



# The Trusted Imperative

Building stakeholder trust — and the vital role of a modern risk function





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# Trust in the digital era demands a modern approach to risk and regulation

In today's fast-evolving digital economy — where the unprecedented pace of change is accelerating — trust in your organisation is the ultimate business enabler. In the hypercompetitive global environment, growth, performance, efficiency and innovation are all fueled and facilitated by the confidence that customers and stakeholders have in your enterprise.

KPMG Trusted Imperative is a dynamic new approach to risk and regulation that's designed to enable trust in the digital era. It encompasses our entire range of risk-related services, including cyber, risk, compliance and ESG services. This detailed approach aims to embed risk and regulation into your transformation journey — fostering and maintaining the trust and confidence of all stakeholders and ultimately positioning your business for responsible growth, bold innovation and optimal performance.

## Trust — today's ultimate business enabler

Risk and regulatory functions are at the heart of digital transformation. Whether you are digitising part of your organisation, connecting the business around your customers in new ways, or rethinking the entire business model, your risk and regulatory capabilities need to accurately assess what could go wrong, mitigate issues without delay, and foster stakeholder trust at every turn.

But all too often, KPMG professionals see the need for modern risk and regulation treated as an after-thought compared to key areas such as front-office transformation and the customer experience. Businesses mistakenly view risk and regulation innovation as a lower priority that could slow down the business while offering an elusive return on investment.

The truth is that when you address risk and regulation with a strategic new approach — one that includes a sharp focus on all stakeholders — your business can embrace the future with enhanced speed and agility. You can confidently pursue revolutionary technologies, new markets and redefined customer experiences when trust is embedded into your business to meet customer and stakeholder's expectations. And while the ROI isn't always obvious, it is indeed there as you avoid fines, enhance customer loyalty, attract top talent and grow your business as a trusted organisation.

Simply put, trust is the ultimate business enabler in today's uncompromising environment — and your risk and regulatory functions are pivotal to embracing the future with confidence and purpose. Risk monitoring that anticipates risks and opportunities, while detecting system failures before it's too late, should be an ongoing process and a priority amid transformation initiatives. That's how leading businesses are inspiring stakeholder trust to drive sustainable growth and success.



# What is changing to make trust critical to your growth and success?

Trust has changed as major disruptors redefine the competitive landscape.



## The digital age has altered how and where we form relationships.

Online platforms have undergone a profound transformation in our societal landscape, seamlessly interconnecting information, social engagements and consumer behaviour. This evolution has introduced new considerations into the dynamics of trust and the factors influencing it.



## We have become comfortable transacting with strangers.

From social networks and online marketplaces to outsourcing and beyond, convenience and cost efficiencies have pushed us further than ever before to frequently build trust with those outside of our immediate networks.



## Our trust process is now informed by diverse sources.

While increased access to information gives stakeholders more reference points for assessment, the proliferation and disintermediation of data creates new trust challenges that cannot be ignored.



## The scope of trust is more complex.

Major disruptors like globalisation, digitisation and social media have expanded our definitions and conditions for trust, from the impacts of automation on the workforce to the authenticity of products.



# The fundamentals of a trustworthy organisation

Research suggests people trust organisations that demonstrate three key characteristics:

## Ability



Trusted organisations have the collective knowledge, skills and abilities to reliably provide products and services in ways that meet evolving customer expectations. For example, the retailer who has demonstrated mastery of a customer-centric supply chain is highly trusted by customers to deliver orders accurately and on time.

## Humanity



Trusted organisations go beyond a profit motive alone to also show they care for all stakeholders — those involved in transactions and the overall community where they do business. It's no wonder that environmental, social and governance (ESG) activities are among top concerns in the boardroom as stakeholders turn to companies that share their values. For example, many consumers will buy only from companies that pledge to reduce carbon emissions. And employees are likely to feel loyal to modern, digitally enabled companies that respect their desire for flexible working arrangements such as hybrid and work-from-home models.

## Integrity



Trusted organisations are also respected for doing the right thing. For example, if customer expectations for data security are not fully met, trusted organisations will take responsibility and correct the situation, drawing on principles such as honesty, fairness, ethics, communication and promise fulfillment.

Integrity also comes into play when organisations must publicly react to a difficult issue. In the case of a customer data breach, for example, today's leading organisations understand the critical need for a rapid response that both assumes responsibility and takes decisive measures to remediate the problem.

These values are pivotal to fostering and sustaining trust and their adoption starts at the top to ensure the right strategy, culture, leadership and management are in place. Does your organisation have a purpose that creates value for society? Do employees at all levels share beliefs, values and behaviours that create trust? Is trust embedded throughout your products, services and operations? Do you have the right governance and organisational structure to make it happen? Forward-looking businesses are pursuing informed answers and initiatives to address the vital questions that impact trust today.



# Critical trust moments

Trust is built on consistent, predictable action that is critical in the moments that matter:

- Keeping customer and stakeholder data safe;
- Delivering the right product at the right time;
- Maintaining ethical business practices;
- Complying with today's — and tomorrow's — evolving regulations;
- Partnering with credible and trusted third parties.

Indeed, even if you say and do the right things, your failure to effectively meet a critical moment can undermine the trusted reputation you've worked hard to earn. That makes it essential to weave security, compliance and trust into all of your systems and transformation activities.

For example, are you analysing today's interconnected risks to identify potential vulnerabilities? Are you proactively monitoring dynamic market signals in your industry — accurately anticipating changes in customer sentiments, regulations and more? Are you auditing your culture and conduct risk? Are you automating your fraud and financial-crime processes to improve accuracy, speed, trust and the customer experience?

## Six elements of trust

As noted earlier, trust in your business is built on the *ability, humanity, integrity* that you demonstrate in the marketplace. Trustworthiness is defined by these three characteristics and six elements of trust within them:



### Purpose & strategy

Clear purpose and strategy, with trust-inducing core values that create value for society and accommodate stakeholder interests.



### Products, services & operations

Processes that ensure stakeholder needs and expectations are met, legislation is adhered to and values are always upheld.



### Systems & processes

Leverage and align planning, management, HR, reporting and compliance systems to reinforce trustworthy behaviour in line with legal and regulatory requirements.



### Governance & structure

Formal organisation and governance that set clear roles and accountability and provide discretion within prudent oversight.



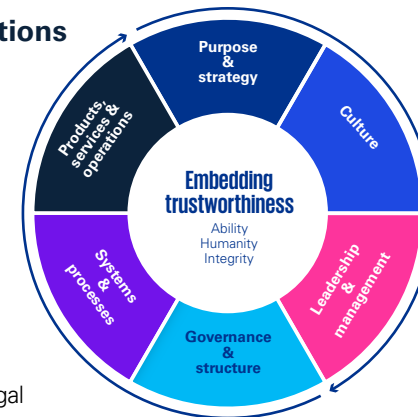
### Culture

Shared values, beliefs and norms that foster constructive, trust-inducing behaviour aligned with your organisation's purpose.



### Leadership & management

Leaders who embody the company's values and purpose and hold themselves and others to account for trustworthy conduct.





# Making a difference — Trusted solutions at a glance

KPMG is helping businesses establish and maintain stakeholder trust — the pivotal ticket to growth and success as the unprecedented pace of change accelerates in today's dynamic business environment. As the ultimate business enabler, trust in your business starts at the top — with strategy, culture, leadership and management. As more businesses understand and respond to today's reality with a sharp new focus on trust, KPMG's Trusted Imperative is making a difference — inspiring stakeholder trust at every turn with modern services and solutions.

## Risk Transformation



Risk officers face growing challenges as they balance regulatory demands, cost efficiency, customer expectations and digital evolution. Organisations must commit to continuous transformation for an agile, sustainable and efficient risk function. KPMG can enhance and streamline your risk function, aligning it with expectations and optimising operations. Our risk professionals identify areas for change, create a strategic plan, and provide a roadmap for progress and stakeholder trust.

## Fraud and Financial Crime Transformation



Fraud and financial crime are on the rise, posing complex challenges such as fraud, money laundering, corruption, economic sanctions violations, and tax evasion. These threats jeopardise financial stability and trust. In a tech-driven era, businesses must strengthen their defenses. KPMG provides services and solutions focused on disruptive technology, streamlining compliance, and ensuring workforce safety, financial security, and trust in your financial future.

## Trusted Data



KPMG's tailored solutions empower confident data use, driving data-driven insights and informed decisions. We assess your current capabilities and craft a modern strategy for unified data management, covering governance, data literacy, a future-ready data supply chain, and a value-driven connection for competitiveness. We help establish a solid data management foundation with cloud-based storage, a well-defined data architecture, project management, continuous monitoring, controlled data access, data protection, and operational resilience.

## Trusted AI



As AI applications proliferate, so do the risks associated with them — from data security threats to ethical concerns and regulatory compliance. Our multi-faceted risk framework integrates broad expertise in AI solutions, governance and assessment. It encompasses the necessary controls, processes, and tools essential for reliable and ethical design, assessment, and deployment of AI systems. This, in turn, results in the delivery of AI solutions adhering to the highest ethical and trustworthiness standards.

## Cybersecurity



Trusted organisations adopt advanced digital cybersecurity solutions to safeguard critical data and stakeholder security. We offer cutting-edge tools for robust protection and swift responses to the escalating cyber threats in today's dynamic landscape. Our professionals assist in establishing an enterprise-wide security program that sets a higher standard for cyber resilience, enabling innovation and sustained growth with confidence. In case of issues, our experts take prompt, strategic action to restore and maintain trust in your organisation and brand.

## ESG



ESG activities are a top concern in today's boardrooms. Understanding stakeholder priorities and effectively developing and reporting on responsible ESG initiatives is crucial. From addressing climate change to supporting underserved communities, your ESG stance can set you apart in the market and build trust. However, it can also be a significant risk as stakeholders base decisions on your ESG commitments. KPMG experts can expand your risk-management approach to include ESG, addressing not only the risks to your operations and objectives but also the risks your ESG activities may pose to stakeholders.



# KPMG professionals are here to help inspire trust

In every sector, organisations are embracing a new era of opportunity through digital transformation. And in today's unprecedented reality, stakeholder trust is indispensable. KPMG professionals understand how you feel about the opportunities and challenges you face because they have been met in the organisation's own transformation. KPMG professionals recognise the importance of creating and retaining stakeholder trust. Our business — and yours — depends on it.

Meeting you wherever you are on the journey, KPMG professionals combine deep business, industry and technical knowledge to embed modern risk and regulatory discipline into your digital transformation. Whether you are optimising a single function or connecting the entire enterprise, you can inspire stakeholder trust. As the ultimate business enabler, trust is your ticket to responsible growth, bold innovation, confident decision-making and sustainable advances in performance.

Make no mistake — trust in your business is the currency that resonates with all stakeholders in today's fast-evolving digital economy. A laser-sharp focus on trust is indispensable in the race to innovate and compete in a new era and leading business are discovering that KPMG's Trusted Imperative is the way forward.

## Related insights

Learn more about our services and access our latest thought leadership at: [The Trusted Imperative — KPMG Global](#)



# Transforming for a future of value

KPMG firms' suite of business transformation technology solutions can help you engineer a different future — of new opportunities that are designed to create and protect value.

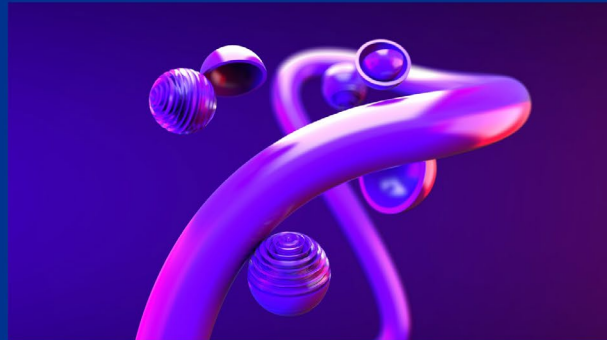
## The KPMG Digital Transformation Suite

### KPMG Transformation Journey



#### KPMG Connected Enterprise

Rebuild your business around your customers.



#### KPMG Powered Enterprise

Outcome-driven functional transformation.



#### KPMG Trusted Enterprise

Build and sustain the trust of your stakeholders.

### Scalable Managed Services



# Get in touch

If you would like more information on how KPMG can assist your organisation, please contact:

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