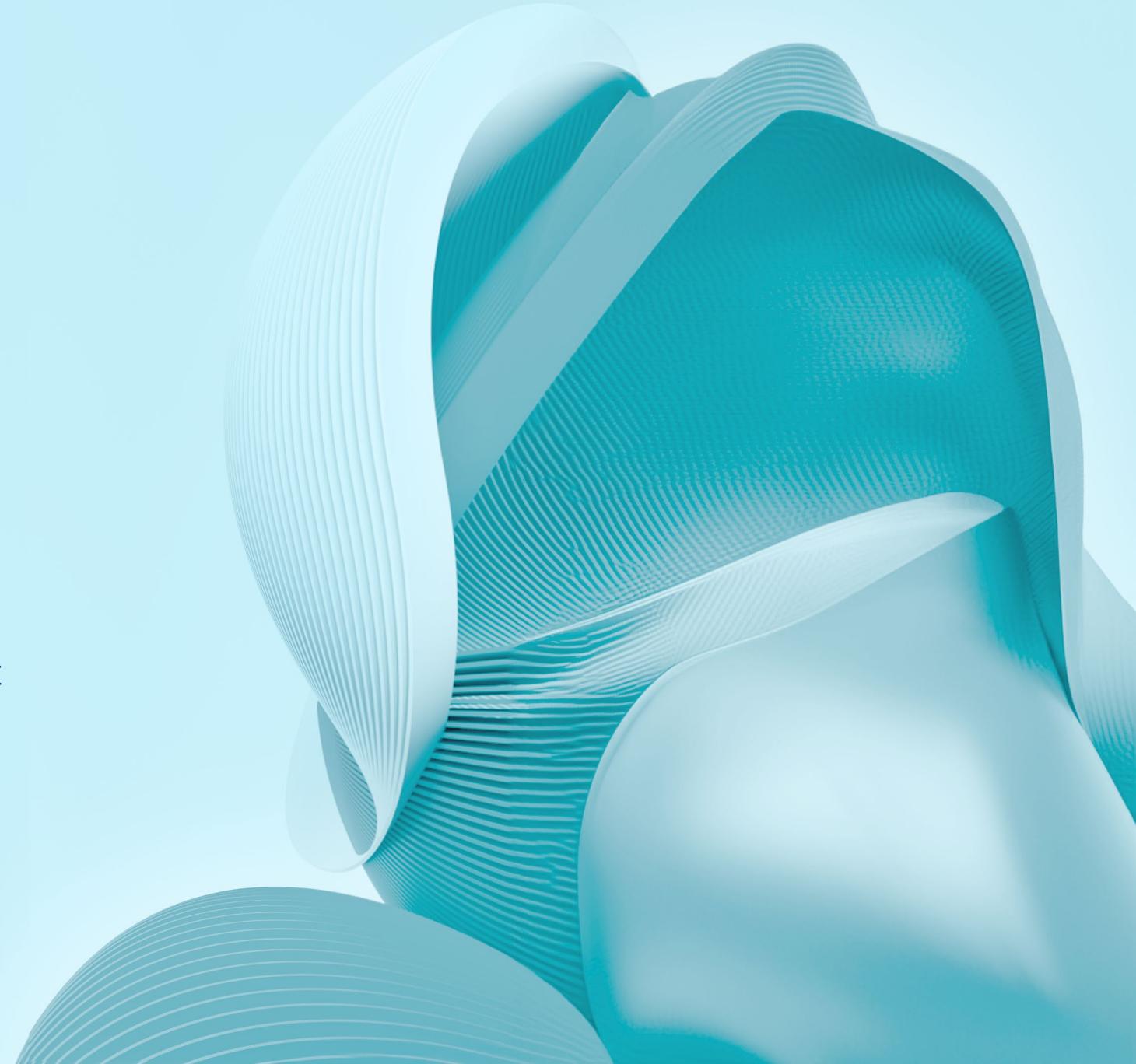




Our Impact Report

Sustainability report 2023

KPMG AG Wirtschaftsprüfungsgesellschaft



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Foreword

At KPMG, we want to contribute to shaping the transition to a sustainable economy and society. This is why we have consequently incorporated sustainability into our corporate activities. With this year's *Our Impact Report*, we would like to invite you to discover how far we have come in financial year 2023 and what we have achieved.

For us as a firm, sustainability has two closely interlinked dimensions: On the one hand, we endeavor to drive forward our own transformation into a more sustainable enterprise. On the other hand, as a leading audit and advisory firm, we make an important contribution with our range of services towards creating trust in society and shaping a more sustainable economy. As a purpose-driven transformation partner, we support our clients with our technological and sustainable perspective in the market to transform their business and to work towards a climate-neutral and socially responsible economic future.

The environment in which we all operate has become even more uncertain over the past year. Ever greater climate change, technological disruption, global crises and macroeconomic challenges are increasing the pressure. The transition to a sustainable economy and society requires a concerted effort. We meet this challenge by transforming our firm and as a partner alongside our clients.

We made further progress in the four fields of action of *Our Impact Plan* sustainability program in the past financial year. A few examples are provided below:

- In the area of **Governance**, the renewed and expanded partnerships with leading technology companies mark a significant milestone for both our employees and our clients. This collaboration allows us to make even better use of the strengths of our versatile business model in future through increased use of AI and cloud solutions. And we have recently launched the KPMG ESG Academy. This will support our clients in their effort to integrate sustainable business practices into their corporate culture. The academy complements our range of services in the area of ESG, as part of which we advise clients comprehensively with our professional and regulatory expertise.
- In the **People** area, we also support our employees with our new AI-based learning platform *Degreed*. With this platform, we create a flexible and need-based learning culture in which our employees, with their diverse backgrounds, needs and development goals, can be taken into account and given targeted support.

• In the **Planet** area, we are continuously working to further reduce our carbon emissions. We take responsibility for the remaining portion and make an additional contribution with the funds from our internal carbon pricing: by collaborating with the WWF, we want to protect the climate, water and biodiversity within the framework of two projects in Uganisha, Africa, and Cerrado, Brazil.

• In the **Prosperity** area, we primarily support socially disadvantaged young people with our programs for equal opportunities in education and lifelong learning. In the past financial year, 569 employees helped in this area with their personal commitment. We support their efforts by granting four hours per month for social engagements. We are delighted that we were also awarded first place in this year's *Trendence Awards* for our pro bono consulting work in the "Companies help people" category.

Continuing our sustainability activities remains our task, also in the current financial year. We look forward to shaping them through our corporate responsibility efforts and the expertise and commitment of our employees.

KPMG AG Wirtschaftsprüfungsgesellschaft
The Managing Board

About KPMG

KPMG is a member of the global KPMG organization of independent member firms with about 274,000 employees in 143 countries and territories. We are one of the leading audit and advisory firms both globally and in Germany. We employ about 14,000 staff in Germany, who are available locally for our clients at 27 locations. We provide services in four divisions: Audit, Tax, Consulting and Deal Advisory. Audit is responsible for the audit of consolidated and annual financial statements, and Tax for providing KPMG's tax advisory services. In the areas of Consulting and Deal Advisory we provide our clients with KPMG's extensive expertise on business, regulatory and transaction-based issues. We have also specialized in key industries that require multidisciplinary cross-sector expertise. Our experts in Germany and around the world pool their experience to improve the quality of our advisory services even further.

As part of the global KPMG network of independent member firms affiliated with KPMG International Limited, an English private company limited by guarantee, KPMG, like all other member firms, is committed to following uniform global standards in providing services to our clients and to striving for the highest level of independence and integrity in all our business activities.

The governing bodies of KPMG AG Wirtschaftsprüfungs-gesellschaft (hereinafter: KPMG) are the Managing Board and the Supervisory Board. The Managing Board is responsible for the management of KPMG. In accordance with the German Public Accountants Act, in Germany, the Managing Board consists mainly of German public auditors and conducts the firm's business operations in accordance with laws, statutes, rules of procedure issued by the Supervisory Board and the professional principles for German Public Auditors and public audit firms. The members of the Managing Board bear joint responsibility for KPMG's management.

The Managing Board develops the corporate strategy under the leadership of the CEO. This also includes our global sustainability program *Our Impact Plan*. The Supervisory Board, which is co-determined on a parity basis, monitors the Managing Board's management of the firm.

For further information on KPMG's governance structure in Germany, please see the current **KPMG Transparency Report for 2023**.

Our Values

We hold ourselves to the highest standards of integrity, quality and ethics in our work at all times, striving to be the clear choice for our clients. We are committed on a national and international level to our global KPMG values: Integrity, Excellence, Courage, Together and For Better. These five values are at the heart of our daily activities and constitute our set of values. These values are the foundation of KPMG's inclusive and diverse culture. We are therefore committed to them in both our personal and professional conduct.

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Our Values are the foundation for building trusting relationships with our clients and for our success as a firm. They also define our strong corporate culture, guide us in our decisions and collaborations and make us the home for talent.

Mattias Schmelzer

CEO and Chairman of the Managing Board,
KPMG AG Wirtschaftsprüfungs-gesellschaft

Purposeful Business

As a large firm, we are aware of our responsibility in shaping a sustainable future and want to contribute to tackling the crucial challenges in our society and environment. For us, ESG is the common thread that runs throughout KPMG. We empower our employees to bring about purposeful change, leverage our global talent to support our clients and apply best practices across the organization. In doing so, we want to lead by example and use our insights to support our clients throughout their own ESG journey. As a global audit and advisory firm, we believe that we can have the greatest impact on sustainable development through the services we provide. With our ESG services, we support our clients in developing sustainable business and operating models and complying with new ESG regulations and disclosure standards.

Our values – the foundation of our actions

For Better

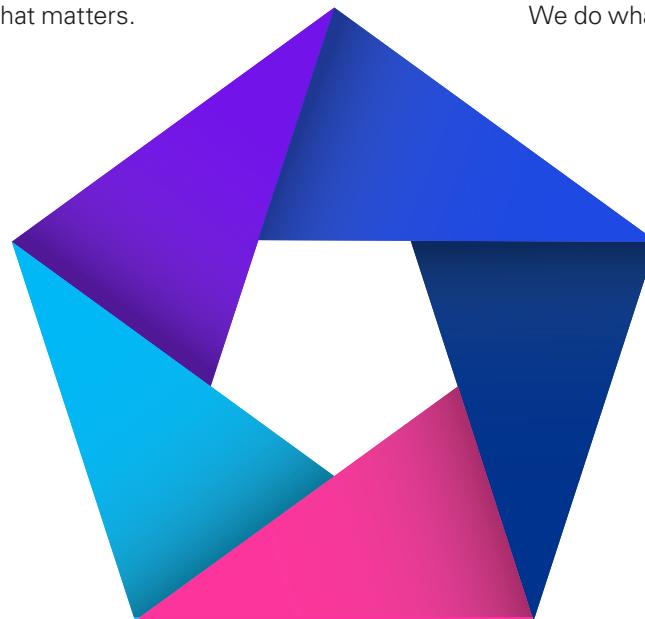
We do what matters.

Integrity

We do what is right.

Together

We respect each other and draw strength from our differences.



Excellence

We never stop learning and improving.

Our divisions

KPMG's revenue amounted to EUR 2.28 billion in financial year 2023, an increase of 9 percent. This confirms our sustainable and profitable growth trajectory in recent years. Further financial information on the past financial year is available in the consolidated financial statements of KPMG as of September 30, 2023, and in the combined management report published in the German Federal Gazette [Bundesanzeiger].

Our clients segments

Corporates | Family businesses & medium-sized companies | Financial Services | International Business | Public Sector

Our divisions

Audit	Tax	Consulting	Deal Advisory	Financial Services ¹
Auditing annual and consolidated financial statements in accordance with national and international accounting standards and providing related services in Accounting & Processes, Risk & Compliance and Forensics.	Developing company-specific strategies and solutions in all tax areas, providing tax advice in the event of regulatory changes and optimizing tax aspects in transactions.	Support for digital transformation through technology-based process consulting along the value chain, from strategy development through to implementation.	Advice on transformative challenges in the context of corporate transactions and restructuring to increase corporate value.	Concentrated market focus and professional expertise for audit, tax, consulting and deal advisory services for clients with a connection to the financial services industry.

Our performance

EUR **703** million in Audit EUR **522** million in Tax EUR **763** million in Consulting EUR **233** million in Deal Advisory

EUR **2.28**
billion **total sales revenue**
in all services²

¹ Revenue from the Financial Services division is reported in the Audit, Tax, Consulting and Deal Advisory divisions.

² Also includes income from non-order-related services (EUR 55 million).

Source: KPMG, Germany, 2023

Memberships and Initiatives



Awards



Certifications



About this report

In financial year 2023, we will continue to align our sustainability reporting with *Our Impact Plan*, KPMG International's global sustainability program. *Our Impact Plan* consists of four fields of action: *Governance, People, Planet and Prosperity*³. In each of these areas, we have made commitments to drive forward our contribution to sustainable development in society. In *Our Impact Report*, we report annually on our activities and measures in our four fields of action, thus creating transparency with regard to our sustainability activities.

Reporting basis

The standards of the Global Reporting Initiative (GRI) and the Principles of Stakeholder Capitalism of the World Economic Forum (WEF IBC Metrics) are used to prepare our sustainability report. The information in *Our Impact Report 2023* is also based for the first time on the European Sustainability Reporting Standards (ESRS) as published by EFRAG in their final version in July 2023. Further information on these standards can be found in the index of *Our Impact Report*.

The information and data presented in this year's report was collected by our specialist departments and business divisions using representative methods and was subject to thorough quality assurance. *Our Impact Report* did not undergo an external review.

This report covers the period from October 1, 2022, to September 30, 2023. For the purposes of providing an up-to-date presentation of KPMG's sustainability activities, it also includes activities beyond financial year 2023 that were available by the editorial deadline (March 15, 2024).

The information as well as employee-related metrics in this report are based on the consolidated financial statements prepared in accordance with the requirements of the German Commercial Code [HGB] of KPMG AG Wirtschaftsprüfungs-gesellschaft by including its three fully consolidated domestic group entities as of September 30, 2023. Further metrics and information on the measures and activities by KPMG in the above-mentioned fields of action can be found at the end of each section.

EcoVadis rating: Gold

We take part in the sustainability assessment by the EcoVadis rating agency every year. EcoVadis rates us in the categories environment, labor and human rights, ethics, and supply chain. In financial year 2023, KPMG was once again awarded gold status in the sustainability rating and is among the top 4 percent of all participating companies.



³ In the course of revision, the four fields of action of *Our Impact Plan* in April 2022 were rearranged and some of the topics were reassigned. This did not change the content significantly.

Highlights in the reporting year

Governance

- Certification according to the internationally recognized ISO/IEC 27001, ISO 9001 and ISO 14001 standards
- Mandatory anti-corruption training for all staff
- ESG Academy for our clients as a digital learning program
- 97 percent client satisfaction (with a response of at least satisfied)
- Updated Supplier Code of Conduct

Planet

- New partnership with WWF Germany to support two nature conservation projects
- Reduction of our greenhouse gas emissions by approx. 14 percent compared to base year 2019
- Green electricity at all our offices

People

- Roll-out of Degreed as an AI-based learning platform
- Approx. 39 percent female employees at manager and senior manager level
- Approx. 46 percent female employees in total
- 87 training hours per specialist staff member
- Introduction of screen readers (reading aids) for increased accessibility in the digital environment

Prosperity

- 9,417 volunteering hours by 569 employees
- Approx. EUR 1.8 million for donations
- First place at the TrendenceAwards in the "Companies help people" category for our pro bono consulting work

Material issues

Outlook: Future ESG regulations

The requirements and regulations for non-financial reporting by companies in the EU are currently being expanded significantly. For example, the CSRD (Corporate Sustainability Reporting Directive) adopted by the European Parliament and Council in November 2022 provides for far-reaching changes to the scope and nature of sustainability reporting – for large publicly traded companies from financial year 2024 and for all other large companies from financial year 2025. In summer 2023, the EU Commission published the Delegated Regulation on the adoption of the European Sustainability Reporting Standards (ESRS) which took effect on July 31, 2023.

For KPMG as an unlisted large firm, reporting in accordance with the CSRD will therefore become mandatory for the first time in financial year 2025/26. We are already in the process of making intensive preparations. As a first step, we carried out a materiality analysis for KPMG in financial year 2023 in accordance with the principle of double materiality. In addition, we have initiated a cross-functional project to allow future CSRD-compliant reporting through automated processes and the establishment of a corresponding reporting system. We have already included some of the disclosures required in future in line with the ESRS in this year's report.

Further information on the materiality analysis in line with the CSRD requirements at KPMG can be found in the chapter *Material issues*.

In the four fields of action *Governance, People, Planet and Prosperity* of the KPMG-sustainability program *Our Impact Plan*, we have defined eleven topics that are essential for our stakeholders and for us as a firm. We place particular focus on these topics and implement measures, and report on their progress annually in *Our Impact Report*. This is our way of showing how we, as a large firm, want to make our contribution to sustainable development in society.

As part of our materiality analysis, we identify potential changes and further developments in our impact as a firm on the economy, the environment and people, including our impact on human rights, annually. The result of this year's analysis is the continued relevance and follow-up on existing key topics (for further information see below).

Our analysis is based on a comprehensive evaluation by KPMG International. This evaluation was also conducted in 2023, taking into account recent geopolitical events, changes in stakeholders at a global level and current business developments, as well as new data and insights. This data includes:

- Data from an independent *trust survey*, conducted annually in the eight largest markets of KPMG Global (Australia, Canada, China, France, Germany, Japan, UK and US), including the views of management, stakeholders in a wider sense (industry and trade associations, academics, non-governmental organizations, multilateral organizations, business analysts and investors) and the informed public.

- Data from the *Employee Engagement Index* and the *Employee Trust Drivers* from the *Global People Survey*.
- Our most important business risks identified using our own dynamic risk assessment methodology.

We have carefully validated this global evaluation with regard to our national topics and adjusted or supplemented it accordingly.

In addition, as part of the preparations for the future ESG regulations (CSRD), we carried out a materiality analysis for KPMG in financial year 2023 in accordance with the principle of double materiality (impact materiality and financial materiality). All individual topics were assessed based on two dimensions: the impact of each topic on the environment, employees and society (impact materiality perspective) and business relevance (financial materiality perspective). Our analysis was guided by the requirements of the European Sustainability Reporting Standards (ESRS) upon which the CSRD is based. Our preliminary assessment is that our already existing topics continue to represent the sustainability aspects that are most important to us, even taking into account the principle of double materiality. A summary of this analysis can be found at the end of this section.

In addition, the following table summarizes how we continuously interact with our stakeholders and take their interests into account:

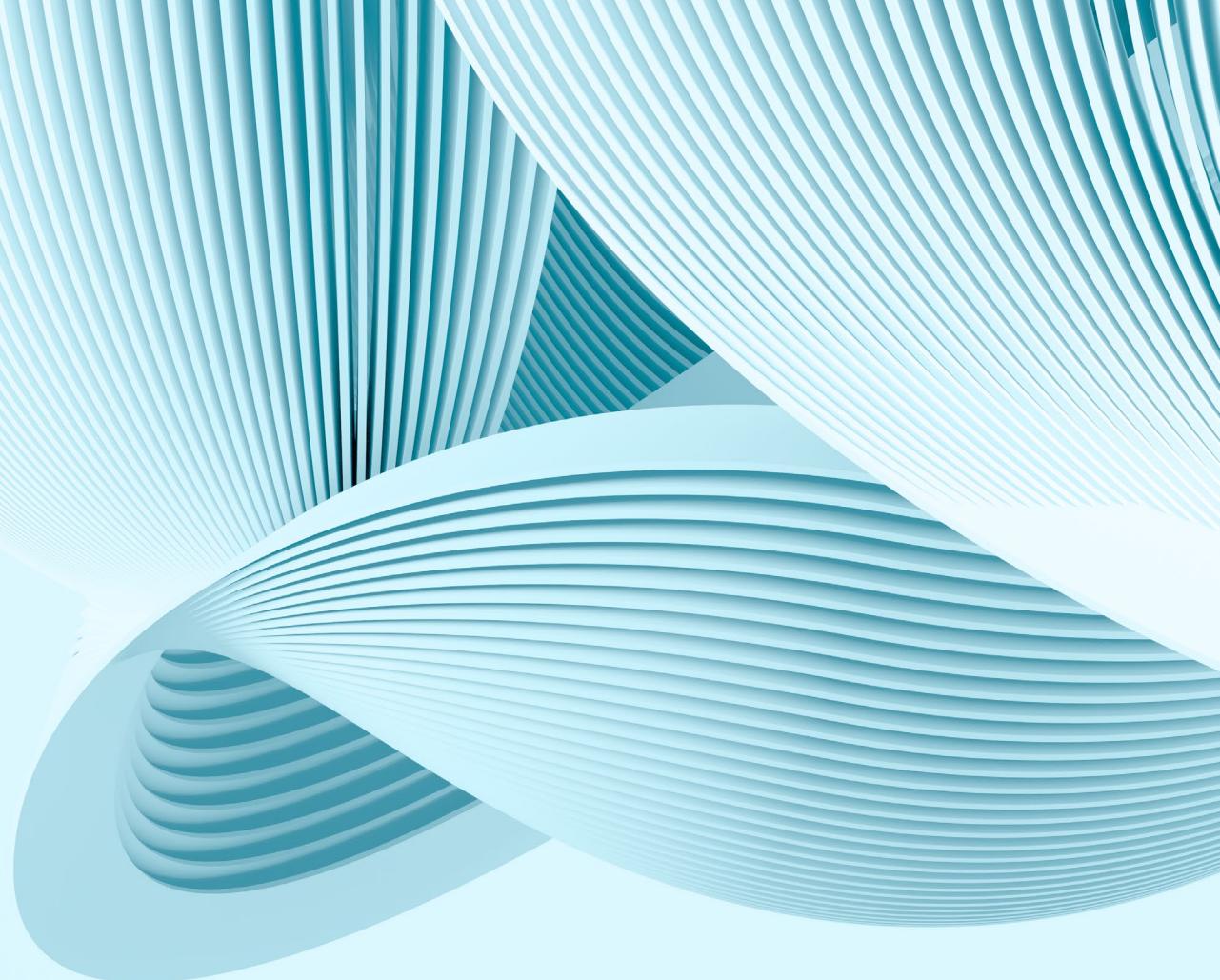
Employees (including former employees)	Feedback from our employees is requested annually in the <i>Global People Survey</i> . In addition, KPMG regularly conducts surveys on various topics that are relevant for sustainability. Our dialog with this group of stakeholders also includes talks regarding development and feedback, discussions with business and employee representatives, as well as exit interviews.
Future employees	We engage in regular dialog and discussions with this stakeholder group through recruiting events, webcasts, the <i>KPMGnext</i> Community, interviews and similar formats.
Clients	KPMG conducts regular client feedback, interviews and surveys. In addition, we continuously respond to assessments and sustainability questionnaires from our clients, in which they describe their expectations of KPMG with regard to our own sustainability performance.
NGOs/the public	We continuously monitor issues that are currently of significance to society on the basis of media reports and public commentaries.
Peers	We maintain a constant exchange with the global KPMG network on key issues and, if applicable, national peculiarities. Analyzing our national and international competitors is also part of our peer review.
Legislators, associations/chambers and other regulators	Our involvement in a number of associations and chambers, coupled with our participation in professional dialog through our commentary on draft laws and guidelines, enables us to remain constantly informed of the current demands that we as a professional service firm are required to meet, for example the CSRD.
Suppliers	The exchange of information is carried out in the form of invitations to tender, contractual negotiations, supplier ratings, questionnaires/self-assessments, certifications as well as annual meetings within framework agreements with larger suppliers.

The following table presents our key issues based on *Our Impact Plan*, their preliminary categorization into ESRS (sub)topics and the result of our initial assessment according to the principle of double materiality.

Fields of action	Material issues along Our Impact Plan	Provisional allocation according to ESRS for CSRD reporting from financial year 2025/26	Impact Materiality	Financial Materiality
Governance	<ul style="list-style-type: none"> Integrity, quality and independence Sustainable supplier management 	Governance Business Conduct (G1)		
	<ul style="list-style-type: none"> Data protection and information security Providing high-quality services in the interest of society Innovation and client focus 	Social Consumers and End-Users (S4)		
People	<ul style="list-style-type: none"> Employer attractiveness and recruiting Promoting further education and development Inclusion, diversity and equality Health and wellbeing 	Own Workforce (S1)		
Planet	<ul style="list-style-type: none"> Reducing our environmental impact (primarily greenhouse gas emissions) by means of environmental activities 	Environment Climate Change (E1)		
Prosperity	<ul style="list-style-type: none"> Effective social engagement 	Entity specific Corporate Citizenship		

01

Governance



Governance

Our responsibility

Driving purposeful business practices.

Put our values at the heart of what we do.

Our commitments

Always act responsibly.

Lead the profession in audit quality.

Drive responsible tax practice and consulting.

Act lawfully, ethically and in the public interest.

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

In everything we do, we hold ourselves to the highest standards of integrity, quality and ethics at all times, striving to be the clear choice for our clients. Our values of *Integrity, Excellence, Courage, Together and For Better*, which are embedded in the global KPMG network, are the foundation of our daily actions and of an inclusive and diverse culture at KPMG. We are committed to these values on a national and international level. We consider them an obligation that shapes our personal and professional conduct.

Our primary objective as a multidisciplinary audit and advisory firm is to provide the best services for our clients. With our strategic priorities, we consistently focus on our clients, use the possibilities of technology and data, and assist our clients as a partner with current transformational issues.

It is therefore essential for us to always strive for the highest quality in our services. This ambition applies to all our services, in all regions and all sectors. In our activities, we also see our greatest contribution to sustainable development in society in our services. Our audit and assurance services contribute to creating transparency and trust in society. They are an important framework for enhancing the credibility and legal certainty of financial, and increasingly also non-financial, information in the financial markets. With our ESG services, we actively support our clients in developing sustainable business

and operating models while at the same time offering guidance and support in implementing the new ESG regulations and disclosure standards.

Our quality and risk management provides a reliable framework for our services to support our clients in meeting their challenges: As an audit firm, we are subject to national and international legal and professional regulations. These relate to how we organize our business practice and how we carry out and complete our engagements. We consider it as our primary task to further promote the common quality approach of all KPMG member firms worldwide in order to ensure that illegal or unethical business practices are prevented. To this end, we have established measures and standards in the areas of quality management and data protection, which we are enhancing on an ongoing basis. Our supplier management always ensures, as far as possible, that our suppliers also comply with our quality standards.

We also always keep our clients' needs in mind and support them in tackling the challenges of our time. We do this by continuously developing our services and focusing on current growth areas. For us, recognizing new trends and anticipating future developments is part of a structured innovation culture in order to be able to provide our clients with the best possible support at all times.

In addition to professional and statutory requirements, internal guidelines and global cooperation form the basis of our daily activities. These include the following standards:

United Nations Global Compact

KPMG International has been a member of United Nations Global Compact since 2002. This is the world's largest initiative for responsible corporate governance and defines ten principles for a sustainable global economy. As a member of the global KPMG organization, KPMG is also committed to the standards of this initiative. For more information on this as well as the current progress report of the United Nations Global Compact, please refer to the following link: [KPMG International – Our Impact Plan](#)

(Global) Code of Conduct

KPMG has a national and an international code of conduct, the (Global) Code of Conduct. In addition to our corporate values, the two codes contain the most important guidelines and principles that govern our actions and practices in our everyday work processes.

All KPMG employees are therefore required to take responsibility for complying with statutory, legal and ethical requirements at all times within their respective functions and positions.

There are responsibilities and programs in place at KPMG relating to the alignment and implementation of risk management, compliance and quality assurance as well as for monitoring compliance and quality. Further information on this is provided in the latest [KPMG Transparency Report for 2023](#).





Niels Westerkamp
Assistant Manager,
Audit – Finance & Governance Advisory,
KPMG AG Wirtschaftsprüfungsgesellschaft

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Transparency plays a key role in implementing ESG in practice. It's not enough to just talk about it – it must be permanently integrated into the way companies operate. Taking the step to authentically report on what the company actually does is a significant step towards credibly addressing ESG issues.

I make a difference.

Transparency as a guide: implementing ESG in practice with KPMG

ESG is one of the most important transformation concerns of our time. As a society, we have realized that we are currently in the process of crossing certain pivotal environmental tipping points. Climate change is already putting a huge strain on our planet and population. Likewise, ensuring compliance with human rights in our globally intertwined value chains and uncompromisingly avoiding corruption pose major challenges for the economy. These insights highlight an urgent need for action that we must face together.

An essential part of my professional activities is to assist companies with reporting transparently on their sustainability performance. This includes the issue of the extent to which they behave in an environmentally responsible manner and what impact their business activities have on people. It really motivates me to advise companies on these issues, because sustainability is also very important to me personally: it's about being aware and realizing that we are all part of this world, which includes both nature and our fellow human beings.

I can make a big difference in the context of sustainability reporting. One example of this was during my secondment, where I was given the opportunity by KPMG to devote 50 percent of my regular working hours to EFRAG in Brussels.

EFRAG is significantly involved in the development of future standards for sustainability reporting. Through my work at EFRAG, I am directly involved in developing the European Sustainability Reporting Standards (ESRS), which provide the framework for CSRD reporting. The CSRD is a landmark EU Directive that greatly expands the requirements for sustainability reporting by companies and will affect significantly more companies compared to the past. Through my participation at EFRAG, I am not only contributing actively to the development of new standards, but also to ensuring that companies present both financial and non-financial aspects transparently in their reports.

We at KPMG are a major driver in the area of ESG transformation by not only advising our clients, but also assisting them with implementing and auditing these standards. This is how we ensure that companies communicate reliable sustainability information that the market can rely on. We are actively committed to promoting the issue of sustainability with our clients and supporting them in turning their goals into reality. The difference that I can make personally in this regard gives my work meaning.

Quality management

By striving to achieve the highest standards and integrity in the provision of our services, we build and maintain the trust of our clients, our employees and society.

Our quality management system creates a reliable framework for our daily activities in an extremely complex work environment with extensive legal requirements and regulations as well as our voluntary commitment to the highest quality of service. The purpose of implementing quality and risk management processes is to avoid violations of the professional law applicable to us and thus exclude liability issues, economic risks and the loss of our independence.

These measures also contribute to preventing the risk of reputational damage or loss of engagements.

Anti-corruption training

Mandatory participation of all employees in anti-corruption training in financial year 2023.

How we set the highest standard of quality in our work –

Within the framework of our quality assurance, we implement a wide range of measures to ensure a consistently high level of quality in our services. These include:

System of Quality Management

As a member of the International Federation of Accountants (IFAC), KPMG is obligated to implement a System of Quality Management according to the international ISQM1 quality management standard.

By implementing the International System of Quality Management Standard 1 (ISQM 1) in 2022, we have strengthened the robustness of our quality management system. KPMG follows a consistent approach with regard to quality assurance rules and responsibilities. We have determined minimum requirements regarding objectives, risks and measures for each component of ISQM 1. KPMG International has also implemented a risk assessment process that identifies specific quality objectives and relevant risks. This allows us to take the required measures to review and assess our quality management system.

Mandatory training for all employees

Compliance with laws, regulations and standards is at the main focus of all KPMG employees in their daily activities. Through regular independence and compliance training, we make our employees more aware of independence and the avoidance of bias. Furthermore, we conduct regular independence surveys.

Our trainings

All employees are required to repeat our training courses annually. They focus on the following main topics:

- Data protection/information security
- Independence
- The German General Equal Treatment Act
- Anti-money laundering and anti-terrorist financing
- Acting with integrity

Preventing corruption and bribery

KPMG, we have set up an in-house, system-based approval process and control mechanism that is mandatory for all our donations, sponsorships, cooperations and memberships. To avoid bribery or the appearance of bribery, there are clear guidelines for all employees for accepting and offering benefits

to third parties, particularly in the form of invitations and gifts. The principles contained therein are implemented in our in-house processes and are part of the mandatory training for all employees.

Accepting engagements

As part of our work as auditors, we follow strict selection criteria and firm principles when accepting client engagements. We conduct regular assessments of client relationships by performing risk analyses using our in-house IT tools for accepting engagements and checking conflicts of independence and interest.

Management systems

KPMG uses certified management systems to ensure the continuous quality of our services. These include our quality management system pursuant to DIN EN ISO 9001, our information security management system pursuant to ISO/IEC 27001 as well as our environmental management system pursuant to DIN EN ISO 14001.

Whistleblowing hotline

Our whistleblowing hotline is available to employees, clients, subcontractors, suppliers and external third parties to report suspected cases of illegal or unethical behavior anonymously.

Our certified management systems

- Quality management pursuant to DIN EN ISO 9001
- Information security pursuant to ISO/IEC 27001
- Environment management pursuant to DIN EN ISO 14001

We continuously adapt and develop all measures we have implemented. Please refer to the [KPMG Transparency Report](#) for more information on governance topics. The report also provides a detailed description of our quality management system.

Our progress in the financial year 2023

There were no reported cases of corruption or bribery at KPMG in financial year 2023.

Data protection and information security

The information security and data protection of our stakeholders is of utmost priority to us.

The protection of engagement and personal data of third parties, including our clients, service providers and cooperation partners as well as our own employees, is of great importance to KPMG, especially in view of the rapid technological progress. As an audit firm that manages highly sensitive data on a daily basis, we attach particular importance to appropriate data protection measures. In addition, we are subject to mandatory legal requirements under criminal and professional law regarding confidentiality and professional supervision, the European General Data Protection Regulation (GDPR) and national data protection laws such as the German Federal Data Protection Act. Handling personal data responsibly is therefore an elementary and integral component of our quality and risk management.

In order to ensure data protection and information security at the highest level in the long term, we provide guidance and support for the introduction of new technologies.

How data protection and information security are integrated at KPMG

Certified information security

Our information security management system is certified pursuant to ISO/IEC 27001.

Data protection officer

Our Group Data Protection Officer, as a body independent of instructions in accordance with the GDPR, reports directly to the Managing Board and, together with his team, acts as a central contact for data protection issues at KPMG. The data protection officer is also actively involved in cross-departmental processes that are relevant for data protection, such as supplier onboarding.

Data protection training

All our employees complete mandatory annual data protection training. Employees working in especially sensitive areas receive additional training and information.

Professional confidentiality

All employees must submit a declaration of commitment to professional confidentiality.

Risk-appropriate organizational structures

As part of our internal control system, we have created risk-adequate organizational structures, contractual regulations, guidelines, control processes and system-based safeguards to protect personal data, which are based, *inter alia*, on the global KPMG Data Protection Guidelines and the contractual clauses on data protection (such as the Inter Firm Data Transfer Agreement) of KPMG International for the exchange of personal data within the global KPMG network.

Internal and external control processes

KPMG has an internal audit function that performs its activities independently and autonomously and also regularly assesses the effectiveness of data protection and information security processes. In addition, our information security management system is continuously audited externally as part of regular recertifications, especially for ISO 27001.

Our progress in the financial year 2023

KPMG continued to observe the data protection laws in financial year 2023 and remains committed to continuously adapting its level of data protection in line with technical and regulatory progress in the future. Incidents relevant to data protection were clarified with the involvement of the Data Protection Officer. There were no breaches reportable to the competent authorities in the reporting period.

Supplier management

Compliance with ecological and social standards both within our firm and on the part of our suppliers is an essential component of our sustainability strategy. We want to use our sustainable supplier management to help achieve our climate target by 2030.

We also expect our suppliers to consequently comply with environmental and social standards, as our supply chain plays a key role in our ESG agenda and in meeting our climate protection targets (see chapter: *Planet*). Our procurement division has a significant influence on measures to reduce carbon emissions. Among other measures, this includes the selection of strategic suppliers who have also committed to comply with the specifications of the Science Based Targets initiative.

This principle is being reinforced by legislation in Germany. The German Supply Chain Act [LkSG], which was adopted in June 2021, aims at improving compliance with human rights and environmental due diligence requirements in global supply chains. Furthermore, the legislative requirements correspond to the due diligence standard of the UN Guiding Principles on Business and Human Rights.

Our objective is to set up long-term supplier relationships with common development goals. Our activities in the area of supplier management are based on both internal and external guidelines and policies, including the Supplier Code of Conduct (SCoC), an internal purchasing policy, and – since 2023 – the policy statement on respect for human rights and the environment.

50% by 2030

Our goal is to see at least 50 percent of our strategic suppliers set their own science-based target by 2030.

We have implemented various measures and processes for reviewing our suppliers with regard to compliance with social and environmental standards. These help us to set up our supply chain in line with our ESG principles and legal requirements.

How we implement sustainable supplier management

Implementation of LkSG requirements

KPMG has been subject to the LkSG since January 1, 2023. Accordingly, we have implemented the required measures to comply with our due diligence obligations, in our own business operations, in the case of our direct suppliers, as well as with regard to our whistleblowing system ([refer to the policy statement on respect for human rights and the environment](#)). With regard to our suppliers and service providers, our initial risk analysis of LkSG requirements showed an overall assessment indicating a low to medium risk range. Based on this, we have implemented appropriate preventative measures, which also include revising our SCoC, regular supplier qualification, including supplier self-disclosure for each new supplier, and procurement training, which has been updated to take the LkSG requirements into account.

Supplier Code of Conduct

We have developed an updated *SCoC* for working together with our suppliers and service providers. This provides suppliers with a guideline on KPMG's sustainability principles and governs key aspects with regard to LkSG compliance.

Carbon Disclosure Project (CDP)

In conjunction with the CDP, KPMG is working on a global project designed to considerably improve actual data concerning the carbon emissions of our key suppliers. More information on this can be found in the *Planet* section.

Catalog of criteria with sustainability requirements

We use our catalog of criteria containing sustainability requirements in order to specifically scrutinize our social and ecological standards, including those of our suppliers and service providers. This also defines transparent framework conditions for the selection of suppliers, materials and services and increasingly incorporates sustainability aspects in tenders.

Complying with independence requirements

Independence requirements must be observed also for strategic procurement. Therefore, KPMG has implemented strict monitoring and assessment mechanisms for engaging suppliers, including a whistleblowing hotline.

We have introduced appropriate processes for reviewing the effectiveness of our measures and compliance with our policies. These include, for example, regular supplier qualification and annual risk analysis with subsequent steps building on this analysis within the framework of LkSG compliance.

Our progress in the financial year 2023

Our risk analysis in the context of LkSG showed that none of our suppliers achieved a high risk score. The majority (85 percent) of our suppliers are based in Germany and do not operate in the manufacturing sector.

As part of the CDP, a significant number of the suppliers approached by us provided information on their carbon emissions and thereby demonstrated considerable willingness to help improve the global climate.

Michael Münnich
Head of Procurement,
KPMG AG Wirtschaftsprüfungsgesellschaft



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We are constantly looking for the best and most innovative suppliers. We jointly seek to achieve our climate targets and make a sustainable contribution to business success.

Providing high-quality services in the interest of society

The services that we provide to our clients represent our greatest contribution to sustainable development. It is our intention to always align our services with our values and ensure that they have a positive impact on society.

The current global crises, such as climate change, political conflicts, decoupling of economic relations and the resulting consequences, including unstable supply chains, are further driving the economy's transition. On top of all this are macroeconomic factors, such as high inflation, sharp rises in gas and energy prices, rising interest rates and labor shortages due to demographic changes. The complex situation poses major challenges for both our clients as well as for KPMG. In order to respond appropriately to these developments, we are working continuously on our growth topics: *sustainability, digital transformation* as well as *governance and compliance*. The objective is to assume a leading role in these areas and to offer our clients customized solutions so that we can purposefully support them in overcoming the current challenges.

Sustainability as a growth topic has special significance as this ranks among the most significant challenges of our time and is substantially influenced by political and social developments. Offering suitable approaches provides our clients with the prospect of raising their profitability and enterprise value while simultaneously enhancing their company's reputation. At

KPMG we are focusing on developing client-driven and cross-service (instead of isolated) ESG measures at regional and international level to accompany our clients on their path to a sustainable future.

How we serve as a reliable partner for our clients

Audit

Our audit services are currently being heavily influenced by regulatory changes and forward-looking topics, which we need to be able to react to flexibly and promptly. In our role as auditor and audit-related advisor, we see not only the changes, but also anticipate the challenges facing our clients. Our focus is on quality using state-of-the-art technology. This is how we create trust and transparency on the capital market.

Independence

First and foremost, we at KPMG are committed to providing all our services in strict compliance with the regulatory and professional requirements to which we are subject as an audit and advisory firm. This especially includes the independence requirements, which are applicable when carrying out statutory audits.

Goran Mazar

Partner, EMA & German Head of ESG and Automotive, KPMG AG Wirtschaftsprüfungsgesellschaft



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Implementing ESG in one's own company as a competitive edge continues to be grossly underestimated by many companies. In reality this offers considerable options for raising growth, profitability and enterprise value. In light of the current economic, political and social challenges, companies should pursue a strategic and simultaneously feasible approach to positioning themselves sustainably for the future.

Audit Quality

We are constantly working on further raising the quality of our services. To do so, all KPMG member firms worldwide have rolled out the Audit Platform **KPMG Clara**, which makes possible a uniform global approach when auditing. This platform combines our many years of audit experience with innovative technology and is deployed globally as our consistent audit approach. Using KPMG Clara our objective is to offer our clients consistently high quality, assurance and safeguards, while simultaneously complying with the stricter requirements under the German Financial Market Integrity Act [FISG].

Tax

Tax advisory is currently undergoing enormous change, of which globalization and digitalization are key factors. At KPMG we follow global developments, analyze trends in domestic and international tax law and leverage the expertise of our international units.

Advisory (Consulting & Deal Advisory)

Our advisory services comprehensively support our clients in their transformation processes – from developing the strategy all the way up to actual implementation along the entire value chain. In doing so, we combine our traditional strengths with technology, innovative approaches and in-depth industry expertise. In addition, more than ever before, decisions on deals today need to be made faster and be robust in a more complex and information-saturated environment. We support our clients in overcoming daily challenges, thereby safeguarding or raising the value of their companies. Our advisory services are intended to make their businesses fit for the future by anticipating changes, tackling challenges, monitoring risks and building up resilience in turbulent times.

Financial Services

Our in-depth understanding of bank and insurance business models as well as of the market and competitive environment is a matter of course for us, just like our global project experience and financial services network. We provide financial service providers with extensive support through our expertise and state-of-the-art technologies when it comes to buying, selling, capital optimization or transformation decisions. Our experts work together with clients to reassess their business and operating models, to adjust strategies and to automate processes so that they add value, are sustainable and legally compliant.

ESG Services

Our cross-service performance range includes advising on various ESG topics, such as decarbonization, the implementation of circular economy approaches, ensuring ethical standards in supply chains, enabling diversity with regard to staff as well as consulting and auditing in the area of ESG reporting. In doing so, we are contributing to the transformation towards a climate-positive, circular, resource-efficient and fair economy. In order to continuously refine ESG know-how, KPMG offers its people various internal training formats and events, such as in-house trade fairs. This enables our teams to always be up-to-date with regard to current ESG topics and developments. Staff also have the option of specific advanced ESG training through the ESG Expert Training, which is offered in collaboration with the EBS University. It is also our goal to share knowledge: The KPMG ESG Academy, which we also designed together with the EBS University, provides a training program where our clients can learn about ESG and further their knowledge on the subject.

Responsible tax practice

Our Tax business is guided by the *Responsible Tax Principles* of KPMG International, which provide guidelines for our tax advisory services:

- Our goal is to help clients achieve their economic objectives through our tax advisory services. What is paramount in this regard is not only that our advice meets the highest professional standards, but also that it is tailored to the individual interests and economic situation of each individual client.
- We apply laws and regulations always in line with their intent and purpose, taking into account current court rulings. The objective of our advisory approach is not to generate tax benefits through unnecessary transactions that run counter to the legislation's original purpose.
- We reject advice that is based solely on tax planning models and tax structuring. Instead, our advice always follows clear structural or economic objectives that add value for our clients.

Our progress in the financial year 2023

- More than half of our staff have familiarized themselves with current sustainability topics and developments in numerous KPMG in-house ESG events.
- In addition, we continued our ESG Roadshow through our offices. This roadshow reported on regional ESG projects and provided a forum for employees to discuss subject matters locally with their colleagues. In some cases, clients were also invited to the events.
- Our annual Future Summit, which lasted several days, attracted over 5,100 external livestream participants in the last financial year (2022).
- We launched the ESG Academy together with the EBS University and Microsoft; this is a program that provides our clients with initial and advanced training.

Awards

We are considered a reliable partner: In financial year 2023, KPMG again received multiple awards. Some of these honors are listed below..



Innovation and client focus

We want to contribute to the transformation of society and embrace innovation to overcome even the toughest of challenges together with our clients.

Together with reputable analyst firms, we publish extensive studies and professional publications to continuously provide our clients and the general public with up-to-date information on the topics of our time. In addition, we develop our own thought-leadership publications in order to play a part in shaping and promoting forward-looking topics. We also use new technologies and offer various platforms and formats to enable dialog and exchange with our clients. This sustainable, cross-service and structured innovation culture is substantially driven by our employees.

How we use our different formats to create added value for our clients

Innovative usage of AI at KPMG

Our expanded partnerships with leading IT and technology companies means AI and cloud technologies will be used in all of KPMG's business lines in the future:

• In Audit: efficiency using intelligent audit platforms

We integrate data analytics, AI and other services in our audit process using our audit platform, *KPMG Clara*. This approach enables our experts to focus more on high-risk audit areas and industry-specific risks.

• In Tax: Digital Gateway for comprehensive tax solutions

Our clients have access to all tax technologies via our *Digital Gateway* platform. This enables integrated access to their data and the implementation of a comprehensive management approach for their tax functions. Furthermore, our tax experts can now use a "virtual assistant" based on generative AI to structure their work even more efficiently.

• In Advisory (Consulting and Deal Advisory): AI-supported knowledge and application platform for customized solutions

Our Advisory colleagues are efficiently supported by an AI-supported knowledge and application platform. This development makes it possible to develop customized client solutions and simultaneously take ethical and security-relevant aspects into account.

• Innovation for more sustainability

We work closely with technology partners in order to support companies in achieving their ESG objectives. Based on the success of the [KPMG Circularity Tracker](#) und the [ESG data management and analysis solution](#), we support our clients further in standardizing and analyzing data sources. Our AI solutions allow us to obtain all information necessary in order to make value-adding decisions in real time and thereby help our clients comply with their sustainability obligations.

KPMG Innovation Challenge

This format represents an internal innovation challenge where our employees present creative proposals for (for example) new solutions. As part of the competition, the most promising ideas are developed from their original version to market maturity.

KPMG Ignition Center

With our Ignition Sessions at various locations in Germany, we offer our clients space for creative innovation processes, which range from the initial idea all the way up to the finished product. In doing so, we use methods such as scrum or design thinking.

KPMG Innovation Factory

This online platform consolidates the current specialist knowledge of our KPMG experts on innovation topics in various industries. Here our clients can find ideas and ready-to-use solutions for relevant and current topics.

Client Insights program

Through our annual client satisfaction survey, the *Client Insights Program*, we obtain valuable feedback from our clients, thus surveying opinion and potential for improvement together with our clients. The *Client Insights Program* takes place annually to continually expand the high quality of our services across all lines.

Our progress in the financial year 2023

- KPMG Future Summit: This client event took place in a hybrid format as part of the KPMG event series – an annual exchange program where well-respected experts talk about the following growth topics: ESG, Digital Transformation and Governance & Compliance. This year's event attracted over 5,100 participants, who followed the presentations of more than 100 speakers in more than 40 sessions.
- Access to the ESG databases and use of the technological solutions of our global partners, such as Salesforce, Microsoft, Workiva, Service Now and others, mean we are able to provide our clients with in-depth and expert advice on ESG topics.
- Our commitment to future technologies, such as generative artificial intelligence (ChatGPT and others), is now pooled in our new Tech Initiative Hub, which develops and evaluates new innovative solutions across all services.

Client reach (studies and professional publications as well as virtual client formats)

In financial year 2023, we published approx. 200 "Klärdenker" articles and 250 studies.

Results of the client satisfaction survey for 2023

97 %

of our clients were at least satisfied with our work



Anonymous client quote:

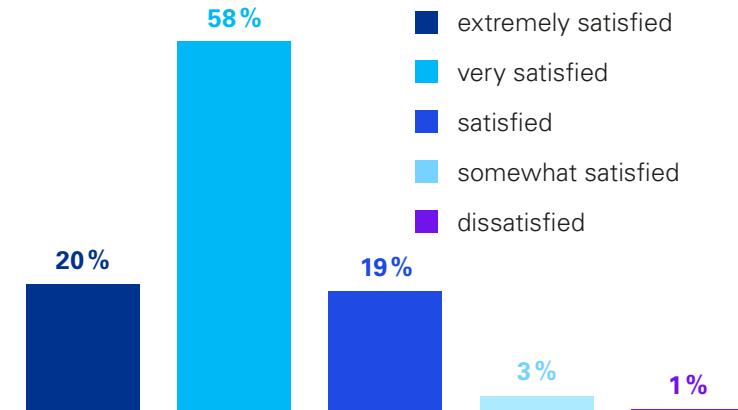
"Expertise, dynamism, interpersonal skills and the willingness to provide real 360-degree support. Outstanding!"

"The team is very motivated and is more involved in the topic than expected. Really great commitment!"

"Flexibility and demand-oriented action at high speed."

ESG Academy

In close collaboration with the EBS University and Microsoft, we have developed the KPMG ESG Academy in order to actively integrate sustainable business in the corporate culture of our clients. This digital training platform was developed by our ESG experts and contains presentations from professors of well-known universities to support companies in comprehensively providing their management, decision-makers and staff with initial and advanced training in the area of sustainability.



A total of 2,544 respondents, of which 2,366 from online surveys and 178 from interviews, deviations from 100 % are due to rounding differences.

Source: KPMG, Germany, 2023

Our KPMG ESG Academy offers an extensive curriculum of more than 15 hours of content on the most important environmental, social and governance topics. This curriculum is flexible and can be individually adjusted to the needs of our clients and provides a technology- and science-based learning experience.

02
People



People

Our responsibility

Establish a value-oriented culture of solidarity and inclusiveness for our employees.

Our commitments

We offer an inclusive environment where diversity is paramount.

We promote a well-trained and committed workforce.

We ensure equal opportunities.

We look after the health of our employees.

We foster a culture of continuous education.

We respect human rights.

Our employees are the key to our lasting success. As an employer, we consider it is our duty to retain our staff over the long term and to remain the clear choice in the highly contested recruitment market. We are establishing for this purpose a respectful and diverse corporate culture that promotes strengths and identifies development potential.

As a people business, we place great emphasis on our people being the focus of our actions. We want them to have the opportunity to develop individually and to fully unleash their potential. For this reason, we always promote a working environment where employees can successfully develop and performance is individually fostered.

To win the best talent, strong employer appeal is decisive. In a constantly changing working world, the needs and expectations of employees have evolved. Besides fair compensation, the actual work should increasingly be set in a meaningful context that corresponds to the personal values and convictions of the individuals. Therefore, a value-based corporate culture is a decisive factor that we will leverage to counter the intensifying competition for talent. We are responding to the new and changing requirements of employees by taking a number of measures that are designed to strengthen not only our corporate culture, but also the KPMG brand as an employer.

We are continuously expanding the career and development domain, promoting inclusion and diversity and offering flexibility in achieving a sound work-life balance. Furthermore, we are taking measures in the context of extensive healthcare management and offering our staff numerous options to strengthen their physical and mental health.

KPMG listens

Our activities in the People domain are intended to focus attention on the interests and needs of our employees. As part of our *KPMG Listening Strategy*, we have established various communication channels to continuously obtain feedback from our employees. This is undertaken throughout the entire year and includes various measures, such as the annual *Global People Survey* and surveys on specific topics such as the working environment.

We also encourage open dialog and the contribution of suggestions through various formats, such as various feedback formats or open brainstorming sessions.

Our goal is...

- ... to win the best employees for KPMG.
- ... to provide employees with a strong development promise and to promote continuous, individual learning.
- ... to offer our staff the best and most varied career prospects and to enable career paths that fit their profile.
- ... to make sure that pay is transparent and commensurate with employees' performance and to ensure their achievements are acknowledged.
- ... to live a culture of value-oriented collaboration and leadership in which diversity is fostered.
- ... to create a balance for our staff between performance and well-being.

KPMG's Human Relations function is responsible for developing, implementing and adjusting the measures relating to "People". Besides legal requirements such as the employment protection laws, the fundamental principles for our HR activities are the firm-wide applicable agreements and codes of conduct regarding employee and human rights, which are specified in our *Code of Conduct* and in the values of KPMG International. These also include internal provisions for staff development, gender equality and agreements on work-life balance, such as collective bargaining agreements and other relevant provisions.





Lukas Schiwy
Consultant – Digital Compliance,
KPMG AG Wirtschaftsprüfungsgesellschaft

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The society in which we live is diverse. I am of the view that inclusion is achieved only when this diversity is reflected in our everyday work.

I make a difference.

Inclusion starts in the mind, requiring tolerance and commitment

When I joined KPMG it was personally very important for me to act as a role model for people with and without disabilities and always to encourage others to set for themselves goals that initially may appear unachievable. The most important requirement for me is an inclusive working environment that must fulfill two important criteria. First, there are building-related aspects, which ensure that I can reach my workstation and that I can move around freely also on-site, meaning without outside help in my everyday work. Second, there is the openness of people, which is necessary to work out shared solutions.

On the one hand, I call for tolerance while, on the other, I actively contribute to this. KPMG supports me in this regard by allowing me to contribute my ideas and experiences. For instance, as part of designing the new Cologne office, I was able to make a valuable contribution to creating an accessible work environment.

The importance of diversity and inclusion is evident not only in the working world, but also in other areas of life. In my case, for example, this is evident in competitive sports: sitting volleyball. I have been a passionate player of sitting volleyball for 17 years now – eleven of which as part of Germany's national team. During this time I have taken part in two Paralympics and various European and World Championships. My sporting career has taught me not only how to deal with defeat, but also how to celebrate success. I try to consciously incorporate these valuable insights into my professional life at KPMG. KPMG supports me in my sporting endeavors by providing me with the flexibility to work regardless of location and time.

For me, personally, inclusion means openness and tolerance towards each person, regardless of external traits. KPMG embodies for me these values and is therefore an inclusive employer for me.

Recruiting

It is our aim to fulfill the needs and wishes of our current and potential future employees, and to keep our focus on them at all times.

Qualified and motivated employees are key to a successful business. In order to successfully win new talent in the future, we intend to structure the hiring process for new staff so that it matches their needs and expectations.

One key challenge in recruiting is the constantly fierce competition on the employment market, which is due to talent shortage and demographic changes. This has led to intense competition for qualified people. Stricter requirements due to increasing red tape in the audit industry are also impacting the professional profile in audit and tax consulting. The long and challenging education and training, as well as the huge responsibility later on in their careers, is affecting the career decisions of professional newcomers. Added to this, there is a generally increased willingness among today's workforce to change jobs, which is increasingly noticeable among our employees under the age of 30.

Our employer branding campaigns and targeted recruiting measures are intended to showcase the attractiveness of KPMG's professional fields and thereby hold our ground against the competition in winning new talent.

How we win the best talent

Candidate First

Besides analyzing the needs and requirements of the target group, our *Candidate First* strategy includes in particular a simple application process. With regard to our measures and channels in personnel marketing, we focus on candidates with degrees in business, MINT subjects, law and other study programs with a business affinity as well as on commercial employees. However, lateral hires from other areas are an enrichment to interdisciplinary teams in our working environment.

University marketing

We partner with numerous universities throughout Germany in order to provide students with an insight into the diverse professional fields of KPMG. Our campus recruiters put a face to the KPMG employer brand on-site and serve as a direct contact for interested students. This means students already come into contact with KPMG as an employer early on and can gain valuable experience as working students and interns alongside their studies.

Digital recruiting process

Our digital recruiting strategy is highly effective and shows an ever-increasing scope. This strategy enables us – irrespective of location – to reach a high number of qualified applicants combined at the same time with high contact quality. Based on these positive results, we are continuously expanding the digitization of our recruiting process.

Benefits for our people

Our attractiveness as an employer for young talent is increased by a wide range of offering, such as our fitness offers or our Corporate Benefits program for KPMG employees. The overview on page 32 summarizes our incentives.

We regularly review our recruiting measures and continually enhance them. To do so, we use various software solutions that measure our success rates in winning new people and further optimize our approach.

Our benefits for employees

- KPMG fleXwork including home working, sabbaticals and much more
- Location-based sports opportunities and discounted fitness offers
- Wide range of health services
- State-of-the-art technical equipment
- Mobile phones that can also be used privately
- Bike leasing by way of salary conversion
- Participation in the Corporate Benefits program
- Lunch allowance
- Employee travel season tickets (at selected locations and for select employee groups)
- Offer of elements of the company pension scheme
- Capital accumulation benefits

Our progress in the financial year 2023

Talent Community KPMGnext

We launched the *KPMGnext* Talent Community in the past year to promote the talents of tomorrow and to enable them to network with KPMG employees.

This community is an excellent opportunity, especially for the next generation, to already make contact with KPMG before starting out on their career. The community has grown rapidly since its establishment a year ago. Approx. 2,500 talents benefit from a VIP application process, regular events and networking with future colleagues.

Refining our social media presence

In order to reach our target groups as best as possible and provide them with an authentic insight of working at KPMG, we have expanded our KPMG career social media infrastructure to include YouTube and are also continuously working on optimizing and refining our social media presence. With our cross-target-group personnel marketing campaign, such as *#TogetherForBetter*, we want to communicate our values and commitment for sustainability and social responsibility and inspire potential applicants to take a look at KPMG.

- In comparison to the prior year, we recorded a net increase of around 900 employees.
- In financial year 2023, we were able to significantly reduce our fluctuation rate⁴ to 15 percent (prior year: 21 percent).
- Furthermore, 30 percent of our interns and working students were offered a permanent position at KPMG.
- We held more than 230 regional and nationwide university marketing events.
- Our KPMGnext talent community now has more than 2,500 active participants.

We want to maintain this strong focus on our recruiting activities in the future. To do this, we will continue to pursue a digital recruiting strategy that concentrates on innovation and standing out from other employers.

A detailed listing of other metrics can be found at the end of the *People* section.

⁴ 12-month fluctuation. This is based on the average FTEs over a 12-month period (October 1, 2022 to September 30, 2023). Employees of the administration, interns, working students, vocational students, trainees and temporary staff are not included in the number of departures or employee capacity.

Development and career

By promoting further education and training as well as the personal development of our employees, our goal is to live up to our motto of "lifelong learning".

The objective of employing the best and most highly qualified people at KPMG and, thus, fulfilling our commitment to quality in our services means lifelong learning is a key part of our Learning & Development activities. For this purpose, we support individual career paths and rely on respectful and regular feedback as well as on the strengths-oriented development of our employees.

Motivated employees who see their professional career at KPMG long term – despite the general talent shortage, the objective of this concept is to increase our number of staff and simultaneously continue to meet the expectations of our clients and provide them with up-to-date and innovative solutions.

A respectful feedback culture also includes giving our people the chance to express their opinions extensively. We listen – for this purpose we have implemented the *KPMG Listening Strategy* to facilitate dialog with our HR function through diverse channels and formats. This also includes our annual *Global People Survey*, which gives us, as employer, an up-to-date insight into the sentiment on relevant internal topics.

The changing expectations and demands of employees also go hand-in-hand with a change in the learning culture. The previous division between learning and work is increasingly disappearing. Instead, more and more integrated and digital formats are developing to complement the concept of lifelong learning. We aim to drive this development forward purposefully by using new technologies, for instance, by using *LinkedIn Learning*, which is available to all our employees. Our learning and development opportunities are also designed so that they can be integrated into everyday working life, thus satisfying the need for increased flexibility.

How we promote development and careers

Preboarding and onboarding

From the outset our new joiners receive support in getting to know KPMG as their new employer as well as information on the processes and structures relevant for their future position. With the help of our onboarding app and onboarding buddies, new colleagues are prepared and supported for their start at KPMG.

Learning and development formats

In addition to the opportunity to complete professional training or a dual study program with us, we also offer a combination of

professional training alongside a university degree. Our development formats, which we support financially as well as through time off, include various master's degree programs that can be completed alongside the job, professional examinations or equivalent extra qualifications. In addition, we offer special development programs to foster our top talents, such as our *Emerging Leader program*.

Feedback program

Through diverse feedback formats, we support the professional and personal development of our employees. We want to assess their performance and potential through respectful and differentiated feedback – in person, remotely or in written format. Our well-established *Reflect* assessment system is one of the most important formats for this. *Reflect* supports colleagues to identify their strengths, and to focus on these and develop them further. In addition, we offer other programs, such as the *Feed Forward* program for senior staff. This enables senior staff to receive structured feedback from all colleagues in all positions. In addition, we introduced a Germany-wide feedback week for all employees in financial year 2023, giving employees the chance to engage with a diversity of feedback opportunities.

Global People Survey

Any effective feedback culture includes feedback from employees to their employer.

This is why KPMG conducts the *Global People Survey* on an annual basis. By participating in this survey, our employees can help shape the firm's day-to-day working life. It gives us, as an employer, an impression of the current mood regarding issues relevant to the firm internally and enables us to take specific action to address areas where our employees see room for improvement. In 2023, 77 percent of our employees took part in the survey, a 7 percentage point increase over the prior year. We have implemented many relevant measures since our last survey in 2022. These include strengthening the regular participation formats, such as the manager roadshows "Brunch & Talk" or "Get Together: Leadership & Staff in Consulting", the introduction of FeelGood Managers in Financial Services as well as stepped up communications on our mental health offers in Deal Advisory.

Mentoring programs

Mentoring has long been a fixed component for supporting the development of our employees at KPMG. This involves an experienced mentor supporting a young talent (mentee) in their personal and professional development. Although supporting the mentee is the main focus, mentoring is also a reciprocal process in which both sides can learn. Our mentoring programs also include *Power Mentoring*. This prepares female senior managers for a KPMG partnership. The program assists with career development and strengthening resilience and also helps to expand networks in an effective manner.

Diverse training platforms

A key component of our training concept is the learning experiences that arise from various elements such as in-person and online training, video material, articles, feedback mechanisms and coaching. Our learning platforms, such as *LinkedIn Learning*, offer a broad spectrum of training content on subjects such as business, IT and creativity. The content is designed in such a way that our employees, irrespective of their previous knowledge, have the opportunity to quickly immerse themselves in new subjects.

Rotation

Client needs are becoming increasingly complex and diverse in today's business environment. At the same time, our employees seek not only to develop in-depth expertise but also to broaden it. Our rotation program "*Entdecke KPMG*" [Discover KPMG] addresses both aspects, enabling our employees to participate in a Germany-wide rotation program across all services. Rotation envisages a deployment period of at least 3 months in another KPMG service or team. Moreover, participation in the rotation program has been mandatory since April 2023 for all specialist staff joining as senior associate/associate.

We regularly review our range of training programs and continuously develop measures based on the latest learning standards and needs. We use various processes and channels, such as structured feedback forms on our training courses, to obtain user feedback on our range of training.

Our progress in the financial year 2023

Aggregation and customization of learning processes

Our new AI-supported learning platform *Degreed* enables us to clearly organize all available learning resources and relevant focus areas and to adjust them individually to the needs of users. The platform analyzes interests and learning activities and generates recommendations for suitable training options. At the same time, it promotes networking among employees and enables targeted concentration on focus areas of individual relevance.

- Our employees completed an average of approx. 87 training hours in financial year 2023 (prior year: 83) per member of specialist staff.
- Overall, there are currently 159 young talents (prior year: 135) progressing towards a professional qualification at KPMG, with 10 of these combining their qualification with a university degree.

- Around 75 percent (prior year: 74 percent) of trainees joined us with a permanent position once they had obtained their qualification.
- In financial year 2023, a total of 116 employees joined us as part of a dual study program in cooperation with a college/university (prior year: 77).
- Our Emerging Leader program had 305 (prior year: 330) top talents participating this year.

A detailed listing of other metrics can be found at the end of the *People* section.

Vera Elter
CHRO,
KPMG AG Wirtschaftsprüfungsgesellschaft



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By promoting needs-based and flexible learning on Degreed, we support our employees in their individual development. The high level of qualifications resulting from this contribute to our strategic competitive advantage and support the long-term success of KPMG.

Inclusion and diversity

The unique experiences and perspectives of our employees enrich us as a firm. We encourage all our employees to be themselves.

International Female Leadership target

The collective goal of all KPMG member firms is to achieve a figure of 33 percent women at partner and director level globally by 2025. It is also of great importance for KPMG Germany that the share of women in leadership positions continually increases.

At KPMG, inclusion and diversity mean people valuing each other and dealing respectfully with individuality irrespective of age, ethnic background, gender and gender identity, sexual orientation, physical and mental capacities or cultural and social background. We are convinced that a diversity of perspectives, life as well as professional experience is not just of added value for us but benefits our clients too.

We strengthened our commitment to inclusion and diversity already in 2007 by signing the Diversity Charter [Charta der Vielfalt]. The Diversity Charter and its dimensions of diversity are an integral part of our corporate culture. With our measures, we are actively committed to recognizing and supporting diversity.

Our aim is to raise awareness of diversity among our employees and thus create, maintain and further develop a diverse corporate culture and different team make-ups. It's only by working together that we can create and maintain a fully diverse and inclusive working atmosphere.

In particular, we are committed to ensuring that people have equal career opportunities and possibilities for professional development regardless of their gender. With various formats and flexible working time models, for instance, we seek to promote work-life balance, which also contributes to gender equality.

Further, we regularly review our measures for inclusion & diversity and continually develop them further. For this purpose we use various processes and channels, such as our *Global People Survey*, the audit of berufundfamilie ("career and family") as well as other formats.

Respect for human rights

The KPMG organization is committed globally to the United Nations Guiding Principles on Business and Human Rights. This commitment builds on our longstanding support for the UN Global Compact, which we signed back in 2002. KPMG is also committed to supporting the protection of human rights, preventing human rights abuses (including those involving business relationships), and helping to eliminate all forms of forced, compulsory and child labor. Further information on how the German Supply Chain Act is implemented at KPMG can be found in the section *Supplier management*.

How we continue to strengthen inclusion & diversity

Diversity all year round

At KPMG we are actively committed to informing our employees about the dimensions of diversity in our company and raising their awareness of the issues of inclusion and diversity. This takes place in the course of focus months on the

dimensions of diversity. In this period we provide a broad range of formats for information and reflection. For instance, our colleagues from the KPMG networks share their personal experiences, creating scope for dialog, shared learning and mutual support.

Dimensions of diversity

- Physical and mental capacities
- Cultural diversity
- Sexual orientation and identity
- Social background
- Generational diversity

Work-life balance

We want our employees' work and private life to be compatible. For this reason, we have implemented a range of measures and opportunities that promote family and life-phase-oriented work at KPMG.

We offer various concepts to make working time more flexible, including individual weekly or monthly working hours as well as the option of working from home and mobile working in Germany and other EU countries. To facilitate a balance between work and family following the birth of a child, employees can also make use of our *Fokus.Familie* program. We also work with selected cooperation companies that offer seminars on health, family and social issues and provide our colleagues with anonymous and free advice on these topics and, if necessary, refer them to other agencies – including support in care cases.

Fokus.Familie

Our *Fokus.Familie* program provides financial support for employees returning after the birth of a child. It also provides the option of using flexible working models with regard to hours and place of work to facilitate a balance between work and family. Through this measure we want to further strengthen equal opportunities in respect of career development.



flexwork



Lars Broschek
Employer Branding &
Recruitment Marketing,
KPMG AG Wirtschaftsprüfungsgesellschaft

“

In the Austrian Alps my partner and I have found the perfect location to recharge our batteries and to relax at the end of a working day. Thanks to the KPMG's Workation program, we were able to explore this impressive mountain landscape after work. I really appreciate the opportunity that KPMG provides to work from another location for a certain period of time.

KPMG's commitment to a modern working world

flexwork brings together a broad range of flexibility programs that enable our employees to individually structure their work. This includes flexibility regarding working hours and place of work, such as traditional work day models, weekly and seasonal models as well as working from home and mobile working in Germany and other EU countries.

We also recognize the importance of personal interaction and collaboration in building a vibrant corporate culture, fostering creativity and developing networks. Direct discussions between our colleagues nevertheless continue to be of great importance and contribute to personal and professional development.

Networks

Through our diverse networks at KPMG, we encourage our employees to exchange ideas on relevant topics and support networking within focus groups.

Speak-up format

Our *Speak-up formats* provide employees with practical techniques to strengthen their skills in reflection, confidence and quick-wittedness in challenging situations. In this way, we also contribute to promoting a value-based community both within and outside of the company.

Equal pay

Equal opportunity also includes equality of pay. By regularly analyzing our remuneration structures, we ensure that our employees are remunerated fairly and according to their qualifications and performance, independent of gender.



Fair share

We are convinced that potential is not bound to gender. For that reason we aim to promote our diverse talents in appropriate ways to ensure a balanced gender distribution across all positions.

Our progress in the financial year 2023

Prout at Work Voices und Executives

Once again this year, the Prout at Work organization recognized individuals as a PROUT PERFORMER for their commitment to promoting equal opportunities for LGBT*IQ+ people in the workplace. We are very happy that KPMG is represented by two employees as PROUT PERFORMER 2023.

Screen readers for people with visual impairments

Starting this year, we are providing screen readers (non-visual desktop access software) to enable people with visual impairments or limitations to participate optimally and independently in working life. This represents another step towards accessibility in the digital environment.

- **12.5 percent** share of women in management positions at Managing Board level (prior year: also 12.5 percent)
- **18 percent** share of women in management positions at the first level below the Managing Board (prior year: 17 percent)
- **39 percent** share of women in management positions at the second level below the Managing Board (prior year: also 39 percent)
- **6 of 16** Supervisory Board members are women, which equates to roughly 37.5 percent (prior year: 5 of 16)

• **17 percent** of employees and 17 percent of management at KPMG made use of a customized working time model, the same amount as in the prior year

• KPMG's workforce includes people of **110** different nationalities (prior year: 107 nationalities)

• In financial year 2023, KPMG employed **221** people with severe disabilities or equivalent status (prior year: 216). As such, we are below the statutory minimum quota of 5 percent. In order to continuously increase this percentage, we are currently working on specific measures such as raising awareness of inclusion, improving (digital) accessibility at work and giving specific consideration to people with disabilities in the recruitment process

• In financial year **2023**, approximately **140** employees participated in the *Fokus.Familie* program (prior year: 171)

We want to continue to push ahead with cultural change at KPMG in the future by empowering our employees with respect to inclusion & diversity, raising their awareness of these topics and by providing information.

A detailed listing of other metrics can be found at the end of the *People* section.

Networks at KPMG

Women's networks

Sharing ideas and developing soft skills and competencies, specifically for women

Parent networks at various locations

Opportunity for parents to support each other and exchange ideas and experiences on family and children

Cosmopolitans

Chance to network on matters of cultural diversity

PriDE@KPMG & Friends

Communication and safe space for the LGBT*IQ+ community and all interested employees

"Grenzen?Los!" network

Exchange on the issues of inclusion, disability and chronic illness for employees with or without disability

Network of possibilities

Dialog on the issue of social background

Digital accessibility at KPMG

Innovative steps towards digital accessibility at KPMG: Our commitment for inclusive working conditions

At KPMG we are committed to creating and maintaining an inclusive working environment. We also recognize that there is always room for improvement. For people with visual impairments or limitations, following documents or chats on the screen can be a challenge.

At KPMG we want to work actively to reduce obstacles in everyday work. Our continuous efforts to promote inclusion are reflected in initiatives to ensure that all our employees have equal opportunities and resources in our diverse and dynamic working environment.

Through the launch of screen readers (Non-Visual Desktop Access Software: NVDA), we enable people with visual impairments or limitations to participate more easily in working life at KPMG. Alongside live transcription of teams meetings, which supports people with a hearing impairment, this measure is a further step towards achieving digital accessibility.

Jörg Felgentreu

Representative for Employees with Disabilities, KPMG AG Wirtschaftsprüfungsgesellschaft



“

For colleagues with disability, it's not only accessibility in buildings that is important, but in the digital field too. Microsoft Teams with live transcription has recently been made available. This assists people with hearing impairments but is also helpful in situations where audio transmission is limited. People with visual impairment need support in terms of read-aloud and magnification software. I am really pleased that this has now been made possible.

Health and wellbeing

We are committed to protecting and supporting the mental and physical well-being of our employees. By doing so, we aim to create a safe working environment in which all our employees are able to realize their full potential.

The physical and mental health of our employees is a high priority for KPMG as employer. We have established a wide range of measures to improve health and well-being in the workplace and to support prevention by way of a comprehensive, cross-divisional management approach.

Current global challenges increase the risk of psychological stress on our employees. This is why we place special emphasis on preventive measures as well as on prompt relief and support for those affected. We also take diverse measures to raise awareness on the issue of mental health and work actively to prevent stigmatization. At the same time, we consider it of great importance that our senior staff develop the skills to strengthen their ability to recognize and deal with the potential and actual mental challenges facing our employees.

How we look after our employees' health

Information and training

We have regular, easily accessible offers to promote the mental resilience and health of our colleagues. These include talks and training on issues such as managing workloads, time management and stress management.

Counseling services

Our employees have access to a broad range of in-house and external support services. These include opportunities to talk in confidence to in-house coaches and company doctors as well as life coaching and social counseling through our external cooperation partner *famPLUS*.

Health and fitness

We have set up special fitness areas at several KPMG locations. Our employees also have access to a wide range of health and prevention services. These include informative webinars with content on nutritional advice, diabetes prevention and bioelectrical impedance analysis.

Flu vaccinations

Each year our employees can take up the offer of a flu vaccination at almost all branch offices.

Lease bikes

We launched our bike leasing program in 2019. Since financial year 2022, employees can also obtain a second bike via the firm's leasing offer.

Regular reviews and continuous improvement are fixed elements of our health and well-being measures. For this purpose we use different processes and communication channels, for instance our KPMG company-wide employment environment survey. This survey aims to record how employees perceive their working conditions. We want to identify factors that influence well-being and make adjustments, where appropriate.

Get moving and make a difference

The company-wide KPMG Changers Challenge in summer 2023

Keep fit and do good – employees accumulated kilometers collectively through exercise, which KPMG then converted into a donation to the Brotzeit e. V. organization. This donation supports the provision of a healthy breakfast for socially disadvantaged primary and secondary school children.

The basic idea behind our challenge was to draw employees' attention to the importance of health and exercise in everyday life and at the same time to do something for a good cause. In just two weeks, 1,700 employees set off together and covered a distance of almost 100,000 kilometers. For this huge effort, we made a donation to support the Verein Brotzeit e. V. This provides children and adolescents with a wholesome breakfast, enabling them to have a healthy start to the day.



Our progress in the financial year 2023

Hybrid working guidance: Laying the foundations together for successful collaborations

The company-wide survey on the working environment in financial year 2023 resulted in employee proposals and ideas for measures that could further improve the collaboration and working environment at KPMG. One example was to implement proposals for new guidance on hybrid working, which summarizes the most important issues that should be considered for hybrid team work. It serves as orientation and aims to promote flexible and effective collaboration among employees while constantly keeping in mind the needs of clients, the market and individual team members.

- In the meantime, we have approx. **970** active bike lease agreements

We also want to continually develop further and expand our range of health offers for our employees, especially in cooperation with our partners.

A detailed listing of other metrics can be found at the end of the *People* section.

People | Additional metrics

GRI 2-7
ESRS S1-6

Employees

	Total			Percentage of women			Percentage of men		
	2023	2022	△ Prior year	2023	2022	△ Prior year	2023	2022	△ Prior year
Number of employees total⁵	14,012	12,849	9 %	46 %	46 %	0.6 %	54 %	54 %	-0.5 %
...thereof specialist staff	10,806	9,797	10 %	40 %	39 %	2 %	60 %	61 %	-1 %
...thereof non-specialist staff	3,206	3,052	5 %	68 %	67 %	0.2 %	32 %	33 %	-0.5 %
...thereof employees with temporary contracts ⁶	1,411	1,200	18 %	46 %	46 %	0.2 %	54 %	54 %	-0.2 %
...thereof employees with customized working time models	2,356	2,206	7 %	76 %	76 %	-0.2 %	24 %	24 %	0.7 %

GRI 2-7
ESRS S1-6

Leaders

	Total			Percentage of women			Percentage of men		
	2023	2022	△ Prior year	2023	2022	△ Prior year	2023	2022	△ Prior year
Managing Board	8	8	-	12.5 %	12.5 %	-	87.5 %	87.5 %	-
Partners and directors (including division heads)	778	762	2 %	18 %	17 %	8 %	82 %	83 %	-2 %
(Senior) managers (incl. department heads and senior experts)	3,246	3,006	8 %	39 %	39 %	1 %	61 %	61 %	-0.7 %

⁵ Annual average of KPMG Group by headcount excluding board members/managing directors, interns, trainees, vocational students, employees in partial retirement in non-working phase, employees on parental leave and contractually inactive employees; incl. temporary staff and working students. In addition to the population of employees, there are also two employees who identify as non-binary. The average number of employees during the year at KPMG was 14,014. As the comparative figure is too small, non-binary has not been reported.

⁶ Mainly working students and temporary staff.

Age structure

	2023	2022	△ Prior year
<30 years	5,625	4,831	16 %
30 – 39 years	4,462	4,220	6 %
40 – 49 years	2,056	1,990	3 %
>50 years	1,871	1,809	3 %
Total⁷	14,014	12,850	9 %

Number of employees

Total

Employee development

	2023	2022	△ Prior year
Total hours spent on training and further education⁸	785,820	680,477	15 %
Average hours spent on training and further education per specialist employee ⁹	87	83	4 %
Promotions ¹⁰	4,193	3,714	13 %

Nationalities

Total

Employees on parental leave

Total

	2023	2022	△ Prior year
Employees of non-German nationality	1,471	1,213	21 %
Number of different countries	110	107	3 %

Employees on parental leave

	2023	2022	△ Prior year
Employees on parental leave	824	873	-6 %
...thereof women	579	614	-6 %
...thereof men	245	259	-5 %
Return rate	96 %	96 %	-0.7 %

⁷ Population of 14,014, including female, male and non-binary employees.

⁸ Training hours relate to all specialist staff, excluding interns, working students, temporary staff, vocational students and trainees.

⁹ The average training hours per specialist staff member are calculated on the basis of the number of FTEs (full-time equivalents).

¹⁰ Taking into account promotions as of Oct. 1, 2022, and Apr. 1, 2023.

Customized working time models

Total

Percentage of women

Percentage of men

	2023	2022	△ Prior year	2023	2022	△ Prior year	2023	2022	△ Prior year
Number¹¹	2,356	2,206	7%	76%	76%	-0.2%	24%	24%	0.7%
...thereof average level of employment	67 %	67 %	1 %	67 %	67 %	0.5 %	67 %	65 %	2 %
...thereof percentage of employees with an employment level of up to 50 percent	26 %	27 %	-4 %	72 %	71 %	1 %	28 %	29 %	-3 %
...thereof percentage of employees with an employment level of 51-80 percent	59 %	59 %	–	76 %	77 %	-0.9 %	24 %	23 %	3 %
...thereof percentage of employees with an employment level of more than 80 percent and less than 100 percent	14 %	13 %	8 %	81 %	82 %	-1 %	19 %	18 %	6 %

¹¹ The category "non-binary" is not included as its comparative population size is too small and is subject to data protection regulations.

Salary level and remuneration

KPMG pays fair starting salaries. Overtime is credited to time accounts with slightly different models depending on the employee group. It can be compensated by time off or paid out. In addition to fixed remuneration, our employees also receive results- and performance-based remuneration.

With regard to our starting salaries, we always make sure that they are appropriate and above the minimum wage level. This also applies to the employment of temporary staff. Our starting salaries for university graduates are significantly higher than the statutory minimum wage in Germany.¹²

Sickness-related absences/occupational accidents Total

	2023	2022	△ Prior year
Sickness-related absences – rate of those on sick leave	4 %	4 %	–
Occupational accidents – days of absence	279	429	-35 %
Reportable occupational and commuting accidents	23	20	15 %

¹² This includes all employees who are starting their career at KPMG. A distinction is made between two groups: employees with training in accounting (Audit, FS Audit) and employees from all other services and sub-services.



03 Planet

Planet

Our responsibility

Reducing our environmental impact to build a more sustainable and resilient future.

Our commitments

We want to reduce our carbon emissions by 50 percent by 2030.

We provide comprehensible and in-depth information on the impact of climate change.

We strive to understand and improve how our actions impact the environment.

In order to meet our responsibility to future generations, we are constantly working to reduce our environmental impact – both in our own business operations and in our supply chain. We also use our ESG services to support our clients in aligning their business models, products and services in a manner that is sustainable. Together we make our contribution to maintaining a livable world today and also in the future.

KPMG International, together with member firms of the global KPMG organization, joined the Science Based Targets initiative (SBTi). The SBTi aims to firmly anchor science-based targets for reducing greenhouse gas emissions in line with the 1.5 degree target of the Paris Climate Agreement in corporate practice. As part of a short-term target, we have committed to reducing our emissions by 50 percent by 2030. Our target is based on a 1.5 degree reduction path and we are committed to an absolute emission reduction in scope 1, 2 and 3. The base year for this target is financial year 2018/19, the last full financial year before the Covid-19 pandemic. This significantly influenced the main activities responsible for greenhouse gas emissions (in particular business trips, energy consumption in office buildings and commuting).

KPMG Germany has also pledged to reduce its greenhouse gas emissions by half by 2030. In order to make our contribution to reaching the 1.5 degree target and to meet the requirements of the SBTi, we have drawn up a national environment program

Umwelt 2030 that has been adopted by the Managing Board. This defines specific measures in the areas of mobility, sustainable supplier management, energy and resource consumption as well as commuting.

In 2010 we set up an environmental management system certified according to ISO 14001 to continually monitor and improve our measures and activities. This system allows us to continuously review and, where necessary, improve our business processes with regard to their environmental impact.

The environmental management team [Umweltmanagement-Team: UM Team] of KPMG together with other in-house specialist departments are responsible for implementing, adjusting and refining our measures under the environment program and for maintaining our environmental management system. At least once a year, the Managing Board assesses progress in implementing the environment program and the status of target achievement and decides on any possible further measures.

In addressing our activities for *Planet*, the needs of our stakeholders are of huge relevance. As part of our sustainability program, we have established various channels and processes, such as our annual *Global People Survey* or information exchanges with employees, to facilitate dialog with interested parties.



Cecilia von Bernstorff
Assistant Manager –
Deal Advisory Strategy,
KPMG AG Wirtschaftsprüfungsgesellschaft

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We are very lucky to have the world in which we live. I am aware that we have to design the living spaces we use in such a way that they are just as livable for future generations as we experience them right now. This will not happen automatically; we need to live sustainably.

I make a difference.

On the path to climate neutrality: KPMG as a pioneer for businesses

KPMG actively supports business with the transition to climate neutrality. Our team for Energy and Decarbonization advises businesses on how they can achieve their climate targets. This specifically calls for transitioning from fossil-based structures to renewable energy. Currently the majority of energy and electricity production in Germany is sourced from fossil fuels, such as coal, oil and gas. This means that a producer currently producing energy exclusively from fossil fuels will have to change its entire business model and complete a 180-degree turnaround in order to achieve this transition.

At KPMG we act as trailblazers together with businesses to support them in this transformation to climate neutrality. The aim is to analyze and understand how a business can and must contribute in order to then define the way to achieving this in specific individual steps.

It is of personal importance for me to not only talk about sustainability but also to actively contribute to it. These major challenges for businesses need to be structured so that they can be implemented successfully.

The core of my and our work is to find innovative solutions. As a member of the KPMG team, I can make a difference and contribute to reducing emissions and achieving climate neutrality.

Strong together with the WWF

By joining the Science Based Target Initiative (SBTi), we have committed to reducing our greenhouse gas emissions by 50 percent by 2030. We are also taking financial responsibility for future emissions and have entered into a partnership with WWF Germany for this purpose. As part of our sponsorship program, we are financing two nature conservation projects: in the Uganisha nature reserve in East Africa and in the Cerrado in Brazil. Both projects not only have climate protection as their primary goal, but also the protection of the global common goods of water and biodiversity as part of a holistic approach. Furthermore, the success of both projects is essentially based on the involvement of the local and indigenous population. The projects are financed with funds from KPMG's internal carbon pricing.

Uganisha:

This region is home to eight national protected areas, including the Serengeti and Kilimanjaro National Parks. Fences, roads and irrigated maize cultivation are increasingly blocking the migration routes of native animals. WWF's aim is to connect the Mara-Serengeti, Amboseli-Kilimanjaro and Tsavo-Mkomazi landscapes, which are already widely protected, so that a large-scale network of protected areas can be created. In Uganisha, we are investing in an existing and ongoing WWF project that brings together conservationists, governments and people in the region.

Cerrado:

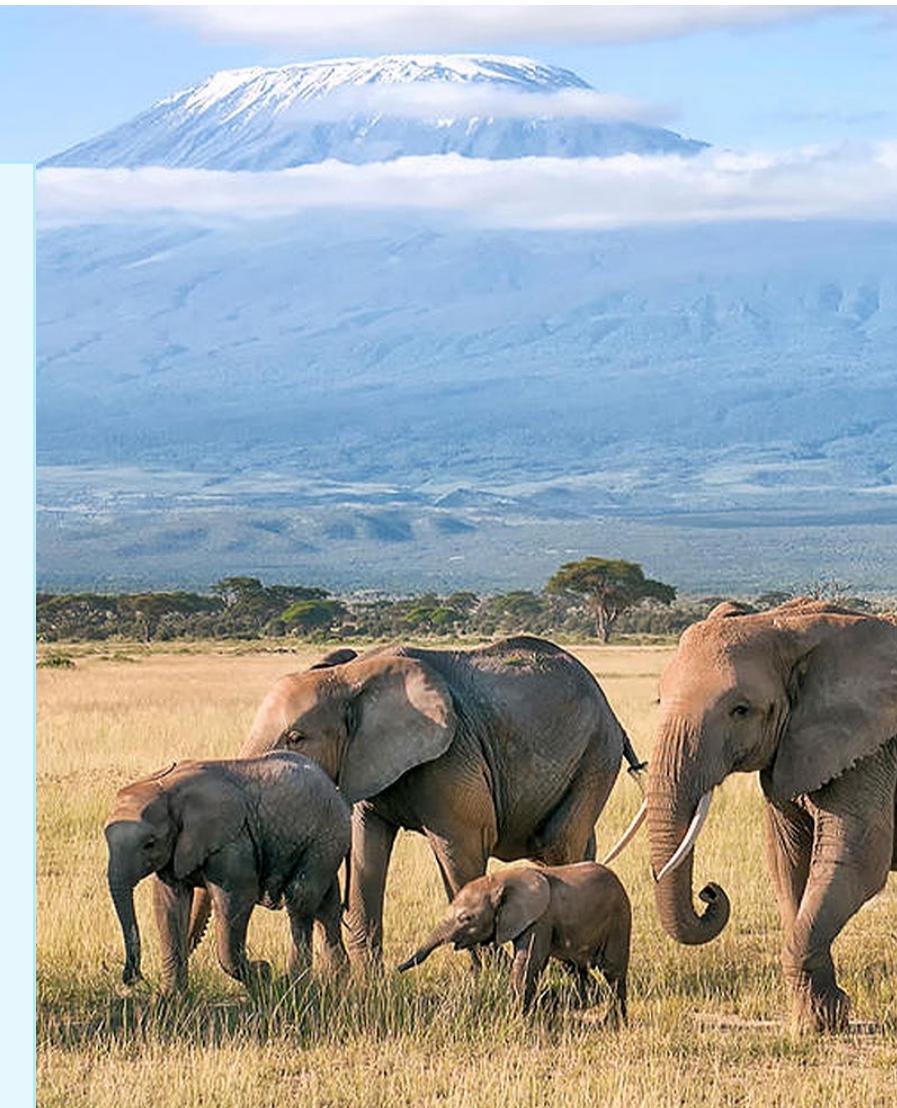
This area, which, like the Amazon rainforest, plays a key role in protecting the climate and preserving biodiversity, is currently under severe threat from soya cultivation. Many indigenous peoples and communities live in this region and are dependent on a healthy ecosystem. WWF is using our funds to implement a nature conservation project in the Cerrado with the aim of restoring large areas of the original landscape. In the degraded areas, the focus is on restoring the ecosystems, including improving water quality and supply, protecting biodiversity and CO₂ sequestration through reforestation and land conservation.

“

Carbon pricing allows important funds to flow into ecologically and socially sensitive regions such as Uganisha and Cerrado. They make a crucial contribution to global climate protection and directly benefit the people and the nature in those places.

Dr Sebastian Öttl

Lead Sustainable Business & Climate at WWF Germany



Three questions to...

...CEO Mattias Schmelzer on our contribution to global climate protection

Why is KPMG investing in global climate protection?

The world must act quickly and collectively to meet the 1.5 degree target of the Paris Agreement. We at KPMG also have a responsibility that is reflected in our own climate targets. On top of that, we are working with WWF Germany to protect the climate and natural resources such as water and biodiversity outside of our own organization.

What are we doing in terms of the environmental impacts of our own business activities?

We are constantly reducing our own carbon emissions and improving our business processes to reduce their impact on the environment. Let us be clear: this is our first responsibility when it comes to our contribution to climate protection. By investing in nature conservation projects, we are taking on additional responsibility. The cooperation with the WWF in Uganisha and Cerrado is an excellent fit, especially because we can measure and track the impact of our commitment. We want this to be a sustainable contribution.

Is our ESG advisory business with our clients linked to our own activities?

ESG has two levels – first our own sustainability strategy with *Our Impact Plan* in our firm, which represents one contribution, and the other is our ESG advisory work with the clients. To that extent, they are linked. By providing our services we are making an important contribution to shaping a more sustainable overall economy. Building on our competitive advantage in subject-matter and regulatory competence, we want to serve as a purpose-driven transformation partner with corresponding ESG expertise to assist companies in their ESG efforts and support them to do their part for a sustainable future. I consider this to be a very valuable and inspiring responsibility.

Mattias Schmelzer
CEO and Chairman of the
Managing Board, KPMG AG
Wirtschaftsprüfungsgesellschaft



Environmental program Umwelt 2023

Our Umwelt 2030 [Environment 2030] program focuses on measures in the following four areas: mobility (business travel), sustainable supplier management, energy and resource consumption, and commuting.

Mobility

Business travel is a key part of our business model. Personal contact with our clients remains important, although the number of business trips has dropped significantly due to the Covid-19 pandemic. In financial year 2023, the first year without any travel restrictions, we again saw a higher number of business trips compared to the years with Covid-19 restrictions. Nevertheless, the number of business journeys is well below the pre-Covid level. This trend isn't just due to a changed way of working, where virtual meetings have replaced many business trips, but also because of the measures supporting – and especially sensitizing people to – the use of environmentally friendly means of transport. Business travel currently accounts for 26 percent of our total emissions. We intend to transform the travel behavior of our employees over the long term by raising awareness and through motivation. For instance, we use targeted incentives to promote ecological considerations for planning and taking business trips. Specifically, we have implemented the following measures:

Internal carbon pricing

In financial year 2023, we introduced internal carbon pricing in our management reporting. This means that activities with high greenhouse gas emissions are made more expensive, which heightens our project managers' awareness of activities detrimental to the climate and creates transparency for their daily decisions in engagement management. Internal carbon pricing of EUR 50 per ton currently applies for business trip emissions and energy for buildings, meaning that it covers 36 percent of our overall net emissions. We will use income generated through our internal carbon pricing to invest in climate and environmental protection projects.

CO₂ dashboard

All of our employees can use the carbon dashboard at any time to view their personal carbon footprint arising from their business trips by plane, train or car. This information will help to raise peoples' awareness of the need to choose the most environmentally friendly transport for future business trips.

Virtual meetings instead of business travel

Collaboration platforms and video conferencing tools have proven to be effective alternatives to business trips. By adapting our internal infrastructure, we are enabling our employees to hold their meetings with clients virtually and to thereby significantly reduce the number of business trips.

Carbon-neutral rail travel

All business travel with Deutsche Bahn, for both regional and long-distance transport, is carbon-free for KPMG employees. We have been making this possible since 2009, long before Deutsche Bahn started operating all of its business travel with 100 percent green energy.

Updated travel expenses policy

We revised our travel expenses policy in 2023 and established more firmly environmental considerations as a key criterion for travel organization. This can be seen especially in the consultation process introduced for domestic flights, which we see as a means of raising our employees' awareness before they book airline travel.

Lease cars

A growing number of lease car users are opting for alternative drives. Half of our car fleet are currently battery electric vehicles and plug-in hybrids, while the fleet's average carbon emissions are now approx. 100 g/km. We support this with measures such as an increasing supply of EV charging stations at our office locations or with the *Umwelt-Plus Program* [Environment-Plus Program], which allows employees to opt for a more expensive lease car if it has an alternative drive.

Sustainable supplier management

The majority of our emissions (57 percent) come from the goods and services we purchase. We see great leverage in the supply chain for reducing our environmental impact, so environmental factors play a huge role in our buying decisions. Our goal is for at least half of our strategic suppliers to also set a science-based target by 2030.

Calculating the emissions caused by our purchased goods and services currently involves the challenge of obtaining real data from our suppliers. For this reason, we have arranged for an independent business research institute to calculate scope 3.1 emissions (purchased goods and services) by means of an input-output analysis. This year we have started augmenting our suppliers' values with supplier-specific data and are continually improving the quality of our data in this scope 3 category. To do this we are using the data of our biggest suppliers provided by the Carbon Disclosure Project (CDP) of the Supply Chain Program. We currently map 15 percent of the carbon emissions through supplier-specific data. For more information on sustainable supply chains, please see the *Supplier management* section.

Energy and resource consumption

Energy consumption is currently responsible for 10 percent of KPMG Germany's greenhouse gas emissions. As we rent all of the buildings we use, we have limited room for maneuver in terms of energy savings. However, we can implement some measures to enable more efficient energy consumption. Not least due to the responsibility that comes with being a large company in view of geopolitical developments and their consequences, we want to continue to implement appropriate energy-saving measures. We developed an energy-saving program back in autumn 2022 to not only implement the legally required measures at that time, but also to identify and implement hitherto unused energy saving potential in the long term. We have implemented the following as part of our energy saving program:

- Temporarily closed ten additional rented spaces during the winter months
- Reduced preset temperature for heating and extended weekend and night setback in buildings where this is possible
- Switched off facade lighting, logos, televisions and other non-essential electronic devices

As heating is one particular area for which complete data is currently not available, it has not been possible to fully evaluate the reduction achieved by the successfully implemented energy saving program. An initial evaluation of locations with complete data revealed a reduction of 10 percent compared to the prior year.

We have also taken further steps in the past years and in financial year 2023 to help to make the typical office day more environmentally friendly and save resources. These include:

Green electricity at all our offices

We have been using green energy in our offices since 2010. We are currently working with the landlords of our office spaces to also source renewable energy for the properties' common areas.

Energy-efficient buildings

When leasing new office space, we always aim for the building to (ideally) be platinum certified by the German Sustainable Building Council (DGNB).

Environmental aspects of our "World of Work 2025" offices

World of Work 2025 is our office concept that is being gradually rolled out at all of our locations.

The concept involves a series of sustainability elements for setting up and using office space: using energy-saving technology, flooring from recycled materials, targeted selection of furniture with the "Blue Angel" seal or "Greenguard" certification. And it also includes the reuse and upcycling of used furniture from the Germany-wide KPMG inventories. At the same time, dispensing with workstations fixed by name and using booking systems enables a significantly more efficient use of space. The KPMG offices in Berlin, Munich, Dresden, Hamburg, Hannover, Jena, Karlsruhe, Nuremberg, Bielefeld, Mannheim and Ulm are now organized according to this principle.

Reusable packaging

To save on resources, we have introduced a reusable deposit-refund system for takeaway packaging in our canteens and an external deposit-refund system for reusable coffee cups at numerous locations.

Recycled paper

Since 2020, KPMG has exclusively used recycled paper with the "Blue Angel" ecolabel in all of its offices. Conventional FSC-certified virgin fiber paper is only used at KPMG for our printed publications and in a few exceptional cases.

Sustainable coffee – and now tea as well

After having introduced organic and fairtrade coffee at all office locations, we are now switching to organic and fairtrade tea, too.

Oat milk

We are also introducing oat milk at all locations and are supplementing the dairy milk offer with a more environmentally friendly alternative.

Honey bee colony settlements

As a contribution to maintaining our ecosystem, we have settled honey bee colonies at several locations. Beekeepers look after the bees on site, from the honey harvest through to the winter rest. In financial year 2023, around 300 kilograms of honey was produced from nine locations.

Sustainable planning and execution of events

For our numerous KPMG events, we have developed guidelines available to all employees which include information and recommendations on resource-efficient event concepts.

Conserving resources through more circular economy

To avoid unnecessarily wasting resources, we support the setup of an internal circular economy in the form of offers for our staff. For example, employees can buy used IT hardware such as notebooks or monitors and furniture, allowing resources to be preserved. In financial year 2023, we also set up an in-house notice board that allows our employees to offer used items to buy or exchange.

Commuting

In terms of mobility, it is both business trips and our employees' commutes that cause emissions (currently 7 percent). We want to motivate our staff and promote awareness of environmentally friendly ways of traveling to work. Here too we want to focus on incentivizing rather than prohibiting. Our measures include:

Innovative mobility concept for the Berlin location

The mobility concept for the Berlin office has been in place since summer 2022 and involves a shift from carbon-intensive to lower-carbon mobility. The income from leasing underground parking spaces will be used to fund environmentally friendly and sustainable mobility for the Berlin employees. They receive a monthly mobility allowance for using public transport or lease bikes.

Charging infrastructure for electric cars and hybrid vehicles

Environmentally friendly mobility includes promoting electronic-drive vehicles. KPMG now provides charging infrastructure for electric cars and hybrid vehicles at several of its offices. Where technology allows, further buildings will subsequently be fitted with this infrastructure. New KPMG offices will also be equipped with charging points in the future. In financial year 2023 our staff could access around 100 charging points at 15 KPMG locations.

The KPMG Green Circle and the digital notice board

The KPMG Green Circle is a new project offering our employees the opportunity to get involved in actively promoting the circular economy and to sharpen their awareness of the topic. In autumn 2023 we introduced a "Green Swapbox" to the Berlin and Hamburg offices.

This box invites our employees to donate used personal items such as books, games or DVDs and also to take things they need. Our goal is to efficiently reuse valuable resources within the firm.

We have also revived the digital notice board concept. This online platform allows all employees to offer and purchase clothing, furniture and other items. This promotes a sustainable approach to everyday items as well as communication among employees in the firm.



Our progress in the financial year 2023

Our carbon footprint

Since 2021 we have calculated our carbon footprint with a view to our sustainability targets and the SBTi requirements taking into account all essential scope 3 emissions. Upstream emissions relevant for us from our value chains are included from the base year 2019 onwards, including the greenhouse gas emissions generated in our supply chain and our employees' commutes.

KPMG Germany reports the relevant emission data annually to KPMG International. This is then integrated into the global KPMG organization's report to the SBTi. KPMG Germany and KPMG International also report jointly every year to the CDP on our company-wide environmental achievements and our management of climate-related risks. This is currently rated with a B score. The following overview shows our progress and also the challenges involved in reducing our greenhouse gas emissions:

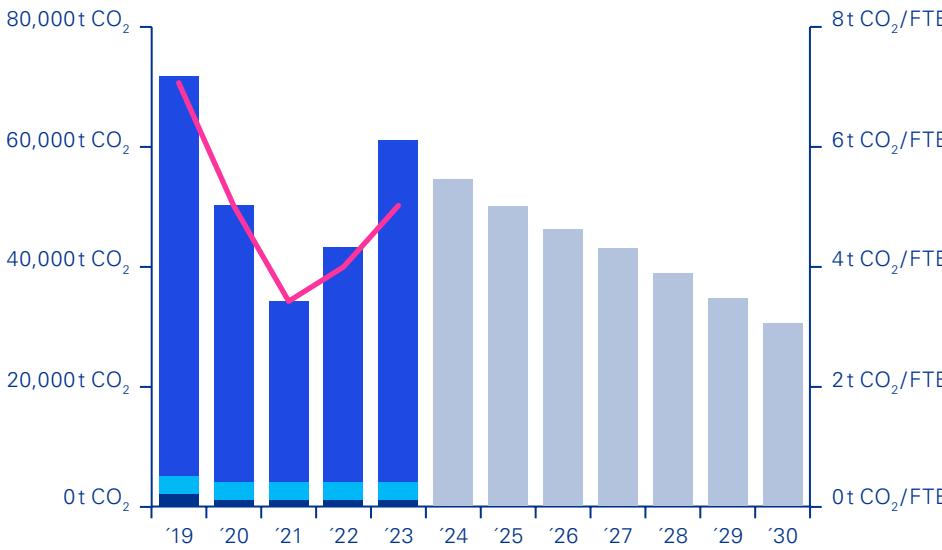
Compared to the base year 2019, greenhouse gas emissions have fallen by approx. 14 percent. However, greenhouse gas emissions rose by 35 percent over the prior year. As in the prior year, this increase is due to the removal of the worldwide pandemic restrictions. Nevertheless, greenhouse gas emissions are well below the pre-Covid level, despite the normalization of business operations.

Scope 1 emissions rose slightly compared to the prior year due to the increase in journeys with company cars. **Scope 2** emissions fell year on year despite growing office space, partly due to the successful implementation of the energy saving program. However, there was a significant increase in “purchased goods and services” as well as business travel, especially flights, which led to a sharp rise in **scope 3** emissions.

The central framework for calculating greenhouse gas emissions is the Greenhouse Gas Protocol. This is used to define the principles of corporate greenhouse gas accounting, including the categorization of scope 1, scope 2 and scope 3.

For detailed information on Scope 3 emissions, for example with regard to the subcategories, we use the “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” of the Greenhouse Gas Protocol. We also use data recording guidelines prepared by KPMG International to ensure consistent reporting from KPMG member firms. All environmental data is collected, evaluated and quality-assured by the internal Sustainability Team.

Our carbon footprint in the financial year 2023



- Scope 1 – Emissions generated directly through own sources
- Scope 2 (market based) – Emissions generated indirectly, e.g. from purchased electricity; market-based Scope 2 emissions are specified here
- Scope 3 – Indirect emissions in the upstream supply chain
- Emissions per FTE (full-time equivalent)

[A detailed list of our greenhouse gas emissions can be found at the end of the Planet section.](#)

Source: KPMG, Germany, 2023

+35 % CO₂

Compared to prior year (2022)

-14 % CO₂

Compared to base year (2019)

-50 % CO₂ until 2030

Compared to base year (2019)

Planet | Further metrics

GRI 305 1-5
ESRS E1-6

Greenhouse gas emissions in t CO₂e¹³

	2023	2022	2019	△ Prior year	△ Base year
Scope 1	1,020	988	1,248	3 %	-18 %
Scope 2 (market based) ¹⁴	2,690	2,859	3,127	-6 %	-14 %
Scope 2 (location based)	6,919	7,104	9,428	-3 %	-27 %
Scope 3	58,451	42,473	68,013	38 %	-14 %
3.1 Purchased goods and services, including rental cars	34,916	29,421	28,337	19 %	23 %
3.1 Purchased goods and services (intercompany) ¹⁵	21,288	28,573	28,348	-25 %	-25 %
3.3a), 3.3b), 3.3c) Fuel- and energy-related emissions (not included in Scope 1 or 2)	1,930	2,025	1,932	-5 %	0 %
3.6 Business travel	15,180	5,791	28,008	162 %	-46 %
3.7 Commuting	4,379	3,317	7,350	32 %	-40 %
3.8 General electricity	2,047	1,920	2,386	7 %	-14 %
Total emissions (gross)	66,390	50,565	78,689	31%	-16%
Renewable energy ¹⁶	5,618	5,556	8,052	1 %	-30 %
Total emissions (net)¹⁷	60,772	45,009	70,637	35%	-14%
Total emissions (net) per FTE	4.57	3.64	6.09	26%	-25%
Emissions in relation to revenue (t CO ₂ /EUR 1 million in revenue)	27	22	39	24 %	-32 %

¹³ Updated since previous reporting due to better data availability; relates to 2019 (base year) and 2022 (prior year).

¹⁴ Calculated using supplier-specific emission factors (market-based), provided they were available in a qualified form. If not, then location-specific emission factors were applied (location-based).

¹⁵ Services provided by KPMG companies abroad for KPMG Germany; the greenhouse gas emissions generated as a result are taken into account by the relevant company abroad and are not included in the greenhouse gas balance of KPMG Germany.

¹⁶ Renewable energies from electricity procurement under Scope 2 and Scope 3 (general electricity).

¹⁷ Total emissions (gross) less renewable energies.

Greenhouse gas emissions in mobility in t CO₂e

	2023	2022	2019	△ Prior year	△ Base year
Flights	11,761	3,693	17,913	218 %	-34 %
Train	–	–	–	–	–
Passenger vehicles	1,787	1,256	5,055	42 %	-65 %
Rental cars	293	215	501	36 %	-42 %
Taxi	101	73	401	38 %	-75 %
Local public transport	13	8	88	64 %	-85 %
Hotel	1,702	906	5,037	88 %	-66 %
Total emissions	15,656	6,151	28,994	155 %	-46 %
Total emissions per FTE	1.18	0.50	2.50	137 %	-53 %

Energy consumption in MWh¹⁸

	2023	2022	2019	△ Vorjahr	△ Basisjahr
Electricity	18,531	19,305	20,850	-4 %	-11 %
Share of green electricity	89 %	90 %	92 %	-1 %	-3 %
Heating	19,394	20,901	21,543	-7 %	-10 %
Total	37,925	40,206	42,393	-6 %	-11 %

¹⁸ Updated since previous reporting due to better data availability; relates to 2019 (base year) and 2022 (prior year).

04

Prosperity

Prosperity

Our responsibility

Making a positive contribution to society and the economy.

Our commitments

We promote education and lifelong learning.

We support NGOs with expertise-based pro bono consulting.

We are committed to a sustainable and ethical conduct and we assume social responsibility. This aspiration enjoys a long tradition at our firm. It is our goal to combine economic success with social and ecological aspirations and to promote social engagement in order to meet the challenges of our time together.

One key element of our company culture is therefore the multifaceted social engagement that is carried by our employees. By committing themselves personally, they can have a positive effect on society. We promote this engagement through different programs in which staff can actively apply themselves in society and make a positive contribution – fully in the spirit of our value **For Better. We do what matters.**

In all our activities for social engagement, the interests and needs of our employees are of huge relevance. In a tight labor market, voluntary commitments are a key factor in winning employees, especially the younger generation. They want to apply themselves, experience a sense of purpose and expect their employer to also engage in society. We attend to these expectations with a variety of possibilities for staff to engage, and we continually develop these offers keeping an eye on trends in society. Furthermore, we want to address our employees' interests and wishes, and so we welcome their feedback and comments on the design of our programs and initiatives, which they can provide through various channels, including:

Feedback from our employee *Global People Survey* as well as feedback, ideas and suggestions via KPMG's sustainability team mailbox (ESG@KPMG) and incorporating engagement programs into development opportunities. Our guidelines for voluntary engagement at KPMG are the basis for all activities in the Prosperity field.

International goal: 10by30

The global KPMG Organization has set itself the goal of economically empowering 10 million disadvantaged young people by 2030 through education, employment and entrepreneurship opportunities. This is being achieved through collaboration and programs for social engagement focusing on lifelong learning at KPMG worldwide. Our aim is to use our expertise to make an impactful, positive change in society. We at KPMG Germany have developed engagement programs over many years that have contributed effectively to society. We also pass this expertise on to other member firms, allowing them to benefit and also contribute to the global 10by30 commitment.



I make a difference.

A matter of the heart: Our contribution to society

In my professional activities I get a lot of gratification and fulfillment from working with people, whether for clients, where I give trainings for employees on different topics and help them to gain new skills, or in my work as a business coach or as a voluntary mentor for young people.

At the same time, especially the voluntary work is a way of expressing my thanks for the opportunities and fulfillment in my career.

It is important for me that companies engage in society and contribute to social development. KPMG has for many years collaborated with JOBLINGE, an organization that supports young people in preparing for working life and especially for professional training. I invest 4-5 hours each month with JOBLINGE, supporting young people in acquiring specific skills.



Hilke Steffens

Senior Manager Consulting –
HR Transformation,
KPMG AG Wirtschaftsprüfungsgesellschaft

“

Social engagement has long been part of my life. In my earlier years, I myself had valuable opportunities to develop personally and professionally. It is something I would like to give back and KPMG helps me to do this.

The topics range from effective (verbal and non-verbal) communication, personality concepts, job application coaching to discourse about a company's expectations of trainees. JOBLINGE are often young people who may have already dropped out of several apprenticeship schemes or who have difficulties finding their way in the job maze. It is fulfilling to see how they thrive, become curious, ask questions and take in knowledge. I feel personal enrichment and also a great sense of purpose in this work.

I really appreciate KPMG allowing me to do these activities during my working hours as part of KPMG's 4-hour engagement. The distinct values culture and support for social engagement are aspects of my job that I rate especially highly.

Social engagement

We recognize our social responsibility. Our aim is to use our social commitment to make a positive contribution to society.

As part of our social engagement, we practice corporate responsibility and have created programs and initiatives that focus on “equitable and high-quality education” and “lifelong learning”. The personal commitment of our staff is a central element of our sustainability concept and is particularly valued and encouraged in that employees are released from work for their engagements. Together with our employees, we want to contribute positively to our communities, and we are committed to supporting young people and helping them to realize their potential.

How we are making a positive contribution to our society

4-hour commitment

Our 4-hour commitment is the framework for our social engagement. This frees up our staff for up to four hours per month for a charitable engagement. Staff have the possibility to either choose a charitable organization themselves or to opt for one of the engagement programs promoted and supported by KPMG. These programs are summarized below.

We are the winners!

KPMG was first place at the Trendence Awards in the “Companies help people” category

In 2023, KPMG was awarded first place in the “Companies help people” category for its pro bono consulting work at the Trendence Awards organized by the independent consulting and market research company Trendence Institut GmbH.

Our pro bono consulting enables employees to support charitable organizations with current challenges using their professional expertise and to gain valuable insights into the work of these organizations.

This recognition in the form of top place at the Trendence Awards honors the commitment of our staff and shows how we as a firm can make a positive contribution to society.

A big thanks to all employees who were involved in this project.



Engagement program

What is it for?

Pro bono consulting

Our employees use their professional expertise to support charitable organizations as part of our pro bono consulting, in order to address and manage different subject matters and challenges relevant for the organizations. We want to achieve the biggest possible social impact, so we work with PHINEO, a non-profit analysis and consulting firm, in selecting and analyzing the needs of the projects.

JOBLINGE

In the *JOBLINGE program*, our employees support young people from socially disadvantaged backgrounds with one-to-one mentoring as well as training and webinars on different topics such as artificial intelligence, presenting job profiles and body language. *JOBLINGE* is a Germany-wide educational initiative aiming to combat youth unemployment.

Volunteer Vision

The *Volunteer Vision* initiative supports young refugees and socially disadvantaged young people in their lives, including navigating the job market. Our employees serve as online mentors and share their professional experiences and soft skills.

"Fit für die Wirtschaft"

As part of the *Fit für die Wirtschaft* (Fit for the Economy) program, which was developed by IW JUNIOR gGmbH, our employees work as trainers to provide pupils in grades 8 to 10 with basic business knowledge.

Enactus

The largest international network of university students, *Enactus* aims to combine entrepreneurial spirit with social commitment. Enactus teams contribute business and technical knowledge from various disciplines to projects relevant to society, following a "help to help yourself" approach to provide an economically solid basis. KPMG is one of the largest Enactus sponsors in Germany. Our employees also serve as business advisors and apply their expertise to social and ecological projects.

KPMG Remaining Cent Initiative

The *KPMG Remaining Cent Initiative* enables employees to donate the cent amounts of their monthly net salary to a good cause. These amounts are collected centrally, with the total being doubled by KPMG at the end of the year and distributed to several charitable organizations. Our staff can propose organizations and decide how the donations are distributed.

Marcel Rösch und Patrick Rösch

Assistant Manager, Audit,
KPMG AG Wirtschaftsprüfungsgesellschaft



“

There are no fixed rules in mentoring – each mentoring process is unique and all mentees have their own completely personal history. This diversity is enriching for us, both at a personal and cultural level. Thanks to our collaboration with the JOBLINGE initiative, we are not just helping to positively influence society, we are also gaining valuable insights into the lives of our mentees. Mentoring gives us gratification and fulfillment, as it allows us to help other people on their paths.



Alaa Alhabar
Mentee with Volunteer Vision

“

I am looking forward to contributing to sustainable education by staying updated with technological advancements and filling the gap between education and job market needs through training and finding the right mentor. A mentor helps individuals visualize their potential and believe in their abilities while providing a supportive and encouraging environment.

An evaluation carried out by Volunteer Vision shows that our employee's involvement in the mentoring program has a positive impact on mentors:

What mentors report:

Online mentoring helps to increase job satisfaction



67%

Online mentoring contributes to commitment at KPMG



70%

Effective support of mentees in achieving their goals as part of mentoring programs



78%

■ 4-5 (high)

■ 3 (medium)

■ 1-2 (low)

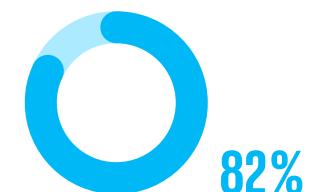
Mentors were able to improve the following skills:

Digital technology skills



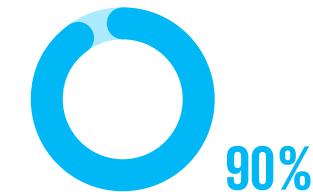
85%

Expertise in intercultural communication



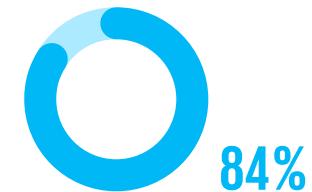
82%

Interpersonal communication skills



90%

Expertise in mentoring



84%

Source: Volunteer Vision, 2024

Our progress in the financial year 2023

Donations and sponsorships (charitable) in EUR²⁰

	2023	2022	△ Prior year
Money and time donations	1,800,755	1,540,137	17 %
Charitable sponsorships	1,288,501	1,035,693	24 %
Total donations and sponsorships (charitable)	3,089,255	2,575,831	20 %

Commitment of our employees

	2023	2022	△ Prior year
Volunteering hours	9,417	6,746	40 %
Number of volunteers	569	425	34 %

KPMG Remaining Cent Initiative in EUR

	2023	2022	△ Prior year
Donation total	35,000	31,000	13 %

Pro bono consulting

Since the program's introduction in 2018, KPMG has implemented or initiated a total of 54 pro bono projects.

²⁰ For the first time in financial year 2023 and retroactively for financial year 2022, the charitable sponsorships were recorded according to a methodology in accordance with KPMG International; rounding differences possible. Compared to the figures reported for sponsorships in prior years, this year's figure exclusively includes charitable sponsorships.

Together for a better future

Pro bono support for people with dementia

The German Alzheimer Association “Self-help for Dementia” (Deutsche Alzheimer Gesellschaft e.V. Selbshilfe Demenz; DALzG) works with passion and commitment to improve quality of life for people with dementia and their families. As a federal association, it plays a key role in supporting those affected by dementia and their families, spreading public awareness and representing political interests.

Management and the Managing Board had previously been primarily responsible for representing political interests. As the associated activities for this require a significant amount of subject material and time – including expanding and maintaining networks, analyzing political developments and draft legislation for dementia, and developing political positions and demands – the organization decided to employ a specialist.

As part of this pro bono project, KPMG worked closely with the German Alzheimer Association to develop the job profile for this new position. The project work included talks with those responsible, research on comparable positions and identifying relevant competencies.

This collaboration supported the German Alzheimer Association to boost its efficiency in pursuing its mission to create a dementia-friendly society. It underlines the transformative power of collective engagement and illustrates how pro bono services from firms such as KPMG can help to tackle central social challenges.

More opportunities and educational equality for children

KinderHelden gGmbH works every day to help children from challenging backgrounds and to promote educational equality in Germany. Their one-to-one mentoring project puts children in touch with volunteers who support them in their educational journey. We at KPMG firmly believe that early support is especially effective. The volunteers share this vision and invest their time, energy and experience to help these children.

In trying to realize its vision of educational equality, the organization was faced with some strategic challenges. It sought support in scaling and further digitalizing its projects. One point of focus was on providing support for significantly more children without having to increase personnel resources while ensuring the same level of quality. Providing counseling to volunteers and children requires considerable effort, and recruiting new volunteers is time-consuming.

In their pro bono consulting services, experts from Deal Advisory and Consulting contributed their expertise to support the charitable organization KinderHelden. Our employees worked with KinderHelden to analyze existing business processes, identify potential for improvement and rethink the business model in a design thinking workshop. This resulted in the new, digital mentoring offer “Fit Für Fünf”, which the charitable organization is now implementing.

Our employees' commitment shows our commitment to the community and our resolve to help charitable organizations successfully carry out their missions.

Imprint/Contacts

KPMG AG Wirtschaftsprüfungsgesellschaft

Klingelhöferstraße 18
10785 Berlin

ESG@KPMG

Thomas Löhmer

Head of Our Impact Plan
T +49 69 9587-4444
tloehmer@kpmg.com

Mara Zimen

ESG@KPMG | Sustainability Officer
T +49 30 2068-4604
mzimen@kpmg.com

Rita Schwabe

ESG@KPMG | Senior Expert
T +49 30 2068-2480
rschwabe@kpmg.com

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www.kpmg.com

www.kpmg.com/socialmedia



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