



KPMG Action Plan – version 2.0

October 2026

Foreword

KPMG Australia (KPMG) plays an important role in capital markets, the economy and society. Many thousands of our people turn up to work every day to do purposeful work, in the right way, with integrity.

The Parliamentary Joint Committee into Corporations and Financial Services inquiry has shone the light on our failings, including unethical behaviour by senior people, and also the human impact of our handling of the whistleblower. We are now focused on ensuring none of this happens again.

We need to own and address these issues. These related to our use of confidential client information, integrity and objectivity of senior personnel, our engagement with a whistleblower and our oversight and management of these issues. We have not met our own expectations, or those of the whistleblower, clients and broader stakeholders.

These failings do not reflect the values of KPMG. We owe it to our people, clients and other stakeholders to understand these failings, learn from them and address them. We are committed to doing so.

Accountability has been taken for these failings, but we know we need to do more. That's why KPMG is undertaking a program of work to identify and address issues to improve our firm. This program covers our governance, culture and ethics, and controls.

KPMG's Action Plan was first released on 23 June 2026.

October 2026 update

We have made meaningful progress since our Action Plan was first released in June 2026 – although we recognise that there is still a lot of work to do.

Several immediate actions have been implemented, a number of important third-party reviews have been completed, and our actions have been updated to address the recommendations and suggestions from these reviews. We have also made updates to reflect input from Dr Kerry Schott AO, who is providing independent oversight. This Action Plan version 2.0 reflects our progress and the updates made to date.

We remain committed to full and transparent implementation of our Action Plan and will continue to update it with our progress and as new information comes to light.

John Sams
CEO, KPMG Australia

Michael Ebeid
Independent Chair, KPMG Australia

1. Actions

This section consolidates our existing commitments and new and updated actions arising from the third-party reviews.

The Action Plan will continue to evolve as further findings and recommendations are finalised and considered.

Action item		Overview of activities	
1.1 Governance	1.1.1 Independent Chair P	We will appoint an Independent Chair to the KPMG Australia National Governance Board (Board). We will implement this change as soon as possible, noting that amendments to our Partnership Agreement (requiring a vote of Partners) and a recruitment process will be required.	
	1.1.2 Other independent Board Members P	We will appoint independent members to the Board (in addition to the Independent Chair), ensuring appropriate balance between the number of independent and non-independent Board members. We anticipate that this will require updates to our Partnership Agreement.	
	1.1.3 Corporate governance best practices (UPDATED v2.0) K C P	We will review and update the role and remit of our Board in line with corporate governance best practices. This will include ensuring that independent Board members are involved in Board subcommittees overseeing matters relating to audit quality, ethics, culture, whistleblower oversight, and other matters of public interest. As part of this, we will: - review our Board charter, committee structures, terms of reference, responsibilities and authority/remit – including to ensure the Board has an explicit role in overseeing the firm's values, culture, ethics and conduct, CEO performance and development, and Partner performance and remuneration processes; - establish a Board subcommittee for ethics and culture with leadership by an independent member; and - introduce independent oversight of elected Partner Board members' performance and remuneration. If necessary, we will seek to make changes to our Partnership Agreement to effect these changes.	
	1.1.4 Third-party assessment of governance effectiveness (NEW v2.0) K P	We will appoint a third-party Corporate Governance Advisory firm to undertake benchmarking of KPMG's established governance processes against the ASX Corporate Governance Principles and other leading practices, including ensuring accountability and responsibility in a partnership are clear. We will also commission annual external Board effectiveness reviews for the next three years.	

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Dr Kerry Schott AO



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1. Actions (cont.)

Action item		Overview of activities
1.1 Governance	1.1.5 Strengthen the NEC (NEW v2.0)  	We will strengthen our National Executive Committee (NEC) by: - refreshing relevant NEC roles through open and transparent processes, with a clear focus on values, ethics and strong cultural leadership and role modelling – and with consideration of external candidates where appropriate; - renewing our NEC charter, including to incorporate a clear ethical vision and leadership commitments grounded in KPMG Values; and - clearly defining role expectations and performance measures that reinforce values-based leadership and ethical conduct, accountability, transparency and effective challenge.
	1.1.6 Integrity Office (NEW v2.0)   	We will establish an Integrity Office with responsibilities including oversight of our ‘speak-up’ and whistleblower program and with independence from client-facing work and a reporting line to an appropriate Board subcommittee. As part of the design of the Integrity Office, we will consider the appointment of a Chief Ethics Officer and review the role of our Ethics & Independence Partner and the Ethics & Independence Disciplinary Committee. The Integrity Office and any associated roles will be designed to address the third-party review findings and recommendations while meeting regulatory obligations and KPMG network requirements.
	1.1.7 Whistleblower Protection Officer (NEW v2.0)  	We will appoint a Whistleblower Protection Officer to oversee our whistleblower program. The Whistleblower Protection Officer will have a reporting line to the Independent Chair and/or an appropriate Board subcommittee, and the role will be designed to address the third-party review findings and recommendations.

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1. Actions (cont.)

Action item		Overview of activities
1.2 Culture and ethics	1.2.1 Conduct and consequences framework (UPDATED v2.0)  	We will review and strengthen our conduct and consequences framework to further discourage misconduct and ensure that appropriate sanctions and other consequences are applied if misconduct occurs. This will include strengthening financial consequences for serious misconduct and increased oversight by the Board of the consequences framework's application to address the findings and recommendations of the third-party reviews. We will also consider opportunities to improve transparency of consequences for misconduct and share insights and lessons from ethical conduct matters in an appropriate manner through leadership communications and training. If necessary, we will seek to make changes to our Partnership Agreement to effect these changes.
	1.2.2 Ethics and independence	We will review and strengthen our ethics and independence policies and procedures to reduce the risk of actual or perceived conflicts of interest, independence failings or other ethical issues arising. This will include updates to our Gifts and Entertainment Policy.
	1.2.3 Confidentiality (UPDATED v2.0) 	We will review, strengthen and clarify our confidentiality policy to ensure it provides clear guidance on when information may be shared internally, including more precise articulation of what constitutes a legitimate 'business need', and update the policy and supporting guidance accordingly. This will include ongoing development of supporting materials such as FAQs and tailored guidance for audit.
	1.2.4 Whistleblower policies and procedures (UPDATED v2.0)    	We will update our whistleblower policies and procedures to provide clear guidance and requirements for how whistleblower disclosures must be identified, escalated and governed, and for how whistleblowers should be managed. This will include a comprehensive update of our entire whistleblower program to address the third-party review findings and recommendations, including redesign of the end-to-end whistleblowing and speak-up framework and review of our investigation processes (including the appointment and use of external investigators). As part of this we will seek to clarify who are eligible recipients on behalf of KPMG. We will publish the updated whistleblower program.
	1.2.5 Whistleblower training (UPDATED v2.0)    	We will implement a firm-wide program of training to help our Partners and staff understand whistleblower legislation and KPMG's policies, including the rights of individuals raising concerns and the requirements for people to whom concerns are raised. Targeted training will support Partners, eligible recipients and others with whistleblower program responsibilities, including to help differentiate between ethical and other whistleblower matters and workplace issues.

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1. Actions (cont.)

Action item		Overview of activities
1.2 Culture and ethics (cont.)	1.2.6 Relationships at work policy (UPDATED v2.0) 	We will review and update as appropriate our internal: - Relationships at Work policy to provide clear guidance and requirements on how relationships at work are disclosed, escalated, managed and governed; and - Conflicts of Interest policy to provide clear guidance and requirements on how conflicts of interest are disclosed, escalated, managed and governed – including guiding principles for the interaction with alumni, former partners and external connections in tender activities.
	1.2.7 Performance framework (NEW v2.0)  	We will review and update our framework for performance assessment, progression and remuneration to strengthen the values-based criteria, enhance feedback and oversight processes (including by increasing Board oversight), and address the third-party review findings and recommendations.
	1.2.8 People leadership (NEW v2.0) 	We will review and reinforce the operating model and accountability for people leadership at all levels within the firm to address the third-party review findings and recommendations.
	1.2.9 Ethics Champions Network (NEW v2.0)  	We will enhance and uplift our Ethics Champions Network initiative to address the third-party review findings and recommendations.
	1.2.10 Ethical decision-making (NEW v2.0)  	We will: - review our learning and development programs to promote ethical decision-making and the exercise of strong professional judgement, including through ethical decision-making frameworks; and - simplify, clarify and integrate ethical expectations, including in relation to non-negotiables, to address the third-party review findings and recommendations.
	1.2.11 Advocacy (NEW v2.0) 	We will continue to engage openly and constructively with government, regulators, professional bodies and other stakeholders to advocate for stronger whistleblower protections.

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1. Actions (cont.)

Action item		Overview of activities
1.3 Controls	1.3.1 Audit Quality	We will undertake a review to confirm that the identified conduct matters (or any new conduct matters that are identified in the future) do not adversely affect audit quality. We will write to each audit client impacted to confirm the outcome of this review.
	1.3.2 Audit tenders (UPDATED v2.0) 	We will review and amend our audit tender policies, and any other related firm-wide policies and procedures, to strengthen ethical barriers – including the use of audit client information.
	1.3.3 Confidentiality obligations (firm-wide) (UPDATED v2.0) 	We will strengthen our mandatory firm-wide training, reinforcing obligations in relation to client confidentiality, privacy and information protection. This will include ongoing consideration of opportunities to strengthen links between relevant training modules and supporting online resources. 
	1.3.4 Confidentiality obligations (UPDATED v2.0) 	We will undertake additional, targeted mandatory training for Partners and Directors based on lessons learned from the identified conduct matters, with a specific focus on audit. This will emphasise restrictions on using confidential information and include guidance regarding the use of publicly available information or information with appropriate client consent. 
	1.3.5 System of quality management (UPDATED v2.0) 	We will strengthen our system of quality management with a specific focus on controls related to compliance with professional and ethical standards. This will include a review of repositories used to store client information to assess the adequacy of existing controls and inform repository rationalisation, and control enhancement activities. 

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1. Actions (cont.)

Action item		Overview of activities
1.3 Controls	1.3.6a Confidentiality attestation (UPDATED v2.0) 	We will require all personnel to complete a firmwide attestation confirming their understanding of the updated confidentiality policies and guidance following the completion of the revised Confidentiality Policy in August 2026.
	1.3.6b Confidentiality attestation – further strengthening (UPDATED v2.0) 	We will require all personnel to complete a further attestation relating to compliance with various firm policies through the Annual Compliance Confirmation process in the last quarter of 2026.
	1.3.7 Organisational learning (NEW v2.0) 	We will improve organisation-wide processes to learn from near misses and significant failures, including oversight by the Board.
	1.3.8 Quality assurance of case management (NEW v2.0) 	We will commission independent quality assurance of case management and investigations annually for the next three years, using findings to improve processes and support Board oversight.



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2. Third-party reviews

We understand that external scrutiny is needed and recognise that third-party reviews will be an important part of our journey to maintain or regain trust from all stakeholders.

We commit to engaging with these reviews openly and constructively, and to taking further actions based on their findings and recommendations.

Action Item		Overview of activities	
2.1	Independent lessons learned review (UPDATED v2.0) 	KPMG will engage an external third-party (Andrews Group) to undertake a lessons learned review to assess the failings in our handling of the whistleblower and identify steps that could be taken to ensure such failings do not recur. Andrews Group completed this review in September 2026. We accepted all findings and recommendations and published our response and the report in September 2026.	
2.2	Department of Finance (UPDATED v2.0)	The Australian Government Department of Finance has announced an independent, arms-length review including (but not limited to): • relevant aspects of KPMG's culture, ethics and integrity, and the effectiveness of its governance arrangements; and • the adequacy of KPMG's remedial activities to meet the Commonwealth's ethical expectations of suppliers. This review is expected to conclude and report to the Department of Finance in October 2026.	
2.3	Chartered Accountants Australia & New Zealand (CA ANZ) (UPDATED v2.0) 	Chartered Accountants Australia & New Zealand (CA ANZ) has announced that it will undertake a practice review of KPMG, involving a quality review of the design and effectiveness of our: • systems and processes for the storage and handling of client confidential information of audit clients within the audit function, including processes for identifying, notifying and remediating any instances of unauthorised use of confidential information; and • systems and processes for promoting an ethical culture within the audit function, and across the organisation/firm more broadly, including whistle blower protection policies and associated practices. This review is in addition to compliance monitoring with respect to FY26 ethics Continuing Professional Development (CPD) requirements and investigations being undertaken by the CA ANZ Professional Conduct Committee. CA ANZ completed this review in September 2026. We accepted all suggestions and published our response and the report in October 2026.	

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2. Third-party reviews (cont.)

Action Item		Overview of activities
2.4	Australian Securities and Investments Commission (ASIC) (UPDATED v2.0)	We are engaging extensively with the Australian Securities and Investments Commission (ASIC) in relation to these matters and assisting with their investigations and reviews.
2.5	Principia Advisory (UPDATED v2.0) 	KPMG has engaged Principia Advisory to undertake an independent retrospective review of the firm's whistleblowing system and the broader cultural context that either supports or impedes effective whistleblowing. This work will extend to the cultural context and underlying norms that affect reporting and case management, investigation quality, procedural fairness, and protection against retaliation. Principia completed this review in October 2026. We accepted all findings and recommendations and published our response and the report in October 2026. 
2.6	Third-party cultural program (UPDATED v2.0) 	Following this review, we expect to appoint a third-party to support a cultural program and identify targeted actions to reinforce expected leadership behaviours, including strengthening accountability for adherence to firm standards, focused leadership interventions in identified areas, consequences frameworks and monitoring behavioural outcomes arising from the review. Principia completed this review in October 2026. We accepted all findings and recommendations and published our response and the report in October 2026. 

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Complete

3. Next steps

Action Item		Overview of activities
3.1	Updates to this Action Plan	This Action Plan is intended to be a 'live' document, and we expect to update it periodically as findings and recommendations from the third-party reviews become available, or as new information comes to light.
3.2	Independent assessment of progress (UPDATED v2.0)	We will engage a third-party to assess or assure our progress against this Action Plan and will publish updates periodically. Dr Kerry Schott AO has been engaged to provide independent assessment and support and strengthen the Board's oversight of the Action Plan.

Appendix

For transparency and accountability, we have explained below how each recommendation and suggestion from the third-party reviews has been addressed in our updated Action Plan.

Summary of recommendation	How addressed in Action Plan
ANDREWS GROUP	
Recommendation 1: Review of values and principles and identify cultural drivers	We have addressed this recommendation through the Principia Advisory reviews in Actions 2.5 and 2.6.
Recommendation 2: Appoint a Whistleblower Protection Officer	We have addressed this recommendation in Action 1.1.7.
Recommendation 3: Establish an Integrity Office within KPMG Australia	We have addressed this recommendation in Action 1.1.6.
Recommendation 4: Review of whistleblower program	We have addressed this recommendation in Action 1.2.4.
Recommendation 5: Enhance and uplift the Ethics Champions Network initiative	We have addressed this recommendation in Action 1.2.9.
Recommendation 6: Advocate for legislative reform	We have addressed this recommendation in Action 1.2.11.

Appendix (cont.)

Summary of recommendation	How addressed in Action Plan
CA ANZ	
Suggestion 1: Operational initiatives – mandatory training	We have addressed this suggestion in Action 1.3.3. Actions 1.2.3, 1.3.4, 1.3.6a and 1.3.6b are also relevant to this suggestion.
Suggestion 2: Operational initiatives – expectations regarding the appropriate use of information	We have addressed this suggestion in Action 1.2.3. Actions 1.3.2, 1.3.4, 1.3.5, 1.3.6a and 1.3.6b are also relevant to this suggestion.
Suggestion 3: Operational initiatives – training	We have addressed this suggestion in Actions 1.3.2 and 1.3.4. Actions 1.3.3, 1.3.6a and 1.3.6b are also relevant to this suggestion.
Suggestion 4: Ethical leadership and tone from the top – ethical decision-making	We have addressed this suggestion in Action 1.2.10. Action 1.2.9 is also relevant to this suggestion.
Suggestion 5: Governance and oversight of ethical culture – responsibility for ethics, culture and conduct	We have addressed governance and responsibility for ethics, culture and conduct in Actions 1.1.3 and 1.1.5. We have committed to the establishment of an Integrity Office and to considering the appointment of a Chief Ethics Officer in Action 1.1.6, and to the appointment of a Whistleblower Protection Officer in Action 1.1.7.
Suggestion 6: Governance and oversight of ethical culture – ethics and independence roles	We have addressed this suggestion in Action 1.1.6.
Suggestion 7: Independent challenge and ethical oversight – external investigations	We have addressed this suggestion in Action 1.2.4.
Suggestion 8: Open discussion, speak-up culture and whistleblower protection – clarity of language	We have addressed this suggestion in Actions 1.2.4 and 1.2.5.
Suggestion 9: Transparency and communication – sharing insights and lessons	We have addressed this suggestion in Action 1.2.1.

Appendix (cont.)

Summary of recommendation	How addressed in Action Plan
PRINCIPIA ADVISORY	
R1: Reform the National Governance Board	Actions 1.1.1 and 1.1.2 address the appointment of an Independent Chair and independent board members (item (a) of R1). Action 1.1.3 addresses the role of the Board and subcommittees (items (b)-(d) of R1). Action 1.1.4 addresses board effectiveness (item (e) of R1).
R2: Leadership reset	We have addressed this recommendation in Action 1.1.5.
R3: People leadership	We have addressed this recommendation in Action 1.2.8.
R4: Organisation-wide processes and learning	We have addressed this recommendation in Action 1.3.7.
R5: Learning and development to promote ethical decision-making and professional judgement	We have addressed this recommendation in Action 1.2.10.
R6: Simplify, clarify and integrate ethical expectations, including non-negotiables	We have addressed this recommendation in Action 1.2.10.
R7: Strengthen the implementation of values-based criteria for performance, progression and remuneration	We have addressed this recommendation in Action 1.2.7.
R8: Strengthen the consequences framework	We have addressed this recommendation in Action 1.2.1.
R9: Improve transparency on consequences for misconduct and lessons learned	We have addressed this recommendation in Action 1.2.1.
R10: Establish a centralised integrity and speak-up function	We have addressed this recommendation in Action 1.1.6.
R11: Appoint a whistleblower and speak-up protection officer	We have addressed this recommendation in Action 1.1.7.
R12: Redesign the end-to-end whistleblowing and speak-up process	We have addressed this recommendation in Action 1.2.4.
R13: Independent quality assurance audit of case management and investigations	We have addressed this recommendation in Action 1.3.8.
R14: Reconstitute and resource the Ethics Champions Network	We have addressed this recommendation in Action 1.2.9.