



Trust is our promise

Sustainability Report 2020/21



04 **About this report**

07 **Leadership message – the role of trust in sustainability**

08 **KPMG Switzerland**

08 Who we are

09 Overview of KPMG

12 Our strategy and values

14 Our interaction with stakeholders

15 Process to determine material topics

21 **Clients**

21 Business ethics

21 Data security

23 Management of legal and regulatory environment

23 Innovation

24 Collaboration and alliances

27 **People**

27 Employee health and safety

28 Training, education and career development

29 Employee engagement, diversity and inclusion

31 Work-life integration

33 **Community and environment**

33 CO₂ emissions

36 Energy and resource management

40 Supply chain management

40 Community investment

43 **GRI content index**

56 **Data table**





About this report

This report presents KPMG Switzerland's approach to sustainability. It has been prepared with reference to the Global Reporting Initiative (GRI) Standards. The reporting period covers our 2021 financial reporting year, i.e. from 1 October 2020 to 31 September 2021. We aim for our report to include the most up-to-date information, therefore some of the disclosed information covers the period between 1 October 2021 and the editorial closing date in early January 2022. We publish our sustainability report annually. The present report was published on 28 February 2022. The information and data in this year's report was collected by our specialist departments and business units using representative methods and was quality-assured. The report has not been assured by any third party.



In this report, we present key issues for our company that relate to our three main stakeholder groups: clients, people and community and environment. In these areas, KPMG acts as a responsible company and makes an important contribution to sustainable development. The report contains our strategic orientation, key developments during the year and current challenges including how we, as a service provider and employer, reacted to these challenges. It should be read in conjunction with our [Annual Report](#) as well as our most recent [Transparency Report](#).

KPMG Switzerland is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International") and has therefore been a member of the United Nations Global Compact, the

world's largest initiative for responsible corporate governance, since 2002. Along with this, we are committed to the ten principles of this initiative for a sustainable global economy. Further information on this as well as the progress report of the UN Global Compact can be found under the following [link](#).

The Sustainability Report includes the entities under financial control (fully consolidated) of KPMG Holding AG. If disclosures relate only to individual parts of the organization, this is specifically indicated.

This report has been written in a gender-neutral manner. We use possessive pronouns ("their") to expressly refer to all genders.



Leadership message

The role of trust in sustainability

What does trust mean to each of us?

Expressing who we are and what we do is an essential element in building trust in our relationships. This report has been composed with the following ambition in mind: to explain our values and what we do to bring them to life.

As a leading professional service provider in Switzerland, KPMG plays an important role for society and we have an obligation to drive sustainable change. We are here to support our clients and stakeholders who need us, and to lead by example. This means balancing our responsibilities to generate earnings with the development of our people and communities while also protecting our natural resources. Our goal is to create long-term value for both ourselves and our key stakeholders.

2021 was a year of change. Despite the challenging business environment, our clients have continued to place their trust in our expertise and services, and together we have been able to foster **innovation**. In alliances with our strategic technology partners, we have been able to offer our clients support for their digital transformation processes. We have also successfully launched our new state-of-the-art audit platform, which has helped us set new standards with respect to automation and opportunities for interactions between us and our clients.

As the cornerstone of our success at KPMG is our employees, we strive to offer our people a **workplace of the future**. For 2021, we focused particularly on nurturing our unique corporate culture. Throughout the year we invested in new office workspaces, while at the same time providing hybrid work models to support an even better

work-life balance. Looking at our ongoing efforts on inclusion and diversity at leadership levels, we have expanded our training program and – with the election of Helen Campbell – have now achieved equal gender representation in our Board of Directors. While being proud of this development, we acknowledge that there is much more for us to do and we will continue to invest significant effort in increased inclusion and diversity in our firm.

Regarding the management of our **environmental impact**, 2021 was a breakthrough year. In light of the announcement of KPMG International that it would set itself a science-based target to become a net-zero organization by 2030, we launched our own climate response plan with the goal of reducing our carbon footprint by 50 percent by 2030. These goals are formalized in our new environmental framework, thereby committing us to seeking environmentally sustainable future growth.

These highlights demonstrate the progress made within the three pillars of KPMG's sustainability approach. Following this page, our milestones and actions taken are described in more detail, along with explanations of our approach to sustainability, our sustainability strategy, and information on our process of selecting our material topics.

We acknowledge that we are on a journey, and that we must continue to strengthen our corporate responsibility and reporting. As we enter a phase of regrowth and cautious optimism we will continue to build on our strengths: our people, our client-centricity and our multidisciplinary business model. We look forward to reporting on our progress.

Stefan Pfister
CEO KPMG Switzerland

Patrick Schmucki
Corporate Responsibility Officer

KPMG Switzerland

Who we are

KPMG Switzerland is a leading provider of professional services in Switzerland and Liechtenstein. It operates out of ten offices in Switzerland and one office in Liechtenstein. We create value by serving mid-sized local and large global companies from various financial and non-financial industries across four service lines: Audit, Tax & Legal, Advisory and Financial Services.

Auditing mainly encompasses the independent audit of our corporate clients' financial statements and other assurance services. These are designed to build investors' trust in the financial reporting of our clients.

Through our Tax & Legal services, we support our corporate and private clients in their compliance with Swiss and international legislation.

Our Advisory professionals share their expertise and experience with our corporate clients to support them in overcoming any challenges, creating value or optimizing their businesses. Our services span the fields of Cyber, Forensic, Management Consulting, Deal Advisory and Advisory Risk Management.

Our Financial Services service line provides various audit, assurance, regulatory and other advisory services specifically to financial industry clients, such as banks, investment managers and insurance companies.

Our business is organized as a professional partnership. Therefore, our firm is owned by its partners. It is managed by an Executive Committee under the supervision of a Board of Directors.

The Swiss corporation KPMG Holding AG is a member of the KPMG global organization of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Holding AG is the parent company of the following, directly or indirectly wholly-owned subsidiaries:

- KPMG AG, Zurich
- KPMG (Liechtenstein) AG, Vaduz
- Ostschweizerische Treuhand-Gesellschaft AG, St. Gallen
- Fides Revision AG, Zurich
- KPMG Tax & Legal Services AG, Zurich

More information on the organization and governance of KPMG Switzerland and its KPMG network arrangements is disclosed in our [Transparency Report](#).



Overview of KPMG

Global network

KPMG is a global organization of independent professional services firms providing Audit, Tax & Legal and Advisory services.

149

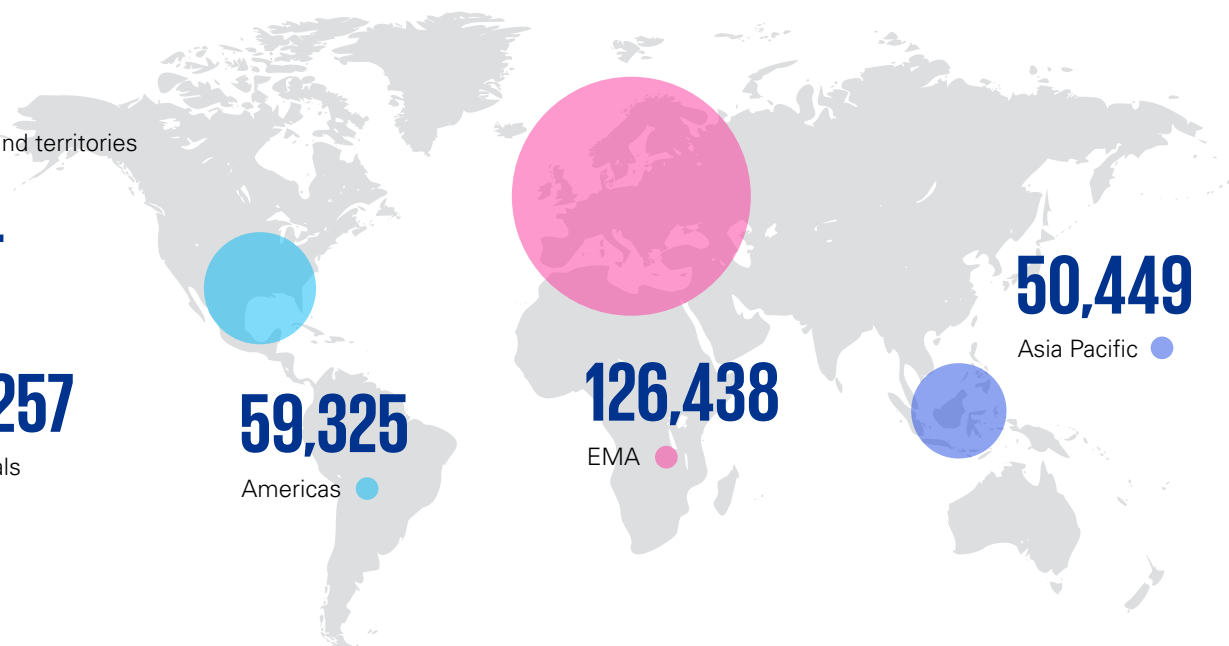
Countries and territories

700+

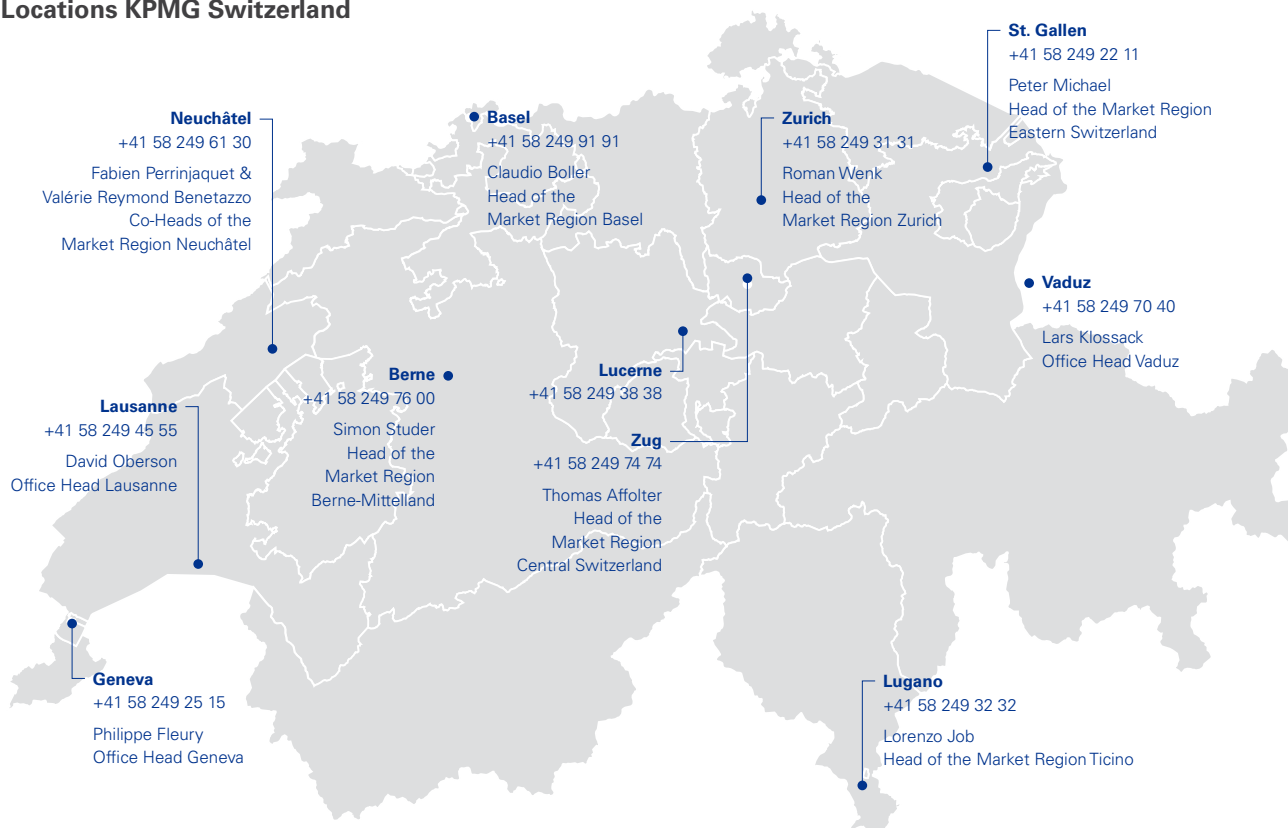
Locations

236,257

Professionals



Locations KPMG Switzerland



More about KPMG Switzerland



892|1,237

Women | Men



2,129

Number of employees



55

Nationalities at KPMG Switzerland



433

Hours of pro bono work



359

Part-time employees



34

years average age



87,600

Value of pro bono work done in CHF



227,584

Hours of professional development



54/100 points

70th percentile within our industry



800

users/month on our learning experience platform Degreed

50,000+

completed learning items since October 2020

200+

participants in our firm-wide Lunch & Learning sessions on how to manage sensitive situations in the workplace

Business areas of KPMG Switzerland

Audit

We deliver **audits and related services** in accordance with Swiss and international financial reporting standards. Our high-quality, independent assurance services harness innovative technology to deliver deeper insights and build trust and transparency.

Tax & Legal

We advise corporate and private clients on **tax and legal matters** in accordance with Swiss and international legislation. Our expertise spans tax disciplines, jurisdictions and technologies to help our clients stay competitive and compliant in a volatile tax landscape.

Advisory

We help our clients to **overcome new challenges** every day while preserving or increasing value. We help companies future-proof their business by anticipating disruption, addressing challenges, monitoring risks and building resilience in turbulent times.

Financial Services

We support financial services organizations with **leading expertise and technology** across Audit, Tax & Legal and Advisory. Our professionals help clients rethink their business and operating models, adapt strategies and automate processes in a way that is value-adding, sustainable and compliant.

Industries in which we operate



Banking



Insurance

Asset
Management

Healthcare



Life Sciences

Industrial
Manufacturing

Real Estate



Public Sector

Commodities
Trading

Automotive



Luxury Goods

Power &
Utilities

Private Equity



Retail

Technology &
Business ServicesTelecommunications
& MediaTransport &
Tourism

Not-for-Profit

Annual results KPMG Switzerland – FY 2020/21

Business performance

Gross sales
in CHF million

584.7

Net sales
in CHF million

439.2

2021

2020

2021

2020

-0.9%

+0.2%

Audit

197.8 CHF million

-9.3%

Tax & Legal

121.6 CHF million

+0.7%

Advisory

119.8 CHF million

+14.9%

Total net sales

439.2 CHF million

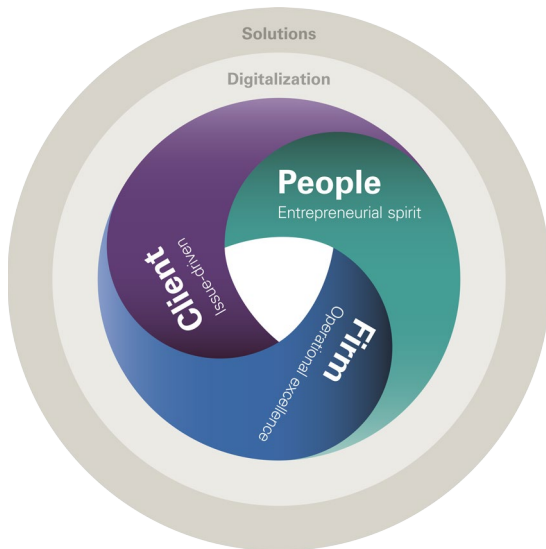
Change

-0.9%

Our strategy and values

Our strategic priorities

To secure our future success, we have realigned our strategic priorities.



Our focus is on three key points:

- **Adopting a client-centric and issue-driven approach:** The fundamental principle of our success is retaining and winning audit business while investing in our non-audit client portfolio. We are increasing our market penetration using a combination of our existing strengths and our ever-wider spectrum of competences. To address evolving client needs, we are strengthening our digital backbone to provide efficient delivery models and capture market opportunities. By developing technology-enabled solutions with our alliance partners and driving innovation, we will grow our revenue streams sustainably into the future.
- **Fostering an entrepreneurial spirit:** We will continue to strengthen our Lead Partner model. At the same time, the key to deeper market penetration lies in how we embed technology in our multidisciplinary services. We are triggering new opportunities by bringing our clients into our KPMG digital universe. To achieve our ambitions, we also need to secure new talent. Agility is a must in our solutions and processes but also in our conception of a flexible workplace to remain an attractive employer of the future.
- **Aspiring to operational excellence:** Operational excellence remains our priority. Our infrastructure needs to uphold our ambition of quality across our processes and systems, but also in the new workplaces we are creating for our people. Our external reputation also

hinges on our internal stability, professionalism and transparency. At the same time, we foster our relations with the KPMG global network to leverage opportunities and create closer collaborations with other KPMG member firms in strategic and complementary areas.

Our values

In 2020, we revised our corporate values in coordination with the global KPMG organization. The world we live and work in, and the expectations and demands placed on us are changing constantly. We need to adapt to new challenges and do things differently to be as successful in the future as we have been over the last 150 years.



Integrity

We do what is right



Excellence

We never stop learning and improving



Courage

We think and act boldly



Together

We respect each other and draw strength from our differences



For Better

We do what matters

Our values represent who we are and what we believe in as a firm. They are the DNA of our global brand, our promise to the clients and all other stakeholders. We all play a role in KPMG's success story. By acting in accordance with our values we become trustworthy and shape how we are viewed in the market.

Our values are the foundation of everything we do and every action we take. They are embedded in our [Code of Conduct](#), to which we all subscribe.

They are important because:

- They guide us to do the right thing, especially when under pressure.
- They represent both who we are and who we aspire to be.
- They bind us together, across our different backgrounds and cultures, and are common to each of us.
- They represent the foundation of our culture.

Our values form an integral part of our onboarding training for new staff. It is the responsibility of all KPMG employees to meet the relevant legal, professional and ethical requirements within their respective function and position.

Our sustainability strategy

To achieve success, we draw upon our extraordinary agility, confident insights and focused innovation. These qualities are the foundations of the KPMG Story – the way our [purpose](#), values, vision, strategy and promise combine powerfully, helping us articulate what we stand for, where we are today and where we want to be in the future: to be the most trusted and trustworthy professional services firm. As such, our sustainability strategy is a catalyst that will help us achieve our purpose.

What sustainability means for us

We create social benefits and trust through our auditing and assurance services and the resulting credibility of financial and increasingly non-financial reporting. The essential basis for this is the unimpaired integrity of our employees and the high quality of our services.

However, we recognize that we are subject to the shifting values, behaviors and expectations of our stakeholders. As we are responding to a changing environment, we are balancing our responsibilities to generate profits, contribute to the development of our people and communities and protect our natural resources. We believe that the only sustainable way to do so is to strive for a long-term balance between economic, social and environmental factors. This requires the consideration of multiple criteria, some of which cannot be easily quantified. It requires us to consider not only the importance of our actions for our stakeholders but also the weight of the different stakeholders for our business.

Material spheres of action

Through a strategic analysis in 2020, we identified three key sustainability themes that represent the focus areas of our sustainability program, which is aligned with our purpose, values and strategy and is linked closely with [KPMG's global sustainability strategy](#).

- **Carbon footprint reduction:** KPMG is determined to play its part and take measures to reduce our carbon footprint, focusing on the biggest negative contributor: mobility.
- **Workplace of the future:** COVID-19, climate change and socio-economic shifts are reshaping how we will work together in the future. We will continue to develop our strength as an employer of choice by promoting our employer value proposition and core values.
- **Innovation:** To deal with the scope and speed of change, we need to be agile. Innovation is the central enabler for this. With key initiatives like KPMG Innova, we can identify areas of growth and targeted innovation, where accelerating digitalization will develop solutions with lasting value.

The implementation of sustainability-related measures in day-to-day business is integrated into all functions. Strategic decisions are prepared by the relevant departments and adopted by the Executive Committee.

This also means that the extent of our social and ecological activities outside of our core business depends heavily on the commitment of individual employees. For us, this challenge to our current structure also represents an opportunity to welcome diverse ideas and new approaches.

Our interaction with stakeholders

At KPMG Switzerland, we recognize our potential to impact many lives, businesses and markets. Stakeholders are categories of physical persons, other firms or institutions, which are internal or external to the firm and which can be positively or negatively affected by our firm's activities. Being a responsible corporate citizen, engaging with our stakeholders, understanding their needs and expectations

vis-à-vis the firm and positively impacting them are what matters to us.

Our key stakeholders were identified by reviewing the common stakeholder categories listed by the GRI and assessing which of these categories are the most impacted by KPMG's activities and why. The following table summarizes who our key stakeholders are and how we ensure meaningful engagements with them.

Key stakeholders	Frequency and means of engagement	Interests and concerns (topics)
Employees	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> – Continuously available HR advisors and service experts – Employee inclusion in definition of work models – Working groups within functions – Next Generation Board <p><i>Periodically:</i></p> <ul style="list-style-type: none"> – Employee survey (every two years) – Regular feedback and development discussions – Leaver survey 	Employee engagement, work-life balance, remuneration, flextime, home working, COVID-19 hygiene measures, career development and opportunities, feedback and coaching culture, training and learning, inclusion and diversity, health and wellbeing, safe working environments, internal mobility, CSR initiatives
Clients	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> – Client interactions during daily business – Regular publication of studies and articles – Project debriefs – Client feedback on project proposals <p><i>Periodically:</i></p> <ul style="list-style-type: none"> – Client Service Review Meetings – Conferences, workshops or meetings – Webcasts – Audit Committees – EcoVadis Sustainability Rating 	Compliance, independence, integrity, trustworthiness, reputation, project team qualifications, knowledge sharing, delivery quality, delivery innovation, digital transformation, data and cyber security, corporate citizenship, environmental, social and governance (ESG) impacts
Regulators and legislators	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> – Interactions in daily business – Debrief meetings – Political dialogue – Participation in industry associations 	Compliance, integrity, transparency, trust, stability of capital markets, risk management, quality management, independence, data and cyber security, corporate citizenship
NGOs/public	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> – Publication of studies and articles – Interviews and mutual appearances in conferences and other events <p><i>Periodically:</i></p> <ul style="list-style-type: none"> – Participation in conferences, workshops, networks, etc. 	Compliance, integrity, independence, transparency, stability of capital markets, corporate citizenship, CSR performance and ESG impacts
Suppliers	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> – Supplier Code of Conduct <p><i>Periodically:</i></p> <ul style="list-style-type: none"> – Ad hoc requests for offerings – Regular surveys and forms – Contract negotiations 	Compliance, economic performance, transparency, solvency, efficient and timely communication, respect of general terms of service

Process to determine material topics

We performed a detailed materiality analysis in Q3 2020 with representatives of all functions as well as the Chair of the Board. As part of this exercise, the input from stakeholders (as laid out in the previous chapter) was systematically analyzed, considering both qualitative and quantitative data. Further to that, we also considered recent media coverage on KPMG Switzerland as well as SASB's Materiality Map.

The analysis was guided by the following three principles:

1. For which of our activities are the social benefits higher than our costs of delivering them (principle of multiplication)?
2. Which of these activities can we deliver at lower costs (or with greater social benefits) than other firms (principle of comparative advantage)?
3. Does the activity benefit stakeholders that are material to our business (principle of materiality)?

Based on the above principles we identified sustainability issues that we then clustered into 12 overarching themes. For each theme, we determined the general maturity of the issue in the perception of our stakeholders. Subsequently, we mapped the themes to five key business aspects (cost, revenues, reputation, employee engagement and corporate culture) as well as ten key stakeholder groups (employees, clients, shareholders/partners, regulators/authorities, media, government/politics, suppliers, alliance partners, competitors and NGOs), for each of which we determined the relative importance for the long-term success of our business.

The materiality analysis for this year's reporting period was updated in Q3 2021 based on the methodology described above using updated data points from the sources described in the previous chapters. The conclusion of the analysis was that no changes in the material sustainability topics of KPMG were needed. All identified topics are also included in this report. The analysis was prepared by the Corporate Responsibility Officer and approved by the CEO. The prioritization of the topics is depicted below.

	Clients	People	Community and environment
Relevance	Our client focus is the basis of everything we do. Delivering quality services is what keeps our firm in the market and enables us to have a positive impact.	We operate in a people business where our service quality can only be as good as the work environment we create for our employees.	We owe it to society and our planet to mitigate the negative impacts created by our daily activities.
Material topics	<ul style="list-style-type: none"> – Management of the legal and regulatory environment – Data security – Collaboration and alliances – Business ethics – Innovation 	<ul style="list-style-type: none"> – Employee health and safety – Training, education and career development – Employee engagement, inclusion and diversity – Work-life integration 	<ul style="list-style-type: none"> – Energy management – Supply chain management – Greenhouse gas (GHG) emissions – Community investment



The following provides a high-level overview of our material sustainability topics and our approach:

	Description	Responsibility
Innovation	Our capacity to manage risks and opportunities associated with incorporating social, environmental and political transitions into long-term business model planning.	Executive Committee and Function Leads, supported by the Innovation Lead A Chief Digital Officer has been appointed for the topic of digitalization.
Business ethics	Our approach to managing risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities and other behavior that may have an ethical component.	National Quality & Risk Management (NQRM), including the Ethics & Independence Partner
Data security	Management of our risks related to collection, retention and use of sensitive, confidential and/or proprietary customer or user data.	National Security Officer and Data Protection Officer
Training, education and career development	Our ability to develop the skills and experience of our staff to meet both our staff's expectations in terms of career progression and our clients' expectations to receive the best knowledge and expertise.	Learning & Development (within HR) as central function coordinating individual training needs in each function
Collaboration and alliances	Our ability to collaborate with external partners to create solutions that benefit our clients, alliance partners and ourselves.	KPMG Lighthouse and Head Alliance Management. Each alliance has a dedicated Alliance Lead allocated within KPMG (either partner or director)
Employee health and safety	Our ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities and illness (chronic as well as acute and both physical and mental).	Firm-wide coordination by HR and Facilities and Procurement
Work-life integration	Our ability to offer jobs that overall allow for a balance between professional engagement and leisure time.	Firm-wide coordination by HR
Management of the legal and regulatory environment	Our approach to engaging with regulators in cases where conflicting corporate and public interests may have the potential for long-term adverse direct or indirect impacts.	National Quality & Risk Management (NQRM) and Office of the General Counsel (OGC)

Ambition	Due diligence process and key measures
Continuously innovate the services we (will) provide and optimize our organization and processes to support our focus on our clients, people and society.	<ul style="list-style-type: none"> – Dedicated innovation program – KPMG Innovation Lab – Innovation community
Compliance with all legal and regulatory requirements regarding quality and risk management, including ethics and independence and KPMG's Code of Conduct.	<ul style="list-style-type: none"> – Code of Conduct and Risk Management Manual – Annual training and compliance confirmation – Client & Engagement Acceptance and Continuance process – Independence clearances and conflict checks before every engagement – Whistleblowing hotline – Internal quality management system and external audit oversight inspections <p>See Transparency Report for further information.</p>
Maintain confidentiality and ensure that all information and data in our custody is protected and kept secure.	<ul style="list-style-type: none"> – Data protection policies – Annual training on information protection – ISO-27001 certification
Develop a continuous learning culture.	<ul style="list-style-type: none"> – Function- and team-specific learning plans – Support for recognized diplomas such as Certified Public Accountant (CPA), Tax Expert or Certified Financial Analyst (CFA) – Digital Skills Academy and on-demand library SkillBoost – Internal platform "Degreed" with educational content from LinkedIn Learning
Together with our partners, we develop products and services that cover common goals and interests and provide leading-edge solutions to our clients.	<ul style="list-style-type: none"> – Centralized assessment and rollout of alliance partners – Internal Alliance Lead assigned to each alliance partner
Protect the health of our people.	<ul style="list-style-type: none"> – Regular risk assessment by person in charge of health and safety – On-site dancing, sculpting or yoga classes (Zurich) – Free access to e-bikes and traditional bikes (Zurich) – Discounts for gym memberships and wellness – Reimbursement towards medical check-ups for employees aged 35+ – Free flu vaccination – 24/7 employee assistance program
Create a workplace where everybody can reach their full potential.	<ul style="list-style-type: none"> – Access learning resources – Access to various networks to connect with like-minded peers
Maintain a relationship of mutual trust and respect with all our regulators. Be the most trustworthy professional services firm with respect to quality and integrity.	<ul style="list-style-type: none"> – Policies and procedures – Quality management system – Regular training – Whistleblowing hotline – External ombudsman

	Description	Responsibility
Employee engagement, inclusion and diversity	Our ability to ensure that our culture as well as hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and our client base.	Firm-wide coordination by Co-Heads of Inclusion and Diversity
Energy and resource management	Our management of energy efficiency and intensity, energy mix and grid reliance.	Facilities and Procurement
GHG emissions	Our management of regulatory risk, environmental compliance and reputational risks and opportunities as they relate to direct GHG emissions.	Senior Partner, supported by the Corporate Responsibility Officer
Supply chain management	The management of ESG risk within our firm's supply chain. It addresses issues associated with environmental and social externalities created by suppliers through their operational activities.	Facilities and Procurement



Ambition	Due diligence process and key measures
Creating a caring, inclusive and values-led culture for our people.	<ul style="list-style-type: none"> – Inclusion and diversity (I&D) policy and policy against bullying, harassment and discrimination – I&D digital learning path – Mandatory training for partners and directors – Networking platforms for women – Equal pay certification – Mentoring program
Continuously increase energy efficiency.	<ul style="list-style-type: none"> – 100% electricity from renewable sources – Photovoltaic system on the roof of the Zurich office – Systematic waste management – Digitalization to reduce paper consumption
Reduce our GHG emission by 50% by 2030.	<ul style="list-style-type: none"> – Formal climate response and environmental policy in place – Approval process for non-client-related, non-chargeable air travel – Monitoring of all air travel
Enforce our standards and values regarding ESG through our supply chain.	<ul style="list-style-type: none"> – Procurement policy – Supplier Code of Conduct is part of contractual arrangements – ESG supplier due diligence





Clients

Business ethics

To secure our future success, we have realigned our strategic priorities. Auditor independence is a cornerstone of international professional standards and regulatory requirements. Hence, KPMG International has detailed independence policies and procedures in place which apply to all KPMG firms. Every professional at KPMG Switzerland is required to comply with independence standards that meet or exceed those set out in the IESBA Code of Ethics together with those of other applicable regulatory bodies. Our ethics and independence policies are set out in our Quality & Risk Management Manual, which is supplemented by additional policies and procedures to ensure compliance with Swiss law and the rules and guidelines issued by EXPERTsuisse, the FAOA and FINMA.

KPMG Switzerland's Ethics and Independence Partner has primary responsibility for implementing KPMG International policies and procedures and ensuring that local independence policies and procedures are established and effectively implemented when they are more stringent than the KPMG International requirements.

Partners and staff must complete annual independence training. We also provide all partners and client service professionals with annual training on our Code of Conduct and ethical behavior, including KPMG's anti-bribery policies and compliance with laws, regulations and professional standards. New partners and employees are generally required to complete this training when joining KPMG Switzerland. In addition, certain relevant non-client-facing personnel are also required to take independence and/or other firm training as deemed appropriate.

In the event of failure to comply with our independence and other policies related to business ethics, whether identified in the compliance review, self-declared or otherwise, professionals are subject to a disciplinary policy.

See our [Transparency Report](#) for more information on how we aim to maintain an objective, independent and ethical mindset, in line with our Code of Conduct and policies.

Data security

As a professional services company, the various types of information and data we retain on markets, clients, regulators, employees and partners are our key assets. Our clients in particular entrust us with large volumes of confidential information and data. We must collect these documents to develop solutions tailored to our clients' issues. We are aware that in the event of any leaks, we and our clients may suffer financial losses, threats to our reputation, sanctions from regulators, etc. With data playing such a powerful role in business, protecting all information that clients entrust to KPMG is at the top of our agenda.

We are fully aware of our duty to safeguard all electronic files received from or developed for our clients. At the same time, all our employees are trained to understand that confidentiality breaches cannot occur only through IT systems, but also physically, for instance by discussing confidential information in public or leaving confidential printed documents in unlocked places.

100%



of client-facing KPMG staff have received ethics and independence training

0



cases of corruption among employees of our firm brought against KPMG

The responsibilities regarding the implementation of our Information Security Management System lie not only at various centralized levels (e.g. Executive Committee, COO, National Quality & Risk Management, National Security Officer), but also with function-level risk management, engagement partners and managers. Moreover, every employee within our firm is aware of their role in ensuring information security and data privacy at KPMG. We earn our clients’ trust every day by respecting the highest professional confidentiality standards and continually working to enhance the information security and data privacy programs already in place.

A holistic approach to information security and data privacy

We have implemented globally aligned information security and data privacy policies and standards, established a Global Security Operations Center (GSOC) and other security services and are, of course, bound by our contractual, legal and regulatory obligations. At KPMG, various technical (based on security and privacy policies as well as technology standards) and non-technical measures (based on KPMG’s Global Quality & Risk Management Manual, the KPMG Global Code of Conduct and the Global Acceptable Use Policy) go hand in hand.

Delivery of information security and data privacy

Our information protection strategy focuses on the people, processes and technology that play a role in protecting information and data. To implement this, KPMG has taken an all-encompassing five-pillar approach that covers the initial prediction of threats up to the final transfer of remaining risks that we cannot mitigate or accept to third parties or insurance programs.


Controls established to meet existing requirements are based on an annual risk assessment to inform senior management of the design and status of KPMG’s security program. The assessment allows for the revision of controls to respond to technological developments, evolving threats and changed cyber risk exposures. Controls are tested

100%



of KPMG staff have received data security training

0








substantiated complaints regarding a breach of customer information security or data privacy

periodically during the year to measure their effectiveness and to identify possible weaknesses. Areas identified that require improvements are addressed to enhance KPMG’s security resilience.

International Standard for Information Security Management (ISO 27001)

As part of our commitment to information security and data privacy, KPMG has retained its ISO-27001 certification – or the International Standard for Information Security Management – since 2016. We are independently audited according to this standard every year by an accredited third party. The scope of our certification includes the protection of client data in relation to the provision of professional services, including people, processes and technologies for the engineering, deployment operations and support of the data processing infrastructure. The certification is part of KPMG’s security assurance program, under which all controls based on the established policies and standards are subject to audit for their design and effectiveness.

 Predict	 Prevent	 Detect	 Respond	 Transfer
Focus on actions that will enable us to better predict threats to our organization.	Protecting our organization from the most common forms of attack and keeping up with how these change as our operating environment evolves.	Utilize our partnership with Microsoft, increasing our capability to monitor activity across our evolving network infrastructure.	Continue to build on the success achieved over the past years, while developing new approaches to enhance our response and recovery capability in the event of a security incident.	We transfer remaining risks that we cannot mitigate or accept to third parties or insurance programs.

Management of legal and regulatory environment

At KPMG, we know that trust is earned by doing the right thing – not just some of the time but all the time. As the world rapidly changes and becomes more complex, this simple principle has never been more important. Hence, compliance with laws, regulations and standards is key for everyone at KPMG Switzerland. Our Global Code of Conduct defines what it means to work at and be part of KPMG, as well as the responsibilities all KPMG people have vis-à-vis each other, our clients and the public.

We maintain a relationship of mutual trust and respect with all relevant regulators, particularly the regulators in charge of audit oversight, such as the Federal Audit Oversight Authority (FAOA), the Financial Market Authority (FMA) of the Principality of Liechtenstein and the US Public Company Accounting Oversight Board (PCAOB).

Our anti-bribery and corruption program is designed to ensure that we uphold the highest standards of professional integrity. In particular, we practice zero tolerance for bribery and corruption. We prohibit involvement in any type of bribery – even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third parties, including by our clients, suppliers or public officials. Our anti-bribery and corruption program includes policies applicable to all KPMG firms and their professionals, training and compliance procedures. To facilitate the reporting of potential or suspected violations of KPMG policy or applicable laws, regulations or professional standards, KPMG Switzerland has a whistleblowing hotline and an external ombudsman available for KPMG employees, clients and other third parties to confidentially report concerns.

To evaluate KPMG Switzerland's and other KPMG member firms' compliance with KPMG International key policies and procedures, KPMG International has monitoring programs in place. The results and lessons learned from these programs are communicated within each member firm and the overall findings of these programs are considered at regional and global levels. The findings are subject to root cause analyses and actions are defined for remediation and continuous improvement. See our [Transparency Report](#) for more information on how we ensure compliance with our legal and regulatory obligations.

100%



of client-facing KPMG staff have received integrity and anti-bribery training

Innovation

After the significant disruptions caused by the COVID-19 crisis, we help our clients get back on course, adjust to new realities and build more resilient futures. Facing challenges in all industries, our mission is to create lasting value, drive technology beyond the status quo together with our alliance partners and empower people through education to make all our lives noticeably and sustainably better.

KPMG Ignition – mastering change with innovation

KPMG Ignition helps us to do this. The dedicated innovation program is designed to unleash the entrepreneurial power in every organization to challenge traditional industry standards, navigate through changing customer needs, and create novel solutions needed to thrive in the post-pandemic world. Today, KPMG Ignition consists of four solutions:

KPMG Innovation Academy

Our Innovation Academy offers training on agile methodologies like Design Thinking, Lean Startup, Scrum and Change Management that empower KPMG clients and KPMG people to solve complex problems, create user-centric innovations and develop holistic solutions. The offering is structured in three different tracks to unlock the full potential on each expertise level. Since the launch in January 2021, an encouraging number of colleagues have booked our Innovation Academy training courses, which led us to expand our offering.

KPMG Innovation Lab

The Innovation Lab helps to anticipate and prioritize market signals and potential disruptions of industries. Based on the client's primary objective, we organize and deliver workshops and master classes addressing specific topics and challenges in their businesses. Together, we identify the right problem to solve and build technology solutions that count, with a particular focus on sustainable and human-centric practices. The data-driven collaboration environments Innovation Lab and the Insights Center in Zurich have in a recent comparison proven to be one of the most successful within the KPMG member firm network. Our team held the third highest number of client workshops worldwide, proving the value of our business, industry and technology expertise. The team regularly develops new formats for internal and external collaboration, one of which is specifically dedicated to ESG topics and took place in early 2022. ESG round tables with



representatives from different industries are also planned for Q1 2022 and will be instrumental in driving knowledge sharing around best practices on the topic.

KPMG Innovation Process

We have a formal innovation process in place that helps our people jumpstart new ideas for sustainable client solutions from scratch. During the process, we validate the best approach possible, design prototypes and iterate the business case until we get to the product-market fit.

KPMG Innovation Community

Our Innovation Community is dedicated to sharing knowledge and personal experiences. More than 200 ambassadors co-create on our innovation platform to consistently foster cross-functional collaboration, solve everyday business challenges and develop our clients' engagement experience.

Sustainability services at KPMG

In fall of 2021, the Sustainability Services Team at KPMG was formally launched, thus bundling our sustainability expertise in one dedicated team under common leadership. By the end of 2021, the team consisted of nine experienced professionals providing core services around sustainability assurance, social compliance, sustainability reporting and sustainable finance. At the same time we launched our new [ESG Hub](#), which contains all our thought leadership, podcasts and videos as well as our service offering on one page. Finally, in December 2021 we launched our flagship publication [Clarity on Sustainability](#). The publication provides deep insights into the topic of sustainability and – for the first time ever – was launched in a digital-only format.

For 2022, not only an expansion of the core Sustainability Team is planned but also the addition of further satellite services, for example regarding sustainable business strategy or sustainable supply chain.

Collaboration and alliances

We strongly believe in the potential for enhanced value creation through cooperation. By combining our strengths via alliances with third parties, we can develop unique solutions and create far-reaching positive impacts for our stakeholders. Alliance Management is located within [KPMG Lighthouse](#) under the leadership of the Head of Alliance Management and is regulated in the Third-Party Engagement Policy. Finally, for each partner, a KPMG Alliance Lead is appointed who is tasked with further developing and promoting the services internally and integrating them into our existing offerings.

We built a strong network of 22 alliances over the last two years with some of the world's leading technology, data and services firms. With our alliance partners, we combine advanced technologies with our industry knowledge and established excellence in managing complex global business issues. By uniting forces, we develop new solutions for our clients in the fields of cloud transformation, blockchain and the mobile economy, digital labor, cyber security, data and analytics, and regulatory change. KPMG's digital transformation approach helps clients align their operations across the enterprise and enable an integrated customer journey by leveraging KPMG's Connected Enterprise and Powered Enterprise solutions. Additional leading capabilities include analyst-recognized cyber security solutions and advanced use of artificial intelligence (AI) and intelligent automation in a regulation-driven transformation.

We also work with smaller cooperation partners. This year, we onboarded two companies that help enhance our Tax and Financial Services solutions and support our clients' digital transformation agenda at the same time.

Case study: cloud-based audit through KPMG Clara

In 2017, we globally launched KPMG Clara, a smart audit platform based on Microsoft Azure. In doing so, KPMG became the first of the Big Four professional services firms to move to a cloud-based audit and is on track to full deployment across the globe. KPMG Clara enables professionals to apply their extensive industry knowledge to deliver high-quality audits that consistently meet applicable professional standards, build trust with clients and sustain public confidence. It houses advanced, predictive analytics capabilities within a single, cloud-based source and seamlessly adopts the latest cognitive and AI solutions. This allows KPMG professionals to tap into advanced technologies that bring clients a greater range and depth of insights into risks and anomalies.





People

Employee health and safety

The quality of our services is only as good as the people who provide them. Therefore, the health and safety of our employees and partners are of utmost importance to the firm. If the wellbeing of our employees is neglected, this will have direct negative consequences on our ability to generate revenue, the quality of our deliverables and the continuity of our work, to name but a few things.

We are taking various measures to protect our employees' health and safety under the leadership and coordination of the Human Resources department.

Physical wellbeing: exercising for charity

We provide our employees with opportunities to engage in physical activities to increase their fitness and personal health. This includes training sessions with Olympic athletes as part of our flagship "Stay Healthy – Move for Charity" initiative, where our employees receive exclusive training tips and insights on enhancing their wellbeing.

Importantly, the campaign also combines wellbeing with giving back to the community. In 2021, more than 250 of our people raised money for charity with every kilometer or hour they exercised over 22 weeks. They notched up 166,985 km and 3,330 hours, thereby raising a total of CHF 22,000.

Also, during the pandemic, we offered regular online yoga boot camps to help our colleagues stay energized. In addition, there are weekly yoga and dance and sculpting classes directly in the Zurich office and we offer discounts for various fitness and wellness providers across Switzerland.

Mental wellbeing: 24/7 support

We offer an Employee Assistance Program, providing our people with confidential support in dealing with difficult circumstances affecting their life or work, such as personal, mental or financial problems. The program is available 24/7 and free of charge through our external partner Movis AG. In addition, tools and guidance across a range of areas including relaxation, drive and motivation from recognized providers are available through our learning experience platform Degreed.

Medical support

As part of our medical support, we offer our employees aged 35 and over a reimbursement towards a comprehensive medical check-up. During flu season, we sponsor free vaccinations annually. Twice a year, we work with the Blood Donation Service to provide blood donation opportunities at our headquarters in Zurich.

Friendly workplace

To further promote the health of our people and inspire wellbeing, our offices are equipped with ergonomic workplaces. In addition, our offices incorporate eco-friendly materials to reduce the impact on the environment. The headquarters in Zurich also feature yoga and ping pong rooms, allowing our employees to "switch off" during lunchtime or after work. Meanwhile, with our approach to hybrid working, we are embracing new ways of working, combining office presence with greater flexibility in how and where we work. This approach, combined with further flexible working options (see "Work-life integration" section), such as taking time off, allows us to balance work with personal life and empowers us to deliver exceptional work and results.

Safety: protecting our people

At KPMG, we ensure safety is maintained in the workplace and there are clear procedures in place in case of emergencies.

190

free flu vaccinations provided



9

absences longer than 90 days
(excl. maternity leave)



At our main locations in Zurich, Geneva and Basel, there are 15 certified medical emergency helpers – KPMG employees who have been trained to develop the skills and confidence to handle medical emergencies. Meanwhile, in case of other unforeseen emergencies, such as fire or toxic gas releases, there is a well thought-out emergency action plan in place to protect our people when immediate action is necessary.

During the COVID-19 pandemic, our focus has been clear: protecting our people's health and safety while providing the best possible service to our clients. In response to the challenges of the pandemic, we organized free online yoga and boot camp sessions to help our employees stay energized and mindful while working from home. Our initiatives further included the provision of vaccinations and booster vaccinations at our Zurich office.

Providing a safe work environment also means protecting our people against any form of discrimination or harassment, by providing them the possibility to speak up when they experience wrongdoing (see "Employee engagement, diversity and inclusion" section). This is an important element woven into our values and outlined in our Code of Conduct.

Financial wellbeing

We aim to provide our people with security and freedom when it comes to their financial wellbeing. This includes attractive compensation and a top pension fund which offers excellent contributions far beyond minimum requirements as per Swiss law and generous income replacements in the unfortunate event of disability or death prior to retirement. Additional benefits include private accident insurance, meal allowances, half-fare cards from the Swiss Federal Railways, free e-bike rental and attractive discounts, for example for fitness centers.

Training, education and career development

Our people's expertise, talent and ambition help us gain our clients' trust in our capabilities and allow us to conduct successful projects. However, a lack of career development opportunities and failure to promote employees' talents and interests can quickly lead to job dissatisfaction and/or termination.

To mitigate the risks of losing competence and important expertise, KPMG provides our people with continuous training and career development opportunities, aimed at fostering their skills and promoting their development, so they can reach their full potential and best serve our clients. These matters are managed by our Human Resources department and are handled through our Training & Further Education and Learning & Development Training policies.

100%

of our people have free access to digital learning, featuring content from the world's most recognized providers.



100%

of our people receive regular performance reviews*



227,584

hours of professional training provided



Culture of lifelong learning

In October 2020, we introduced Degreed, our state-of-the-art online learning experience platform providing our people with individualized content that is relevant and beneficial to their role within the firm. Degreed serves as a one-stop shop for all available types of learning – be it for technical, digital or soft skills – and covers formal training requirements as well as on-demand content. Since its launch, the platform has attracted 800 users on average per month with more than 70,000 completed learning items and 370 credentials issued for acquired skills.

The Digital Skills Academy is part of Degreed. Freely accessible to all employees, it features a wide range of courses on current and future trends such as AI, big data and analytics. It also provides upskilling opportunities for all employees in the field of sustainability by offering learning content created by our internal experts and in partnership with reputed universities.

Tailored training and certified experts

The training our people receive is tailored to their role and needs. It is regularly reviewed to provide them with the most up-to-date expertise.

From empowering our youngest talents – our apprentices – through a tailored apprenticeship program for which we received the GreatStart! Certification issued by Great Place

* Excluded from mandatory performance and career development reviews are the following staff: leavers, part-time employees < 20%, interns, contractors, short-term assignees, employees on long-term sick leave or maternity leave.

to Work Switzerland, to coaching and enhancing the potential of our most senior leaders, we actively train and support the development of our people at various stages of their careers. The label certifies KPMG as an excellent place to start a career as an apprentice.

In addition to tailored technical training, we provide soft skills training through a mix of online and classroom sessions, aimed at developing our expertise in managing client relationships and providing our leaders and most talented future leaders with essential management skills through assessments and coaching.

We also strongly encourage our employees to become certified experts in their respective fields. We do this by covering the financial costs for our employees planning to obtain nationally or internationally recognized certifications such as Swiss Certified Audit/Tax Expert, Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), etc.

Fostering career development opportunities

We want to assist our people to achieve their full potential. To achieve this, regular employee performance reviews are key. At the beginning of a financial year, our employees are requested to set clear objectives for the upcoming year, aligned to business and personal development goals. During mid- and end-of-year reviews, our employees, together with their assigned performance manager, assess to what extent these objectives were achieved and what further actions could be taken by the reviewee to meet them.

We foster our employees' career development by providing them the opportunity to transition into new roles and departments within our company. Thanks to our internal job transfer policy, they can take on new challenges and grow their expertise across our organization.

We also encourage international assignments with other KPMG member firms to provide unique experiences that

foster intercultural skills and prepare our people for increased responsibility and career growth. As per the end of this business year, there were nine outbound and eight inbound assignees. The current number of assignees is relatively low due to the pandemic.

Employee engagement, diversity and inclusion

Our great ethnic and cultural diversity is represented by our employees from 55 nationalities. As an equal opportunities employer, we are also convinced that diverse and inclusive teams create qualitatively better outcomes, as they allow for better decision-making, drive greater creativity and innovation, better meet the needs of clients and society, and are more motivating for our employees.

We make it a strategic priority to promote a diverse and inclusive culture where all individuals feel safe and valued. We do not let gender, age, religion or any other characteristics of diversity negatively impact our employees in any way, and our inclusion and diversity policy, our policy against bullying, harassment and discrimination, as well as our Code of Conduct have a zero-tolerance policy regarding inappropriate employee behavior in this respect. In an effort to continuously meet our employees' expectations, we gather feedback to understand our employees' needs through our Global People Survey with dedicated inclusion and diversity questions.

Our Inclusion & Diversity (I&D) core team and allies across functions ensure that conversation is launched about the topic. The team is led by KPMG Switzerland's Chair H  l  ne B  guin, ensuring attention to I&D issues at the highest leadership level.



Female leadership

Over recent years, we have made progress in promoting female senior leadership.

One major achievement regarding female leadership is that we achieved gender parity on our Board of Directors for the first time ever, with two female members as of December 2021. Still, we recognize that more work needs to be done on other leadership levels. Despite our efforts, we still have significantly more men than women in leadership positions. Therefore, the topic of female leadership will steadfastly remain on our agenda. In fact, while the gender distribution is close to 50 percent at our junior levels and we have 42 percent female colleagues in total, the gender split is unbalanced at senior management levels. To work towards a more gender-equal employee base, we recently introduced the I&D Dashboard to monitor the gender split in all human resources core processes and prevent potential biases.

We also launched the KNOW and KNOW Young initiatives. To empower future female leaders, our KPMG Network of Women (KNOW) and our newly established KPMG Network of Young Women (KNOW Young) initiatives provide our female workforce with the opportunity to learn from role models and enrich their networks. Currently, about 300 female colleagues actively participate in our regular KNOW and KNOW Young events, which are designed to encourage exchange and networking and ultimately, to help our women to advance their career. Further activities include our Lunch Roulettes to foster cross-functional networking, plus our internal mentoring program, which was successfully launched in 2021.

Externally, we have intensified our bonds through partnerships like Advance Gender Equality in Business, our support for female board members through Women



100%



of our staff have the possibility to work from home

Corporate Directors as well as our commitment as a sponsor of the Women's Board Award.

Equal pay

Our "Fair Compensation" certificate, which is awarded by the Swiss Association for Quality and Management Systems (SQS), confirms that we apply the principle of equal pay for men and women. Equal pay is an important criterion for us, demonstrating our belief in gender equality and reinforcing our work towards achieving our female leadership objectives.

Increasing awareness

In 2021, 150 partners and directors took part in our workshops on how to lead in relation to inclusion and diversity, covering inclusive leadership and unconscious bias. A similar online training course is available to all our employees on our learning experience platform Degreed.

Anti-discrimination

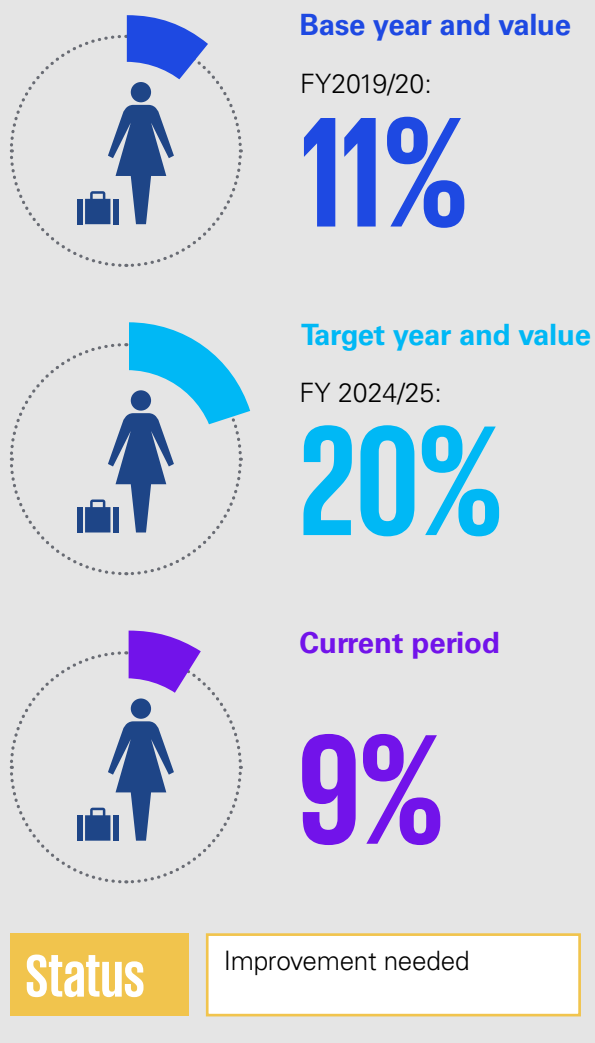
We take all practical steps to provide a workplace that is free from discrimination, racism, harassment, sexual harassment and bullying based on any personal attributes or characteristics, such as but not limited to race, ethnicity, skin color, gender, gender identity (incl. trans and intersex), sexual orientation, disability, age, marital status and religious belief, in alignment with applicable laws and regulations. We have created new policies and placed a focus on communicating the reporting channels available. Strict processes are in place to follow up on all incidents raised. This year, to empower our people to speak up when they witness behavior that makes them feel uncomfortable, we held firm-wide Lunch & Learn sessions, advising over 200 participants on how to manage sensitive situations in the workplace.

LGBTI+ inclusion

In 2021 we launched our Pride at KPMG Switzerland network, which currently has 24 active members across all functions and hierarchical levels. With a group of community members and allies, we set up an action plan to further raise awareness about LGBTI+ issues. We have also intensified collaboration with KPMG Global's Pride initiative and for the first time ever have included a LGBTI+ demographic in our Global People Survey. Moreover, we have started the process to obtain LGBTI+ certification.

Our commitment

We want to achieve 20% female representation in our partnership by 2025.



A gender-diverse workforce is essential to help us understand our clients' needs and provide them with the right solutions. As the above explanations document, we are putting great effort into the promotion of women in leadership positions and we will continue to do so going forward. At the same time, partner promotion is influenced by a variety of factors (of which gender represents only one). Equally, the decline of female representation with increasing hierarchy levels is a phenomenon that is observed across the professional services industry and is influenced by multiple factors that are often outside of the control of employers (such as life choices, quality and availability of public child care, socio-economic developments, tax arrangements and other governmental incentives). Nevertheless, we recognize that increasing female representation in our partnership is a long-term endeavor to which we remain committed.

Work-life integration

In 2021, the topic of work flexibility has become more important than ever. Digitalization and the COVID-19 pandemic have drastically changed the way we work. Today, our employees expect the firm to provide them with enough flexibility for them to find the right balance in their private and professional lives. We believe that this improves employee productivity, the overall quality of their work and job satisfaction.

Flexible working and additional time off

Our FlexTime policy and Flex Office guidelines provide a range of options to our employees both in terms of working location and time. Every employee is responsible for ensuring that their client engagements and KPMG team cohesion are not negatively impacted by their choice for Flex Office. To further develop a diverse, adaptive and high-performing workforce, KPMG proposes additional time-off options to employees, such as working part-time, buying additional vacation days, taking unpaid vacation and going on sabbatical leave. KPMG is also a supporter of the Work Smart Initiative.

Parental leave

At KPMG, we especially aim to empower parents to successfully reconcile their personal ambitions with their professional aspirations. For new parents, we offer up to 16 weeks of fully paid leave as of the second year of employment for the primary care giver and two weeks of leave for the secondary care giver after the birth or adoption of a child. New mothers and fathers also have the right to take an additional two months of unpaid leave.

Transition assistance and reintegration

On an individual basis and depending on the situation, we offer outplacement programs in cooperation with an external provider. In addition, we offer an internal Career Transition Advice Program that is available to all staff. In Q2 2021, we launched a "Returnship Program." The objective of the program is to offer a road back into a challenging position for qualified professionals who are looking to rejoin the workforce after an extended career break. The program is a special kind of internship that is limited to six months with our commitment to re- or upskill the application. In case of success, a permanent position would be offered. A rerun of the program is planned for Q2 2022.

17%

of our staff work part-time





Community and environment

CO₂ emissions

As a professional services firm, KPMG generally has a relatively low impact on the environment. Nevertheless, when it comes to climate protection, every single contribution counts. We are committed to doing our part and reducing global greenhouse gas emissions. No significant risks for the environment can be derived from our business activities, although we cause environmental impacts through our travel activities and the operation of our office buildings.

In fall 2020, KPMG International announced its intention to become a net-zero carbon organization by 2030. As part of this initiative, KPMG International had its emissions reduction targets approved by the Science Based Targets initiative (SBTi), with levels required to meet the goals of the Paris Agreement. In addition, KPMG International reports annually to CDP (formerly the Carbon Disclosure Project) on KPMG's collective performance and management of climate-related issues. For our most recent disclosure we achieved a B grading – showing we are taking coordinated action on climate issues.

This year, KPMG Switzerland decided to support this global initiative by committing to the following targets:

- Achieving a 50 percent reduction of our direct and indirect greenhouse gas (GHG) emissions by 2030 (including emissions from heating, cooling and ventilation, electricity, car travel (excl. commuting) and air travel)
- Operating on 100 percent renewable electricity by the end of 2022 in all our office locations
- Continuing to purchase verified carbon credits in the amount of any remaining GHG emissions we cannot remove from our operations. We have been following this practice since 2013.

The above commitments are also integrated in our newly introduced Environmental Framework, which governs our approach toward a more environmentally sustainable future. It provides the overarching framework and guiding principles to be considered – where relevant – within the policies of KPMG. The key requirements relating to our mobility are reflected in

our Travel Policy as well as Regulations for Expenses, which, for example, require staff to take public transport when travelling to or from clients. Indeed, the firm sponsors a renewable two-year half-fare ticket for all employees.

The Executive Committee assesses the progress of the implementation of the Environmental Framework and the achievement of the above goals at least once a year. For this purpose, the Executive Committee receives a report on the firm's environmental performance prepared by the Corporate Responsibility Officer, which forms the basis for identifying any need for additional measures. The Corporate Responsibility Officer oversees the implementation of actions decided by the Executive Committee.

Actions taken

Pre-pandemic, our carbon footprint from air travel accounted for approx. 85 percent¹ of our carbon footprint. As a result, our efforts are focussing on managing our air travel activities. From 1 January 2022, the following measures have entered into force:

- We assigned function-level annual “carbon budgets” for air travel that are aligned with our carbon reduction target and will be monitored monthly by function leadership
- All non-chargeable and non-client-related air travel is subject to approval by the function leadership prior to booking the trip

These measures are complemented by regular information campaigns to inform our people how they can reduce their air travel and their personal footprint more generally. In addition, based on the positive experiences during the pandemic, we have made our home office policy more flexible to promote telecommuting (see further detail in the “Work-life integration” section). In addition, we provide various options for collaboration and communication among employees. Collaboration systems such as Microsoft Teams or tools such as Zoom and our video conference systems in our offices enable meetings across different locations. This means that unnecessary business trips can be eliminated, which not only saves time for employees, but also CO₂ emissions.

¹ Across Scope 1, 2 and 3 but excluding commuting and purchase of goods

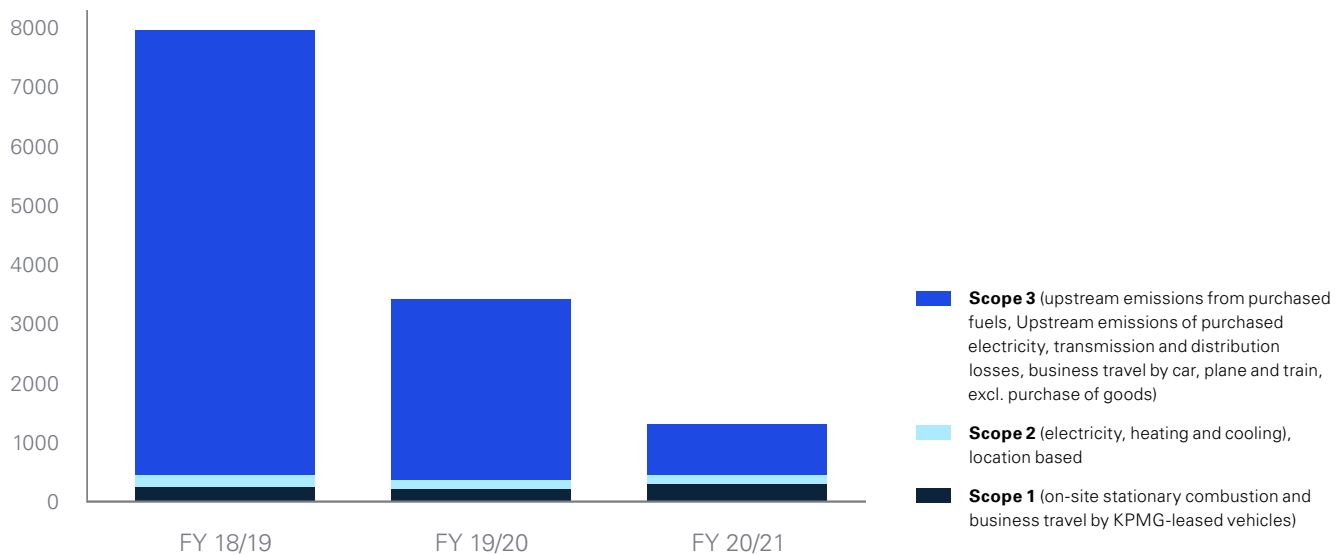
Air travel (indeed, all business travel) is a particular challenge for KPMG. It is only possible to a limited extent for us to control our business trips ourselves as these are heavily dependent on the nature of our projects as well as the needs of our clients. As such, we understand the above measures as a first step in a longer journey to better understand our travel activities and to design further measures in the future to identify and eliminate unnecessary travel activity more effectively and balanced with the business needs of our firm and our clients.

Regarding our commitments, we are on track although we recognize that the global pandemic has a strongly distorting effect on our carbon footprint. Our travel activities have reduced materially in the last three years: Air travel has

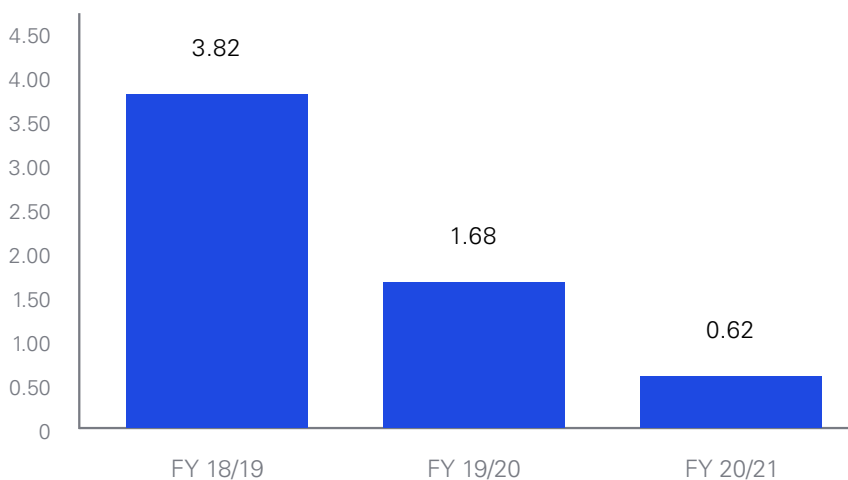
decreased by 96 percent, car travel by 55 percent and train travel by 66 percent. Also, our total energy consumption was 8 percent lower than in FY 18/19 (in FY 19/20 our consumption even decreased by 17 percent due to the lockdown and the related lower use of electricity).

However, we are determined to use this time to “lock in” as much as possible of the savings we were able to achieve. The measures described above are a first step in this regard. Moreover, the move into our newly refurbished headquarters at Badenerstrasse 172 in Zurich provided an opportunity to implement further measures to improve in particular our Scope 1 and 2 footprints. Further details can be found in the “Energy and resource management” section.

GHG emissions by scope (tCO₂e)



Total emissions (gross) per employee (tCO₂e)



Climate risk management by the KPMG Pension Fund

In 2020 the KPMG Pension Fund amended its Investment Regulations by provisions addressing ESG topics and – foremost – the reduction of the carbon intensity of its investments. The goal is to minimize climate-related investment risks, which is a prerequisite for an optimized risk/performance ratio. Concrete measures initiated in 2020 and emphasized in 2021 include:

- All equities outside of Switzerland (and 50 percent of Swiss equities) are managed by investment funds following “Climate Aware” or “ESG Leaders” indices, with the goal being a reduction in carbon intensity of between 40 percent and 50 percent vis-à-vis the relevant benchmark. An independent assessment has confirmed a carbon intensity of 38% below benchmark for the equities portfolio as at 1 January 2021.

- Sovereign bonds in foreign currencies are managed according to “Climate Aware” principles with a carbon intensity of 11 percent below benchmark as at 1 January 2021. The main corporate credit investment reports a carbon intensity of 33 percent below benchmark.
- The Pension Fund’s real estate investment funds focus on sustainable properties.
- A large part of the Pension Fund’s infrastructure investments is directed towards renewable energy.
- All active asset managers chosen include ESG assessments in their investment process and most of them engage with management of invested companies to improve ESG performance.

The pension fund continues to measure carbon intensity of the main asset categories on a regular basis through third-party specialists.

Our commitments

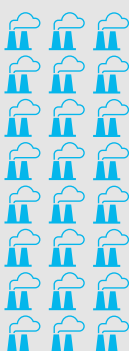
Achieving a 50 percent reduction of our direct and indirect greenhouse gas (GHG) emissions by 2030 (including emissions from heating, cooling and ventilation, electricity, car travel (excl. commuting²) and air travel)



Base year and value

FY2018/19:

4,807 tCO₂e



Target year and value

FY 2029/30:

2,403 tCO₂e



Current period

FY2021/22:

341 tCO₂e

Status

On track

We purchased verified carbon credits in the amount of any remaining GHG emissions we cannot remove from our operations, thus contributing to a technology- and nature-based solution in relation to our GHG footprint.

Status

On track

² The difference between the figures in the table (FY18/19 and current period) and the table “GHG emissions by scope (tCO₂e)” is because our climate action plan excludes specific measures targeted at employee commuting. Accordingly, the respective emissions have been excluded from measurement.

Energy and resource management

As shown in the “CO₂ emissions” section, the carbon footprint of our office locations has remained stable over the years and is rather immaterial compared to our Scope 3 emissions. Also, our offices are not located in or adjacent to key biodiversity areas (KBA) in Switzerland or within regions with high or extremely high baseline water stress (according to the World Resources Institute). Accordingly, no significant risks for the environment can be derived from the operation of our office buildings.

However, governed by our newly introduced Environmental Framework (see further details in the “CO₂ emissions” section) and under the leadership of the Facilities & Procurement Department, we are striving to improve the efficiency of our use of natural resources. Facilities & Procurement is also tasked with continuously monitoring the energy performance of our office locations and taking action to improve efficiency if necessary.

Improving energy efficiency in our rented buildings plays a key role in actively managing our environmental impact. In particular, the increasing technical equipment in our business premises constantly presents us with new challenges in terms of energy consumption. Over the past few years, we have either moved into new locations or renovated our offices and put significant focus on the energetic profile of the buildings and the use of sustainable materials (e.g. German Sustainable Building Council (DGNB) certification for the Geneva office). We significantly optimized our energy consumption by using energy-efficient technology such as LED lighting, movement sensors,

“Minergie-Standard” heating, energy-saving appliances and improved insulation. Finally, the roofs of our renovated headquarters in Zurich are covered with solar panels and will generate between 70,000 and 96,000 kWh of electricity p.a., which will make up six to eight percent of our yearly electricity consumption.

In addition, our head office in Zurich (which represents approximately two-thirds of our total energy consumption) participates in the Zurich Energy Model, an initiative sponsored by the canton of Zurich and the federal government. It consists of 23 large-scale energy consumers domiciled in the canton of Zurich. The group as a whole commits to the energy-efficiency targets over a pre-defined time period. A new cycle started in 2021 and will run until 2030. In the case of KPMG, the goal is to increase energy efficiency by 15 percent over the next 10 years (e.g. 1.5 percent p.a.).

Actions taken

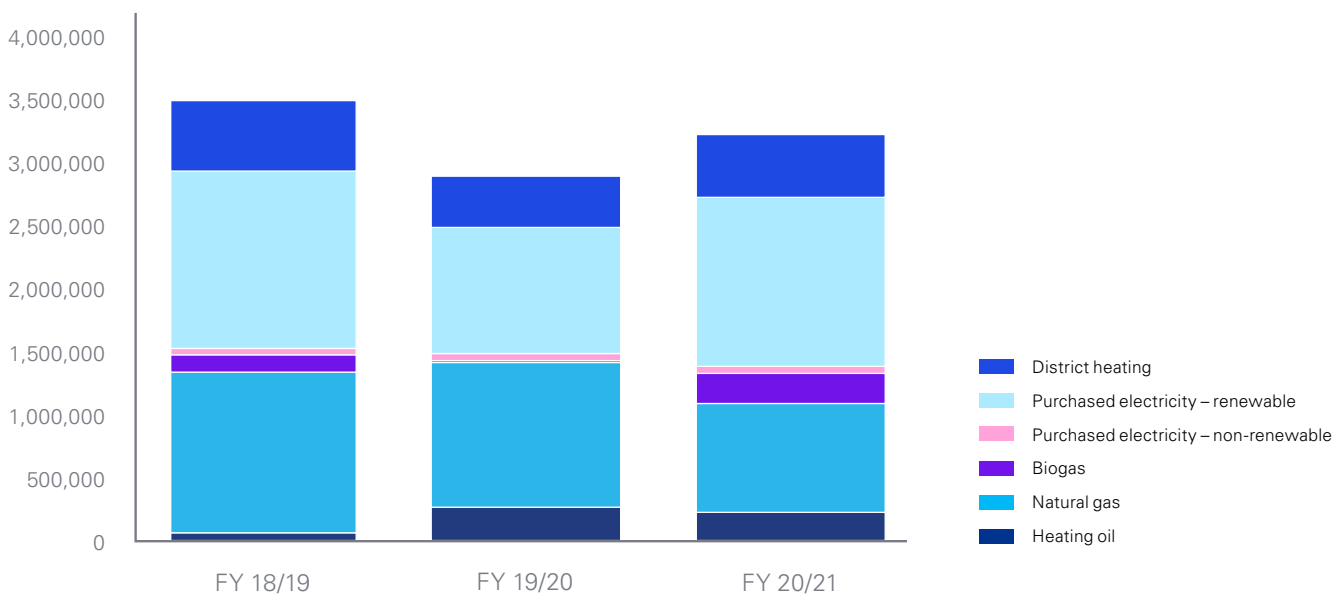
We are strongly committed to seeking ways to minimize waste, reuse materials and recycle as much as possible. For example, we have implemented the following measures across all office locations:

Energy from regenerative sources

Our energy consumption is driven by several factors such as growth of the number of our staff, management of heating and cooling, changes in renting spaces and weather.

Our total energy consumption has been steadily declining over the past few years. The sharp decrease of 17 percent in FY 2019/20 is a result of lockdown measures of the Swiss government due to the COVID-19 pandemic, followed by extended periods of mandatory working from home. The

Energy usage (in kilowatt-hours/kWh)



total electricity consumption in FY 2020/21 was about 8 percent lower compared to FY 2018/19.

As of 1 June 2021, all our office locations are powered with green energy (solar, wind or water). See more details below under “Our commitments”. In addition, since 18 June 2021 the Zurich office has been powered by 100 percent biogas. Due to the size of the headquarters, the share of biogas for heating, cooling and ventilation will increase just over 50 percent across all our offices.

We have outsourced a part of our data center to two cloud providers who power their servers almost entirely with energy from renewable sources. Our other IT equipment (printers, machines, laptops, screens, etc.) is replaced in accordance with the devices’ lifespan recommendations, and energy efficiency is a key criterion for the selection of new equipment.

Waste management

Key initiatives to reduce waste from our operations are:

- Standardized and streamlined waste management disposal process in place
- Zero single-use plastics for drinking water, handout of personal glass bottles (except in client meeting areas and in the employee lounge)
- Full recycling of paper or cardboard waste, coffee capsules, toners, incl. cartridges and PET bottles (for drinks other than water)
- No purchasing of new cardboard packaging in the Zurich office, thanks to complete reuse of cardboard packaging received
- 90 percent of our IT equipment is recycled with the support of external partners

Paper

Numerous digitalization projects in our services have shown in the past few years that paper files have become almost superfluous. Our modern IT infrastructure paid off particularly during the COVID-19 pandemic – in a very short time all employees were equipped with digital collaboration

100%

renewable electricity
since June 2021

100%

biogas in our
headquarters in Zurich

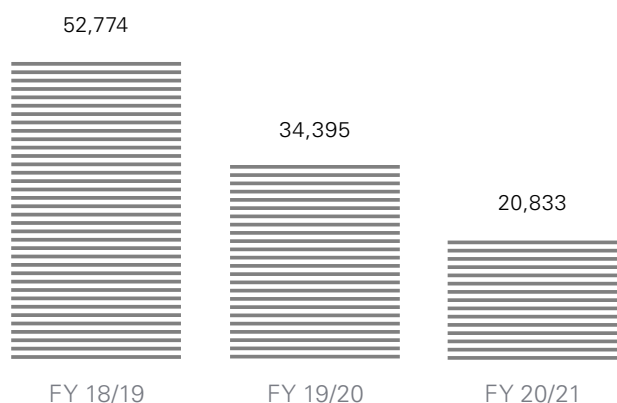
platforms and prepared for everyday work from home. In addition, our solutions such as KPMG Clara (see the “Collaboration and alliances” section) are also equipped with digital collaboration options that enable virtual communication with our clients. The COVID-19 pandemic through home working and digitalization has had a clear impact on our paper consumption in this financial year – around 60 percent was saved compared to the 2018/19 financial year.

Two important digitalization projects with a positive impact on our paper consumption were the firm-wide introduction of “follow me” printing, which in this financial year led to 200,000 sheets (approx. 10,000 kg) of paper submitted for printing but eventually not printed, and the implementation of digital signatures towards the end of last year, which led to savings of approx. 100,000 sheets (approx. 5,000 kg) of paper this financial year.

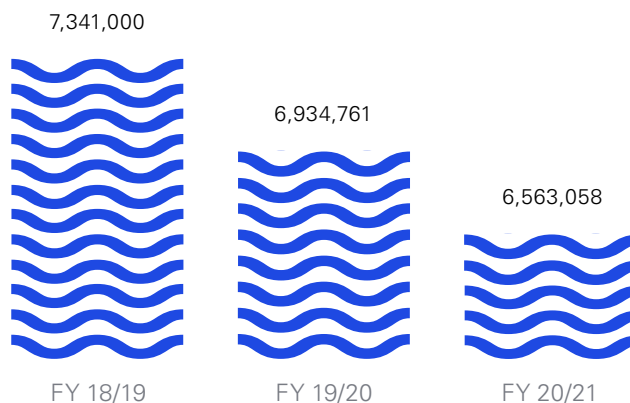
Water

One of the main determinants of our water use is the weather as we use water to cool our office locations. A further reduction in the water consumption was also due to the reduction of office space, for example through sub-leasing space at our interim office location in Zurich at Rffelstrasse and subsequently through the move back to Badenerstrasse, where the per-capita space ratio was further reduced as result of the future promotion of flexible working. Finally, we use water filters wherever possible to reduce water consumption.

Paper use (kg)



Water use (liters)



Renovated offices at Badenerstrasse in Zurich

The refurbished Zurich office (which we moved into during the summer of 2021) has a number of features which

positively impact the environmental performance of the building and our operations:



Biodiversity

With 41 trees from 11 different species, 3,631 hedge plants from three different species and 29,076 perennials from 46 different species, we are doing our part to enhance biodiversity in and around the new buildings. In the courtyard, front gardens and plant beds we planted bee-friendly herbs and flowers such as nasturtium, star flower, scented violet, snow heather, bell heather and thyme. Finally, we have provided a home for four bee colonies on the roof.



Watering

We collect rainwater to irrigate our gardens and greenery for more sustainable plant care.



Waste segregation

In cooperation with our external partner Mr. Green, a segregation of plastic, aluminum, PET and other waste is implemented throughout the office which supports the efficient recycling of materials.



Paper cup reduction

Throughout the office, paper cups (actually made from cornstarch) have been reduced to an absolute minimum (with the exception of communal and external meeting areas) and replaced by porcelain cups.



E-bikes

Our employees have free access to six brand new e-bikes for efficient and sustainable mobility in the city. In addition, we also offer five traditional bikes.



Charging stations for e-cars

The underground parking lot contains 54 charging stations for staff to recharge their electric cars at an attractive cost.



Aluminum capsules

Within the entire office (except for the client meeting area) we installed coffee machines that grind fresh coffee beans as opposed to coffee capsules.



Detergents

Our external office maintenance partner only uses detergents based on natural ingredients that are 100 percent biodegradable.



Conversion of office furniture

During the interim use of our offices at R ffelstrasse in the last two years, we managed to retain most of our office furniture and to minimize the purchase of new furniture. With the support of the VESO foundation we recalibrated our existing office furniture to meet our needs in our renovated offices at Badenerstrasse. We followed the same approach when moving into our new offices in Bern, where we collaborated with the S dhang Foundation.



Our commitments

Operating on 100% renewable electricity by the end of 2022 in all our office locations

Base year and value

FY2018/19:

96%

Target year and value

FY2021/22:

100%

Current period

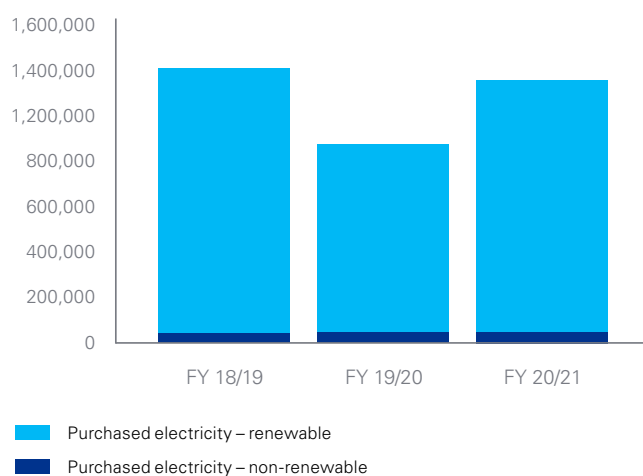
100%*

Status

Achieved
early

We have been striving to use renewable electricity whenever possible for a long time. The four to five percent of electricity from non-renewable sources was attributable to our smallest office locations, as their overall consumption was not sufficiently large to qualify for a renewable energy mix from the utility provider. However, this year we managed to switch all locations to renewable electricity, with the last office switching on 1 June 2021.

Electricity usage (kilowatt hour)



* We have operated on 100% renewable electricity since 1 June 2021. Calculated on the basis of the electricity usage for the entire year, the proportion would be 96%.

Supply chain management

Our obligation to act responsibly does not only apply to ourselves. We also have a responsibility towards our stakeholders – including our suppliers. They do not only support us with goods such as IT and office equipment but also with various services. In FY 2020/21, for example, we commissioned around 2,300 suppliers, around 84 percent of which are based in Switzerland and Liechtenstein. Further to that, 95 percent of our suppliers are based in the EU/EEA (incl. UK). Over 50 percent of the contract volumes relate to suppliers relevant to the operation and maintenance of our office locations (incl. rent), consulting services or the provision of IT infrastructure.

We expect our suppliers to comply with social and ecological standards and we have committed ourselves to several standards and established internal guidelines and processes within our procurement policy.

UN Global Compact

As a member of KPMG International, we are committed to the [UN Global Compact](#) – a global pact between companies and organizations from civil society, politics and science as well as the UN. Ten principles for the demand for sustainable growth and exemplary entrepreneurial action are formulated in the pact and are firmly anchored in our values and form the basis of our procurement ethics.

Supplier Code of Conduct

Our [Supplier Code of Conduct](#) provides our suppliers with information about our sustainability principles and defines the basis for our cooperation with them. It is an integral part of all contracts with a value of CHF 100,000 or more ("large suppliers") because we expect our contracted suppliers to consider social, ethical and ecological requirements.

Violations of the principles formulated in our Supplier Code of Conduct have consequences. In particularly serious cases, an extraordinary termination of contractual relationships cannot be ruled out. In FY 2020/21, no violations of the Supplier Code of Conduct were reported to KPMG.

Compliance with independence requirements

The Facilities & Procurement Department, in cooperation with Quality and Risk Management, ensures that independence requirements in the purchasing process are met. Strict surveillance and assessment are performed whenever suppliers are also audit clients. Through our whistleblowing hotline, clients, suppliers and KPMG employees can anonymously report violations of our procurement policy.

84%



of suppliers based in Switzerland
or Liechtenstein

Supplier due diligence

All large suppliers are subject to a due diligence process covering topics such as ethics and independence, costs, functional and non-functional requirements as well as vendor-specific requirements. The latter covers aspects such as quality, energy and environmental management, human rights, labor laws, conflict minerals, child labor and corporate social responsibility (CSR). This process allows us to identify potential risks and negative effects in the supply chain at an early stage and exclude them if necessary.

In addition, third parties such as subcontractors and alliance partners undergo a comprehensive risk assessment to ascertain their suitability as business partners. As part of this evaluation, we perform comprehensive background checks covering factors such as governance, business and reputational risk and, where appropriate, require relevant ethics and independence confirmations as well as completion of appropriate training courses. The validation of the assessment and the receipt of the confirmations are necessary for the work to commence.

Finally, suppliers in the IT space need to undergo a technology risk assessment which covers several key aspects of the resilience of the supplier's IT risk management and processes. The objective of the assessment is to ensure that the integrity of our own IT environment is not compromised by onboarding a supplier.

Community investment

At KPMG, we want to stand for approachability and respect. We consider collaboration and cooperation with organizations and charitable initiatives to be important and valuable for all stakeholders involved. With the aim of being a good corporate citizen, we enter into a dialogue with our external stakeholders and continuously develop our engagement strategy with communities. This way, our Corporate Responsibility team manages to identify the most appropriate ways to create positive societal impact.

Because doing good feels good, KPMG and its employees engage for the community through various programs and initiatives:

KPMG Foundation

The KPMG Foundation was set up in 2007 to pursue positive change beyond our core business. As an independent non-profit foundation, it supports innovative projects in the areas of education, integration of people with special needs, socially disadvantaged people and people in distress. It assists several small to medium charitable organizations and projects with financial support of up to CHF 10,000 per donation. KPMG Foundation continues to work with the organizations and projects to see how the contributions are used. Further information is available on the [website](#) of the KPMG Foundation.

KPMG actively supports the Foundation with periodic fundraising activities, such as the annual “Stay healthy – move for charity” campaign or through the sale of our Christmas cards with CHF 3 (CHF 2 for e-cards) donated per card – which raised over CHF 42,000 for Christmas 2020. In our reporting period 2020-2021, the KPMG Foundation supported the following projects:

- *Krebsliga Schweiz, Bern – Movember 2020*. Many KPMG AG employees grew a moustache throughout November as part of the “Movember” initiative to raise money for the KPMG Foundation, which in turn doubled the amount raised and donated it to Krebsliga Schweiz.
- *Stiftung Lebensfreude, Frauenfeld*. This foundation organizes humorous and respectful clown visits to people with dementia, the sick, the elderly and people with a disability.
- *Verein Surprise, Café Surprise, Basel*. Café Surprise enables people affected by poverty to consume a free coffee and thus participate in public life.
- *BROKIDS, Zurich*. The support program is helping to bring more students in the Zurich North conurbation directly into professional apprenticeships after completing compulsory schooling.
- *Wasser für Wasser, Lucerne*. High population growth, deregulated urbanization and climate change pose immense challenges for a secure water supply. The water and sanitation supply of large cities is thus exposed to extreme stress. For this reason, WfW’s project work in Africa focuses on urban areas.
- *Verein FAIR, Wärme Schenken, Nidau*. Through the “Wärme Schenken” project, Verein FAIR supported people in need affected by the refugee crisis on the Greek island of Samos with 4,000 hot water bottles for the cold winter days.
- *Verein United Lives, Night School, Schlieren*. The “Night School” in India offers classes in languages, mathematics, science, history and social studies to more than 100 children from financially disadvantaged families.
- *Association Basmati, IT for Laos, Niederweningen*. Under the “IT for Laos” project, IT kits consisting in particular of a minicomputer have been and will continue to be distributed to elementary schools in Laos, with the aim of equipping all schools with IT technology.
- *Nicola Spirig Stiftung, Bachenbülach (stay healthy – move for charity 2021)*. This foundation gives children and young people access to sport and thus promotes qualities such as fairness, self-confidence, social skills, teamwork and a willingness to perform.
- *GemüseAckerdemie, Zurich (stay healthy – move for charity 2021)*. The GemüseAckerdemie enables children to grow their own vegetables at daycare centers or schools. The aim is to increase appreciation for nature and food and to counteract the loss of knowledge and skills in food production and the natural environment.
- *Schlupfhuus, Zurich (stay healthy – move for charity 2021)*. The Schlupfhuus supports and advises young people who can no longer cope with their current living situation or who experience violence in their family or social environment and offers them a temporary place to live.
- *Kiwanis Club, KiwaTech, Winterthur*. The project “KiwaTech” provides a laptop to schoolchildren from families who cannot afford one. As part of the hardware replacement at KPMG AG, we gave away 45 laptops.
- *Verein Deventure, Young Entrepreneur Exchange Project YEEP, Spiegel*. In the Young Entrepreneur Exchange Project YEEP of the Verein Deventure, Swiss and Ethiopian students in Ethiopia jointly develop business ideas for the local market.

Volunteering and pro bono work

The workplace of the future is about more than just daily business objectives. It needs to give our people a sense of purpose and belonging. Together with our partner [atwork](#), we launched a new corporate volunteering program in fall 2021. The initiative enables our people to team up with colleagues across all functions, far away from computer screens and bring them closer to the communities that surround us. KPMG offers eight missions a year across Switzerland, open to all. The missions span a diverse range of topics such as sports, food waste prevention, nature, animals and support of people with a migration background.

The first two volunteering projects took place in September this year: Four of our colleagues volunteered at the Foodsave Bankett in Zurich and another group of five joined in on a day at Schwändi Alp (above Goldau) to help a farming family clear decaying trees from their land.

Moreover, KPMG currently maintains a portfolio of audit relationships with six non-profit organizations, where we offer our services fully or partially pro bono. The

CHF 1.6

million in community investment

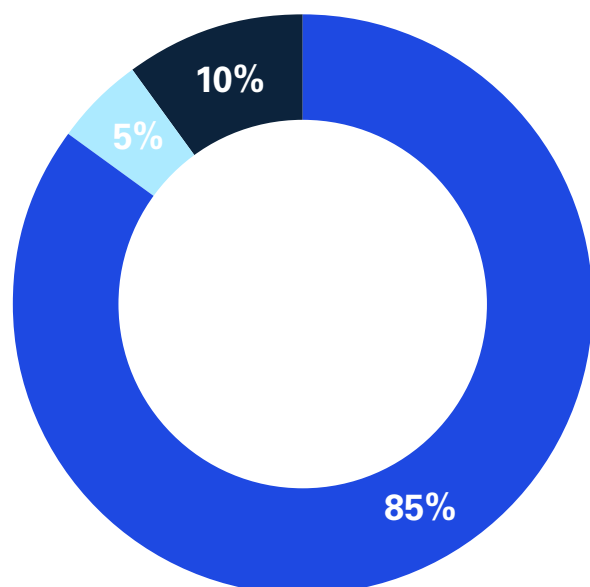


organizations are mostly active in the areas of culture, environment, youth unemployment and food waste. The monetary value of the pro bono work amounted to approx. CHF 85,000 (approx. 430 hours) for the current reporting year.

Financial value of community investment

With respect to the previous year, the financial value of KPMG's community investment increased by 46 percent to reach CHF 1.6 million (previous year: CHF 1.1 million). Most of this amount was attributable to cash contributions, charity-based sponsorships or memberships from both KPMG and the KPMG Foundation. Management costs make up 10 percent of the total amount and include the internal costs borne by KPMG for staff's engagement in the Board of Trustees of the KPMG Foundation as well as the internal costs of the Corporate Responsibility function. Finally, five percent of the amount is attributable to our pro-bono work as well as the new Corporate Volunteering program. Given that the program is new, further efforts will be undertaken to better embed volunteering in the organization and to increase its attractiveness.

Financial value of community investment



- Cash contributions
- Contribution of KPMG time
- Management costs



An aerial photograph of a large body of water, likely a lake or reservoir, with a vibrant autumn forest lining the left shore. The water is a deep, clear blue-green, while the trees display a mix of yellow, orange, and green foliage. The title 'GRI Content Index' is printed in white, bold, sans-serif font in the upper right quadrant of the image.

GRI Content Index

GRI Standard / other source	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-1 Organizational details	SR: Who we are
	2-2 Entities included in the organization's sustainability reporting	SR: About this report
	2-3 Reporting period, frequency and contact point	SR: About this report
	2-4 Restatements of information	
	2-5 External assurance	
	2-6 Activities, value chain and other business relationships	SR: Who we are Who we are SR: Who we are Overview of KPMG SR: Supply chain management TR: Our business, independence, integrity, ethics and objectivity
	2-7 Employees	Appendix: People
	2-8 Workers who are not employees	Appendix: People
	2-9 Governance structure and composition	TR: Our structure and governance
	2-10 Nomination and selection of the highest governance body	TR: Our structure and governance
	2-11 Chair of the highest governance body	TR: Our structure and governance
	2-12 Role of the highest governance body in overseeing the management of impacts	TR: Our structure and governance

Pages	Comments	Omission		
		Requirement(s) omitted	Reason	Explanation
8-11		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
12-13	Although the SR covers multiple entities, the entities directly or indirectly controlled by KPMG Holding AG do not involve any minority interests and KPMG Switzerland does not commonly engage in any buy- or sell-side M&A activities that would require describing a specific approach to consolidate information.			
5				
	This is the first report, e.g. no previous reporting periods.			
	No external assurance was obtained.			
8 9 40 9, 26	No significant changes occurred regarding our activities, structure of value chain, relationships or locations.			
	No significant fluctuations during the reporting period. We do not provide a breakdown by region because we operate only in Switzerland.	2-7 b. iii.	Information unavailable/incomplete	We employ a number of non-guaranteed-hours employees (below 10% of staff). We plan to disclose this information in next year's report.
	No significant fluctuations during and between the reporting period. We do not provide a breakdown by region because we operate only in Switzerland. Contingent workers are commonly employed for specific projects/project-related work where a specific skillset is required or to address short-term staff needs to cover peak times.			
10	No significant fluctuations during the reporting period. We do not provide a breakdown by region because we operate only in Switzerland.			
10	The Board of Directors (BoD) is elected by the general assembly of the partners and consists of three to five members. The BoD may recommend criteria for selection of successors to the partners (including criteria such as the views of stakeholders, diversity, independence or relevant competencies). Any partner may nominate him-/herself for election.			
10				
10				

GRI Standard / other source	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	SR: Who we are TR: Our structure and governance
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of interest	TR: System of quality control
	2-16 Communication of critical concerns	TR: System of quality control
	2-17 Collective knowledge of the highest governance body	
	2-18 Evaluation of the performance of the highest governance body	TR: Our structure and governance
	2-19 Remuneration policies	TR: Partner remuneration
	2-20 Process to determine remuneration	TR: Partner remuneration
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	SR: Leadership message – the role of trust in sustainability
	2-23 Policy commitments	TR: System of quality control SR: Who we are, employee engagement, diversity and inclusion, CO ₂ emissions
	2-24 Embedding policy commitments	TR: System of quality control SR: Who we are, employee engagement, diversity and inclusion, CO ₂ emissions
	2-25 Processes to remediate negative impacts	TR: System of quality control
	2-26 Mechanisms for seeking advice and raising concerns	TR: System of quality control
	2-27 Compliance with laws and regulations	TR: System of quality control
	2-28 Membership associations	

Pages	Comments	Omission		
		Requirement(s) omitted	Reason	Explanation
8 10	The detailed oversight responsibilities of the BoD are described in the Organizational Rules of KPMG Holding AG. The BoD regularly meets with members of the Executive Committee and other corporate functions to discuss topics in the areas of strategic direction, ESG, risk and compliance.			
	The review and approval of the reported information, including the organization's material topics, is performed by the CEO and the Head of National Quality and Risk Management on behalf of the Executive Committee.			
7				
7				
	Several sustainability-related training courses accessible to all partners and directors of the firm (including the members of the Board) were performed in Q4 2021.			
10	The BoD reports on its oversight activities at the annual general assembly of the partners. The report is the basis for the partners to discharge the BoD.			
43				
43				
		2-21	Confidentiality constraints	As KPMG Switzerland is a privately held company, information on compensation is not disclosed.
12-13				
7 8, 29, 33				
7 8, 29, 33				
7				
7				
7				
		2-28	Information unavailable/incomplete	We are planning to disclose our membership associations in the next reporting period.

GRI Standard / other source	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	SR: Our interactions with stakeholders
	2-30 Collective bargaining agreements	
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR: 5.Process to determine material topics
	3-2 List of material topics	SR: 5.Process to determine material topics
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Who we are
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR: Overview of KPMG Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	SR: CO ₂ emissions
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	SR: Community investment
Clients		
Business ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Clients Ethics and independence TR: Being independent and ethical Maintaining an objective, independent and ethical mindset, in line with our Code of Conduct and policies TR: Being independent and ethical Zero tolerance of bribery and corruption
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR: Clients Ethics and independence TR: Being independent and ethical Maintaining an objective, independent and ethical mindset, in line with our Code of Conduct and policies

Pages	Comments	Omission		
		Requirement(s) omitted	Reason	Explanation
14	All employees of KPMG are subject to the collective employment contract for commercial and commercial-technical employees and sales personnel in the retail trade of the Kaufmännischer Verband Zürich. However, the employment regulations of KPMG provide a higher standard than the collective bargaining agreement. The employment regulations apply to all employees, who maintain an unlimited employment relationship with KPMG.			
15-19		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
15-19				
8-11				
8-11 2				
33				
	Cantons who have defined a statutory minimum wage and that we operate in are Geneva, Basel-Stadt, Neuchâtel and Ticino. In any case we pay our staff above the minimum wage. Remuneration is governed by the Employment Regulations as well as the bonus plans for managerial staff and partners.			
		202-2	Not applicable	We only operate in Switzerland and hire in Switzerland.
40				
21-22 27-30				
27-30				
21-22 27-30	The National Quality & Risk Management Partner prepares an annual risk assessment for discussion with the Executive Committee and the BoD. The risk assessment includes an evaluation of corruption risks.			

GRI Standard / other source	Disclosure	Location
Clients		
Business ethics (cont.)		
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	SR: Clients Management of legal and regulatory environment
	205-3 Confirmed incidents of corruption and actions taken	
Data security		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Clients Information security and data privacy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: Clients Information security and data privacy
Management of legal and regulatory environment		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Client Management of legal and regulatory environment
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	TR: System of quality control
Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Client Innovation
Collaboration and alliances		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Client Collaboration and alliances
People		
Employee health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: People Health and safety
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR: Data table People
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: People Health and safety
	401-3 Parental leave	SR: Data table Parental leave
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	SR: Data table Employee health and safety

Pages	Comments	Omission		
		Requirement(s) omitted	Reason	Explanation
23	No breakdowns necessary because 100% of KPMG staff has received communication and training on such matters.			
	No cases of corruption of employees of our firm were brought against KPMG in the reporting period.			
21-22				
21-22	In 2021, there were no substantiated complaints regarding a breach of customer information security or data privacy.			
21-22				
7				
23-24				
24				
27				
56-57		401-1 b.	Information unavailable/incomplete	We are planning to disclose employee turnover in next year's report.
27-28				
58		401-3 a., c., d.	Information unavailable/incomplete	We are planning to disclose this information in next year's report.
58	We report long term absences. Other indicators are not relevant due to our business model.			

GRI Standard / other source	Disclosure	Location
Training, education and career development		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: People Training, education and career development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR: Data table Training, education and career development
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	SR: People Training, education and career development
	404-3 Percentage of employees receiving regular performance and career development reviews	SR: People Training, education and career development
Employee engagement, diversity and inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: People Employee engagement, diversity and inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annual Report
	405-2 Ratio of basic salary and remuneration of women to men	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
Work-life integration		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: People Work-life integration
Community and environment		
CO₂ emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Community and environment CO ₂ emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR: Community and environment CO ₂ emissions data table CO ₂ emissions
	305-2 Energy indirect (Scope 2) GHG emissions	SR: Community and environment CO ₂ emissions data table CO ₂ emissions
	305-3 Other indirect (Scope 3) GHG emissions	SR: Community and environment CO ₂ emissions data table CO ₂ emissions
	305-5 Reduction of GHG emissions	SR: Community and environment CO ₂ emissions
Energy and resource management		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Community and environment Energy and resource management

Pages	Comments	Omission		
		Requirement(s) omitted	Reason	Explanation
27				
58		404-1	Information unavailable/incomplete	We are planning to disclose a breakdown of this information in next year's report.
28	100% of our people have free access to digital learning, featuring content from recognized providers.			
28	100% of our people receive regular performance reviews			
29-31				
17				
	We obtain an annual fair compensation certification from SQS, the Swiss Association for Quality Management and Systems (remuneration equity according to the criteria of the Association of Compensation and Benefits Experts), which evidences the equal payment of men and women at our firm.			
	During the reporting period no incidents of discrimination were reported through the various channels offered by the firm.			
31				
33-37				
33-34				
33-34				
33-34				
33-34				
36				

GRI Standard / other source	Disclosure	Location
Energy and resource management (cont.)		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR: Community and environment Energy and resource management Data table Energy and resource management
	302-4 Reduction of energy consumption	SR: Community and environment Energy and resource management
Supply chain management		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Community and environment Supply chain management
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SR: Community and environment Supply chain management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR: Community and environment Supply chain management
	308-2 Negative environmental impacts in the supply chain and actions taken	SR: Community and environment Supply chain management
Community investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Community investments



Pages	Comments	Omission		
		Requirement(s) omitted	Reason	Explanation
36				
36				
40				
40				
40				
40				
40-42				



Data table

People (headcount as per 30 September 2021)

Full-time employees (heads):

Female (heads)			
	FY 19	FY 20	FY 21
Total	608	571	646

Male (heads)			
	FY 19	FY 20	FY 21
Total	1,121	1,104	1,124

Total (heads)			
	FY 19	FY 20	FY 21
Total	1,729	1,675	1,770

Full-time employees (%):

Female (% of total full-time employees)			
	FY 19	FY 20	FY 21
Total	35%	34%	36%

Male (% of total full-time employees)			
	FY 19	FY 20	FY 21
Total	65%	66%	64%

Female (% of total employees)			
	FY 19	FY 20	FY 21
Total	71%	70%	72%

Male (% of total employees)			
	FY 19	FY 20	FY 21
Total	91%	91%	91%

Total (% of total employees)			
	FY 19	FY 20	FY 21
Total	83%	82%	83%

Part-time employees (heads):

Female (heads)			
	FY 19	FY 20	FY 21
Total	253	246	246

Male (heads)			
	FY 19	FY 20	FY 21
Total	111	115	113

Total (heads)			
	FY 19	FY 20	FY 21
Total	364	361	359

Part-time employees (%):

Female (% of total part-time employees)			
	FY 19	FY 20	FY 21
Total	70%	68%	69%

Male (% of total part-time employees)			
	FY 19	FY 20	FY 21
Total	30%	32%	31%

Female (% of total employees)			
	FY 19	FY 20	FY 21
Total	29%	30%	28%

Male (% of total employees)			
	FY 19	FY 20	FY 21
Total	9%	9%	9%

Total (% of total employees)			
	FY 19	FY 20	FY 21
Total	17%	18%	17%

Contingent workers and freelancers (heads):

Female (heads)			
	FY 19	FY 20	FY 21
Total	50	55	41

Male (heads)			
	FY 19	FY 20	FY 21
Total	83	116	110

Total (heads)			
	FY 19	FY 20	FY 21
Total	133	171	151

Contingent workers and freelancers (%):

Female (%)			
	FY 19	FY 20	FY 21
Total	38%	32%	27%

Male (%)			
	FY 19	FY 20	FY 21
Total	62%	68%	73%

Joiners by level and gender (heads):

Female (heads)			
	FY 19	FY 20	FY 21
Leadership	2	5	3
Management	42	30	45
Team members	201	163	244
Total	245	198	292

Male (heads)			
	FY 19	FY 20	FY 21
Leadership	13	12	14
Management	70	59	53
Team members	259	269	272
Total	342	340	339

Total (heads)			
	FY 19	FY 20	FY 21
Leadership	15	17	17
Management	112	89	98
Team members	460	432	516
Total	587	538	631

Joiners rate by level and gender, in relation to total staff (%):

Female (%)			
	FY 19	FY 20	FY 21
Leadership	5%	11%	6%
Management	13%	10%	14%
Team members	37%	32%	49%
Total	27%	23%	34%

Male (%)			
	FY 19	FY 20	FY 21
Leadership	5%	5%	6%
Management	15%	13%	11%
Team members	45%	46%	52%
Total	27%	27%	28%

Total (%)			
	FY 19	FY 20	FY 21
Leadership	5%	6%	6%
Management	15%	11%	12%
Team members	41%	40%	50%
Total	27%	25%	30%

Joiners by level and age group (heads):

< 30 (heads)			
	FY 19	FY 20	FY 21
Leadership	0	0	0
Management	22	12	17
Team members	404	391	468
Total	426	403	485

30 - 50 (heads)			
	FY 19	FY 20	FY 21
Leadership	12	10	9
Management	84	75	74
Team members	52	39	46
Total	148	124	129

> 50 (heads)			
	FY 19	FY 20	FY 21
Leadership	3	7	8
Management	6	2	7
Team members	4	2	2
Total	13	11	17

Total (heads)			
	FY 19	FY 20	FY 21
Leadership	15	17	17
Management	112	89	98
Team members	460	432	516
Total	587	538	631

Joiners rate by level and age group, in relation to total staff (%):

< 30 (%)			
	FY 19	FY 20	FY 21
Leadership	-	-	-
Management	19%	12%	19%
Team members	49%	50%	62%
Total	46%	46%	58%

30 - 50 (%)			
	FY 19	FY 20	FY 21
Leadership	7%	6%	5%
Management	14%	12%	11%
Team members	19%	14%	18%
Total	14%	12%	12%

> 50 (%)			
	FY 19	FY 20	FY 21
Leadership	3%	7%	7%
Management	12%	4%	14%
Team members	13%	8%	9%
Total	7%	6%	9%

Total (%)			
	FY 19	FY 20	FY 21
Leadership	5%	6%	6%
Management	15%	11%	12%
Team members	41%	40%	50%
Total	27%	25%	30%

Definitions:

Leadership: partners/directors

Management: assistant managers to senior managers

Team members: rest

Employee health and safety

	FY 19	FY 20	FY 21
Number of absences longer than 90 days (excl. maternity leave)	8	6	9
Number of flu vaccinations	151	No data available (270 appointments were offered)	190

Training, education and career development

	FY 19	FY 20	FY 21
Overall training hours	185,096	177,618	227,584
Average hours of training per individual	91	89	116

Work-life integration

Figures: flexible working and additional time off	Heads			Total % of employees		
	FY 19	FY 20	FY 21	FY 19	FY 20	FY 21
Employees who have bought additional days	39	61	81	1.8%	2.9%	3.9%
Employees who work part-time/divided into males and females (see table below)	365	361	359	17.4%	17.7%	16.9

Employees who work part-time divided into males and females

% within gender (e.g. 27.6% of all female staff work part-time)

% (male)			% (female)		
FY 19	FY 20	FY 21	FY 19	FY 20	FY 21
9.0%	9.4%	9.1%	29.4%	30.1%	27.6%

Distribution between male and female (e.g. 68.5% of all part-time working staff are female)

% (male)			% (female)		
FY 19	FY 20	FY 21	FY 19	FY 20	FY 21
30.4%	31.9%	31.5%	69.6%	68.1%	68.5%

Parental leave

	Heads total			Heads (male)			Heads (female)		
	FY 19	FY 20	FY 21	FY 19	FY 20	FY 21	FY 19	FY 20	FY 21
Number of employees that took maternity/paternity leave, by gender	-	-	101	-	-	45	55	57	56

Employee engagement, diversity and inclusion

Gender by level (heads)

Female (heads)			
	FY 19	FY 20	FY 21
Partners	13	14	10
Directors	26	31	39
Management	288	282	306
Team members	534	490	537
Total	861	817	892

Male (heads)			
	FY 19	FY 20	FY 21
Partners	124	113	116
Directors	109	105	113
Management	418	439	429
Team members	580	561	579
Total	1,231	1,218	1,237

Total (heads)			
	FY 19	FY 20	FY 21
Partners	137	127	126
Directors	135	136	152
Management	706	721	735
Team members	1,114	1,051	1,116
Total	2,092	2,035	2,129

Gender by level (%)

Female (%)			
	FY 19	FY 20	FY 21
Partners	9%	11%	8%
Directors	19%	23%	26%
Management	41%	39%	42%
Team members	48%	47%	48%
Total	41%	40%	42%

Male (%)			
	FY 19	FY 20	FY 21
Partners	91%	89%	92%
Directors	81%	77%	74%
Management	59%	61%	58%
Team members	52%	53%	52%
Total	59%	60%	58%

Age group by level (heads):

< 30 (heads)			
	FY 19	FY 20	FY 21
Leadership	0	0	0
Management	79	63	62
Team members	796	738	814
Total	875	801	876

30 - 50 (heads)			
	FY 19	FY 20	FY 21
Leadership	170	158	163
Management	574	612	621
Team members	290	291	278
Total	1,034	1,061	1,062

> 50 (heads)			
	FY 19	FY 20	FY 21
Leadership	102	105	115
Management	53	46	52
Team members	28	22	24
Total	183	173	191

Age group by level (%):

< 30 (%)			
	FY 19	FY 20	FY 21
Leadership	0%	0%	0%
Management	11%	9%	8%
Team members	71%	70%	73%
Total	42%	39%	41%

30 - 50 (%)			
	FY 19	FY 20	FY 21
Leadership	63%	60%	59%
Management	81%	85%	84%
Team members	26%	28%	25%
Total	49%	52%	50%

> 50 (%)			
	FY 19	FY 20	FY 21
Leadership	38%	40%	41%
Management	8%	6%	7%
Team members	3%	2%	2%
Total	9%	9%	9%

Community and environment

CO ₂ emissions		FY 18/19	FY 19/20	FY 20/21
Scope 1 (on-site stationary combustion and business travel by KPMG-leased vehicles)	tCO ₂ e	266	238	314
Scope 2 (electricity, heating and cooling), location-based	tCO ₂ e	137	95	115
Scope 3 (upstream emissions from purchased fuels, upstream emissions of purchased electricity, transmission and distribution losses, business travel by car, plane and train, excl. purchase of goods)	tCO ₂ e	7,596	3,096	882
Total emissions (gross)	tCO ₂ e	8,000	3,429	1,311
Purchase of verified carbon credits	tCO ₂ e	3,107	3,429	1,311
Total emissions (not addressed by verified carbon credits)*		4,893	-	-

* In FY18/19 we switched to the calculation methodology applied by KPMG International. The purchase of verified carbon credits was calculated using our previous methodology, resulting in a difference.

The base year for the calculation is FY18/19 as this is also the base year for KPMG International's science-based target. The calculations are performed in accordance with the GHG Protocol Corporate Standard.

The source of the emissions factors are the national averages of the International Energy Agency, in accordance with the methodology prescribed by KPMG International.

Business travel		FY 18/19	FY 19/20	FY 20/21
Air travel	km	12,237,235	4,972,286	492,486
Car travel	km	1,363,612	942,249	614,005
Rail travel	km	3,208,423	2,111,464	1,052,620
Total	km	16,809,270	8,025,999	2,159,111

Energy and resource management

Fuels		FY 18/19	FY 19/20	FY 20/21
Heating oil	kWh	58,026	254,713	215,520
Natural gas	kWh	1,228,880	1,105,487	830,560
Biogas	kWh	130,700	11,875	228,988
Purchased electricity - non-renewable	kWh	51,722	54,035	55,835
Purchased electricity - renewable	kWh	1,352,717	965,653	1,289,816
District heating	kWh	540,182	392,721	481,770
Total	kWh	3,362,227	2,784,484	3,102,489

Resource use		FY 18/19	FY 19/20	FY 20/21
Paper use	(kg)	52,774	34,395	20,833
Water use	(liters)	7,341,000	6,934,761	6,563,058

Community investment

	Hours			
	FY 19/20	FY 20/21	FY 19/20	FY 20/21
Cash contributions				
KPMG cash contributions – member firm	617,043	825,465		
KPMG cash contributions – affiliated KPMG Foundation	88,050	103,110		
Charity-based sponsorships or membership	187,322	444,450		
Sub-total cash contributions	892,415	1,373,025		
Contributions of KPMG time				
Pro bono (no-fee) work-time hours donated for charitable activities	120,000	85,000	518	430
General volunteering - work-time hours by client service or support staff	-	2,600	-	3
Sub-total contribution of KPMG time	120,000	87,600	518	433
Management costs				
KPMG member firm	47,600	81,000		
KPMG Foundation	50,000	80,000		
Sub-total management costs	97,600	161,000		
Total financial value of global community investment	1,110,015	1,621,625		

About us

KPMG is a global network of independent member firms providing Audit, Tax and Advisory services. We operate in 147 countries and territories, collectively employing more than 219,000 people, to serve the needs of business, governments, public-sector agencies, non-profits and – through member firms' audit and assurance practices – the capital markets. We lead with a commitment to quality and consistency across our global network. In a world where rapid change and unprecedented disruption are the new normal, we inspire confidence and empower change in all we do.

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