Policy statement on respect for human rights and the environment

March 2025

Our commitment to respect human rights and the environment

KPMG boasts a long-standing tradition of more than 125 years as a company that conducts its business responsibly. In this respect, recognising and respecting human rights and the environment has always been an integral part of our identity. This policy statement sets out our responsibility within the context of our value and supply chain. It draws on the principles laid out in our Code of Conduct and expands on them. At the same time, we apply the relevant laws and regulations, we respect internationally recognised standards and we ensure that human rights and environmental violations are prevented in the course of our business activities. We also ensure that those affected by such violations are given access to means of remediation or complaint channels.

This policy statement applies to KPMG AG Wirtschaftsprüfungsgesellschaft and its subsidiaries KPMG Bayerische Treuhandgesellschaft, KPMG IT Service GmbH and KPMG Cert GmbH Umweltgutachterorganisation.

Contents

Our commitment to respect human rights and the environment
Page 1

Our human rights strategy
Page 2

Our expectations of our employees and suppliers
Page 3

Our approach and measures to ensure respect for human rights and environmental due diligence obligations
Page 4

Risk management
Page 4

Preventive measures
Page 4

Remediation measures
Page 5

Complaint mechanism
Page 5

Control
Page 5

Effectiveness assessment
Page 5

Documentation and reporting
Page 6

Our human rights strategy

We consider the protection of human rights and the environment to be a central element of our corporate responsibility. This responsibility is based on our globally applicable values. These values represent the foundation of our corporate culture and define our day-to-day actions as well as our obligations in our personal and professional conduct.



Figure: Our values – The foundation of our actions

We are committed to respecting internationally recognised human rights and to upholding them in our business activities and along our value chains. These particularly include:

- The prohibition of child and forced labour
- The prohibition of any form of slavery or discrimination
- The strengthening of freedom of association
- Mutual respect, irrespective of age, disability, religion, social origin, ethnic or cultural background, gender, sexual orientation or sexual identity
- Compliance with occupational safety
- Payment of fair wages
- The prohibition of environmental pollution

Our commitment to respecting human rights and the environment draws in particular on the following international standards and frameworks:

- The principles of the United Nations Global Compact (UNGC)
- The Guiding Principles on Business and Human Rights of the United Nations
- The Diversity Charter
- The guiding principles initiative of the Wittenberg Center for Global Ethics
- Conventions and recommendations of the International Labour Organisation (ILO) on labour and social standards
- Initiative "Valuable 500" (KPMG International)

© 2025 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

As part of our efforts to help preserve a world worth living in for future generations, we are continuously working on reducing our environmental impact both in our own operations and in our supply chain. A milestone on this path towards a sustainable future is our global target, which we are also working hard to achieve in Germany: Together with the other member firms of the global KPMG organisation, we joined the Science Based Targets initiative (SBTi) and have made a commitment to reduce our greenhouse gas emissions by 50 percent by the year 2030. We are reaffirming this commitment by endorsing the 2030 Agenda for Sustainable Development of the United Nations and are committed to the Sustainable Development Goals (SDGs), with the following having been identified as particularly important to us:

- SDG 4: Quality education
- SDG 7: Affordable and clean energy
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

Our expectations of our employees and suppliers

Our commitment to respecting human rights and the environment is reflected in our existing corporate policies and quality management systems, including:

- Our Code of Conduct: This code of conduct, which is binding for all employees, lays down – at both international and national level – the key guidelines and principles that govern both our corporate culture as well as our actions and practices in our everyday work processes.
- Our Supplier Code of Conduct: This code of conduct stipulates the requirements that apply to our suppliers in terms of sustainability criteria, including the expectation to take into consideration social, ethical and ecological requirements.
- Our quality assurance system: This system provides us with a framework for our day-to-day professional activities in compliance with the applicable laws and professional regulations, and in a way that is ethical and in the interest of the public.
- Our environmental management system: This system allows us to continuously review and improve our business processes as regards their environmental impact.

Furthermore, the global KPMG organisation follows the United Nations Guiding Principles on Business and Human Rights. This voluntary commitment builds on our longstanding support for the UN Global Compact, which we signed back in 2002.

For more details on our values, standards, frameworks and human rights strategy, please refer to our annual sustainability report (Our Impact Report) and the annual Transparency Report.

Furthermore, we expect our suppliers and other business partners to be committed to upholding the principles set out here and to implement processes that are adequate when it comes to respecting human rights and the environment. To this end, our contracts with our direct suppliers include provisions on complying with these principles as well as the obligation to pass on this information to any suppliers indirectly involved in the performance of services. This also means that, if requested, they are required to provide information on how to comply with the aforementioned principles.

© 2025 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Our approach and measures to ensure respect for human rights and environmental due diligence obligations

Risk management

KPMG's risk management with regard to recognising and respecting human rights and the environment encompasses the entire process from risk identification, risk analysis and risk assessment to risk treatment. This process is subject to continuous review and ongoing development. Risk analysis in our own business area and in the case of direct suppliers is used to identify and assess human rights and environmental risks. It provides the foundation for defining and prioritising risk mitigation measures, in other words to prevent and/or remedy risks.

Risk analysis in our own business area

Based on our business activities, all potential human rights and environmental risks are initially identified using the areas defined in Section 2 (2) and (3) LkSG [German Supply Chain Act] (overall or gross risks). The potential risks for the issues identified by KPMG from this assessment were weighted and prioritised based on a qualified assessment.

Our risk analysis concluded that human rights and environmental risks were in the low risk range. Taking into account the relevant weighting of this risk area, we focus more heavily on the issue of occupational safety. Using holistic measures, we continuously strive to ensure that any potential risks remain at a minimum.

Risk analysis for direct suppliers

KPMG has developed a risk analysis tool designed to perform risk analyses for direct suppliers. First, risk categories are classified (country, industry, financial influence). A variety of indices and values are used to determine the country risk (e.g. the Children's Rights in the Workplace Index or the Global Slavery Index). On the basis of the risks recorded, each country and product group is assigned a risk rating of low, medium or high. Suppliers with a medium or high risk rating are to be subjected to a detailed assessment in line with the procedure defined in the KPMG supplier process and this is to be documented in the supplier management system. The overall risk of the suppliers is derived from the detailed assessment of the individual suppliers. Taking into account the overall risk, a decision is made as to which preventive measures to take. Irrespective of this, ad hoc risk assessments are carried out, which lead potentially to appropriate preventive and remedial measures.

Using a cautious assessment approach, our initial risk analysis of our direct suppliers resulted in an overall risk rating in the low to medium range. Taking into account the relevant weighting of risks, we consider the topics of occupational safety, working hours, minimum wage and environmental protection to be priorities on which we are placing greater focus.

Preventive measures

The results of our risk analyses are integrated into relevant business processes and into our supplier management system. Our purchasing processes for suppliers and procurement by definition involve a number of measures to assess and minimise risks, including a multi-step supplier evaluation process and approval processes in the supplier management and purchasing system. For this purpose, KPMG has implemented a purchasing policy as well as a Supplier Code of Conduct.

In our own business area, we have implemented the following measures without reference to risk:

- Publication of this policy statement, fulfilling the requirements of Section 6 (2) LkSG
- Code of Conduct as well as binding internal policies and training (including German General Equal Treatment Act [AGG], Prevention of Money Laundering and Terrorist Financing, Acting with Integrity) which are mandatorily applicable to all employees
- Regular employee training on respect for human rights and the environment

With regard to our direct suppliers, the main measures we have established are as follows:

© 2025 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

- Dispatch of a questionnaire regarding human rights and environmental issues or conducting of a supplier discussion for suppliers identified as posing a medium or high risk
- Consideration of human rights and environmental expectations in the selection of our direct suppliers on the basis of the Supplier Code of Conduct
- Obtaining of contractual assurances for compliance with as well as implementation of our expectations of our suppliers along the supply chain
- Agreement on risk-based control measures

In addition to this, individual case-related preventive measures may be taken to address a specific risk situation or category.

Remediation measures

Should there be reason to believe that our business activities are causing or contributing to human rights and/or environmental violations, or if a violation has occurred or is imminent, we will investigate any concerns raised and take appropriate remediation measures.

In our own business area, should there be reasonable suspicion or specific evidence of potential human rights and environmental violations, we take action to clarify the suspicion and, where applicable, we take appropriate remediation measures to prevent or put an end to the violation.

We expect full cooperation from our suppliers in investigating and putting an end to any potential human rights and environmental violations. In the event of a very severe violation, if appropriate remediation measures have not been implemented by the end of an agreed implementation period or no other milder means are available, we reserve the right to take legal action, which may, in particular, include termination of the business relationship.

Complaint mechanism

An adequate and effective complaint and reporting system is something we consider to be an important part of our due diligence processes. We encourage all stakeholders to communicate any concerns regarding suspected violations of our policies, including this statement. Our whistleblowing hotline is a corporate complaints management system that is available to anyone in or outside our company. The whistleblowing hotline serves as a confidential and anonymous facility for reporting any suspicions of illegal or unethical conduct. The information submitted to this hotline is examined and followed up by an external ombudsperson. Handling is immediate and the issue is dealt with neutrally, irrespective of the person involved or their position in the company. Those concerned are questioned and suitable measures are taken and a root cause analysis is conducted.

Control

In order to ensure awareness of and compliance with our human rights and environmental due diligence obligations, we have defined relevant responsibilities. In order to ensure company-wide monitoring and compliance with the due diligence requirements set out, we have established a committee for the respect of human rights and the environment (LkSG Committee), in which the relevant functions (including Risk Management, Human Resources, Procurement, internal ESG department, Occupational Safety) are represented and regularly analyse the findings from the due diligence processes, report them to the Managing Board and make suggestions for measures.

Effectiveness assessment

The effectiveness of our measures to prevent human rights and environmental violations is subject to review at least once a year and on an ad hoc basis. The LkSG Committee is responsible for assessing effectiveness. We obtain further insights into individual topics by means of our employee surveys, which are carried out on a regular basis.

In the case of direct suppliers, we use supplier assessments to verify that due diligence obligations relating to human rights and the environment are being adequately implemented and, if necessary, we complement these assessments by conducting in-depth risk-oriented supplier audits. Audits may be performed on an ad

© 2025 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

hoc basis. If direct suppliers specify that indirect suppliers are essential for the provision of services, they are included in the supplier evaluation processes. The effectiveness of the processes is reviewed, among other things, within the scope of a comprehensive risk compliance programme or by Internal Audit.

Documentation and reporting

The fulfilment of our due diligence obligations will be documented internally on an ongoing basis and will be retained for a minimum of seven years. In accordance with the legal requirements, our annual reporting on this is submitted both to the German Federal Office of Economics and Export Control (BAFA) and published on our website for the public to see. Furthermore, our annual sustainability report (Our Impact Report) provides additional information.

KPMG AG Wirtschaftsprüfungsgesellschaft

The Managing Board

© 2025 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Contact

KPMG AG
Wirtschaftsprüfungsgesellschaft

Thomas Löhmer
Head of Infrastructure
Tel: +49 69 9587-4444
tloehmer@kpmg.com

www.kpmg.de

www.kpmg.de/socialmedia

© 2025 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.