online modules. This year we also delivered in-school workshops in regional areas to provide applied learning opportunities.

Digital inclusion through KPMG’s Laptops for Lifelong Learning

In partnership with social enterprise WorkVentures, we have reached 1,000 high school students in need, to obtain a digital device for their studies. This milestone was met a full year ahead of schedule.

Food security and education with OzHarvest

This year, 795 of our people took part in OzHarvest ‘Cooking for a Cause’, volunteering across Australia to prepare 6,360 nutritious meals from rescued food for people in need. This prevented 2,385 kg of food waste from going to landfill.

KPMG also supported OzHarvest’s FEAST Education program for schools in disadvantaged areas across the country. To date, 3,966 students across 62 schools completed a 10-week program to help build their food literacy, improve their food choices and develop practical cooking skills.

Reconciliation

This was the final year of [KPMG Australia’s 2021-2025 Elevate Reconciliation Action Plan \(RAP\)](#), our fifth RAP overall and third to be recognised with Elevate status by Reconciliation Australia.

2025 marks our 15-year RAP journey, and we’ve been reflecting on the learnings, insights and impact resulting from our focus on cultural safety, growing the Indigenous business sector, and contributing to First Nations-led initiatives to enhance social and emotional wellbeing. For more information on our performance, please see our latest [RAP Progress Report](#).

Deepening our partnership with Jawun

Since 2006, we have continued to mature our partnership with Jawun and to help empower First Nations communities together. This year we worked closely with Jawun to co-design the IGNITE Our Future: Purpose & Pathways Summit. The Summit brought together 20 First Nations people from Jawun’s Regional Changemakers network in our Barangaroo office in Sydney to collaborate on a path to support youth, emerging and established leadership development in their communities.

Twenty-two of our people this year completed a six-week Jawun secondment with Indigenous Regional Organisations within Jawun’s networks, creating a total of 367 KPMG secondees across the years. Eleven National Executive Committee and Board members also completed transformative Jawun Executive Visits this year – reaching a milestone of 100 executives participating since the start of our partnership.

Empowering First Nations students

We reached a milestone 15 years of supporting the Adam Goodes and Michael O’Loughlin Foundation (GO Foundation). We continued to fund a tertiary scholarship and also participated in the GO Foundation Sydney Careers Experience Day, leading an initiative for 50 high school students to design their ‘School of the Future’.



How we're making a positive social and economic impact

A selection of case studies

 Click on case study to read our stories



How virtual reality is helping shape a 30-year transport strategy

Explore how cutting-edge technology met real-world community consultation for the Department of Infrastructure and Transport (DIT) to design a transport vision that speaks to everyone in South Australia.



Inside the ambitious plan to power PNG's future

In PNG, fewer than 1 in 5 people have reliable access to electricity. See how our experts are helping PNG Power reshape its future with sustainable energy and smarter systems.



AI to the rescue for emergency services in WA

Discover how generative AI is reimagining operational processes for the Department of Fire and Emergency Services (DFES), in a sector where every second counts.



Telstra's AI-driven compliance

Meet the gen AI solution delivering quality and clarity for the compliance tasks at Australia's largest telco.



The secret weapon behind Spear Foundation's success

Learn how governance improvements and social enterprise strategies are helping Spear Foundation continue its crucial programs for First Nations communities.



Building a more inclusive world

With indoor technology helping people navigate complex environments, such as airports and shopping centres, BindiMaps has called on KPMG for support.



Governance

Our Purpose and Values guide everything we do

Our commitments

**ALWAYS ACT WITH
A CLEAR PURPOSE**

**TO LEAD THE PROFESSION
IN AUDIT QUALITY**

**UPHOLD THE HIGHEST LEVEL
OF INFORMATION PROTECTION,
DATA PRIVACY AND SECURITY**

**DRIVE A RESPONSIBLE
TAX PRACTICE**

**ACT LAWFULLY, ETHICALLY
AND IN THE PUBLIC INTEREST**

**RESPECT HUMAN RIGHTS
AND WORK AGAINST CORRUPTION
AND MODERN SLAVERY**



KPMG Australia Board



Strong systems of governance are essential

At KPMG, governance is not just a system of oversight. It is the foundation that enables us to lead with purpose, uphold trust and respond decisively to complex challenges.

This year, we have proactively evolved our approach to governance to continue to meet the needs of a fast-changing environment. Building on last year's advances, which included increasing the number of independent directors appointed to our Board, we refreshed our National Board and National Executive Committee. This brings new expertise in digital transformation, risk and regulation. On the National Executive Committee we appointed a dedicated Chief Risk Officer, elevated the remit of our General Counsel, and on the Board we introduced a new Deputy Chair to ensure continuity in governance leadership.

A defining governance achievement this year was KPMG Australia becoming the first organisation in Australia to be certified by BSI under ISO 42001, the international standard for AI management systems. This milestone reflects the maturity and application of our Trusted AI Framework, which governs the AI solutions we develop, adopt and use. Our AI governance system includes a formal AI Policy, a public AI Register and oversight from our Trusted AI Council.

This leadership stands in contrast to broader challenges identified in our global Trust in AI study, which found Australia lags on trust, training, and oversight. While most Australians use AI in the workplace, few feel confident about it. KPMG's strong governance in this space not only supports our clients but also contributes to closing a national capability gap.

We continued to invest deeply in ethical leadership and culture. In partnership with The Ethics Centre, we held our first national Ethical Leadership Summit, bringing together 250 of our emerging leaders to build practical skills in ethical decision-making. Our Ethics Champions Network continues to play a key role in creating space for confidential advice, early conversations and peer support. From informal discussions to structured escalation, the network provides a firm-wide touchpoint for people navigating ethical questions. It reflects our commitment to making values-driven behaviour a lived experience, not just a stated principle.

We continued to demonstrate our role as a trusted voice in public policy. This included contributions to more than 30 government and parliamentary consultations on topics ranging from productivity, sustainability assurance and responsible tax, to food relief and the regulation of the profession. We also reinforced the values and standards that underpin how we operate and engage with the community.

We renewed and deepened our engagement with Purpose and Values across the firm through our new Fit For Purpose initiative and second Global Values Week. We created space for reflection, dialogue, and practical connection to what drives our work.

Good governance is never static. It is something we build, live, and strengthen every day.

Martin Sheppard
National Chairman, KPMG Australia



Purpose, Values and culture

OUR COMMITMENT: ALWAYS ACT WITH A CLEAR PURPOSE

Our Purpose is to Inspire Confidence and Empower Change, and this sets the context for all the work we do; while our Values guide our actions and reinforce our commitment to the highest standards of professional behavior.

Fit For Purpose

This year we created a new *Fit For Purpose* program, led by our Chief Purpose Officer. The program aims to embed and celebrate purpose as a defining feature of working at KPMG.

A 1,000 Voices initiative asked our people ‘What does purpose mean to you?’. Over 1,000 people responded and told us that purpose: is deeply personal, it motivates us and guides our actions, it aligns with our values, it inspires connection, it drives growth and it enables us to make a meaningful impact in both our own lives and in the lives of others.

We hosted Purpose Weeks in every state and territory. These invited our people to engage in conversations around our firm’s purpose, and to start exploring their own purpose through a range of events, panels and workshops. Over 4,445 attendees participated in Purpose Weeks across 163 different events.

Global Values Week

Global Values Week brought together 275,000 colleagues across KPMG member firms around the world to reinforce the role our Values – Integrity, Excellence, Courage, Together and For Better – play in driving trust.

Our theme this year was ‘Strengthening Trust through Ethical Behaviour’. The flagship global event welcomed best-selling author and speaker, Simon Sinek, who joined our Global Chairman for an interview and answered questions from KPMG colleagues around the world.

In Australia, over 1,100 people viewed a live broadcast of prominent Australian ethicist Dr Simon Longstaff AO in conversation with Partner and Board member Minh Dao, while several hundred participated in daily ethical challenge competitions, with scenarios aligned to a different KPMG Value each day. The Week’s activities also included ethical decision-making workshops facilitated by our Ethical Champions and ambassadors, and pursuing volunteering through our community partners.

Governance and accountability

Always acting with a clear purpose requires that we regularly review and refresh our governance approach and hold ourselves to account.

National Board

The National Board is the principal governance body for KPMG Australia. The principal governance document of the firm is our Partnership Agreement, which is overseen by the Board. In July 2023, we publicly released our Partnership Agreement, which can be read in full [here](#).

Key developments this year include included the following.

- **Board renewal** – Our Partnership Agreement provides for annual renewal of our National Board. On 1 July 2024, Guy Holland joined the Board as an elected Board member, deepening our skills in technology and digital transformation. Independent Director, Patty Akopiantz, was reappointed for a further three years. In addition to Board renewal, digital transformation expert Michael Ebeid was extended as a Board Adviser for a further 12 months, from April 2025.
- Carmel Mortell commenced as the firm's Deputy Chair in October 2024. This role is an important component of our firm's governance arrangements and ensures continuity of governance leadership.
- KPMG Australia National Chairman Martin Sheppard was appointed Chairman of KPMG Asia Pacific, effective 1 October 2025.
- **Board capability building** – To ensure the collective knowledge and skills of the Board keep pace with market changes, we regularly implement a series of Board member Capability Sessions. Focus areas for this year were 'AI for Directors' and 'Director Obligations on People, Workplace Health & Safety'.

- **Board effectiveness review** – The periodic review of the performance of the Board was undertaken in November 2024 with a Board Effectiveness survey completed. The survey results were above target for KPMG's Expected Board performance metrics. An action plan has been developed to ensure continuous improvement.

National Executive Committee

The National Executive Committee (NEC) is the firm's principal management body. Key developments this year include:

- **Risk governance leadership expanded** – On 1 July 2024, we expanded the risk and regulatory management of the firm. Paul Low commenced as our new fully dedicated Chief Risk Officer. Leading the centralised Risk Management function, the role has an additional focus on the technology components of transformation and AI tools being developed with, and for our clients. Our General Counsel, Louise Capon, joined the NEC as Head of OGC.
- **Other executive appointments** – Brad Miller was appointed Chief Financial Officer on 1 February 2025; and John Munnely assumed combined executive responsibilities for Digital and KPMG Futures.
- **Trusted AI Council** – Newly created this year, the Trusted AI Council oversees AI strategies, policies, and implementation. It includes NEC and senior cross-firm stakeholders and an external member from the Human Technology Institute (HTI) to provide independent counsel and oversight.

For further information on our National Board and governance, and our National Executive Committee and its operation, click [here](#).

Partner remuneration

KPMG Australia sets out clear performance and conduct expectations for Partners. The remuneration model is designed to reward performance and behaviours consistent with our strategy, Global Code of Conduct, and Values.

As outlined in our Partnership Agreement, our NEC and the Partner Remuneration and Nominations Committee (PRNC) ensure that the system for allocating the profit pool to Partners is administered fairly and equitably and is subject to a formal Board approval process.

CEO remuneration

The CEO's annual remuneration varies in line with firm and individual performance, including assessment against a balanced set of short-term annual metrics linked to an annual Short-Term Incentive plan.

The CEO's FY25 remuneration included an interim milestone related Long-Term Incentive (LTI) payment. The CEO LTI is a three-year plan applicable from FY25–FY27 and is designed to reward contributions that drive long-term value creation, protection, and transformation of the firm.

The Board assesses financial and non-financial LTI metrics across the three-year period, and against annual interim milestones. The annual LTI assessment provides an opportunity to earn an interim milestone payment, 50% of which is payable for the financial year and 50% is deferred until the end of the period, at which point it is subject to risk assessment, malus, and additional deferral provisions.

Other executive remuneration

As with other Partners, the annual remuneration of Partners who serve on the KPMG National Executive Committee varies according to both firm and individual performance. An annual bonus plan is applicable and linked to performance against a balanced scorecard of shared firm-wide KPIs aligned to the firm's strategy, formal peer performance feedback, and assessment against annual goals.

Partner remuneration

Average equity Partner remuneration increased by 10.3% on the prior year.

For more details, please see our [Databook](#).

OUR COMMITMENT:
DRIVING A RESPONSIBLE TAX PRACTICE

KPMG Australia is committed to responsible tax practice consistent with all applicable laws, regulations and professional standards established in Australia. Alongside our Values and Global Code of Conduct, we are guided by KPMG’s Global Principles for a Responsible Tax Practice which require all KPMG people to act lawfully and with integrity when dealing with tax matters.

KPMG continues to engage fully with policymakers and the Tax Practitioners Board (TPB) in order to understand and comply with new elements of its Code of Conduct which became effective for large firms from 1 January 2025. This has involved updating our policies and procedures to embed the TPB requirements and ensure only individuals who are fully compliant with the new Code can provide tax services.

This year, KPMG undertook measures to ensure compliance with the International Ethics Standards Board for Accountants (IESBA) suite of global standards on ethical considerations in tax planning and related services, incorporated in the IESBA Code of Ethics that came into effect from 1 July 2025. At a domestic and international level, we engaged with regulators to better understand the rules and made national and global submissions.

KPMG Australia’s Tax practice continues to develop thought leadership and contribute to consultations and industry forums on key areas of tax responsibility, such as tax governance and tax transparency while being mindful of our confidentiality obligations to our clients and broader stakeholders.

This year, we undertook research on and provided support to clients impacted by Australia’s new Country by Country reporting legislation, a key development on the road to tax transparency. We have also engaged closely with Treasury on how Australia applies the [Crypto Asset Reporting Framework](#) (CARF) and in our response we stressed the need to balance innovation with the protection of the public. Other responses we have been involved in relate to TPB sanctions and registration frameworks as well as potential reform to the ATO’s Promoter Penalty regime.

Each year, KPMG issues a statement to confirm it has reasonable confidence that the policies, procedures and internal controls which facilitate compliance with the Australian Tax Advisory Firm Governance Best Practice Principles operated effectively. Our statement for FY25 can be viewed [here](#)⁴.

OUR COMMITMENT:
TO LEAD THE PROFESSION IN AUDIT QUALITY

As we move closer to the first-time implementation of mandatory assurance over sustainability reporting in Australia, Audit and Assurance have never been more important in providing confidence for the capital markets. We’re committed to continuously evolving our approach to quality and, as a technology-driven organisation, we are harnessing innovative solutions to deliver high-quality audit and assurance services.

KPMG is dedicated to fulfilling our role in the capital markets by providing robust assurance that benefits investors and other stakeholders. We believe that the same level of professionalism, quality, consistency, and trust should apply to ESG reporting as it does to financial data.

To this end, we are making significant investments in our ESG assurance capabilities, and have formally expanded our Quality Transformation program to include Audit & Assurance (ESG). The Audit and Assurance Quality Transformation (AAQT) is a multi-year initiative designed to continuously enhance quality and improve the audit and assurance experience for our clients and people.

In FY25, we continued to evolve and invest in our transformation by significantly upskilling our people and building teams fluent in ESG assurance reporting. This helps our clients meet their goals for a more sustainable future.

Additionally, we expanded our use of AI-enabled technology across our audit and assurance engagements, with more teams using KPMG’s Clara AI Transaction Scoring platform in the performance of their audits and further embedding the use of AI Clara Chat in their day-to-day work which continues to support staff to improve productivity, research and efficiency in their audit and assurance engagements.

Three years into the project, we have seen positive improvements in our audit quality indicators. We are pleased with the increase in our internal audit file inspection outcomes, with 84% of engagements meeting KPMG’s internal requirements (FY24: 78%). Pleasingly, no audit opinions or financial statements were reissued as a result of findings from our internal audit file inspection program.

We are focused on delivering a program for our audit professionals to feel confident that they have the support, tools and environment they need to consistently deliver a high-quality audit, whilst enabling compliance with the international quality management standards.

In FY25, KPMG Australia was the financial statement auditor for approximately 22% of ASX 200 companies.

For more information, please see our [Transparency Report 2025](#).

This year we expanded our use of AI-enabled technology across our audit and assurance engagements.

4. During the year KPMG became aware that an employee had concealed his provision of unauthorised tax services, in a personal capacity, to individuals and entities that we understand were not KPMG clients. KPMG promptly terminated the individual's employment and is assisting authorities with their enquiries.

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Trusted and trustworthy

OUR COMMITMENT:
ACT LAWFULLY, ETHICALLY
AND IN THE PUBLIC INTEREST

Acting lawfully and ethically

We continue to reflect and respond to the challenges that have negatively impacted our industry and are focused on acting transparently, with accountability and integrity. Our role in restoring, preserving and maintaining trust goes hand in hand with being able to demonstrate responsible business practices and how we act lawfully, ethically and in the public interest.

Our people are required to learn about and comply with [KPMG's Global Code of Conduct](#), which applies throughout our activities and business relationships.

Everyone at KPMG is also mandated to undertake the firm's 'We do what is right: Integrity at KPMG' training covering our Values and our Code of Conduct, and our Privacy training module, within three months of joining the firm, and annually thereafter. This year again there was a **100% completion rate of 'Integrity at KPMG' and our Privacy training** modules.

Managing independence

As an external audit firm, we continually reinforce the critical importance of auditor independence. There was a **100% completion rate for the annual auditor independence confirmation statement** by our people. All our Partners and client service professionals have also completed our Independence training in March 2025.

Risk governance

As part of our commitment to always acting with accountability and integrity, we hold ourselves to a set of globally consistent Quality & Risk Management policies and procedures. These are designed to help our people deliver maximum value to clients and wider society by enhancing quality, managing risk, and ensuring compliance with laws, regulations and professional standards.

This year, we expanded the risk and regulatory management function of the firm in Australia, with an additional focus on the technology components of transformation and AI tools being developed with and for our clients.

We also launched a firm-wide Risk Appetite Statement, a framework that outlines the types of risks KPMG is willing to take in pursuit of its strategic objectives. This framework is key to ensuring that all decisions align with the firm's goals and values, promoting informed and conscious decision-making.

Further detail about our risk governance approach can be viewed [here](#).

AI governance

We recognise that the field of AI is rapidly evolving – and so is our approach to managing AI risks and AI governance.

AI governance within the firm has continued to evolve to keep pace with this rapidly developing technology. In addition to the Trusted AI Council, our Trusted AI Office helps ensure the implementation and continuous improvement of our AI governance processes.

- This year we achieved significant milestones, including:
- In July 2024, we launched our AI Policy, reinforcing our commitment to responsible and ethical AI use and guiding our AI development, risk and management practices. This policy aligns with [our Trusted AI Framework](#), guiding our AI management practices.
 - We have trained all employees on our AI policy, and over 2,000 employees have received more advanced Trusted AI certifications.
 - KPMG Australia became the first organisation globally to obtain ISO 42001 (AI) certification by BSI, demonstrating our commitment to safe and responsible AI management.
 - In December 2024, we launched the first public-facing [AI register](#) in our industry, detailing AI-enabled solutions used for client services, enhancing transparency and accountability.

Ethical culture

Our Board and National Executive Committee (NEC) play integral roles in our firm's ethical culture program and the robust governance of cultural change includes regular and transparent reporting to both.

This year, we focused on empowering leaders and ensuring our graduates are well-equipped to uphold and advance our ethical standards.

Our employee listening survey shows:

- A 10% increase in the belief that employees would act ethically when faced with a dilemma.
- A 7% improvement in accountability for irresponsible behaviour.
- A 7% increase in recognition of KPMG's culture of doing the right thing.



Our ongoing listening strategy features regular pulse checks for early identification and intervention of issues, alongside active retaliation monitoring.

In March, we mobilised and upskilled over 250 emerging leaders – recognising their critical role in driving change – as they explored ethical leadership, decision-making and trust with practical application at the KPMG Ethical Leadership Summit (see [case study](#)).

In July 2024, KPMG became a proud member of The Ethics Alliance, which will support further refinement of our business practices for enduring change.

Workplace reports

We encourage our people to speak up about any behaviour in the workplace that doesn't align with our Values.

In FY25, 37 matters were reviewed by the Employee Relations Conduct Panel, which investigates all serious matters involving employees, contractors and Partners. Of these, 32 (86%) were substantiated, and disciplinary action was taken. The outcomes of the Employee Relations Conduct Panel are communicated to the NEC and the Board. We continue to closely monitor data on reports of inappropriate conduct to understand trends and where appropriate, put in place practical measures.

For more details, please see our [Databook](#).

Acting in the public interest

We are committed to the highest standards of professional behaviour in everything we do. We engage with policymakers and a range of other external stakeholders as we continue to strive to act in the public interest. Click [here](#) for details.

Supporting our policymakers in parliamentary forums

In November 2024, the Parliamentary Joint Committee on Corporations and Financial Services handed down the final report for its *Inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry*. Several of our recent recommendations featured in the final report, including relating to enhanced governance requirements for partnerships, enhanced transparency through adherence to GRI standards and mandatory audit tenure disclosure. KPMG continues to engage constructively with the ongoing government processes, including the Treasury review into the regulation of the profession.

KPMG also participated in the Senate Economics Legislation Committee's Inquiry into the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024, providing a submission in support of a National Food Donation Tax Incentive. KPMG appeared before the Committee in October 2024 and has provided supplementary information to the Committee. KPMG has been an active supporter of a National Food Donation Tax Incentive that provides complementary benefits to two significant policy areas – food waste and food relief.

KPMG contributed to the NSW Standing Committee on Social Issues' Inquiry into the prevalence, causes and impacts of loneliness in NSW with a submission in October 2024 and appearance before the Committee in November 2024. Our submission to the Inquiry drew upon insights from *Connections Matter*, a report by KPMG in collaboration with the Groundswell Foundation on the impacts of loneliness in Australia and calls for greater collaboration and progress tracking to help address loneliness.

Advocating on issues that matter

This year, KPMG contributed more than 30 submissions to government and parliamentary inquiries, as well as publicly published broader thought leadership papers. The full suite can be found [here](#) with key themes including climate and sustainability, and equal opportunity:

Climate and sustainability

KPMG is active in contributing to government submissions and consultations relating to climate action. KPMG supports the adoption of a globally consistent disclosure of sustainability-related information and is passionate about the role of assurance in ensuring investment-grade information, both for financial and non-financial disclosures.

Equal opportunity

KPMG continues to promote greater equality through a series of 'Gender Equity' papers in which the firm has made a suite of public interest recommendations to government and policymakers. This year, we published *The cost of coming back 2.0*, which reflects on the past six years of childcare policy developments. The report updates our previous analysis of workforce disincentive rates within the tax and transfer system, and finds that without coordinated policy action, some mothers and carers will continue to face a strong disincentive to work.

Political donations

KPMG reports all forms of political donations, including in-kind contributions, event sponsorship and membership fees for political party business forums. No cash political donations are made.

In FY25, our political donations were approximately \$152,000, split 50/50 between the major parties. This will be formally reported via the Australian Electoral Commission in 2026.

Chair, AAAPPC

KPMG Australia is an active member and the current Chair of the Australian Accounting and Assurance Public Policy Committee (AAAPPC). The group seeks to promote and enhance confidence in the Australian multidisciplinary accounting and assurance profession recognising our public interest responsibility. Various white papers and a set of voluntary guidelines were published this year in support of this goal.





OUR COMMITMENT:
UPHOLD THE HIGHEST LEVEL OF INFORMATION
PROTECTION, DATA PRIVACY AND SECURITY

Managing data and cyber risks

Our people and clients entrust us with sensitive data and information. Everyone at KPMG is required to complete our mandatory annual Security Awareness for Everyone (S.A.F.E) training to refresh their awareness and knowledge of the range of information security, AI, personal information and data privacy risks at work and at home to protect sensitive and company information. The training was rolled out in May/June 2025 and there was **100% completion of this module**.

During the year, we have continued to strengthen the policies, processes, controls, training, and capabilities needed to protect our data from unauthorised access and disclosure or any use beyond the original intent.

We also we increased our ability to monitor our environment and respond to incidents by updating our documentation and processes. Key actions included:

- Making significant progress in uplifting our cyber maturity, including our compliance with the Essential Eight mitigation strategies.
- Developing new content for our security awareness training to provide insight into the emerging threat of deepfake technology, including tips on how to spot deepfakes.
- Implementing an adapted approach to Privacy Impact Assessments, including on new AI technologies, to ensure that new and evolving privacy risks are addressed.

In FY25, there were no privacy complaints referred to KPMG Australia by a regulator.

OUR COMMITMENT:
RESPECT HUMAN RIGHTS AND WORK AGAINST CORRUPTION
AND MODERN SLAVERY

Human rights

We continued to put our commitment to respecting and promoting human rights into practice. This year, we incorporated a human rights focus into the firm's refreshed AI Strategy and delivered tailored human rights training to 400 people across relevant teams, as well as to KPMG Fiji and KPMG PNG colleagues.

Working against corruption

As part of our ongoing commitment to ethical conduct, we have implemented robust anti-bribery and corruption (ABC) frameworks. Concerns raised are managed in accordance with our established protocols and governance processes.

We support the extension of the AML/CTF regime to tranche two professions and have been proactively preparing for its application.

We're accelerating enhancements to our onboarding, due diligence and record-keeping processes to ensure alignment with incoming requirements. This is more than compliance: it's a shift in how we manage financial crime risk.

Modern slavery risk

KPMG Australia's approach to identifying and managing the risk of modern slavery is led by our firm's Human Rights Working Group which oversees our multi-year modern slavery response.

For further detail on KPMG Australia's approach to identifying and managing modern slavery risk, see our [Modern Slavery Statement 2025](#).

How our Purpose and Values guide everything we do

A selection of case studies

 Click on case study to read our stories



Good governance and AI: Can they work together?

AI can solve complex challenges and unlock new possibilities for growth, but it is vital to embrace this technology in a trustworthy and ethical manner.



Shaping tomorrow's leaders: inside KPMG's first Ethical Leadership Summit

Get an inside look at how KPMG is building a culture of ethical decision-making and transforming leadership.



Using AI to help ID high-risk entries in an audit

Discover how Clara analytics AI Transaction Scoring, a world-first AI-enabled solution, allows our auditors to more accurately identify high-risk or outlier journal entries.



People

Creating a caring, inclusive, purpose-led and values-driven culture

Our commitments

INVEST IN OUR PEOPLE EXPERIENCE AND LEARNING TO BUILD FUTURE-READY CAREERS

ENHANCE THE WELLBEING AND HEALTH OF OUR PEOPLE

CHAMPION EQUALITY AND CREATE AN INCLUSIVE AND EQUITABLE CULTURE FOR ALL



When our people grow, so does our impact

At KPMG, we're focused on creating an environment where our people can grow, feel supported and stay future-ready. This year, we made real progress across the areas that matter most, from helping our people build skills for the future, to strengthening inclusive, ethical leadership and building more sustainable ways of working.

A stand-out has been how we're helping our people build confidence, capability and curiosity in a fast-changing world. Our investment in AI learning is not just about skills. It's about ensuring our people feel ready for the future and empowered to work in new and better ways.

Since launching the Eclipse AI Learning Academy, 73% of our people, including 85% of our Partners, have completed AI-related training. More than 7,300 AI digital training badges have been awarded, with many focused on Responsible AI and our Trusted AI Framework. New tools, such as KymLearna, our virtual learning assistant, help people access relevant training quickly.

With KymChat AI Persona Studio, our teams are creating bespoke digital assistants to support their work. These tools are transforming the day-to-day experience in tangible ways, creating more space for our people to focus on what matters most.

We've also continued to move forward on equity, inclusion, and belonging. Because when people feel seen, supported and included, they do their best work.

Our gender pay gap was reduced again, and the representation of women in partnership and culturally diverse Partners continued to improve. We drove progress on LGBTQ+ inclusion, and this work was recognised with KPMG awarded 2025 Platinum Employer of the Year at the LGBTQ+ Inclusion Awards.

Our people leaders continue to be at the heart of the experience we create. This year, over 1,200 of us completed our 'People Leader program', and more than 480 participated in the Lead with Wellbeing initiative. These efforts matter because leadership sets the tone.

Our Global People Survey showed that 84% of our people trust their immediate leader. That trust is a cornerstone of a connected, supportive culture.

We're also seeing signs that our long-term focus on wellbeing is making a difference. There has been an increase in people reporting they can maintain the energy needed to do their work. This reflects not just personal resilience but also improvements in how work is structured, how teams operate, and how our leaders lead.

Our people strategy is grounded in a clear belief: that when our people grow, so does our impact. That's why we will continue to listen, invest, and evolve to create a workplace where every person can thrive.

Dorothy Hisgrove

National Managing Partner, People & Inclusion
Winner, 2025 AFR Women in Leadership Award (Professional Services)

Engaged and future-ready talent

OUR COMMITMENT: INVEST IN OUR PEOPLE EXPERIENCE AND LEARNING TO BUILD FUTURE-READY CAREERS

We advanced the firm's strategy with a 'skills-first' people experience to attract, develop, and retain the best talent – talent which can grow our clients' and our own business.

This year we saw a 41% increase in applications for our early talent programs, reconfirming our position as an employer of choice for future leaders. We've introduced new tools to simplify the job search and are implementing AI improvements focused on providing the best candidate experience in the market while enabling our talent team to make smarter, faster decisions based on data and insights.

This solution is reducing time to hire by over 40%. Matching candidate skills and interest with our business needs has seen our attrition rate for employees with KPMG for less than two years reduce from 16% to 12%.

We'll continue to deliver a future-focused recruitment experience that puts people at the core of what we do, combining the latest technologies, candidate feedback, and innovative practices to enable career growth and long-term success.

We focus on critical future-focused skills that enable our people to be competitive in the market, deliver client value, and advance our strategic ambitions.

This year we brought together world-class experts and partnerships to launch the Eclipse AI Learning Academy, a market-leading learning offering that empowers our people with AI skills. To date, 73% of employees have completed at least one AI learning experience, including 85% of our Partners.

Over 7,300 AI digital training badges have been awarded, in partnership with the Human Technology Institute (UTS), Pluralsight, and Microsoft, helping our people maintain career momentum. Digital badges recognise our people's AI skills and are visible on social platforms such as LinkedIn, creating portable assets for career mobility and success.

This year, our people accessed targeted skill development aligned to their goals and career growth.

We also continued to invest in leadership development to build a strong pipeline of future-ready leaders. Over 1,200 leaders took part in our 'People Leader Program', enhancing their skills for greater impact.

We enhanced our high potential leadership programs, focused on our Senior Managers and Directors, continuing our flagship 'Edge of Excellence' program and 'Leading with Momentum' for our Senior Manager and Director talent, building a pipeline of future leaders to lead in more senior and complex roles.

Our annual Global People Survey (GPS) engagement survey highlighted the positive impact our leaders are having, with 84% of our people indicating they trusted their people leader.

Listening channels

In October 2024, 81% of our people participated in our annual Global People Survey (GPS). This strong participation reflects our people's commitment to shaping the future of our firm and enhancing their work environment.

Overall, the results were above last year's in most areas measured. Employee engagement remained steady year-on-year (71% vs 72%) despite the challenging economic environment.

Both our Trust and Values Indices remained stable, and we saw an increase in our Growth Index (67% vs 65% last year), largely driven by stronger perceptions of innovation at KPMG.

To complement the GPS, this year we enhanced our listening strategy with Pulse Surveys. The Pulse Survey enables us to collect feedback more frequently throughout the year and make timely, informed decisions.

Insights from our listening channels are shared with our Board, National Executive Committee and other leadership groups, ensuring comprehensive oversight and accountability.



Inclusion, diversity and equity

OUR COMMITMENT:
CHAMPION EQUALITY AND CREATE AN INCLUSIVE
AND EQUITABLE CULTURE FOR ALL

Accreditations

- Workplace Gender Equality Agency (WGEA) Compliance achieved 2024–25
- WGEA Employer of Choice (19 years)
- Family Friendly Workplace 2024–2026
- Australian Workplace Equality Index 2025 Platinum Employer
- Menopause Friendly Workplace Accredited

Our inclusion, diversity and equity (IDE) approach is grounded in the principle that everyone feels safe and supported with an equal chance to succeed. We recognise that diversity in all its forms – including gender, cultural background, disability, age, sexual orientation, gender identity and neurodiversity – enhances our collective capability and enriches the solutions we offer.

Gender equity

Concerted effort to progress gender equity is guided by our Gender Equity Action Plan. Over the last 12 months we have delivered:

- **Employee Gender Pay Gap:** our **WGEA Employee Average Base Salary GPG** is 8.7%,⁵ down from 10% last year.
- **Our Partner Gender Pay Gap:** our Partner Gender Pay Gap is 12.12%, also an improvement on last year’s result of 13.16%.
- **Partnership Representation:** we achieved 37% **women in Partnership**,⁶ up from 36% last year and short of the 40% target we set ourselves by 1 July 2025. The firm also reaffirmed our commitment to achieving this target.
- **Leadership Development:** 59 Managers and 88 Senior Managers/Associate Directors completed the Women in Leadership program, supporting our talent pipeline.

- **EmpowerHer Sponsorship Program:** In 2025 nine women participated, gaining valuable insights and skills through executive sponsorships – with plans to expand EmpowerHer further in FY26.
- **Active Allyship:** This year we held Allies in Equity training to equip people leaders with the skills to lead diverse teams with empathy and equality.

Age and life stages

We delivered educational sessions, created a support group, and shared resources to better support those going through perimenopause and menopause. We also provided free sanitary products across all offices. These actions contributed to our Menopause Friendly Workplace membership.

This year, we partnered with Maturious, a leading Australian mature age talent community, to create opportunities for mature age workers within KPMG.

Cultural inclusion

We continue to deepen our commitment to cultural inclusion and representation, and work with our culturally diverse employee networks to celebrate and amplify diverse experiences and communities within KPMG.

This year, cultural representation continued to increase, with **18.4%⁷ of Partners who self-identified as culturally diverse, up from 14.9% last year**, but slightly short of our target of 20% by 2025.

We welcomed 30 Senior Managers/Associate Directors and 16 Partners into the Illuminate Leadership Program which supports the development of cultural capability and empowerment of culturally diverse talent.

5 Defined and reported in line with the Workplace Gender Equality Agency (WGEA) methodology as per the following definition: Employee Average Base Salary Gender Pay Gap is the percentage difference between the average base salary of FTE male staff to the average base salary of FTE female staff, expressed as a percentage of the average base salary of FTE male staff. It covers payments made to employees who were active as at the WGEA reporting date of 31 March 2025 for the preceding year. The figure includes permanent, fixed-term, casuals in Australia and KPMG Australia’s CEO. KPMG Fiji and PNG employees are excluded. Partners, Executive Directors, contingent (on-demand) workers and contractors are excluded. This metric is subject to limited assurance by Grant Thornton Australia. Please see Independent Auditor’s Assurance Report page 26 of [Our Impact Plan 2025 Databook](#).

6. Percentage of Partners who self-identify as female in KPMG Australia, KPMG Fiji and KPMG PNG as a percentage of total Partners; includes Partners who are in Partnership as at 1 July 2025. 100% of Partners have self-reported their status and no Partners are excluded. As information relating to gender identification is based on self-identification, is personally sensitive and confidential, verification of the accuracy of the self-identification has not been performed. This metric is subject to limited assurance by Grant Thornton Australia. Please see Independent Auditor’s Assurance Report page 26 of [Our Impact Plan 2025 Databook](#).

7. Percentage of Partners who self-identify as culturally diverse (non-Anglo/Celtic/European) in KPMG Australia, KPMG Fiji and KPMG PNG as a percentage of total Partners; includes Partners who are in Partnership as at 1 July 2025. 99% of Partners have self-reported their status. As information relating to cultural identification is based on self-identification, is personally sensitive and confidential, verification of the accuracy of the self-identification has not been performed. This metric is subject to limited assurance by Grant Thornton Australia. Please see Independent Auditor’s Assurance Report page 26 of [Our Impact Plan 2025 Databook](#).



KPMG achieved Platinum Tier status in the Australian Workplace Equality Index.

First Nations inclusion

We made progress on our Elevate Reconciliation Action Plan 2021–2025 (RAP) commitments to improve the cultural competency of our people and ensure KPMG's First Nations employees feel respected and valued.

100% of the firm completed the Arrilla Digital Indigenous Cultural Competency Training and 122 Partners to date have completed Cultural Safety Training.

Recruitment and retention of First Nations talent continued with 26 Indigenous people hired⁸ in FY25, which is short of our target of 42, but an improvement from the 10 hired in FY24.

This effort is supported by our engagement with the CareerTrackers Indigenous Internship Program. Through CareerTrackers we have hosted eight First Nations students, with six new students completing internships in FY24. Three of these students have been offered positions in the 2026 KPMG Graduate Program.

LGBTQ+ inclusion

Our Australian LGBTQ+ women's network, Parea, expanded globally, fostering community and providing visible role models across KPMG. An event celebrating this expansion was attended by over 170 people from 17 different countries.

This year, KPMG achieved Platinum Tier status in the 2025 Australian Workplace Equality Index. This recognition acknowledges our work to ensure KPMG is an organisation where everyone feels safe and supported with an equal chance to succeed.

Marie Stella (Manager, Consulting) won the Sapphire Inspire Award and Paul Howes (National Managing Partner, Consulting) was a finalist in the Executive Leader Award at the 2025 Australian Workplace Equality Index LGBTQ+ Inclusion Awards, highlighting their significant contributions to promoting inclusivity within the firm.

Accessibility and Inclusion Plan progress

In June 2024, we launched our second Access and Inclusion Plan which outlined 57 commitments from KPMG to create an accessible and inclusive workplace over the next three years.

Over the past 12 months we have achieved 35% of these commitments, including:

- Adjustments to the recruitment process to ensure our assessment centres and testing activities are accessible and equitable.
- Neurodiversity firm-wide training sessions.
- The 'Stepping Into' internship program welcomed three interns in Enterprise and P&I for an eight-week program with one intern returning as a graduate in the 2025 cohort. Further, Chris Liu (Consultant, Enterprise) was recognised as a finalist in the Australian Disability Network 'Intern of the Year' Awards.

8. Total count of Indigenous people hired by KPMG Australia and who have commenced during the reporting period to 30 June 2025, as defined by those who have self-identified as Aboriginal or Torres Strait Islander. As information relating to cultural identification is based on self-identification, is personally sensitive and confidential, verification of the accuracy of the self-identification has not been performed. Excludes KPMG Fiji and KPMG PNG personnel. This metric is subject to limited assurance by Grant Thornton Australia. Please see Independent Auditor's Assurance Report page 26 of [Our Impact Plan 2025 Databook](#).

Wellbeing and sustainable working

OUR COMMITMENT: ENHANCE THE WELLBEING AND HEALTH OF OUR PEOPLE

We've made meaningful progress in creating a psychologically safe and caring culture that fosters high performance and empowers our people to thrive.

This includes embedding sustainable work practices that support healthier ways of working. Recognising that psychosocial risk management is an ongoing journey, we are continuing to evolve our approach – particularly by expanding education and capability across all levels of the firm.

Mental health and wellbeing

Supporting the mental health and wellbeing of our people remains a cornerstone of our culture. This year we've focused on equipping leaders with the skills to foster psychologically safe environments, while also building peer-led networks and inclusive wellbeing initiatives that reflect the diverse needs of our workforce.

- Over 480 leaders completed our Lead with Wellbeing program, which includes quarterly diagnostics and 1:1 coaching.
- 180 accredited Real Peers and 1,100+ ClubWell members foster a strong culture of peer support and wellbeing.



- Our Real Conversations program continues to equip people leaders with tools to navigate mental health and wellbeing conversations. Over the past 12 months, we trained an additional 150 leaders, bringing the total to nearly 1,500. This program continues to ensure employees feel supported by their leaders.
- As a founding member of the Corporate Mental Health Alliance Australia, we broadened our impact to the community through co-delivering CMHAA Wellbeing Week sessions which focused on supporting healthier minds, bodies, and lifestyles. These sessions saw over 4,337 registrations.
- 20 Wellbeing Circles held on diverse topics including cultural stigma, gender and sexuality, and menopause at work.

The KPMG CARE program, in partnership with Sonder, is a comprehensive suite of psychosocial services providing 24/7 real-time support from registered health professionals, including consultations with clinicians who identify as Indigenous, LGBTQ+, and culturally diverse.

Sustainable working

Sustainable working remains a priority in our firm as our profession continues to respond to challenges around workloads. We recognise that sustainable performance is only possible when these are manageable and wellbeing is protected. Our commitment to sustainable working and health is reflected in industry and firm initiatives. Our year-on-year GPS results showed a slight improvement, and our more recent mid-year pulse survey recorded a 5% increase in sustainable workload. Whilst we have more work to do, our dedicated focus on sustainable working is assisting with this positive shift.

- KPMG Australia has adopted the Voluntary Guidelines for Sustainable and Supportive Work Practices, which the firm has worked on with fellow members of the AAAPPC (Australian Accounting and Assurance Public Policy Committee). The Guidelines seek to attract and retain a strong and dynamic workforce and they complement KPMG's longstanding commitments, programs and initiatives to protect the health and wellbeing of our people.
- We established a Sustainable Working Reference Group that designed a framework to ensure sustainable work hours and workload are proactively monitored and managed. This has delivered an improvement in how our people experience the demands of work.
- In partnership with the Awake Academy led by Layne Beachley AO, we delivered the 'Own Your Truth' program to 88 Partners, with 76% saying they had adapted their leadership approach as a result.

Domestic and family violence

We continue to strengthen our response to domestic and family violence, recognising the workplace as a critical space for safety, support, and advocacy. Our approach combines practical support mechanisms, leadership education, and awareness initiatives to ensure our people – and the broader community – are supported and empowered.

This year's achievements included:

- Launched a new DFV action plan that positions us to achieve Level 3 status in the Champions of Change Coalition 'Playing our Part' framework.
- Continued our KPMG Autumn program to link people experiencing domestic and family violence with a support hotline, emergency accommodation, while providing dedicated leave, flexible working arrangements, and contact officers.
- Support through our internal case managers and 1800RESPECT and the KPMG CARE program with safety measures called 'Check on Me' and 'Track My Journey' which can be activated by users as a safety measure.
- Raised awareness of gender-based violence through the Wear It Black initiative, which encourages our people to dress in black on Thursdays, and educating over 120 leaders through the 'Shine a line on Family and Domestic Violence' program to recognise the signs of DFV and the role leaders and peers play to support.

How we're creating a caring and inclusive culture

A selection of case studies

Click on case study to read our stories



Jennifer Westacott AC returns to KPMG because of inclusive culture

Jennifer is passionate about inclusion being an important catalyst for driving innovation and good business.



'There's always someone I can reach out to.'

For KPMG Partner Simon Dubois, thriving means embracing his mental health journey and helping others do the same. With KPMG's ongoing support, he's proof that openness and care go hand in hand with success.



From financial services to AI maverick

What does it take to build a future-ready workforce? Meet Riley Innes and discover how innovation and upskilling are transforming work at KPMG.



Prioritising wellbeing and sustainable practices

In FY25, as part of our continued commitment to sustainable work practices, we partnered closely with our clients to co-design and implement ways of working that prioritise the wellbeing and sustainability of both client teams and our own people.

This collaborative effort reflects a mutual alignment that wellbeing and high performance are only possible when our people are supported to work in ways that are both purposeful and sustainable.

This approach has seen us work closely with clients to align expectations, manage workloads thoughtfully, and embed sustainable practices into project delivery – ensuring that wellbeing is not just a value we uphold internally, but a shared priority across our client relationships.



'Starting a new job can be daunting, but Kymmence made it so much easier.'

The AI persona helping new joiners

Setting our people up for success from Day 1 is our priority – that's why we created Kymmence. This AI persona helps new joiners navigate the firm, making it easy to find answers to questions such as 'When do I get paid?' or 'How do I update my personal details?'. Kymmence provides a quick and simple way to find things, right at a time when people often feel anxious and overwhelmed. Launched in February, Kymmence has been a successful addition to our onboarding approach, answering 4,000 prompts in the first month alone and another 7,000 in March as our graduates and other new starters began their career at KPMG.

Planet

Supporting our firm's, our clients' and Australia's transition to net zero

Our commitments

DECARBONISE OUR OPERATIONS AND SUPPLY CHAIN TOWARDS NET ZERO

UNDERSTAND AND IMPROVE OUR IMPACT ON NATURE AND BIODIVERSITY

SUPPORT OUR CLIENTS' AND THE NATION'S TRANSITION TO NET ZERO



Embracing technology to work for the planet

At KPMG, we believe technology has a vital role to play in creating a more sustainable world. The rapid advancement of AI is giving us the opportunity to develop new tools that can help us reduce emissions, restore natural ecosystems, and help businesses transition with greater speed and confidence.

We're embracing this opportunity, not just in how we operate but in how we help our clients.

While AI presents enormous potential, we're also conscious of the potential negative impacts – including the growing energy demands behind the systems that support it, especially in cloud computing and data infrastructure. That's why we now have a focus on AI as part of our Climate Action Plan.

For the first time, we have purchased renewable energy certificates to cover the residual electricity emissions from our offsite data centres, well ahead of our original target of 2030. And we've continued to work with cloud providers and strategic alliance partners who've set robust climate targets. Microsoft, for instance, has committed to being carbon-negative by 2030, while Salesforce continues to embed sustainability across its platforms, including Net Zero Cloud.

At the same time, we've stayed focused on reducing our own operational footprint, ensuring we now source 100% renewable electricity for all KPMG Australia tenancies. Emissions from our travel were, however, unsatisfactory this year.

The KPMG Nature Positive Challenge, now in its third year, exemplifies how sustainability, technology and entrepreneurship can move forward together to help solve the most complex environmental issues. One of our five finalists this year, Coral Maker, is deploying robotics and AI to grow and restore coral reefs, one of the planet's most critical but endangered ecosystems, at scale. Pretty inspiring!

Importantly, our work with clients continues to be where we have the most influence.

This year, we've delivered over 460 sustainability engagements and worked with over 200 clients on assurance, climate risk and climate-related disclosures, targets and strategies. We've also provided an ESG lens to more than 30 significant market transactions.

As an auditor of financial statements and an assurance provider, we take our responsibility seriously in auditing the climate-related risks and opportunities shared by our clients. We are also focused on helping clients prepare for the new mandatory climate-related disclosures and we've launched a new AI tool, *KPMG Regulation Sync*, to help them comply with evolving ESG reporting standards.

To increase clients' energy efficiency in major commercial facilities, we introduced in Australia an AI-powered building performance tool developed by R8 Technologies. This allows us to help our clients make automated energy optimisation adjustments in real time.

Taking energy infrastructure as another example, we've helped a leading ASX-listed company integrate newly acquired renewable assets into its operations and accelerate its decarbonisation efforts. Our colleagues in KPMG Fiji and KPMG PNG are also having an impact in the region, for example supporting Pacific Island nations access critical finance to help build long-term resilience against climate change.

As we continue to innovate, we remain focused on the outcomes that matter: cutting emissions, protecting ecosystems, and helping our clients create lasting, positive change for people and planet.

Eileen Hoggett
COO and Head of Corporate Affairs

Climate change & environmental sustainability

OUR COMMITMENT:
DECARBONISE OUR OPERATIONS AND SUPPLY
CHAIN TOWARDS NET ZERO

In this third year of our Climate Action Plan 2023–2030, we targeted our largest carbon emissions sources and set sustainability as a core principle in our AI strategy.

We continued to maintain Climate Active Certification this year through which we received independent limited assurance over our carbon emissions and carbon neutral claim.

Decarbonisation progress

We are working towards a 50% reduction across our Scope 1, 2 and 3 emissions by 2030, against our 2019 baseline. This year, while we achieved a 27% reduction in our emissions compared to 2019, we recorded a small increase in our carbon emissions – 4% above from the prior year.

International travel associated with client engagements was the key driver.

Air travel

There is more work to do to get our travel emissions back on track. We will continue to encourage a virtual-first approach and where travel is necessary, to implement emissions reduction strategies.

Our National Executive Committee (NEC) now provides formal approval for all international travel to help ensure alignment with our policies and receives quarterly updates on emissions relating to our flights. This year, we have also been working closely with Amex Global Business Travel to identify further opportunities to decarbonise our business travel and to collect insights from our data to enable further emissions reduction.

Internal Price on Carbon

Our Internal Price on Carbon (IPC), which places a fee on all national and international air travel emissions, is a key lever to drive behaviour change in support of our decarbonisation efforts. This year, funds collected were again used to support high integrity carbon credits including carbon removal projects and nature-based solutions.

Mitigating the carbon impact of our supply chain

We reduced the carbon footprint of our own operations through active management of our Renewable Energy Supply Agreements, successfully sourcing 100% renewable energy for all our tenancies.

Across our supply chain, the proportion of our suppliers with science-based net zero targets grew from 40% in 2023 to 70% for the past year. However, there is still work to do to achieve our 80% target.

Sustainability and AI use

This year we set sustainability as a core principle in our [Trusted AI Framework](#). For the first time, we have purchased renewable electricity to cover the electricity use associated with our offsite data centres, well ahead of our 2030 target.

We have prioritised working with cloud suppliers and technology partners which have publicly set robust and science-based carbon reduction targets, in line with our own.

Climate risk reporting

This year we have voluntarily published our second Climate Risk Report, disclosing our approach to identify, assess and mitigate our climate risks and opportunities. For the first time, we extended the scope of our climate risk and opportunity assessment to include KPMG Fiji and KPMG PNG.

We will continue preparing for the implementation of AASB S2, with a focus on integrating climate-related financial disclosures into enterprise risk, governance, and financial reporting systems. For more information please see [Our Climate Risk Report 2025](#).

Advancing our commitment to circularity

This year, our waste diversion rate declined to 66% (from 78%) due to stricter waste acceptance requirements in our larger tenancies. Using new technology (Bintracker) we are now able to collect more accurate data from more waste streams, and with this clearer picture, are responding by encouraging behaviour change through targeted waste campaigns, more accessible recycling and employee education.

Strengthen climate resilience with our people, clients and community partners

In our annual Climate Action Survey, 46% of our respondents reported being involved in climate related engagements, training or initiatives. Of those, 28% took part in volunteering organised by the firm, 23% attended ESG and climate-related training, and 12% through our Green Champions Network, which has reached over 400 members.





OUR COMMITMENT: SUPPORT OUR CLIENTS' AND THE NATION'S TRANSITION TO NET ZERO

As a leading provider of sustainability services, we have a role to play in giving our clients and financial markets high-quality information to support decision-making and disclosures, including assurance over climate and sustainability metrics.

Helping our clients' transition to a low-carbon future

Our dedicated Climate Change and Sustainability Services team and Energy Transition professionals continue to support clients across all sectors. Throughout FY25, KPMG Australia has delivered over 460 sustainability engagements and worked with over 200 clients on assurance, climate risk and climate-related disclosures, targets and strategies.

Assessing ESG risks, opportunities and impacts within M&A activities

Investors (particularly institutional investors and private equity) are increasingly engaging us to help them identify, quantify and realise the risks and value creation opportunities that ESG can have on deals – both buy side and sell side – and the target's business. This year we have brought an ESG lens to more than 30 significant market transactions across a variety of industries including mining, energy, renewables, infrastructure, digital infrastructure, transport, agriculture, consulting, professional services, financial services, and childcare services.

Building trust in climate-related disclosures

As we prepare for the first-time implementation of mandatory assurance over sustainability reporting in Australia, the provision of high-integrity Audit and Assurance services are key to building and maintaining trust in the climate and broader ESG disclosures provided by businesses to the investment community, the public and other stakeholders.

This year we actively contributed to government submissions and consultations relating to climate action, and continued to support the adoption of a globally consistent disclosure of sustainability-related information.

To help our clients, we also launched a new AI tool, *KPMG Regulation Sync*, to help ensure they are complying with ESG reporting standards and are prepared for the new mandatory climate-related disclosures by leveraging AI.

Monitoring the carbon intensity of our client portfolio

Building trust in climate transition plans requires accountability. Through our clients' and engagement acceptance processes, we actively consider the environmental impacts of prospective engagements and use dedicated risk guidance to support our work in energy transition.

For the past three years, we have been monitoring and disclosing the carbon intensity of our client portfolio. This allows us to better understand the emissions profile of our clients and to assess the extent to which our engagements contribute positively, neutrally, or negatively to the economy's broader decarbonisation. A summary of our methodology is included in our [Databook](#).

In our most current analysis (for FY24), our estimated carbon intensity was 0.18 kg CO₂e per dollar of revenue, which is relatively consistent compared to 0.17 kg CO₂e in FY23. We will utilise this data to inform our broader efforts to track progress, reduce emissions exposure, and contribute to a lower-carbon economy.

We also monitor and publicly report on the percentage of our ASX 200-listed clients which have publicly set science-based net zero targets annually. This was relatively consistent when compared to the previous year:

- 68% have set net zero targets that have not been publicly approved or validated by the SBTi (vs 69% last year and 57% in 2023).
- 17% have publicly set Science Based Targets initiative (SBTi) approved targets (vs 19% last year and 32% in 2023).
- 16% have no publicly set targets (vs 12% last year and 11% in 2023).

OUR COMMITMENT:
UNDERSTAND AND IMPROVE OUR IMPACT
ON NATURE AND BIODIVERSITY

The KPMG Nature Positive Challenge

We received close to 100 applications for this year’s KPMG Nature Positive Challenge which supports the growth of innovative startups developing solutions that help protect nature and restore biodiversity. The themes this year were regenerative economy and sustainable food systems. For the first time, we included a First Nations category, with Native Botanical Brewery winning the inaugural title.

Our expert panel of judges awarded NSW-based ethical oil startup Levur the \$100,000 prize for this year’s Challenge. Levur produces nature-identical oils through precision fermentation, offering a sustainable, lab-grown alternative to conventional palm oil.

Our finalist Coral Maker – a coral reef restoration company focused on AI and robotics to scale the deployment of corals – won our People’s Choice Prize.

For further details on the winners, please see [Nature Positive Challenge 2024 - KPMG Australia](#).

We hosted the third KPMG Nature Positive Showcase at our Barangaroo office in Sydney, providing an opportunity for all finalists to demonstrate the impact of their innovative solutions on nature and to connect with funders, investors and potential customers.

Our investment in climate action and nature

The carbon credit market is complex and continues to face increasing scrutiny in Australia and abroad. We believe that high-integrity carbon credits remain an important part of supporting climate action and nature-based solutions.

Our focus remains on ensuring that the carbon credits purchased to offset our residual emissions come from trustworthy, high-impact providers and projects, including Australian Carbon Credit Units (ACCUs) and Gold Standard offsets.

This year, our portfolio of carbon credits placed greater focus on carbon removals and included reforestation, regenerative agriculture, First Nations-led fire management, and international renewable energy. We continue to work towards our goal of sourcing 100% offsets from Australia, Fiji, or PNG by 2030. This year, 38% of the carbon credits were sourced from Australia.

In line with our commitment to plant a tree for every KPMG employee, we collaborated with Landcare Australia to deliver thousands of new trees within Australian habitats. This year, we also continued to collaborate with WWF-Australia, exploring new opportunities to support reforestation and biodiversity initiatives across our region.

Act local, think global on nature

Through KPMG International (KPMGI) we continued engaging with businesses, leaders, governments, and other key stakeholders to drive positive impact for people and nature.

KPMGI was an active participant in the UN Biodiversity Conference that was held in Colombia in 2024. We also contributed to the Science Based Targets for Land, the World Business Council for Sustainable Development’s Nature work and the development of the Nature Positive Initiative metrics.

KPMGI is a supporter of the Taskforce on Nature-related Financial Disclosures (TNFD), a framework that integrates nature considerations into business management, promoting transparent disclosures and reporting on the risks, impacts, dependencies and opportunities.



Because of the biodiversity present within our region, KPMG Australia was one of the 11 KPMG member firms to be covered by KPMGI’s initial nature-related impacts and dependencies assessment, to be published in FY26.

‘Thanks to this prize, we’ll be able to scale faster and reach more markets, helping to commercialise our sustainable alternative to palm oil.’

Tom Collier, LEVUR founder and CEO

How we're supporting the transition to net zero

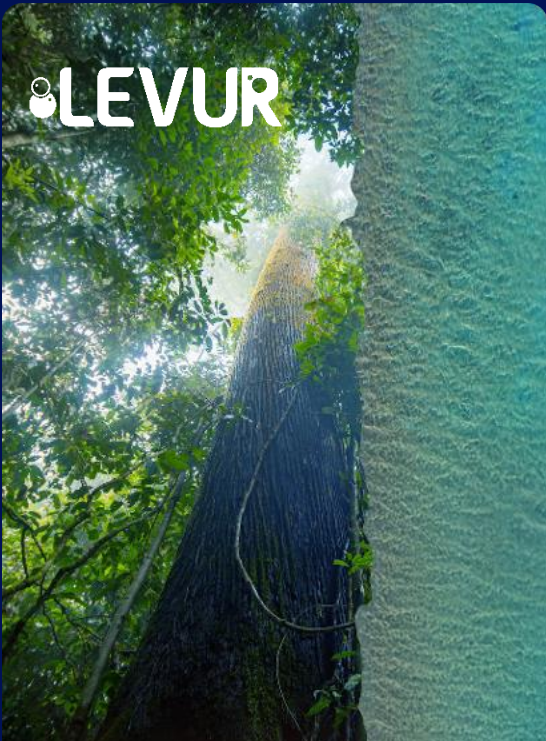
A selection of case studies

 Click on case study to read our stories



Saving Pacific Island Nations from rising tides

Climate change poses a significant threat to low-lying Pacific Island nations. Explore how our team in Fiji is collaborating with the Secretariat of the Pacific Regional Environment Programme to improve Pacific nations' readiness to access the world's largest climate fund.



 **LEVUR**

Rainforest rescue: the startup on a mission to end palm oil deforestation

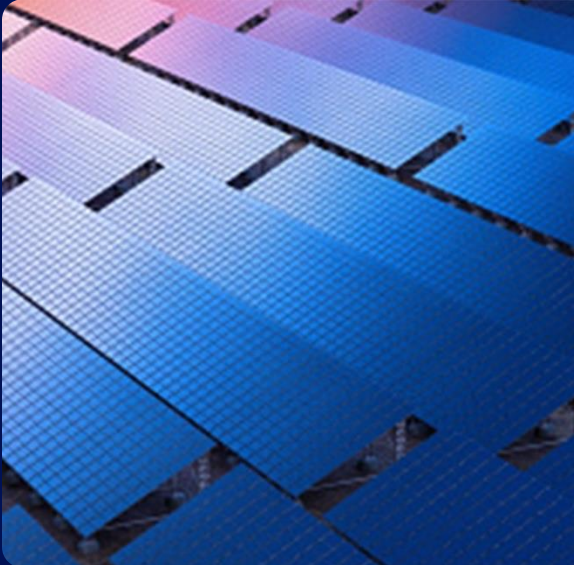
Meet KPMG Nature Positive Challenge winner Levur – crafting sustainable oils that could reshape industries and protect the planet.

Find out how we are helping them scale.



Nestlé's path to net zero

Find out how we're helping this global company prepare for their first regulatory Sustainability Report in line with the new Australian Sustainability Reporting Standards.



Decarbonising mining? How APA Group is changing the game

Learn how APA Group's renewable energy strategy is tackling mining's biggest sustainability challenge head-on.



Our material topics for 2025

This year, we carried out our biannual comprehensive materiality assessment to inform a deeper understanding of our current and emerging ESG impacts, in line with the Global Reporting Initiative (GRI) guidance. We interviewed external stakeholders including clients, suppliers, alliance partners, and representatives of non-governmental and community organisations and consulted senior leaders and subject matter experts within our firms.

The process resulted in minor updates to some material topics and three topics have been consolidated: ‘Information Protection, data use, privacy and security’ is now under ‘Trusted and Trustworthy’; ‘Employee engagement and experience’ and ‘Continuous Learning and future-ready talent’ are now together under ‘Engaged and future-ready talent’.

We presented those insights and prioritised our most significant impacts for reporting with our Impact Plan Steering Group. Our Board and NEC reviewed this year’s nine material topics and associated commitments as part of their review and approval of KPMG Australia’s Our Impact Plan 2025.

PROSPERITY

1. Purposeful client work

We continue to deliver relevant, quality services that help build trust, transform businesses and create sustainable value for people, clients, communities and the environment.

Our commitments:

- Strong economic contribution.
- Exceptional client outcomes, through work that matters.

2. AI and emerging technology

We are developing future capabilities, leveraging emerging technologies and investing in cutting-edge research and startups to help tackle complex business, societal and sustainability challenges.

Our commitments:

- Build a thriving technology business and innovate with our clients, alliance partners and the startup ecosystem.

3. Community impact

Leveraging our people’s passion, expertise and time, we strive to create meaningful and lasting opportunities and positive change in our communities and to advocate for issues that matter most.

Our commitments:

- Help shape better economic futures for 100,000 young people in need by 2030.

PEOPLE

6. Engaged and future-ready talent

We focus on critical future-focused skills that enable our people to be competitive in the market, deliver client value, and advance our strategic ambition.

Our commitments:

- Invest in our people experience and learning to build future-ready careers.

7. Inclusion, diversity and equity

We continue to actively support and accelerate inclusion, diversity, equity and belonging across our business – encouraging our people to ‘come as they are’.

Our commitments:

- Champion equality and create an inclusive and equitable culture for all.

8. Wellbeing and sustainable working

Our holistic wellbeing approach provides the programs, resources, and tools for each person to achieve optimal health and sustainable performance in their personal and professional lives.

Our commitments:

- Enhance the wellbeing and health of our people.

GOVERNANCE

4. Purpose, values and culture

Our Purpose – inspire confidence and empower change – is underpinned by our Values: Integrity, Excellence, Courage, Together and For Better. These guide our culture, the decisions we make, the work that we do and the way we behave with each other, our clients and all our stakeholders.

Our commitments:

- Always act with a clear Purpose.
- Drive a responsible tax practice.
- To lead the profession in audit quality.

5. Trusted and Trustworthy

Through clear and fit-for-purpose governance and by exhibiting the highest standards of personal and professional integrity in everything we do, we continue to build, preserve and strengthen trust.

Our commitments:

- Act lawfully, ethically and in the public interest.
- Respect human rights and work against corruption and modern slavery.
- Uphold the highest level of data and information protection, privacy and security.

PLANET

9. Climate change and environmental sustainability

We continue to collaborate and advocate alongside our people, clients, alliance partners, community organisations and NGOs to support our transition towards net zero and build a more sustainable and resilient future.

Our commitments:

- Decarbonise our operations and supply chain towards net zero.
- Support our clients’ and Australia’s transition to net zero.
- Understand and improve our impact on nature and biodiversity.

The UN Sustainable Development Goals (SDGs) most relevant to our firm:

 4 QUALITY EDUCATION

 3 GOOD HEALTH AND WELL-BEING

 8 DECENT WORK AND ECONOMIC GROWTH

 10 REDUCED INEQUALITIES

 13 CLIMATE ACTION

 17 PARTNERSHIPS FOR THE GOALS



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