

The background of the cover is a photograph of a calm lake at sunset or sunrise. The sky is a mix of purple, pink, and blue. In the distance, there are mountains and a small town. Two people are standing on paddleboards in the water in the lower right. The overall mood is peaceful and scenic.

Our Impact Plan 2023

Sustainability Report
KPMG Switzerland

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About this report

This report covers the relevant activities of KPMG Holding AG ("KPMG Switzerland") for the financial year 1 October 2022 to 30 September 2023 (referred to as FY2023), unless otherwise stated. This report has been prepared with reference to the GRI Sustainability Reporting Standards (GRI SRS), in alignment with the WEF IBC Stakeholder Capitalism Metrics and taking into consideration the UN Sustainable Development Goals (SDGs). A detailed mapping to these frameworks, including our GRI Index, and detailed information on the methodologies we applied for the preparation of this report can be found in our [Databook](#), which contains our reported data and can be read as a companion piece to this report. This report has been published annually since 2021.

Our Sustainability Report presents key ESG issues that fall under the four pillars of KPMG Switzerland's sustainability strategy: Governance, People, Planet and Prosperity. In this report we set out commitments that respond to these material issues: reporting on the progress we have made so far, the current challenges including how we, as a service provider and employer, reacted to these challenges, and where we can contribute to making a difference in sustainability matters. The information and data in this Report were collected by our specialist departments and business units. The report has not been audited or reviewed by any third party.

KPMG Switzerland is a member of the KPMG network of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee ("KPMG International"), and has been a member of the United Nations Global Compact, the world's largest initiative for responsible corporate governance, since 2002. Accordingly, we are committed to the ten principles of this initiative for a sustainable global economy and publish our progress report on an annual basis.

The Sustainability Report includes the entities under financial control (fully consolidated) of KPMG Holding AG. Hence, it should be read in conjunction with our [Annual Report 2023](#), our [Transparency Report 2023](#) and [KPMG International's Our Impact Plan](#), released in April 2023. If disclosures relate only to individual parts of the organization, this is clearly indicated.

In this Report, we will refer to ourselves as "we," "us" or "our." As a matter of diversity, this report has been written in a gender-neutral manner. We use possessive pronouns ("their") to expressly refer to all genders.

Stakeholders can contact ch-fmcr@kpmg.com with any questions.



Leadership statement

Meeting our responsibility comes in many forms — in our work and in our daily lives, through the values we share and the quality of work we provide. Now more than ever, I firmly believe that the business community has an opportunity and responsibility to help shape a more sustainable future.

Our Impact Plan sets out the commitments we are making on our journey to becoming a better business and reaffirms our commitments to the United Nations (UN) Global Compact Principles and the UN Sustainable Development Goals.

I am proud that with the release of KPMG Switzerland's Our Impact Plan 2023, we can show the progress we have made so far, and how we are working together with our clients to support them on their own ESG journeys, across four important categories: Governance, People, Planet and Prosperity.

There is still much more to do, and we are determined to focus on where we can make the biggest difference in the world. Our Impact Plan is our roadmap, but it is also an opportunity for you to learn more about us and how we hope to change for the better and hold ourselves accountable to all of our stakeholders. Meaningful, lasting change does not happen overnight, but we know we will be able to learn from our efforts and drive change throughout our global organization.

I thank you for taking the time to read Our Impact Plan and look forward to continuing our journey to being an even stronger, more sustainable business.

Yours,



Stefan Pfister
CEO KPMG Switzerland

Impact Plan 2023 scorecard



Governance

Putting our values at the heart of the way we do things

Commitment	Progress in FY23	Status
Business ethics, quality and compliance <ul style="list-style-type: none"> – Always act with a clear purpose – Lead the profession in audit quality – Act lawfully, ethically and in the public interest – Work against corruption in all its forms, including extortion and bribery 	<p>76/100 points from EcoVadis (Gold medal/top 5%)</p> <hr/> <p>100 percent of staff completed training on ethics, independence, integrity, and anti-bribery</p> <hr/> <p>No cases of corruption among our firm's employees were brought against us</p> <hr/> <p>Successfully performed the annual evaluation of the firm's System of Quality Management (SoQM) in line with the requirements of the International Standard on Quality Management (ISQM) 1, issued by the International Auditing and Assurance Standards Board (IAASB)</p>	 <p>Positive progress</p>
Maintain exemplary standards in data and information safeguarding, privacy and security	<p>Transitioned our business to the cloud through our "CloudNow" initiative, delivering a Microsoft Azure-based setup within nine months, enhancing security, and driving innovation across various domains</p> <hr/> <p>No complaints regarding breaches of customer information security brought forward</p> <hr/> <p>100 percent of staff completed training on data security</p>	 <p>Positive progress</p>
Respect human rights	<p>No breaches of our Supplier Code of Conduct reported to us</p> <hr/> <p>Percentage of suppliers who signed our supplier code of conduct remained stable (34 percent vs. 36 percent last year based on spend)</p>	 <p>Insufficient progress</p>



People

Creating a caring, inclusive and values-led culture for our people

Commitment	Progress in FY23	Status
Inclusion, diversity and equity <ul style="list-style-type: none"> – Achieve 20 percent female representation in our partnership by 2025 – Have an inclusive culture, built on trust – Foster an educated, empathetic workforce – Advocate for equal opportunity 	<p>Earned the Fair-ON-Pay Advanced certificate, confirming equal pay for all genders</p> <hr/> <p>Established the Internationals@KPMGcommunity to facilitate networking between our international colleagues</p> <hr/> <p>Increased the number of active members of our KPMG Network of Women (KNOW) networking community by a third to around 400 members</p> <hr/> <p>An increasing number of men are working part-time (increase from nine to eleven percent in the last three years) and taking parental leave (increase by about a third since the introduction of extended paternal leave in 2022)</p> <hr/> <p>A total of 160 colleagues have already used our “Work from anywhere” offering</p> <hr/> <p>Missed our goal to achieve 20 percent female representation in our partnership by 2025. We defined a new and extended goal which we will start monitoring from FY 2024, as follows:</p> <p>Promote gender diversity by dismantling systemic barriers in the workplace by:</p> <ul style="list-style-type: none"> – Aiming for gender parity in graduate-level hires: striving for 50:50 representation of women and men among new hires by 2027 – Promoting the advancement of females, targeting 30 percent of female Partners and Directors by 2027 – Maintaining gender pay parity: uphold and sustain gender pay parity, aiming to keep it at least 3.5 percentage points below the Federal Office maximum of 5 percent – Monitoring and improving male and female retention rates 12 months after becoming a parent to 80 percent for women and 85 for men 	 <p>Overall positive progress, but diversity goal missed</p>
Protect the health of our people – both physically and mentally – and enable them to be effective and productive	<p>24.5 percent increase in people who purchased additional vacation</p> <hr/> <p>243 employees engaged in online webinars run by medical experts on the topics of managing energy levels, the role of hormones on wellbeing, and dealing with anxiety</p> <hr/> <p>Expanded rollout of our e-emergency app for unforeseen incidents in the Geneva and Basel offices</p> <hr/> <p>A record 371 staff members covered 216,279 km and exercised for 10,207 hours as part of this year’s “Stay healthy – move for charity” campaign</p>	 <p>Positive progress</p>

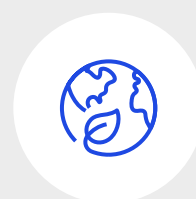
People (continued)


Creating a caring, inclusive and values-led culture for our people

Commitment	Progress in FY23	Status
Develop a continuous learning and development culture	<p>Increased average annual training hours per employee by 5 percent to 128 hours</p> <p>An average of 1,102 employees per month used our digital learning platform Degreed. Over 85,000 learning items were completed, earning our people a total of 413 digital badges for acquiring new skills</p> <p>Received the <i>GreatStart!</i> Label issued by Great Place to Work Switzerland, confirming that we are an attractive employer for career-starters</p> <p>KPMG employees delivered 114,493 hours of lectures at Swiss and international educational institutions</p> <p>Increased our offering of ESG training courses from two to eleven and started monitoring participation rates</p>	 Positive progress

Planet

Reducing our impact on the environment to build a more sustainable and resilient future






Commitment	Progress in FY23	Status
Climate change and decarbonization	<p>Increase in our total emissions per employee by 31%, driven by a substantial increase in our emissions from business travel (mostly air travel)</p> <p>2030 reduction ambition: 8 percent reduction compared to 2019 baseline but strayed from our long-term reduction path. The internal carbon price (ICP) for emissions from air travel had increased from CHF 30 to CHF 100 as of 1 January 2024</p> <p>Energy intensity per person decreased by 10 percent from 1,269 to 1,132 kWh/person</p> <p>Waste production decreased by 4 percent compared with FY22</p> <p>Launched our "Climate Champion's Guide," providing guidance to our people on reducing their carbon footprint while traveling or using IT equipment</p> <p>Purchased verified carbon credits in the amount of the remaining GHG emissions we were not able to remove from our operations</p> <p>Released 11 publications (blogs, studies and discussion papers) related to climate change</p>	 Insufficient progress

¹ Includes Scope 1 and Scope 2 emissions as well as the Scope 3 categories "Fuel and energy-related activities" and "Business travel"



Prosperity

Driving good corporate citizenship and wealth creation for our communities

Commitment	Progress in FY23	Status
Impactful business <ul style="list-style-type: none"> – Enrich our services by forming alliances with top technology vendors – Deliver our ESG ambitions through Audit, Tax and Advisory Services 	<p>Onboarded seven new alliance partners</p> <hr/> <p>Performed 238 projects with alliance partners (up from 36 last year)</p> <hr/> <p>We released 22 publications, held three physical events, organized three webinars and published 19 blogs on ESG-related content</p> <hr/> <p>Close to 100 ESG-related client projects won in the last 12 months</p> <hr/> <p>Launched our “Ja, ESGeht” marketing campaign</p>	 Positive progress
Develop an agile, effective and resilient organization that steers digital transformation towards sustainable business agility	<p>Introduced the KPMG Illuminate platform, an end-to-end innovation platform</p> <hr/> <p>119 of our people (approx. 5 percent) made use of our digital skills and tools training courses (up from 107 last year)</p> <hr/> <p>We expanded our Digital Business Technologies (DBT) team by 20 percent with new hires who have professional experience in digital transformation</p>	 Positive progress
Support education and lifelong learning with our corporate citizenship program	<p>Provided pro-bono audits to 13 non-profit organizations</p> <hr/> <p>Invested close to CHF 4 million in community projects, nearly doubling the contribution compared to the previous year</p> <hr/> <p>Contributed nearly 600 hours of voluntary work to our community</p>	 Positive progress

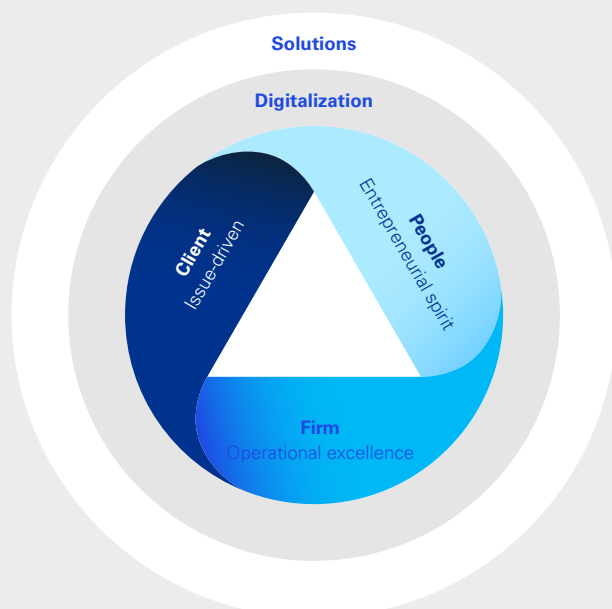
Our firm and the impact we make

Who we are

KPMG Switzerland is a leading professional services firm, with ten offices in Switzerland and one in Liechtenstein. We offer comprehensive services to mid-sized and large global companies across four main lines:

- 1 Our **Audit** services focus on the independent examination of corporate clients' financial statements, fostering stakeholder trust.
- 2 **Tax & Legal** services ensure compliance with Swiss and international laws for corporate and private clients.
- 3 In **Advisory**, we help corporate clients navigate challenges in Strategy, Operations Transformation, Deal Advisory, Forensic, Cyber & Digital Risk and Information Management & Compliance.
- 4 The **Financial Services** line offers specialized services for the financial sector, including banks, asset managers and insurance companies.

KPMG Switzerland is structured as a professional partnership and managed by an Executive Committee under a Board of Directors. It is part of the KPMG global network through KPMG Holding AG, affiliated with KPMG International Limited. More details on our network and subsidiaries are available in [our Transparency Report](#) and on [our website](#).



Our strategic priorities

Although many markets and sectors face disruption, the new reality presents new business opportunities. We are acting now to seize these opportunities by entering new fields of play in growing markets, while developing our traditional business from a position of strength. By acting on our strategic priorities for the upcoming years, and staying true to our purpose, we can achieve our goals and continue to build a sustainable future for our clients, our people and our firm.

Clients

We establish trust and confidence in business

We inspire confidence through our deep expertise, creating trusting relationships. With integrity and objectivity, and through the quality of our work, we empower change by pairing deep-rooted local knowledge and global connectivity to help clients to make bold, impactful decisions.

People

We are a people business

We empower our people to acquire future-proof skills essential to developing new business opportunities. As they take ownership of their development they gain an advantage for life. Working with inclusive teams from around the world, our people can contribute to a better future for our clients, our people and society.

Firm

We foster operational excellence within our firm

We are improving our processes, optimizing our organizational and digital set-up and working to become a data-driven firm, while offering the right infrastructure and tools and the latest working models to our business.

Inspire confidence. Empower change.

By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.

Our sustainability governance

Our Impact Plan program delivery



The Global Our Impact Program Team, under the leadership of the Global Head of Our Impact Plan, comprises a lead for each of the four pillars of our sustainability strategy, along with an operational framework of workstream leads responsible for member firm engagement, reporting, technology, marketing and communications, and ESG procurement. This team is dedicated to operationalizing the commitments outlined in Our Impact Plan, ensuring that KPMG International and its network of member firms progress with their ESG strategies.

The Swiss firm maintains a program delivery structure that mirrors the global governance set-up and therefore facilitates optimal collaboration within the relevant international working groups and streams.

The program is coordinated by the Corporate Responsibility Officer and their team (1.2 FTE) and brings together representatives from Human Resources, Procurement, Marketing & Communications, National Quality & Risk Management, Finance, Corporate Security and Digital Business Technology. Formal meetings are conducted quarterly to discuss progress on the sustainability strategy initiatives. In the past financial year, three such meetings were held, complemented by three more focused meetings with only a sub-group of the above participants. Engagement with functional leadership is taken up and discussed as part of numerous existing forums.

The Corporate Responsibility Officer updates the CEO once every two months and reports annually to the Executive Committee and the Board of Directors.

The True Value of our business

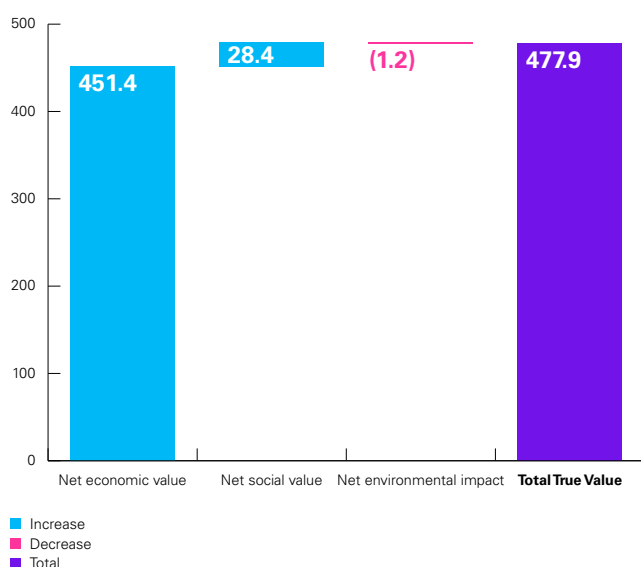
Following on from the previous years' experience, we have assessed our economic, social and environmental impact in monetized terms, using KPMG's proprietary methodology called "[True Value](#)." This methodology helps us to understand how the value a business creates or diminishes for society is likely to affect the value it creates for shareholders. This knowledge provides a new lens for decision-making by improving performance, informing strategy and increasing influence. Currently, we only monetize the positive and negative impacts we create through our own operations (e.g. excluding impacts in our supply chain as well as through our client services).

The True Value we created for the year ending 30 September 2023 amounted to CHF 477.9 million and consists of economic, social and environmental impacts. This results in an increase of 12 percent compared to the last business year (CHF 427.0 million²).

2023 was a successful year. We achieved net revenues of CHF 527.1 million, up 11.8 percent compared to the prior financial year. As we grow, our ability to strengthen our community support does too.

True Value of our business

Economic, social and environmental value created for our stakeholders in FY 2023 (in CHF million)



The net positive **economic impact** is estimated at CHF 451.4 million (PY: CHF 400.2 million, an increase of 12.8 percent). It consists of our interest expenses, depreciation and amortization of our assets, employee benefits (e.g., salaries, bonus and social contributions) and direct taxes we pay. By far the most positive impact occurred due to the economic value we added to society through employee benefits. The increase compared to last year was mostly driven by the growth in our headcount and the higher total amount of employee benefits paid out.

The net positive **social value** amounted to CHF 28.4 million (PY: CHF 28.1 million, an increase of 1.1 percent). The marginal rise was mainly due to the increased overall wages in 2023. Higher wages can lead to an improved standard of living, since our people can contribute to better housing, healthcare, education and overall wellbeing for themselves and their families. We also create a positive impact through the above-average salaries we pay and through donations made via the KPMG Foundation. The positive value is somewhat offset by the negative impact of long-term absences from work as a result of accidents or illness.

Our **environmental impact** is net negative, amounting to CHF 1.9 million (PY: CHF 1.2 million, an increase of 58 percent). The increase from the previous year can be attributed to the rise in business travel. The most significant portion of our total cost to society from our own operations stems from carbon and nitrogen oxide emissions, which are mostly driven by mobility. To address this, we have outlined our climate response plan in the Planet section of this report. Furthermore, other negative impact factors, such as non-hazardous waste and water usage, were reduced compared to the previous year. However, the adverse effects of these factors remain minimal.

The assumptions made in the calculations are disclosed in detail in the [Databook](#). The True Value is intended to raise awareness of externalities that may or may not affect our business, and to assess their relative importance. It contains preliminary considerations that may be subject to change. Furthermore, the True Value may also change, for example as valuation techniques and methodologies evolve. It should be considered as indicative only.

² Corrected figure for 2022 based on the adjusted calculations in social impact. In the prior year, we incorporated the total amount of wages, inclusive of benefits such as insurance, pension and allowances. However, this year, we have excluded the consideration of benefits. We have adjusted the social impact figure from the previous year using the new formula to facilitate a more accurate comparison of social and overall impact metrics between 2022 and 2023.

Our material topics

In 2021, we undertook a materiality assessment, considering impact and financial perspectives to identify key topics, with a detailed review of the assessment of the impacts, risks and opportunities in 2022. As part of this systematic process, we identified relevant issues for non-financial reporting in line with Art. 964b Swiss Code of Obligations, the GRI Standards and the World Economic Forum's (WEF) International Business Council (IBC) metrics. This year we undertook a high-level review of the material topics.

Please refer to the [Databook](#) to learn more about the approach we have followed in identifying the material topics.

Pillar	Material issues	Main impacts generated (potential or effective)	Type of impact	Impact materiality level	Main reference SDG for positive impacts	Financial materiality level	Double materiality level
Governance	Information and corporate security	Maintain confidentiality and ensure that all information and data in our custody is protected and kept secure	+	<div><div></div></div>	16 	<div><div></div></div>	<div><div></div></div>
		Failure to manage our risks related to collection, retention and use of sensitive, confidential and/or proprietary customer or user data	-	<div><div></div></div>			
	Responsible supply chain	Avoidance of issues associated with environmental and social externalities created by suppliers through their operational activities	+	<div><div></div></div>	12 	<div><div></div></div>	<div><div></div></div>
		Failure to reduce negative environmental and social impacts by suppliers	-	<div><div></div></div>			
	Business ethics, quality and compliance	Compliance with all requirements regarding quality and risk management	+	<div><div></div></div>	16 	<div><div></div></div>	<div><div></div></div>
		Failure to manage risks surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities and other behavior that may have an ethical component	-	<div><div></div></div>			
People	Career development	Development of the skills and experience of our staff to meet both our staff's expectations toward career progression as well as our client's expectations to provide the best knowledge and expertise	+	<div><div></div></div>	8 	<div><div></div></div>	<div><div></div></div>
		Lack of career development opportunities and failure to promote employees' talents and interests and remain an attractive employer of the future	-	<div><div></div></div>			
	Inclusion, diversity and equity (IDE)	Ensuring 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 the customer base	+	<div><div></div></div>	10 	<div><div></div></div>	<div><div></div></div>
		Failure to create a caring, inclusive and values-led culture for our people	-	<div><div></div></div>			
	Employee health and wellbeing	Protect the health of our people—both physically and mentally—and enable them to be effective and productive	+	<div><div></div></div>	3 	<div><div></div></div>	<div><div></div></div>
		Failure to offer jobs that overall allow for a balance between professional engagement and leisure time	-	<div><div></div></div>			
Planet	Climate change and decarbonization	Reduction of GHG emissions	+	<div><div></div></div>	13 	<div><div></div></div>	<div><div></div></div>
		Failure to reduce GHG emissions	-	<div><div></div></div>			
	Energy and resource management	Reduction of energy and resource consumption by management of energy and resource efficiency, as well as reduction of waste from our own operations	+	<div><div></div></div>	7 	<div><div></div></div>	<div><div></div></div>
		Increased energy and resource consumption, as well as increased waste generation	-	<div><div></div></div>			
Prosperity	Impactful business	Ensuring that the services we offer are aligned to our Purpose, and making a positive impact on our stakeholders	+	<div><div></div></div>	16 	<div><div></div></div>	<div><div></div></div>
		Failure to support positive change through innovation alongside our clients and alliance partners	-	<div><div></div></div>			
	Digital transformation	Continuously innovate the services we (will) provide and optimize our organization and process to support our focus on our clients, people and society	+	<div><div></div></div>	9 	<div><div></div></div>	<div><div></div></div>
		Failure to implement innovative digital services and optimize our own business and the business of our clients	-	<div><div></div></div>			
	Community investment and corporate citizenship	Support education and lifelong learning	+	<div><div></div></div>	4 	<div><div></div></div>	<div><div></div></div>
		Insufficient attention paid to the communities in which we operate	-	<div><div></div></div>			

01

Governance

Putting our values at the heart
of the way we do things

Governance commitments

Always act with a clear purpose

Lead the profession in audit quality

Act lawfully, ethically and in the public interest

Work against corruption in all its forms, including
extortion and bribery

Maintain exemplary standards in data and
information safeguarding, privacy and security

Respect human rights

Governance progress

Governance at KPMG is more than just a concept; it is the embodiment of our values in action. This chapter explores how we integrate clear purpose, audit quality, transparent accountability and human rights into our daily operations. Focusing on our three material areas, Business Ethics, Quality and Compliance, Information and Corporate Security and Responsible Supply Chain, we showcase this year's achievements which are pivotal in maintaining our commitment to robust and responsible governance.

Business ethics, quality and compliance

We are committed to upholding high standards of integrity, quality and ethics in order to be the trusted choice for our clients. We focus on implementing a common quality approach across all KPMG member firms to prevent illegal or unethical practices. Our primary objective is delivering top-quality services as a multidisciplinary firm, prioritizing the integrity and independence of our employees.

Our commitments are:

- Always act with a clear purpose
- Lead the profession in audit quality
- Act lawfully, ethically and in the public interest
- Work against corruption in all its forms, including extortion and bribery

Prioritizing compliance and risk mitigation ensures that KPMG operates within legal boundaries, safeguarding the firm from potential liabilities and reinforcing its reputation for ethical practices. This commitment contributes to the long-term sustainability of the firm, creating a foundation of trust that resonates with all our stakeholders.

Failure to meet our commitments could lead to regulatory sanctions, legal consequences, reputational damage, fines, and loss of public trust in KPMG. Moreover, our organization and our employees, clients and business partners could be exposed to additional risks from unethical behavior. Neglecting our commitments would weaken the overall effectiveness of enforcement efforts against corruption, money laundering, bribery and the financing of terrorism on a Swiss, European and global scale. It is therefore important for KPMG to live up to our commitments in areas of business ethics, quality and compliance.

With our purpose to inspire confidence, empower change and dare to do, we have been building trust while proactively shaping a better future. In the current global landscape, where multiple challenges put pressure on businesses, we commit to paving the way for progress while protecting the public interest and shaping a better future for our clients, employees, stakeholders and society. Our purpose is underpinned by our values – Integrity, Excellence, Courage, Together and For Better. They are the DNA of our global brand and our promise to our clients and stakeholders.

Our values





People of KPMG

“Quality is essential to maintain our clients’ trust in the services KPMG provides. This year, through the joint efforts of many departments, we designed, implemented, operated and tested a System of Quality Management at KPMG. I am proud that together we managed to achieve the objectives of the System of Quality Management (SoQM) reflected in the Statement on the Effectiveness of our Firm’s SoQM as of 30 September 2023. Our organization is in excellent shape to deliver valuable solutions for our clients and wider society.

Yulia Manuylova

Manager, responsible for Manager Monitoring – ISQM1, GQCR, Sentinel Resolving

Within our [Global Code of Conduct](#), we outline the responsibilities all KPMG people have to each other, our clients and the public. The [KPMG Switzerland Code of Conduct](#) (“the Code”) lays out our expectations of ethical behavior for all partners and employees at KPMG Switzerland. It is built on KPMG’s Global Code of Conduct and Values. The Code emphasizes that each partner and employee is personally responsible for following the legal, professional and ethical standards that apply to their job function and level of responsibility.

In addition to the Global Code of Conduct, KPMG International’s detailed independence policies and procedures incorporate the IESBA Code of Ethics. These are outlined in the KPMG Quality & Risk Management Manual, applicable to all KPMG firms. Our quality management system provides a reliable framework for our daily activities in a highly complex working environment.

To comply with our obligations, as well as our commitment to quality, we work continuously on expanding, maintaining and monitoring our quality management system.

We are continually investing to strengthen our global quality management system, maximizing benefits from implementing the International Standard on Quality Management 1 (ISQM 1). Our approach to the global rollout of ISQM 1 is based on consistently implementing quality assurance rules and responsibilities. KPMG International has developed quality control guidelines applicable to all KPMG firms. KPMG Switzerland adopts international policies, adding measures for compliance with Swiss law, addressing EXPERTsuisse, FAOA, the Swiss Financial Market Supervisory Authority (FINMA), U.S. Public Company Accounting Oversight Board (U.S. PCAOB) and other regulatory requirements.

Our CEO, Stefan Pfister, is responsible for matters related to quality and risk management in accordance with the principles outlined in ISQM 1. The leadership and execution of risk, compliance and quality fall under the remit of the National Quality & Risk Management Partner (NQRMP), who also acts as Ethics & Independence Partner (EIP). In addition, we have designated leaders for each function.

For a detailed description of the measures we have implemented to achieve our commitments, please refer to the [Transparency Report 2023](#). Below we have listed some measures we want to highlight.

Mandatory training for all employees

Complying with laws, regulations and standards is a central aspect of all KPMG employees’ everyday work. Annual compliance training helps our employees to identify and avoid conflicts of interest and comply with laws and regulations while maintaining the required independence.

The training spans the following topics:

- Data privacy and security training
- Ethics and independence training
- Integrity training preventing corruption and bribery

Furthermore, all our employees are required to confirm their compliance with our policies and regulations and their independence annually.

To ensure the effectiveness of the training, employees must repeat it annually and pass a test. On average employees spend four hours completing the training on the topics listed above. In FY 2023 all client-facing employees successfully completed the training and passed the tests.

Corruption and bribery prevention

We perform an annual anti-bribery and corruption (ABC) risk assessment. The process follows a globally consistent approach. We have implemented an in-house, system-based approval process and control mechanism for any donations, sponsorships, cooperations and memberships. Our principles and rules around receiving gifts are formalized in our KPMG Sponsorship, Gifts and Hospitality Policy. Zero cases of corruption among our firm's employees were brought against us.

Escalation procedures

Employees are offered various channels to report actual or suspected cases of misconduct. Besides the opportunity to report via designated individuals (Engagement Lead Partners, line managers etc.), we have established the following hotlines:

Whistleblowing hotline

A confidential reporting channel available for KPMG personnel, clients and others. They can make anonymous reports via phone, secure internet, or in writing. An independent third-party ombudsman oversees investigations, ensuring anonymity and protection against retaliation. For very sensitive cases of discrimination in the workplace, such as sexual harassment, racist or degrading comments or other kinds of excluding behavior, our employees can contact an external lawyer.

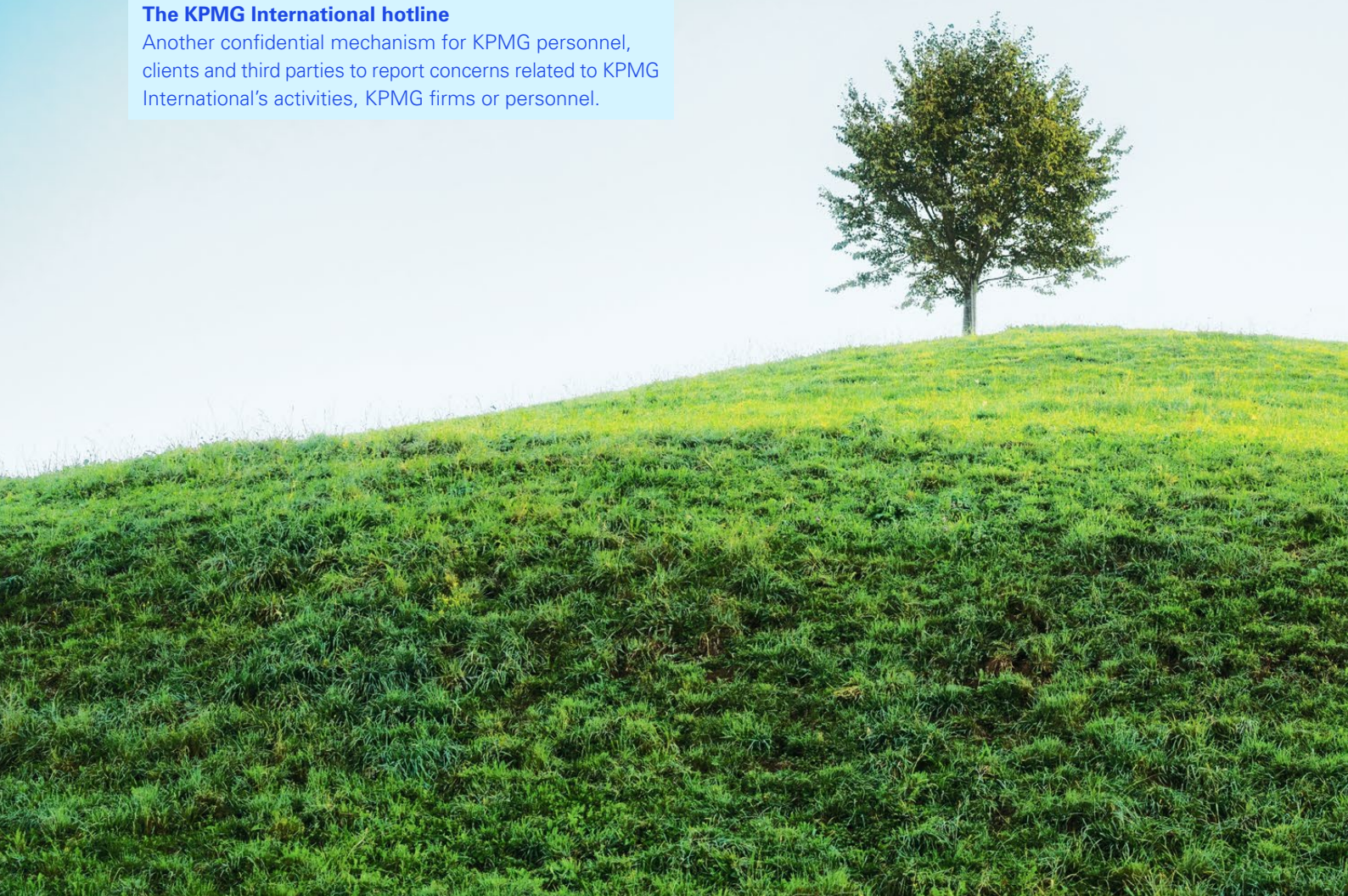
The KPMG International hotline

Another confidential mechanism for KPMG personnel, clients and third parties to report concerns related to KPMG International's activities, KPMG firms or personnel.

Reports are documented, coordinated and monitored by the National Quality & Risk Management Partner with the involvement of the independent ombudsman or external lawyer as appropriate.

This year, 14 instances of concern and/or complaints were reported, which is an increase of four instances compared to last year and not out of the ordinary given our increase in staff during the same period. Of those, six were reported via our anonymous whistleblowing hotline, up from zero in 2022, and four notifications were reported directly to our ombudsman or the external lawyer appointed for reports regarding discrimination in the workplace, again up from zero in 2022. An additional four cases were reported directly to designated individuals of the firm (e.g. NQRMP, EIP, HR) with involvement of the independent ombudsman as appropriate. No matters reported to the KPMG International hotline during the year ended 30 September 2023 were relevant to the Swiss firm. All issues reported during the year to 30 September 2023 were properly investigated and are considered closed.

We are convinced of the effectiveness of these measures and will continue to invest in strengthening our quality and risk management.



Information and corporate security

Our clients' trust in KPMG is entirely dependent upon their confidence in how we handle their data. Our people, suppliers and other third parties also expect that their personal data is safe with us.

The positive effects of continually improving our performance include ensuring and maintaining confidentiality and securing all information and data in our custody. Neglecting to fulfill these responsibilities may expose the organization to risks in handling sensitive, confidential and/or proprietary customer or user data. This failure in compliance could lead to internal operational risks, potential damage to the organization's reputation, a decline in customer trust and client attrition, resulting in financial revenue losses. Furthermore, a breach of information or corporate security poses risks not only for the organization but also for its clients and business partners. This may impact their market perception, cause operational disruptions for partners and potentially lead to financial losses.

Our commitment is therefore clear: maintaining exemplary standards in data and information safeguarding, privacy and security.

This commitment is governed and managed by various departments. The overall responsibility for information security rests with the leadership of KPMG Switzerland and is delegated to the National Security Officer within the Quality & Risk Management department. Data privacy issues are managed by the Data Privacy Officer, who reports to the General Counsel.

These departments are responsible for our policies, the most relevant of which are:

KPMG Data Privacy Policy

Based on the Global Information Security Policy (GISP), and national and international specifications, standards and laws. It outlines guidelines and principles for establishing and maintaining adequate data protection in the collection, processing, disclosure and cross-border transfer of personal data, including data of current, former and future KPMG employees, clients, suppliers, contractors and business partners.

Security and Technology Standards Framework

Complements the GISP with comprehensive rules and details about security requirements for specific security topics and technologies.

Acceptable Use Policy

KPMG Switzerland maintains this policy, setting minimum standards for the acceptable and appropriate use of KPMG's technology resources by KPMG personnel.



Compliance with [ISO 27001 standards](#) shows how we have developed a robust Information Security Management System to protect data using a set of technological, physical and organizational measures. The certification was renewed in November 2022 and is valid until the end of 2025. It covers all our locations in Switzerland.

We understand the trust that our people, clients and stakeholders place in us to handle sensitive data and information. Below we describe the key measures we have undertaken this year to ensure information security.

Managing data and cyber risks

Robust governance structures are essential in managing data and cyber risks effectively, especially in the growing global cyber threat landscape.

Throughout 2023, we implemented key operational enhancements, such as:

- Launched a cyber defense initiative to strengthen our cybersecurity position
- Implemented assessments and monitoring processes to ensure the security of our extended network of vendors and partners
- Developed employee training programs to empower our people with the knowledge and skills they need to identify and mitigate potential cyber risks
- Continuously refined and optimized our Information Security Management System (ISMS) to align with latest industry standards and best practices. Our ISMS is audited annually and recertified every three years. We experienced no notifiable data breaches in 2023.

Our measures during daily operations

In KPMG's dynamic operational landscape, blending traditional and modern approaches, we face new opportunities and challenges. In 2023 we focused on the following areas:

- We tailored our security education initiatives to align with broader organizational goals, instilling a sense of purpose in our team members. We empower them to view security not just as a necessity but as an integral part of our shared mission and values.
- Recognizing the critical role data plays in quality, our security uplift strategy places a strong emphasis on ensuring the integrity and confidentiality of audit-related information. Through targeted training and remedial measures, we aim to fortify our defenses against potential threats that could compromise the quality of our audit services.
- We act with transparency in our approach to data security, actively communicating about security practices through various channels, building trust and demonstrating a commitment to openness.

- In line with our commitment to protect human rights, our security education emphasizes ethical considerations and a respect for privacy. We ensure that every team member understands the ethical implications of data management and how their actions contribute to safeguarding the rights and privacy of individuals.
- Annual training sessions ensure all employees are aware of and comply with security and privacy rules, the Acceptable Use Policy (AUP) and the Data Privacy Policy (DPP).

No complaints regarding breaches of customer information security were brought forward. Every employee successfully undertook and passed the annual 1.5-hour data security training.

We remain committed to strengthening our approach and continually improving our policies, processes, controls, training and capabilities to protect our data against unauthorized access, disclosure or misuse. Looking forward, we aim to continue to develop a robust framework, adapting to the rapidly changing technological environment and bolstering our people's defenses against potential threats.

CloudNow

Our ambitious initiative to transition our business to the cloud was launched late last year in collaboration with our global technology organization. Within nine months, we successfully implemented a Microsoft Azure-based cloud set-up for our firm which adhered to our global standards. Hosted in Azure Switzerland, the set-up complies with all necessary Swiss governance, risk and compliance requirements.

This move to the cloud signifies a transformative shift in data and security management. While key benefits include scalability, cost efficiency and enhanced accessibility, the move also brings about improved data redundancy, disaster recovery capabilities and allows for more streamlined and consistent security policies across the organization. However, security challenges may still arise, such as potential data breaches, compliance issues and reliance on third-party providers. The shift to the cloud can also impact customer trust, as they may have concerns around the security and privacy of their data.

To maintain a secure cloud environment, we implemented robust encryption, strict access controls and multi-factor authentication. Regular audits, patch management and incident response plans were established from the beginning, along with ongoing employee training on security best practices. Comprehensive measures such as data backups, thorough vendor security assessments and compliance adherence contributed to safeguarding our cloud environment against various threats and vulnerabilities.

The integration of "CloudNow" in 2023 enabled us to reduce the data center footprint, which had significant benefits for our energy efficiency, operating costs and architectural complexity. The new cloud system currently powers the development of all our new solutions and serves as the foundation for innovations across various domains, including best-in-class security, content management, integration, CRM, collaboration and AI technologies.

Responsible supply chain

We recognize that our business decisions regarding procurement and service delivery have far-reaching implications. We are aware of the significant negative implications of neglecting our supply chain management responsibilities. A lapse in maintaining responsible practices could lead to human rights violations, ethical misconduct, non-compliance with fair labor practices, environmental risks through unsustainable practices, and deforestation or resource depletion remaining undetected. On the other hand, it could also tarnish our reputation, resulting in legal repercussions and in a loss of trust among our clients and stakeholders.

In 2023, 76 percent of the goods and services we procured were sourced from suppliers and contractors based in Switzerland or Liechtenstein. Additionally, 87 percent of our suppliers are based in Switzerland, the EEA or the UK. This is a slight decrease from the previous year, which can be attributed to the nature of the projects where suppliers based in other countries were more suitable for our needs.

The practice of sourcing primarily from these regions is attributed to the following reasons:

- Regulatory compliance: Switzerland, EEA and UK suppliers generally adhere to stringent environmental and social regulations, ensuring compliance with high sustainability standards.
- Supply chain reliability: Suppliers in these areas are often more stable and reliable, minimizing the risk of disruptions due to political or economic instability.
- Quality assurance: The proximity allows for better quality control and a quicker response time for addressing issues.
- Community investment: By sourcing locally, we are supporting local businesses and contributing to the economic development of these regions.

Also, the geographic distribution of our suppliers is attributed to the nature of the products and services we procure, which consist mostly of IT infrastructure and services, banking and insurance services, various types of consulting services as well as real-estate-related services.

Our procurement practices are the responsibility of our procurement department, which is headed by the Chief Financial Officer. Our procurement approach is formalized in our Procurement Policy. The policy contains explicit provisions around the evaluation of bribery and corruption of third parties and defines the criteria for when a supplier must commit to the [Supplier Code of Conduct](#) (CoC, see further below), which enshrines the principles of the UN Global Compact and procurement-specific provisions around the acceptance of gifts and hospitality services.



The Supplier Due Diligence is performed in various depths depending on the supplier category:

Small suppliers

Engagements with contracts valued under CHF 50,000. These suppliers are required to meet our standard terms of business and non-disclosure agreement (if applicable), which are part of our contract structure.

Large suppliers

Suppliers with contracts exceeding CHF 50,000 are subject to a defined due diligence process. This encompasses various aspects, including ethics and independence, cost of service, functional and non-functional requirements, and vendor-specific requisites. The latter addresses quality, energy and environmental management, human rights, labor laws, conflict minerals, child labor and corporate responsibility. This process helps us to proactively identify and mitigate potential risks and adverse effects in our supply chain. We also have integrated independence checks to control changes and mitigate risk.

Suppliers with additional due diligence

In special cases, besides the standard due diligence (DD) for large suppliers, we also perform additional checks. The assessment validation and receipt of confirmation are necessary for work to commence. Under this category, there are some more in-depth due diligence procedures specifically for:

- Alliance partners: Strategic partners like Microsoft, with whom we co-develop projects, undergo an in-depth assessment due to our long-term collaborative intent, including strategic due diligence.
- IT-related suppliers: To safeguard information security, these suppliers are subjected to a technology risk assessment focusing on the robustness of their IT risk management processes, ensuring that our IT environment's integrity remains uncompromised.

All suppliers with a volume of CHF 50,000 or more (net) need to sign the [Code of Conduct](#) (CoC), which informs them of our sustainability principles and sets the foundation for our collaboration. The CoC is an integral component of all supplier contracts, reflecting our expectation that they meet social, ethical and ecological standards. Violations of the Supplier CoC can lead to serious repercussions, including, in severe cases, the extraordinary termination of the contractual relationship. This year, no violations of the CoC were reported to us.

Suppliers representing 34 percent of our procurement spend had signed our Supplier Code of Conduct by the year end, which is slightly lower than the 36 percent who signed last year. This decrease is due to a relative increase in suppliers that are out of scope of the supplier CoC (based on the principles described above).

After the initial due diligence, we continuously monitor our suppliers. We audit all expenditures annually and analyze various factors, including volume, cost drivers and duration of collaboration. Based on this analysis, we define with the stakeholders whose services/products are to be reviewed based on a benchmark and/or a regular tender. Additionally, we conduct a full re-assessment (as per the due diligence process described above) of suppliers at least every two to three years.

[As demonstrated above, some progress has been achieved. However, to meet our commitment more effectively, two key initiatives are planned for the coming year:](#)

- 1 To embed child labor due diligence more effectively into our procurement processes.
- 2 Perform an assessment of emissions and design and implement approaches to actively drive forward decarbonization in our supply chain.



02



People

**Creating a caring, inclusive and
values-led culture for our people**

People commitments

Achieve 20 percent female representation in our partnership by 2025

Maintain an inclusive culture, built on trust

Foster an educated, empathetic workforce

Advocate for equal opportunity

Protect the health of our people – both physically and mentally – and enable them to be effective and productive

Develop a continuous learning and development culture

People progress

We are committed to fostering a caring, inclusive and values-led environment that promotes the prosperity of our staff. To achieve this, we focus on three pillars: Inclusion, Diversity and Equity; Employee Health and Wellbeing; and Career Development. These pillars are instrumental in achieving our aim of creating a culture that is both inclusive and empathetic, as well as an environment that encourages continuous learning.

Inclusion, diversity and equity (IDE)

Building a welcoming culture where everyone feels safe and included is at the heart of our efforts. We want to attract and retain talent that is representative of the world we live in and provide clients with diverse teams that represent a variety of experiences and viewpoints. We believe diverse teams lead to improved decision-making, which ultimately drives success. The negative impacts of failing to foster a caring, inclusive and values-led culture at our organization would be significant.

We recognize that such a failure could lead to:

Reduced employee engagement

A lack of inclusivity could lead to individuals feeling undervalued or marginalized leading to diminished wellbeing, mental health issues and higher healthcare costs, all substantially affecting productivity and innovation.

Increased employee turnover

The absence of a robust integration and inclusion framework can leave employees feeling that career paths at KPMG are limited. This could result in higher turnover as our people search for other, more welcoming environments. This attrition can critically impact our talent pool and succession planning.

Difficulty in attracting talent

The younger generation of job seekers place immense value on workplace culture and IDE. If KPMG is perceived as not being inclusive or equitable, it could hinder our ability to attract top talent, particularly from younger demographics.

Each of these factors alone can have a profound effect on our business operations and success. Together, they underscore the essential need for a workplace culture that is inclusive and caring and strongly aligned with values.

Our IDE commitments support KPMG International's global commitments

- 1 Achieve 20 percent female representation in our partnership by 2025.
- 2 Foster an educated, empathetic workforce.
- 3 Advocate for equal opportunity.
- 4 Maintain an inclusive culture built on trust.

In Switzerland, IDE activities are managed by a core team led by H  l  ne B  guin and supported by allies across the functions. As Chairwoman of the Board of Directors, H  l  ne ensures attention is paid to IDE issues at the highest levels.

Our approach to IDE is formalized in the following key policies: Code of Conduct; IDE Policy; Policy Against Bullying, Harrassment and Discrimination, Flex Work Policy and Flex Office Guideline. Our policy on gender-neutral flexible work options is designed to reduce the stigma around men accessing this provision.

Our IDE program is based on three main pillars:



Inclusive culture and equal opportunity

Creating a work environment
where all individuals feel safe
and valued



Work-life integration

Empowering everyone to
successfully reconcile
their personal ambitions with
their professional aspirations



Female leaders

Increasing female representation at senior leadership level

Under each of the pillars, we are running a variety of initiatives:

Inclusive culture and equal opportunity

Internationals@KPMG

While an unofficial community of expats has existed for a while, this year we formalized this forum and are actively supporting its growth by organizing regular events.

People-centered leadership

We continue to strengthen our inclusive culture by continuously training our leaders. As part of our cultural change from performance-oriented to people-centered leadership, our People Managers (e.g. staff in charge of assessing the individual performance of their team members) are mandated to go through a newly designed training course that is being rolled out starting this year. The training focuses on the importance of putting the individual at the heart of people management and stresses the impact of regular check-ins and the relevance of giving and receiving empowering feedback.

Educating and increasing awareness

A voluntary training course covering inclusive leadership and unconscious bias is available to all employees on our learning platform Degreed. Customized team workshops on IDE are also available upon request.

Anti-discrimination

We take decisive steps to provide a workplace that is free from discrimination, racism, harassment and bullying. Our policies have a zero-tolerance approach regarding inappropriate employee behavior in this respect. Defined processes are in place to follow up on all incidents raised. Our reporting channels include an anonymous discrimination hotline, where employees can report workplace discrimination to an external lawyer specializing in this field.

Key figures

	2021	2022	2023
Absolute number of nationalities among employees	55	56	59
Percentage of People Managers who participated in the "People Manager" training	n/a	n/a	49%

We recognize that maintaining an inclusive culture built on trust is a long-term project. We are encouraged by the positive effect of our initiatives and are determined to continue our efforts. For the coming year no new initiatives are planned, but we will monitor the current initiatives to make sure they achieve a sustainable positive effect.



Equal pay

Our "Fair-ON-Pay Advanced" certificate, which is awarded by the Société Générale de Surveillance (SGS), confirms that we apply the principle of equal pay for men and women and that the results are in line with or below the target values stipulated by the Federal Office for Gender Equality (FOGE). To maintain our certification, external experts and the SGS assess every two years whether equal pay is respected by using the 'Logib' software, a tool developed by the FOGE. Furthermore, KPMG has been labeled as a pioneer in equal pay and was added to the white list on the platform RESPECT8-3.CH, a project by Travail.Suisse, for having implemented all the requirements of the Gender Equality Act two years before the official deadline of 30 June 2023.

LGBTIQ+ inclusion

At KPMG we value our differences and encourage our people to come as they are, bringing their whole selves to work to help drive positive change. The Pride@KPMG network continues to grow in numbers. A core team organizes regular activities to bring together the community in Switzerland. We have two dedicated Partners who are available for anyone with questions or in need of advice regarding LGBTIQ+ issues. We also hold the Swiss LGBTI certification which requires recertification every three years.

Disability

KPMG is an equal opportunity employer and we offer individual support to employees with disabilities, both visible and invisible, to address their specific needs.

Work-life integration

We believe that providing greater flexibility will improve employee productivity, overall quality of work and job satisfaction by allowing employees to better balance their career with their lives outside of work.

Our hybrid working model includes:

Flexible working

This includes remote work, working part-time, buying additional vacation days, taking unpaid leave and taking a sabbatical. Also, our employment contract protects part-time employees with non-guaranteed hours from exploitation.

Work from anywhere

In Q3 2022 we introduced the “Work from anywhere” program which allows employees to work from 14 European countries for up to 10 business days per calendar year. By the close of 2023, 160 employees had taken advantage of the “Work from anywhere” initiative. The initiative is detailed in our Cross-Border Remote Working Policy and complements existing offers outlined in our Flex Work Policy.

Holiday camp scheme

In 2023 we continued our collaboration with MS Sports, an organization running holiday camps for children. The scheme gives working parents the opportunity to take advantage of sponsored places at sports camps during the school holidays. This additional offering helps them to better manage their childcare obligations alongside their professional commitments.

Supporting working parents

We offer support to all working parents, including rainbow families, by offering:

- 18 weeks fully paid maternity leave
- Four weeks fully paid paternity leave
- New mothers and fathers have the right to request an additional two months of unpaid leave
- Colleagues planning to start a family can seek advice from our Parents Circle network
- Part-time job opportunities: In principle, we advertise our open positions at an 80–100 percent workload. Lower workloads can be possible depending on the position and individual circumstances

	2021	2022	2023
Employees who bought additional vacation days (heads)	32	37	57
Employees who bought additional days (% of total employees)	1.5%	1.8%	2.5%
Employees who work part-time (heads)	359	414	467
Female	246	265	307
Male	113	149	160
Employees who work part-time (% of total employees)	17%	18%	18%
Female	28%	27%	28%
Male	9%	11%	11%
Number of employees who took parental leave	101	115	112
Female	56	56	57
Male	45	59	55
Employees who “worked from anywhere” (heads)	n/a	n/a	160
Employees who returned to work in the reporting period 16 weeks after childbirth/adoption³			
Female	n/a	n/a	100%
Male	n/a	n/a	94%
Employees who returned to work in the reporting period 12 months after childbirth/adoption⁴			
Female	n/a	n/a	85%
Male	n/a	n/a	84%

Supporting effective work-life integration is crucial given the environment in which we are working. Several developments, such as the increasing number of holiday days purchased, the growing tendency for men to work part-time, and the reported long-term retention rate after parental leave, which is almost

80 percent after 16 months following the birth of a child, give us confidence that our efforts are paying off. Since our “Work from anywhere” initiative is still new, we will continue to observe its development.

³ **New KPI:** The percentage of female/male employees returning to work after the birth/adoption of their child was calculated as follows: number of new mothers/fathers who were still employed at the end of the month, 16 weeks after childbirth/adoption, divided by the total number of new mothers/fathers.

⁴ **New KPI:** The percentage of female/male employees returning to work 12 months after the birth/adoption of their child was calculated as follows: number of new mothers/fathers who were still employed at the end of the month, 12 months after childbirth/adoption, divided by the total number of new mothers/fathers.

Female leaders

Creating a gender-diverse workforce with a strong female representation on all management levels is a strategic priority.

Apart from individual discussions in hiring and promotion processes, the formal programs supporting efforts to promote female colleagues and use our female talent pool to build a leadership pipeline include:

IDE dashboard for recruiting and promotion processes

We track and report gender-specific data through a people metrics dashboard. It is developed on the basis of PowerBI to ensure we are using real-life data for key decision-making processes related to recruiting and promotion.

KPMG Network of Women (KNOW)

KNOW and KNOW Young initiatives provide our female staff with learning opportunities and the chance to widen their professional network. Currently, around 400 female colleagues actively participate in our regular KNOW and

KNOW Young events, a significant increase compared to 300 members from the previous year. The events are designed to encourage learning, exchange and networking, and ultimately, to help career progression. Other activities include Lunch Roulettes, which foster cross-functional networking, and the WoMentoring program to provide customized support for individual career development.

External partnerships and benchmarking

We have strong partnerships with Advance Gender Equality in Business and have signed the Advance Charter, which acknowledges a commitment towards gender equality in the workplace. In 2023 we co-authored a whitepaper to educate men and women on the long-term consequences of career choices such as unequal part-time work schedules in a relationship. We support female board members through the Women Corporate Directors organization and are a sponsor of the Women's Board Award. In 2023 we again participated in the Gender Intelligence Report issued by the University of St. Gallen and Advance.

Gender by level (in % of total employees)

	2021	2022	2023
Female			
Leadership*	18%	17%	18%
Management**	42%	41%	40%
Team Member***	48%	47%	48%
<i>Total</i>	42%	41%	42%
Male			
Leadership*	82%	83%	82%
Management**	58%	59%	60%
Team Member***	52%	53%	52%
<i>Total</i>	58%	59%	58%

The gender composition across Leadership, Management and "Team Members" has remained stable. On the Leadership level, the encouraging increase in the female Director population has offset the negative development on the Partner level, despite the slightly negative trend on the Management level. From an overall perspective, we consider that our measures are trending toward the desired effect.

* **Leadership:** Partners and Directors

** **Management:** Manager Grades

*** **Team Members:** All grades below Management

WoMentoring

Putting mentees in the driver's seat

The IDE core team approach mentees for the 12-month mentorship scheme through the KPMG Network of Women (KNOW). The mentors are KPMG employees, both male and female, with senior experience. Mentees and mentors are paired based on the mentees' requirements. The mentee is responsible for organizing the sessions and defining a goal they want to work towards. Mentors also benefit from the sessions as they can develop professional and interpersonal skills.

We have received very positive feedback on the scheme and we are confident that through WoMentoring we positively impact the senior female leader pipeline.

The current representation of female partners as of September 2023 is 8 percent, which falls below our target commitment of 20 percent by 2025. Since this commitment was made, our understanding of the factors influencing the gender composition of our workforce has evolved. The lack of female representation in senior management levels is also observed outside the professional services industry and is influenced by multiple factors.

We have decided to reconfirm our strong commitment to gender diversity by transitioning to a new goal that is ambitious, balanced, meaningful, and focuses on dismantling systemic barriers in the workplace, which are the leading cause of our collective efforts.

Promote gender diversity by dismantling systemic barriers in the workplace by:

Aiming for gender parity in graduate-level hires

Striving for a 50:50 representation of women and men among new hires by 2027.

Promoting the advancement of females

Targeting 30 percent of female Partners and Directors by 2027.

Maintaining gender pay parity

Uphold and sustain gender pay parity, aiming to keep it at least 3.5 percentage points below the Federal Office maximum of 5 percent.

Monitoring and improving male and female retention rates

80 percent for women and 85 percent for men 12 months after becoming a parent.

The monitoring of these goals has commenced, and we will report on our progress for the first time in next year's Sustainability Report.

Awards



Employee health and wellbeing

We want to protect the health – both physical and mental – of our people and enable them to be effective and productive. Our approach includes an array of health programs, events and awareness training, complemented by a variety of monetary and non-monetary benefits and recognition initiatives.

Employees in good health are better focused and able to perform their tasks more effectively. Our support for health at work is instrumental in attracting and retaining top talent. Furthermore, our dedication to employee health fosters a positive workplace culture, enhancing collaboration, morale and overall job satisfaction.

Neglecting the health and wellbeing of our employees can lead to several negative outcomes. It can cause a decline in organizational culture and reduced productivity. Ignoring employee health and wellbeing issues could lead to negative impacts on employees' health such as burnout, overall job dissatisfaction, increased health costs and increased potential for work-related accidents.

The Human Resources department is responsible for health initiatives aimed at increasing overall employee wellbeing. The activities encompass the implementation of various policies such as the working time policy, employment regulations as well as safety and security rules. The key initiatives we ran this year focused on the following three areas.

Fostering mental wellbeing

In 2023, we again increased support and awareness for the mental health of our people. This was mainly done through online webinars run by medical experts who provided guidance on topics including managing energy levels, the role of hormones in wellbeing and dealing with anxiety. The sessions were attended by 243 employees and we are looking to further increase participation in the year ahead. Furthermore, employees have the option to buy additional

holidays if they feel the need for extra time off. In total, 71 of our people did so, which is a 24.5 percent increase compared to last year.

In addition, we help our employees access expert advice when dealing with difficult circumstances such as personal, mental or financial challenges. We offer an Employee Assistance Program, a counseling service available 24/7 and free of charge through an external provider. In total 39 people reached out to the employee helpline, which represents a 12 percent decline on the previous year.

Protecting our people

At KPMG Switzerland we ensure the maintenance of workplace safety with well-defined procedures in cases of emergency.

Following the successful launch of the e-emergency app in the Zurich office in 2022, this year we introduced the app in the Geneva and Basel offices as part of our preparedness strategy for unforeseen incidents at the office. The app lets our people report emergency situations quickly and directly, even outside of office hours. The app also enables us to send emergency notifications to employees quickly and effectively.

Providing a safe work environment also means protecting our people against any form of discrimination or harassment by giving them the opportunity to speak up when they experience wrongdoing (see section "Inclusive culture"). This is an important element woven into our values and outlined in our Code of Conduct. We conducted four "Speak-up sessions," led by a member of the Executive Committee, aimed at guiding our employees on the appropriate channels to use if they come across difficult situations at work. This includes both personal safety issues and concerns that warrant attention to safeguard KPMG's brand and reputation.

Physical wellbeing

Our people have numerous opportunities for engaging in physical activities to increase their fitness and personal health. For example, during the winter months, we offer weekly online yoga and bootcamp sessions.

For the sixth year in a row, we ran our flagship “Stay healthy – move for charity” campaign, between April and September. The campaign encourages our people to raise money by tracking every kilometer or hour they exercise. In 2023 we had 371 registered participants, up from 288 in 2022.

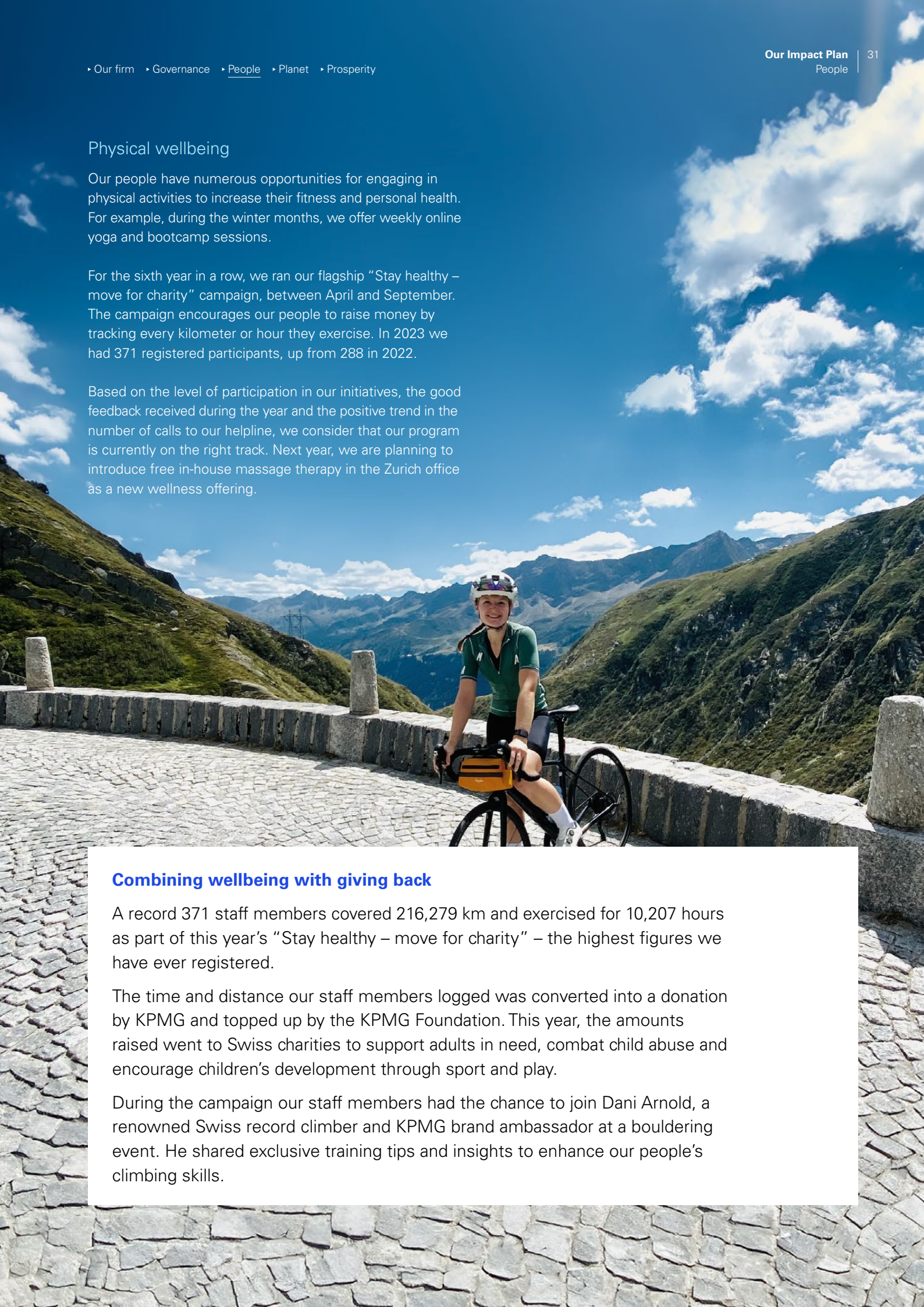
Based on the level of participation in our initiatives, the good feedback received during the year and the positive trend in the number of calls to our helpline, we consider that our program is currently on the right track. Next year, we are planning to introduce free in-house massage therapy in the Zurich office as a new wellness offering.

Combining wellbeing with giving back

A record 371 staff members covered 216,279 km and exercised for 10,207 hours as part of this year’s “Stay healthy – move for charity” – the highest figures we have ever registered.

The time and distance our staff members logged was converted into a donation by KPMG and topped up by the KPMG Foundation. This year, the amounts raised went to Swiss charities to support adults in need, combat child abuse and encourage children’s development through sport and play.

During the campaign our staff members had the chance to join Dani Arnold, a renowned Swiss record climber and KPMG brand ambassador at a bouldering event. He shared exclusive training tips and insights to enhance our people’s climbing skills.



Career development

We want to provide an environment where learning and career development is continuous. We are committed to developing the skills and experience of our people to meet both their expectations for career progression and our clients' needs for access to the best knowledge and expertise.

Career development brings a multitude of benefits. It has the potential to enhance employee satisfaction and engagement, as people feel valued and see clear growth pathways. Our people's improved skills and expertise can boost productivity and innovation and significantly impact the quality of work we provide for our clients. Focusing on development gives us a competitive edge, keeping us ahead in the market by helping our people adapt to industry changes. Additionally, by investing in our people, we ensure individual career development that results in lower turnover and reduced recruiting efforts. Furthermore, this helps attract top talent who seek employers that value their professional growth.

If we neglect upskilling, our people are at risk of losing relevance in their daily jobs while being unable to prepare for the future environment. This could decrease their motivation to invest in a future career at KPMG and reduce the attractiveness of the firm as an employer. We could risk losing our attractiveness in the market to both current and potential clients. Our competitiveness may dwindle as we fall behind in industry advancements and cannot adapt to trends. Moreover, the lack of career development opportunities can lead to diminished employee engagement, productivity, increased training costs for new hires, talent loss to competitors and reputational damage.

Through our integrated learning ecosystem and access to learning solutions from our global network, we can equip our people with the knowledge, skills and insights to both excel in their own development and deliver high-quality services to our clients. In the past business year, our people on average completed 128 hours (up from 121 hours last year) of professional training and educational opportunities. Overall, the training hours received by KPMG people increased from 255,344 to 318,821 (+24.9%).

All training and education matters are managed by the Learning & Development team, which is part of the Human Resources department. The team ensures that the Training & Upskilling and Learning and Development Training policies are implemented. The activities encompass the implementation of various policies such as: Training and Further Education Policy, Internal Job Transfer Policy and Learning and Development Policy.

Our range of offers and development opportunities include tailored technical training, soft skills training, regular performance reviews, career mobility and supporting our employees to become experts in their relevant fields. In the past business year, we have focused on the following areas:

Digital learning

An average of 1,102 learners engaged in content on our digital learning platform Degreed. During the 2023 business year, participants successfully completed over 85,000 learning items, earning a total of 413 digital badges for acquiring new skills.

Building ESG capability

In 2023, we increased the number of courses offered to our people working on ESG engagements, or those planning to do so in the future, from two to eleven. Our learning journey to build the ESG capability of our people has three pillars:

- 1 **ESG Essentials** training is designed to build a basic understanding of the topic and is aimed at all professionals.
- 2 **ESG Experts** training is designed to build sales expertise around ESG solutions and is aimed at professionals on ESG engagements or ESG sales and solution teams.
- 3 Finally, **ESG Solutions** training is designed to build specific skills for a ESG client solution and is aimed at professionals working on relevant engagements.

Learning from these courses helps our people provide critical new perspectives and build trust when working with clients to solve ESG challenges. Last year 134 employees successfully completed the ESG training.

For example, in collaboration with Judge Business School at the University of Cambridge, we have also offered the 'Cambridge ESG Transformation' experience to all our people. This unique learning program helps to equip KPMG professionals to deliver essential ESG knowledge and tools relevant for the global stage.

In 2023 we also started rolling out ESG Assurance Methodology and Workflow training designed for professionals working on ESG assurance engagements. This training will be rolled out gradually to all audit functions to build up capacity for the increasing demand for assurance services on the non-financial reporting of our clients.

Building digital and data capability

We have continued to expand our training offerings to equip our people with greater digital and data fluency. These courses are relevant to the ongoing digitalization of our firm. After completing these courses, our people are able to combine industry expertise with the power of innovative technologies, thereby providing better support for our clients. In 2023, 119 of our people availed of this training offering (up from 107).

The Digital & Data Foundations program gives KPMG professionals a solid understanding of the technology trends that are reshaping the business world and the insights they need to offer new opportunities to our clients. To date, there are 13 modules in areas including machine learning, cloud computing, process automation, robotics, cyber security and data analytics with additional deep dives available for our people based on their individual needs.

Thanks to KPMG's alliance with Microsoft, we can also offer access to the Microsoft technical training suite to help our people expand their skills and capabilities and become certified experts on advanced technologies.

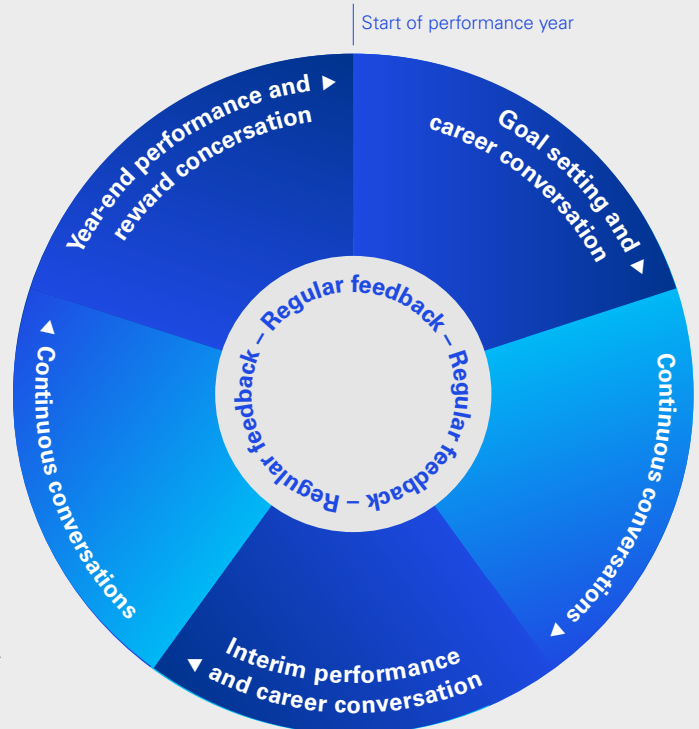
Developing our People Managers

In 2023 we invested in leadership development which puts our people first. Our ambition is to cultivate leaders who are empowered to develop and support their counselees in reaching their full potential by focusing on the unique views and requirements of each individual.

We launched a new, holistic People Manager Academy which includes training that provides our leaders with future-ready skills in areas including inspirational leadership, building trustful relationships and inclusive leadership.

The training was aimed at staff who took on the role as a People Manager for the first time, as well as existing People Managers. As per year end, 50 percent of our People Managers had completed the course.

Annual performance development cycle



Annual performance cycle

To support each of our employees, we have a structured Performance Development Tool, "OpenPD." In OpenPD, our people can view their goals and openly share feedback. People Managers and Engagement Managers, along with appraisees, are expected to check in with one another regularly throughout the year, to help foster continuous feedback and frequent, high-quality conversations. Aligning company and business goals with individual capabilities, technical expertise and development ambitions helps us focus on what makes a difference for our clients, colleagues and our communities.

Exemptions from OpenPD documentation apply to a specific group, including those who are leaving, part-time employees with a degree of employment of less than 20 percent, interns, contractors, short-term assignees and employees on long-term sick or maternity leave. During the year, all in-scope employees went through the annual performance development cycle.



Developing our People Managers

“Adapting our skills and behaviors to the constantly changing environment is key – not only when it comes to new technology and regulations but also in terms of how we lead our people.

As part of a firm-wide initiative that aims to transform Performance into People Management, we upskilled 50 percent of our People Managers on human-centered leadership skills during 2023.

These interactive and experience-focused sessions provided many opportunities to practice and reflect on essential leadership skills needed to be effective leaders in today’s world.”

Andrea Lueck

Head of Learning & Development

Lecturers and speakers

Many of the leading educational institutions in Switzerland invite KPMG experts to serve as guest speakers or host workshops and seminars. To support our people with guest lectures we have created an online community that is all about networking and connects its members to existing guest lecturers from KPMG. During the community gathering, future and existing lecturers can exchange experiences and see who is giving similar lectures. This year, KPMG employees delivered 114,493 hours of lecturing at Swiss and international educational institutions.

The positive development across all our core initiatives gives us confidence in the effectiveness of our approach and our commitment to investing in our people’s education. Going forward, we continue to expand our offering to upskill our people on the latest market trends, including ESG and technology (e.g. enablement training to implement MS Copilot).

03

Planet

Reducing our impact on the environment to
build a more sustainable and resilient future

Planet commitments

Achieve a 50 percent reduction of our direct and indirect GHG emissions by 2030.

Purchase 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 to our GHG footprint.

Give financial markets, clients and our leaders clear, comprehensive, high-quality information on the impacts of climate change.

Planet progress

At KPMG, we understand the importance of environmental responsibility in shaping a better future. This chapter outlines our strategies for minimizing our negative impact on the planet, in line with our commitments to reducing greenhouse gas emissions and managing resources efficiently.

Climate change and decarbonization

We want to play our role by contributing to a sustainable and resilient future, by actively reducing negative environmental impacts through our operations, services, supply chain and the influence we have on our clients.

Failure to effectively manage our decarbonization strategy could lead to financial and operational risks for both KPMG and its stakeholders including regulatory penalties and increased costs due to inefficient practices. Additionally, failure to meet emission reduction targets contributes to ongoing environmental degradation, including air pollution and climate change.

Our approach to energy and resource management is formalized in our environmental framework, which is reviewed annually, approved by our CEO and is applicable to all office locations. The core pillars of the environmental framework are:

Assessment and actions

We strive to continuously improve our environmental performance and assess the environmental impact of our business activities. We are focused on reducing our energy consumption (and procuring energy from renewable sources), reducing waste production and, as a result, reducing our related carbon footprint.

Awareness

We take actions to make our employees and suppliers aware of their responsibility regarding sustainability.

Reporting

The Executive Committee is informed at least once a year of the progress of the firm's initiatives by the Corporate Responsibility Officer. Furthermore, the board has received annual updates for the past two years.

Transparency

We report on our progress in implementing our environmental framework on an annual basis in Our Impact Plan.

Goals and commitments

Our commitments include supporting KPMG International's goal of achieving net-zero carbon emissions by 2030, which aligns with a 1.5°C science-based target validated by the [Science Based Targets Initiative](#) (SBTi). Our specific commitments are:

- Achieving a 50 percent reduction in direct and indirect GHG emissions 2030 (from a 2010 baseline), encompassing emissions from heating, cooling, ventilation, electricity, car and air travel.
- Purchasing verified carbon credits to offset any remaining GHG emissions from our operations.

Our measures are particularly focused on our emissions related to mobility:

Car travel/rail travel

Our policy and regulations on travel and expenses encourages the use of public transport for client meetings. This is reinforced by providing all employees with a two-year half-fare ticket. This year we saw an increase of 36 percent in kilometers traveled by train compared with the prior year.

Air travel approval process

All non-chargeable and non-client related air travel is subject to approval by the Function leadership prior to booking the trip.

Internal Carbon Price (ICP)

The ICP has been in place since January 2023. It imposes a fee on our Scope 1 and 2 emissions, as well as Scope 3 emissions from commuting and business travel. The ICP is set at CHF 30 per tonne of CO₂, except for emissions from air travel, where the price was raised to CHF 100 per tonne from 1 January 2024. In the case of air travel, the cost of the ICP is "pushed down" to the originator of the emissions, thus exercising some steering effect besides serving as a funding mechanism for the purchase of verified carbon credits. The ICP is reviewed annually and increased as appropriate.

Employee awareness

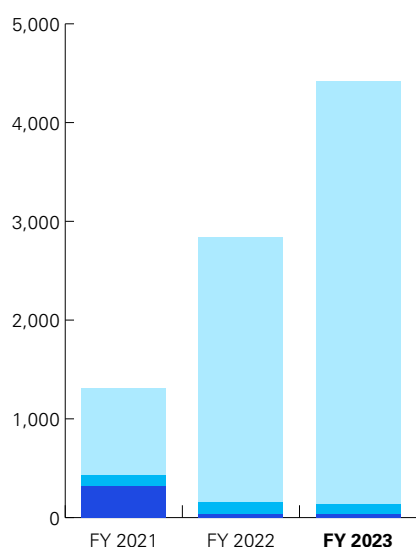
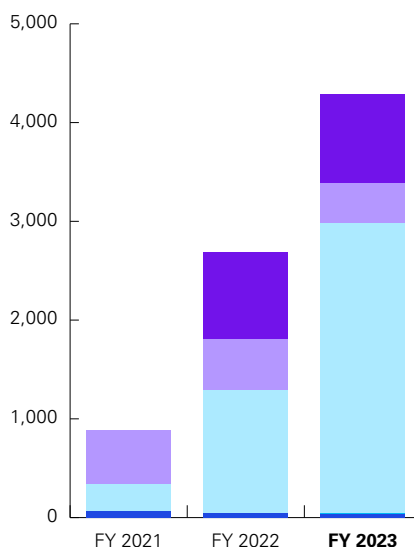
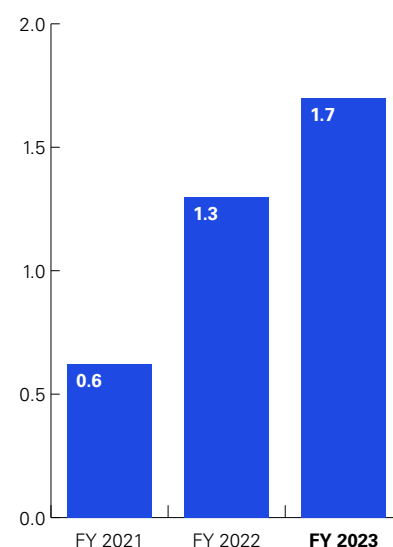
This year we launched the "Climate Champion's Guide." It contains a suite of tangible recommendations on how our people can reduce their carbon emissions when traveling for business or when using IT equipment.

Monitoring of air travel emissions and carbon budgets

The Corporate Responsibility Officer prepares a report containing information on air travel activity within the firm. It is submitted to the functional COOs each month, to the CEO quarterly, and to the ExCom semi-annually. It allows functional leadership to monitor compliance with the air travel carbon budgets that have been set as part of our decarbonization plan. The functional carbon budgets have been calculated with 2019 as the base year and defined until 2030, in line with our ambition to reduce emissions by 50 percent.

Purchase of verified carbon credits

We do not regard this as a decarbonization measure per se as our focus is on achieving effective reductions in our operations. Nevertheless, our aim is to contribute to a technology- or nature-based solution to our carbon footprint. This means that for the purchase of our carbon credits we prefer projects that contribute to a long-term reduction of carbon emissions using credible and promising nature- or technology-based solutions.

GHG emissions by scope
in tCO₂e

Scope 3 emissions per activity
in tCO₂e

Total emissions
per employee in tCO₂e

Scope 3

Emissions from fuel and energy-related activities, waste generated in operations, business travel, employee commuting, remote working

Scope 2

Electricity, heating and cooling, location-based

Scope 1

On-site stationary combustion and business travel by KPMG-leased vehicles

Remote working⁶

Employee commuting

Business travel

Waste generated in operations

Fuel- and energy-related activities

This year our total emissions increased by 55%. While our Scope 1 and 2 emissions remained stable or decreased slightly (due to a reduction in our energy consumption), our Scope 3 emissions increased substantially because our emissions from business travel (predominantly from air travel) more than doubled compared to last year.

The increase in our air travel emissions in FY2023 compared to FY2022 can be largely attributed to the COVID-19 flight restrictions during the first and second quarters of 2022, which significantly curtailed business travel. These restrictions had

a notable impact on the audit sector, where physical presence is a crucial aspect of due diligence and quality assurance. Consequently, following the relaxation of COVID restrictions, our auditors found themselves traveling more frequently to global audit clients as part of their mandates, compared to the previous year. Moreover, anticipating this increase, we implemented measures in 2023 to address it. We raised the internal carbon price from CHF 30 per tonne of CO₂ to CHF 100 to offset this rise. Additionally, we conducted employee awareness campaigns to educate our staff about the impact of air travel for business.

Our commitment

Achieve a 50 percent reduction of our direct and indirect GHG emissions by 2030⁵

Base year FY 2019	Target year 2030	Current period 2023	Status
4,807 tCO ₂ e	2,403 tCO ₂ e	4,420 tCO ₂ e	● Insufficient progress

With regard to our 2030 decarbonization goal, while we are still 8 percent below the 2019 baseline, we have strayed from our long-term decarbonization path.

⁵ Includes Scope 1 and Scope 2 emission as well as the Scope 3 categories "Fuel- and energy-related activities" and "Business travel"

⁶ We began tracking and monitoring remote working CO₂ emissions in FY2022.

While our measures to reduce our climate impact show some positive results, we consider that overall further efforts are needed to improve.

In addition to continuing and refining our existing measures, we will initiate the following new projects next year to advance our climate commitments:

1 Expand our plan

Currently, we only have a decarbonization plan in place for air travel emissions. While this is a significant contributor, the largest part of our carbon footprint stems from the purchase of goods and services. Accordingly, we are planning to perform a detailed review of our supply chain and a robust calculation of the related emissions. Once we have achieved a better understanding of the drivers of carbon emissions, we will define and implement respective countermeasures.

2 Evolve our approach to purchase of verified carbon credits

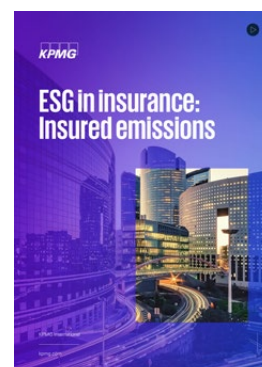
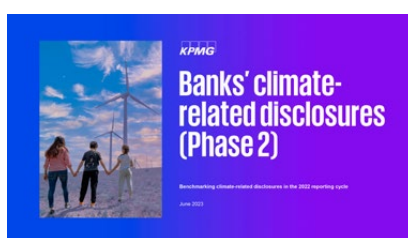
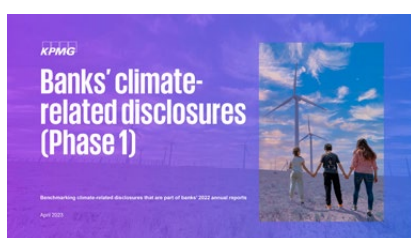
We anticipate that one countermeasure that could come out of the analysis of our supply chain will be carbon offsetting. As a result, we are planning to review our current approach and implement the [Oxford Principles for Net Zero Aligned Carbon Offsetting](#).

3 Enhance climate disclosures

Although we are not formally in scope of the Ordinance on Climate Disclosures that entered into force on 1 January 2023, we are planning to integrate information on climate risk into next year's Sustainability Report.

Publications on climate

We continued to produce thought leadership and insights to help strengthen awareness and understanding of the building blocks for a climate-resilient economy and society. Key reports published in 2023 include:



Energy and resource management

We recognize the environmental benefits that can be achieved through careful resource management. Implementing sustainable energy and resource management strategies lowers CO₂ emissions, reduces contamination and waste production, and curtails energy usage. In contrast, ineffective energy and resource management might contribute to ongoing damage to local ecosystems, such as the depletion of natural resources and overuse of non-renewable resources, which then impacts the wellbeing of citizens.

Our approach to energy and resource management is formalized in our environmental framework, supported by topic-specific manuals and guidance documents. The responsibility for these initiatives lies with the Facility Management Team. The Head of Facilities & Procurement ultimately reports to the Chief Financial Officer.

Our measures are focused on three main areas to reduce the environmental impact from our own operations:

- 1 Increasing energy efficiency and procuring renewable energy
- 2 Reducing waste and pollution
- 3 Promoting sustainable transportation options

Increasing energy efficiency and procuring renewable energy

All our offices have been powered by electricity from renewable sources since the end of 2021. In addition, the roof of our headquarters in Zurich is covered with solar panels, which produce between 70,000 and 96,000 kWh of electricity per year, roughly 5 percent of our annual energy consumption.

Recognizing the impact of factors like staff increase and office system management on our energy use, we are focusing our efforts on enhancing energy efficiency in our buildings with the following key measures:

Office management

This year we launched new initiatives in our Zurich office to help us further increase our energy efficiency:

- We adapted blind controls to optimize shading, reducing the need for artificial cooling. This minimizes energy consumption and decreases emissions associated with cooling processes.
- We enhanced building installations by improving air exchange and optimizing water consumption. These upgrades promote better ventilation and energy efficiency, resulting in reduced energy consumption for heating or cooling, and positively impact emissions associated with energy production.
- We established a continuous monitoring and rapid response system for technical facility anomalies, helping us identify and address issues promptly. This proactive approach prevents energy wastage, enhances overall efficiency and leads to reduced emissions associated with inefficient energy use.
- In 2021, our Zurich head office, which accounts for two-thirds of our energy use, joined a new cycle of the “Zurich Energy Model” (until 2030). This initiative aims for a 15 percent boost in energy efficiency over ten years, a target we already achieved in 2022.
- We promote sustainable transportation. In our Zurich office, our staff have access to bike and e-bike rental services. We offer 62 charging stations for electronic vehicles, which is an increase of seven compared to last year.

Lighting

As already installed in our other locations, we replaced floor lamps with energy-efficient LED lights in Lausanne and St. Gallen this year. We also upgraded recessed lights in Lausanne and Bern’s subleased areas.

Sustainable infrastructure

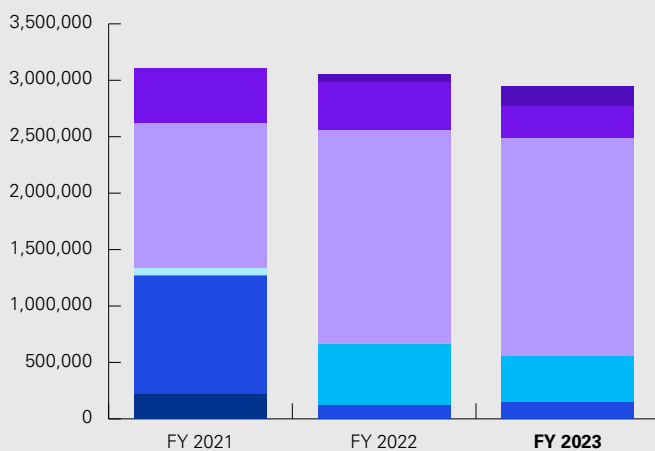
When moving into new office locations, we prefer new buildings that meet high energy efficiency standards (such as GEAK A), with motion sensors, solar energy capabilities and sustainable heating infrastructures such as district heating, heat pumps or downhole heat exchangers. Only two small office locations still rely on fossil fuels (e.g. natural gas) for heating. The others rely on either biogas or district heating.

Water consumption

In Zurich, for the last several years we have implemented measures to manage our water consumption, which is mainly influenced by the weather, as we use water to cool the office during the summer months. We make extensive use of water filters and we collect rainwater for garden irrigation.

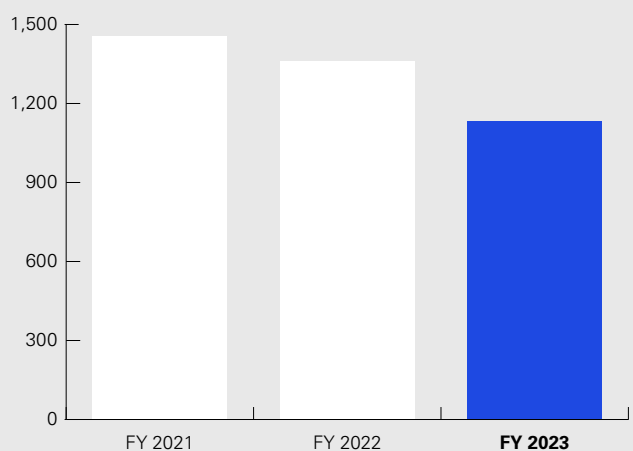
Over the last years, our transition towards procuring energy (heating/cooling as well as electricity) only from renewable sources has progressed successfully. Although our overall energy consumption is heavily weather-dependent (e.g. cold winters or hot summers drive our energy need), we have succeeded in slightly reducing our overall consumption of energy despite an increased workforce.

Energy consumption within the organization
in kWh



- Geothermal heating
- District heating
- Purchased electricity renewable
- Purchased electricity non-renewable
- Biogas
- Natural gas
- Heating oil

Total energy consumption within the organization
per employee in kWh



Reducing waste and pollution

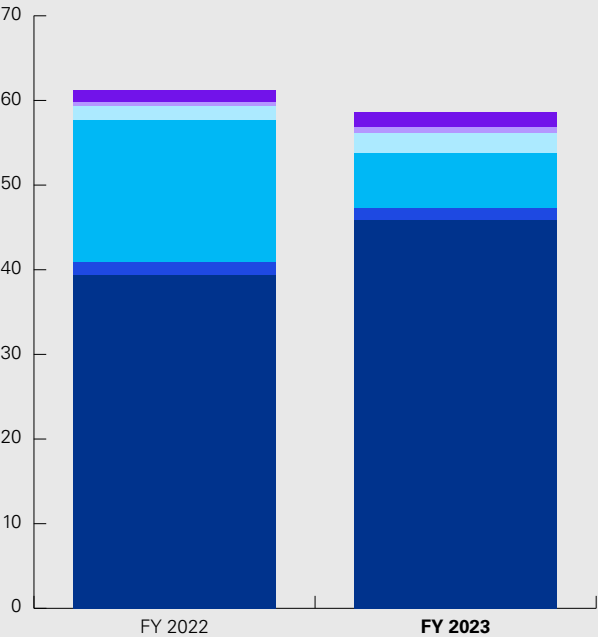
In recent years, we have standardized waste disposal processes, including separating plastics, aluminum, and PET for proper disposal. We have eliminated single-use plastics for drinking water by providing our staff with a personal glass bottle. This excludes the client meeting area, where water in plastic bottles is still available for hygiene reasons. We ensure that all our paper, cardboard, toner cartridges and PET bottles are recycled. Additionally, 90 percent of our IT equipment is recycled after use. We have substantially reduced the use of disposable cups (made from cornstarch), replacing them with ceramic cups. In all our offices we have mostly switched to fresh bean grinding coffee machines to reduce unnecessary plastic or aluminum waste from coffee capsules. Any coffee capsules used in our client areas are recycled.

To minimize water pollution, our maintenance partner exclusively uses biodegradable detergents and is instructed to use water for cleaning in areas where hygiene standards permit.

The increasing digitalization of our work has been leading to a continuous reduction of our paper use in recent years. While we have switched to digital forms of documentation, the introduction of electronic signatures has even reduced the need to print final reports. Fewer of our marketing or thought leadership materials are being printed due to ongoing digitalization. For the paper that we do use, we use only recycled paper.

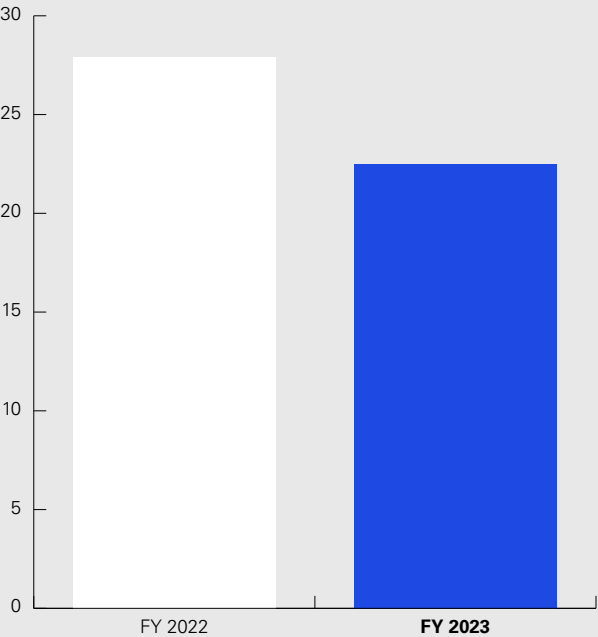
In 2022 we started quantifying our waste production and a meaningful long-term trend will not show before next year. Nevertheless, we are convinced that our programs described above provide a solid basis to further improve our performance in future years.

Total waste
in tonnes



- Mixed plastics recycled
- Aluminium recycled
- PET recycled
- Paper
- Glass
- Commercial waste

Total waste
per employee in kg



For the upcoming year, we intend to continue enhancing office management to further improve the efficiency of our cooling and heating systems. Additionally, we have initiated a new effort in collaboration with our supplier to conduct a more comprehensive review and data collection of our waste and disposal practices, with the aim of identifying areas for improvement.



Fostering biodiversity on the rooftop of the Zurich office

We are maintaining diverse planting in and around the Zurich office. Our green spaces include trees, hedge plants and perennials, all aimed at fortifying local ecosystems. These efforts not only support pollination but also combat habitat loss, addressing environmental challenges in urban settings, such as improving air quality and mitigating the heat island effect.

In response to the decline in bee populations, which are key for environmental balance, we installed four beehives on the roof, and along with the introduction of bee-friendly flowers, we have established our very own bee colonies. The anticipation of harvesting KPMG honey symbolizes the success of our endeavors in nurturing biodiversity within an urban landscape.



04

Prosperity

Driving good corporate citizenship and wealth creation
for our communities

Prosperity commitments

Enrich our services by forming alliances with top technology vendors

Deliver our ESG ambitions through Audit, Tax and Advisory Services

Develop an agile, effective and resilient organization that steers digital transformation towards sustainable business agility

Support education and lifelong learning

Prosperity progress

Prosperity is about how we create and share value with our communities. In this chapter, we explore how our impactful business, digital transformation and community investment and corporate citizenship strategies contribute to creating wealth and driving good corporate citizenship.

Impactful business

The foundation of impactful business is formed by our alliance management and our ESG service offering, which include both advisory and assurance services. While alliance management deals with our efforts to forge long-term partnerships for sustainable business growth and more value-adding client services, ESG Services deals with the development of our services, specifically targeted at supporting our clients on their journey towards a more sustainable economic system.

Alliance management

We are committed to fostering meaningful innovation through strategic alliances and partnerships. Alliances and partnerships allow us to combine resources and expertise, leading to innovative solutions that better serve our clients and communities. Failing to prioritize alliance management leads to negative effects such as client dissatisfaction, reputational damage and limited community impact.

Alliance management in Switzerland is sponsored by our Executive Committee. The Head of Alliance Management, together with their team, oversees alliances and partnerships administration, reporting and operations.

Our relationships with third parties are governed by policies such as the Third-Party Engagement Policy. Each alliance and partnership is overseen by a dedicated KPMG Alliance Lead, who ensures the integration and development of the partnership within our offerings. All alliances and partnerships involved in KPMG engagements must adhere to the Global Code of Conduct and comply with our firm's rules and regulations regarding independence and professional behavior.

During this reporting period, KPMG Switzerland welcomed seven new alliances with well-known companies such as Zurich Insurance Group, Anaplan, Alteryx and Board International. We offboarded one alliance to protect our high independence standards. This expansion, to a total of 29 alliances, enables us to offer our clients a diverse portfolio in several impactful areas, reflected in an increase of joint projects with our partners. Moreover, the increase from 36 to 238 projects with alliance partners indicates that collaboration is becoming increasingly embedded in our business.

Together with our alliance partners, we can deliver global reach, better value and a combined portfolio of capabilities and solutions. Expanding our alliance portfolio in the ESG sector allows us to establish partnerships that contribute positively to solving pressing challenges, for example by analyzing and understanding ESG-related risks or accessing, tracing and collecting data for solid and reliable ESG reporting. Our latest success is the onboarding of Zurich Insurance Group, which has allowed us to expand our climate risk assessment capabilities.

Our cooperative efforts generated recognition: We received the 2023 Worldwide Partner Award for Transformation & Healthcare from ServiceNow and are a member of the Microsoft Inner Circle.

KPMG Global's expansive network includes over 100 alliance companies, providing a vast array of solution providers and managed service engagements, including:



Taking into account the increasing numbers of alliances and partnerships and projects we are confident about the progress that was achieved last year. Nevertheless, we are continuing our efforts to further embed certain strategic alliances in our business in order to co-develop client solutions.



Climate risk assessment by Zurich and KPMG

Extreme weather events are becoming more frequent and severe, posing an increasing hazard to companies and communities worldwide. Zurich Resilience Solutions and KPMG Switzerland created an offering to tackle climate challenges and address both physical and transitional risks.

“Our collaboration with KPMG is a great example of how we are delivering on our commitment to use our capabilities to help customers around the globe tackle the challenges of climate change. By working together with a like-minded organization that shares our values, we can have a greater impact and drive meaningful change towards a more sustainable future.”

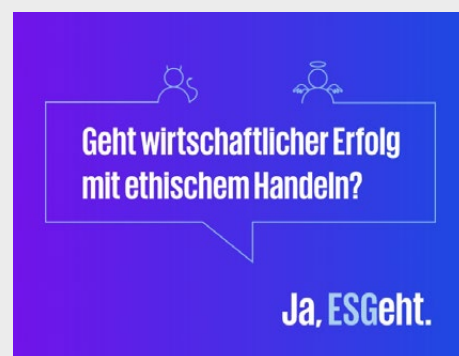
Sierra Signorelli
CEO Commercial Insurance at Zurich

ESG service offering

Supporting organizations in achieving their own ESG goals is integral to the impact of our work. We can make a positive impact on our clients by providing them with timely insights, tools and capabilities to help them respond to environmental, social and governance risks and impacts associated with their businesses. The focus of our work with clients is aimed at improving transparency, enhancing sustainability risk management, identifying and addressing greenwashing risks, accessing sustainable financing or – in the case of assurance services – providing reassurance on the reliability of disclosed information, thus benefiting a broad range of client-stakeholders.

The ESG service offering is developed by a cross-functional ESG team coordinated by the Head of Corporate Sustainability Services. The ESG team consists of the leads of our nine core ESG services which are:

- Sustainable finance
- Reporting and assurance
- ESG strategy, transformation and implementation
- Climate, nature and decarbonization
- Sustainable supply chain
- Circular economy
- Governance
- ESG in deals
- ESG in tax



Further information on our services is available on our [ESG Hub](#). Our services are aligned with the key topics of the Global ESG Steering Group. Engagement teams are supported by “Sustainability Hubs” across all major regions (including a Global Decarbonization Hub), which are groups of sectoral and topical experts who are helping local teams to win and deliver client engagements.

The cross-functional ESG team meets monthly to discuss a coordinated marketing and go-to-market approach. Moreover, the Head of Corporate Sustainability Services updates the ExCom quarterly on the progress we have made in delivering our ESG ambitions through Audit, Tax and Advisory Services.

Over the past 12 months, we have focused on the following priorities:

Operationalization of governance (as described above) as well as finalizing the definition and launch of our nine key ESG services.

Launch of our [ESG Hub](#) as the central platform for our services and ESG-related content.

Launched our ESG marketing campaign “Ja, ESGeht” across the German-speaking part of Switzerland.

We launched various ESG training courses for Sales Partners as well as other staff (see details in “Career development” section).

In the area of ESG assurance quality, KPMG International:

- Released a revised methodology for ESG assurance designed to be flexible and scalable, while enabling high-quality, globally consistent assurance engagement delivery that complies with assurance standards and aligns with our financial statement audit methodology. The scope of the execution guide is broader than ESG Assurance and is also applicable for all ISAE 3000 assurance engagements.
- Delivered guidance to be used in conjunction with the methodology that is supported by standardized risks and procedures for greenhouse gas (GHG) assurance engagements.
- Released a cloud-based ESG assurance workflow compliant with the revised assurance methodology, built on our smart technology platform – KPMG Clara – that provides our teams, and our clients, with a consistent user experience.

- Released a learning curriculum to increase the foundational ESG literacy of KPMG professionals and enable upskilling on the new methodology.
- Produced thought leadership and insights to help strengthen awareness and understanding of the building blocks for a more resilient economy and society. In total, released 22 publications, held three physical events, organized three webinars and published 19 blogs concerning ESG-related content.

Key reports are listed below (see the section “Climate change and decarbonization” for publications specifically dedicated to climate change or climate risks).

In total, close to 100 ESG-related client engagements were won over the last 12 months, demonstrating our clients’ need for support and the attractiveness of our service offering.

Key priorities for the next 12 months are to strengthen our technology offering in the ESG space (leveraging our technology alliances, see section above) and to continue upskilling our people, especially in the assurance space to address the increasing demand for assurance on sustainability disclosures.

Blogs

- [Swiss companies need to develop a decarbonization plan](#)
- [Implications of EU ESG reporting requirements](#)
- [ESG as incentive KPI – what you need to know](#)
- [The Federal Council addresses greenwashing – what now?](#)
- [AMAS-Selbstregulierung – Lessons learned](#)

Publications





Digital transformation

We are committed to developing an agile, effective and resilient organization. Digital transformation is crucial as it directly aligns with our digital strategy – sustainable business agility. This strategy is key to unlocking our potential to innovate and maintain a leading role in both business development and social impact. By embracing digital and emerging technologies, we enhance our ability to make informed, data-driven decisions. This leads to more effective solutions, improved operational efficiency and increased competitiveness of our brand in the market.

Moreover, a secure and compliant digital workplace is essential for the safe delivery of our services. It ensures adherence to regulations, high security standards and data privacy requirements. This approach not only creates a reliable and experience-centric work environment for our staff but also results in high-quality outcomes for our clients.

Failing to prioritize digital transformation can have several negative effects on our organization. We risk losing our competitive edge and will fail to meet client expectations if we do not leverage emerging technologies and update our business model. Additionally, overlooking digital upskilling and innovation could diminish our operational efficiency and market relevance. Failing to prioritize digital transformation might also have negative effects on our stakeholders, such as compromised data security, service disruptions and skill

gaps for employees. Therefore, prioritizing digital growth is essential for our strategic success.

The digital transformation of our organization is driven at various levels within our integrated digital ecosystem. Strategic responsibility for our digital transformation journey lies with our Chief Executive Officer. They are supported by a central advisory team comprising the Chief Operating Officer, Chief Digital Officer and Chief Technology Officer, who highlight our activities, progress and impact. This team regularly informs and advises the CEO, our Executive Committee and the Board of Directors on trends, digital transformation efforts and impact.

Our technology and innovation teams are organized around business segments with a multidisciplinary core of product management, engineering and solution architecture adopting a product-centric DevOps collaboration approach. Strategic projects and product development may also be coordinated via Centers of Excellence.

The digital business strategy is aligned and informed by two strategic guideposts – KPMG's global collective strategy and KPMG Switzerland's growth strategy. To achieve these goals, strategic measures are implemented within our digital business framework, which ensures sustainable business agility by achieving a value-based result.

We have gained more traction and made significant progress in multiple areas:

Innovation

We have further streamlined our innovation process and have aligned it with KPMG Global's process. We introduced the KPMG Illuminate platform, an end-to-end innovation platform, and used this as a basis to conduct initial innovation challenges that resulted in further development of the innovation process.

Technology

In the last year we have established a cloud-based services platform for our firm. Moving to the cloud will help us innovate, decommission legacy systems and provide greater reliability. Implementation of next-generation content and collaboration services is in progress, and we are strengthening our security backbone, leveraging leading industry standards. Our digital workplace services have been completely overhauled based on the M365 suite and we are in the early stages of our journey to roll out new innovations such as Microsoft Copilot.

By moving our core technology to the cloud, transforming our digital content management and enhancing our cybersecurity, we are building a resilient and future-oriented system. We are investing efforts and resources in deploying AI solutions for our people and clients with the advent of AI technology.

Communication and collaboration

Through active and transparent communication about our digital transformation journey, we engage our people and stakeholders across various platforms including communities, innovation boards, content creators and innovation juries. Knowledge sharing is fostered by our Viva Engage communities, our learning programs on Degreed and through communities that meet physically and online. This approach not only keeps our team engaged but also positions them as key drivers of innovation and technological development across the firm.

In FY23 we enhanced our communication by adopting a structured approach grounded in a clearly defined process. Additionally, we are utilizing innovative methods like rich pictures to effectively convey the story of our digital business transformation. This transformation is propelled by the strategic enablers of our digital ecosystem, marking a significant step forward in our ongoing commitment to digital advancement.

Digital integration

We enable all our employees to be part of the innovation journey by guaranteeing them access to digital tools and learning platforms, training sessions, support from innovation coaches and digital experts to acquire future-proof digital transformation skills and certifications (see the section "Career development" for more information). An introduction to our digital transformation journey, processes and the support we offer forms an integral part of the onboarding process. Furthermore, we expanded our Digital Business Technologies (DBT) team by 20 per cent with new hires who have professional experience in digital transformation.

As we embark on the next step of our digital transformation journey, we aim to foster innovation at scale across our digital ecosystem. Building on our firm's strategic investment in Microsoft Cloud and AI technologies, we will accelerate the adoption of emerging solutions that are driving digital business.

Following an evolutionary approach as we develop our digital transformation roadmap, we will continue to focus on solution delivery, the planning of which is in line with our firm's strategic priorities. These include further revamping our core technology platform towards the cloud, reorganizing technology around business capabilities, adoption of DevOps ways of working and transformation of our digital content management and cybersecurity services.



Innovation Challenge 2023

In early summer 2023, we launched two Innovation Challenges. The first was aimed at generating ideas for technology-driven solutions for our customers' ESG challenges and the second focused on revolutionizing information discovery.

Within just five weeks, 28 ideas were submitted. These were subjected to an initial assessment by KPMG's Innovation Board. Eight ideas made it through to the next stage and were presented to a jury at a pitch day in fall 2023.

Future challenges, supported by our end-to-end innovation platform KPMG Illuminate, are in preparation. Co-creation formats with our clients and alliance partners are also planned.

The interest shown by hundreds of colleagues and the ideas submitted are proof that there is great potential for innovation in our firm, which can be activated through pressing questions and supportive processes.

Community investment and corporate citizenship

Lifelong learning is essential for our people to be successful in our business and beyond. Our passion for this belief drives our commitment to support education and lifelong learning in the communities we operate in.

Our corporate citizenship initiatives are aligned with KPMG Global's '10by30' initiative which contributes to achieving United Nations Sustainable Development Goal 4 (SDG 4), advocating for inclusive and equitable education. The '10by30' initiative is designed to economically empower 10 million disadvantaged young people by 2030 through education, employment and entrepreneurship, emphasizing our commitment to lasting, positive social impact.

This involvement not only contributes to social impact, but also enhances employee engagement and satisfaction. By engaging our people in these initiatives, we deepen their connection to our values and mission while broadening their perspectives and skill sets, aiding our growth and adaptability. Neglecting community investment may result in social consequences, impacting education enhancement, job creation, missed learning opportunities and the overall wellbeing of the community.

KPMG Switzerland's contributions are centered around four main pillars:

- 1 Pro-bono work
- 2 Volunteering
- 3 Direct monetary contributions
- 4 KPMG Foundation

Pro bono program

Our pro bono program allows us to directly use our professional expertise for societal benefit, providing support to non-profit organizations that might otherwise lack access to such services.

In 2023, we provided full or partial pro bono audit services to 13 non-profit organizations (up from six last year). These organizations operate in sectors such as culture, environment, cancer research, youth unemployment and food waste management.

As our pro bono program has so far focused on audit projects, we launched an initiative in 2023 to allow our people to submit proposals for funding of advisory pro bono projects. Project teams are asked to provide details on alignment with the '10by30' initiative and other impact-related factors on the beneficiaries of the project. The submissions are reviewed by the Corporate Responsibility Officer and approved by the CEO. Unfortunately, no proposals were submitted in 2023, but we will continue to promote this initiative internally to make it better known.

Volunteering

Our volunteering program allows our people to collaborate with colleagues from various functions and volunteer in their local communities. This program is not directly related to our colleagues' expertise but rather their willingness to support local projects. This year, we contributed almost 600 hours of voluntary work to our local community. For example, the Global Strategy Group team excavated a rainwater pond to create a winter habitat for local wildlife and cleared invasive plants during a half-day activity on Stettbach common. The physically challenging tasks fostered teamwork and a sense of accomplishment as they successfully created a safe environment for flora and fauna to flourish.

The Global Strategy Group team dedicated a day to excavating a rainwater pond and clearing invasive plants on Stettbach Common, all to create a winter habitat for local wildlife.



Direct monetary contributions

For direct donations, we give particular attention to organizations that promote education, entrepreneurship and employment, and those that have a tangible connection to us as a firm. The initiatives we supported in the last year were in sports, culture, student-led initiatives and initiatives supporting employment and reintegration. Monetary contributions are funneled through the different functions to ensure a close connection to the relevant communities.

KPMG Foundation

The KPMG Foundation, established by KPMG AG in 2007 with a registered office in Zurich, is a charitable organization dedicated to fostering cultural, educational and social activities throughout Switzerland.

Adhering to its foundation statutes, the Foundation supports projects and initiatives that align with these guidelines:

Project has a connection to Switzerland

Comes from a small or mid-sized institution

Must have a detailed project plan, transparency in the management and utilization of donations, if possible, a proven track record and, if possible, ZEWO recognition

Pursues medium- or long-term goals with an established long-term strategy

The Foundation prioritizes projects where KPMG AG employees already volunteer, aiming to contribute up to CHF 10,000 per project. The allocation of these donations is decided by the Foundation Board, which comprises five members and meets at least twice a year. In the last financial year, the Foundation supported various projects that not only assisted in education and integration, but also helped marginalized individuals reconnect with society. These efforts are in line with KPMG's global '10by30' initiative.

Supported projects in 2023

Education

Stiftung Schweiz ForAfrika, Zurich

Through their work, ForAfrika aim to eradicate hunger and poverty in Africa.

Stiftung Töpferhaus, Aarau

Supports people with mental disabilities who have been unable to find an apprenticeship with professional and social integration.

Verein Sapana, Embrach

Aims to build a library in Nepal, which will provide access to education and a meeting place for the local community.

Nicola Spirig Stiftung, Bachenbülach

Gives children and young people access to sport and fosters qualities such as fairness, self-confidence, social skills, teamwork and a willingness to perform.

Kinderzirkus Robinson, Zurich

Offers children and young people the opportunity to combine physical and creative activity and provides a sense of community.

sogar theater, Zurich

Offers young refugees the chance to partake in a series of empowerment workshops over several months.

Employment and entrepreneurship

Capacity, Zurich

Entrepreneurship project to support refugees and migrants in Switzerland who wish to start their own businesses.

Stiftung Arbeitskette, Zurich

Helps disabled young people and adults access work in the hospitality industry.

Verein sorebo, Ottikon

Committed to helping young people who are unemployed or who have not been able to complete vocational training after compulsory education find employment.

Supported projects in 2023 (continued)

Furthering of community welfare

aphasie suisse, Lucerne

Supports the recovery of people who have difficulty communicating after suffering a stroke or brain hemorrhage.

Team Rynkeby Hohes C Zürich, Schwarzenbach

Europe-wide cycling charity that organizes sponsored rides to support seriously ill children.

Verein Förderung Kids und Sport, Emmenbrücke

Organizes sport camps for children from low-income families.

“nimms, alles gratis”, Gebenstorf

Online platform where people can advertise unwanted household items, which helps to reduce landfill waste.

Hekima, Zurich

Provides young, homeless children with safe place to stay.

Stiftung Kinder & Gewalt, Eglisau*

Supports Swiss projects that prevent and combat child abuse.

Verein Gassenküche Speak-Out, Zurich*

Runs a kitchen in Zurich to support people in crisis situations.

Stiftung Lebensfreude, Frauenfeld

The organization's objective is to promote joy for people who are suffering from dementia, age-related illnesses or a mental or physical disability by arranging humorous, heartfelt visits by trained clown artists.

Key figures community investment and corporate citizenship

	2021	2022	2023
Cash contributions (in CHF)			
KPMG cash contributions – member firm	825,465	1,048,384	3,327,811
KPMG cash contributions – affiliated KPMG Foundation	88,000	72,000	114,952
Charity-based sponsorships or memberships	444,450	369,336	77,657
<i>Total cash contributions</i>	1,357,915	1,489,720	3,520,421
Contribution of KPMG staff member time (in hours)			
Pro bono (no-fee) work-time hours donated for charitable activities	430	400	804
Skills-based volunteer activities – work-time hours by client service or support staff	–	50	–
General volunteering – work-time hours by client service or support staff	30	4,425	599
<i>Total contribution of KPMG time</i>	460	4,875	1,457

The clear long-term growth tendency in our contributions to charity (both by the firm and the KPMG Foundation) is a testimony of our commitment to education and lifelong learning. We also notice a strong increase in participation among our colleagues in volunteering days. While the impact of the program was limited in 2021 (when the project was started), it is growing in popularity every year. The high number of volunteering hours in 2022 originates from the fact that the Tax & Legal Function dedicated half of its annual people conference to performing volunteering projects.

Overall, the consolidated financial value of both cash contributions and time dedicated by KPMG colleagues this year amounted to CHF 3.9 million, which is an increase of 87 percent compared to last year (the detailed breakdown of the number can be found in the [Databook](#)). While we are satisfied with the overall outcome of our initiatives, we want to further embed volunteering in our organization and kickstart our advisory pro-bono program during the next year by running appropriate internal marketing campaigns.

* Supported during the “Stay healthy – move for charity” 2023 campaign



Empowering lives in South Africa

Eight days of volunteering with ForAfrika

Deborah Mägerli, from the Human Resources team in Zurich, embarked on an eight-day group volunteering mission to South Africa with ForAfrika, a KPMG Foundation-supported organization. The volunteer group were tasked with completing a children's day center which will provide health, education and food security initiatives in the Munakata township. The group decorated the interior and exterior of the day center and built a playground outside. Deborah and her fellow volunteers not only transformed the building, but also fostered deep connections with the local community, reinforcing the impact of sustained support, which ForAfrika strives to provide. Deborah encourages others to embrace volunteering opportunities, emphasizing the lasting positive influence on both volunteers and the communities served.



More information

To learn more about the methodology for greenhouse gas emission estimations, the assumptions used for the monetization of our sustainability impacts, the GRI content index and further data tables, please refer to our [Databook](#).

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