



# KPMG: Our Impact Plan

2023 update



# Our highlights at a glance

## Governance

Invited **more than 500 key global suppliers** to disclose their carbon-footprint data

Initiated steps with our global suppliers to **identify potential modern slavery issues**

**50:50 gender balance** of our Global Management Team

All KPMG firms whose senior partner is also a Global Board member have **appointed Heads of Our Impact Plan** to help our organization execute on our commitments and drive change globally

## People

Launched **our first global LGBTQ+ inclusion statement** in collaboration with our Global Pride Network

Appointed an **Inclusion, Diversity & Equity Lead** in all Reporting KPMG Firms<sup>1</sup>

**Representation of women in leadership** across our KPMG firms sits at 27.4%, up 0.8 percentage points from FY21

**48.5% representation of women** in overall headcount based on partners and staff employed as of 30 September 2022, up by 0.1 percentage points from FY21

<sup>1</sup> "Reporting KPMG Firms" means KPMG member firms in 20 large countries and territories, including member firms whose senior partner is also a Global Board member. These countries and territories are Australia, Brazil, Canada, China, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, Poland, Singapore, South Africa, South Korea, Spain, Switzerland, the UK and the US. The corresponding data from FY20 and FY21 included data from Russia which is no longer part of the KPMG network.

# Planet

## 9% emissions reduction

against FY21 performance — and a 25% reduction against our 2019 baseline

Reporting KPMG Firms **reached the target of 100% renewable energy** in FY22

Started working with the CDP Supply Chain program to help **improve the accuracy of our reporting**

## Developed a circularity strategy

and roadmap for our operations, including our supply chain

# Prosperity

Building a sustainable global organization with

## US\$34.64 billion

in annual aggregated revenues for KPMG firms globally, up 14% from FY21<sup>2</sup>

## US\$148 million

in financial support to local communities, up

## 18% from FY21

## US\$2.0 billion

in operational taxes paid across Reporting KPMG Firms (up from US\$1.8 billion in FY21)<sup>3</sup>

## 618,000 volunteer hours

up 28% from FY21

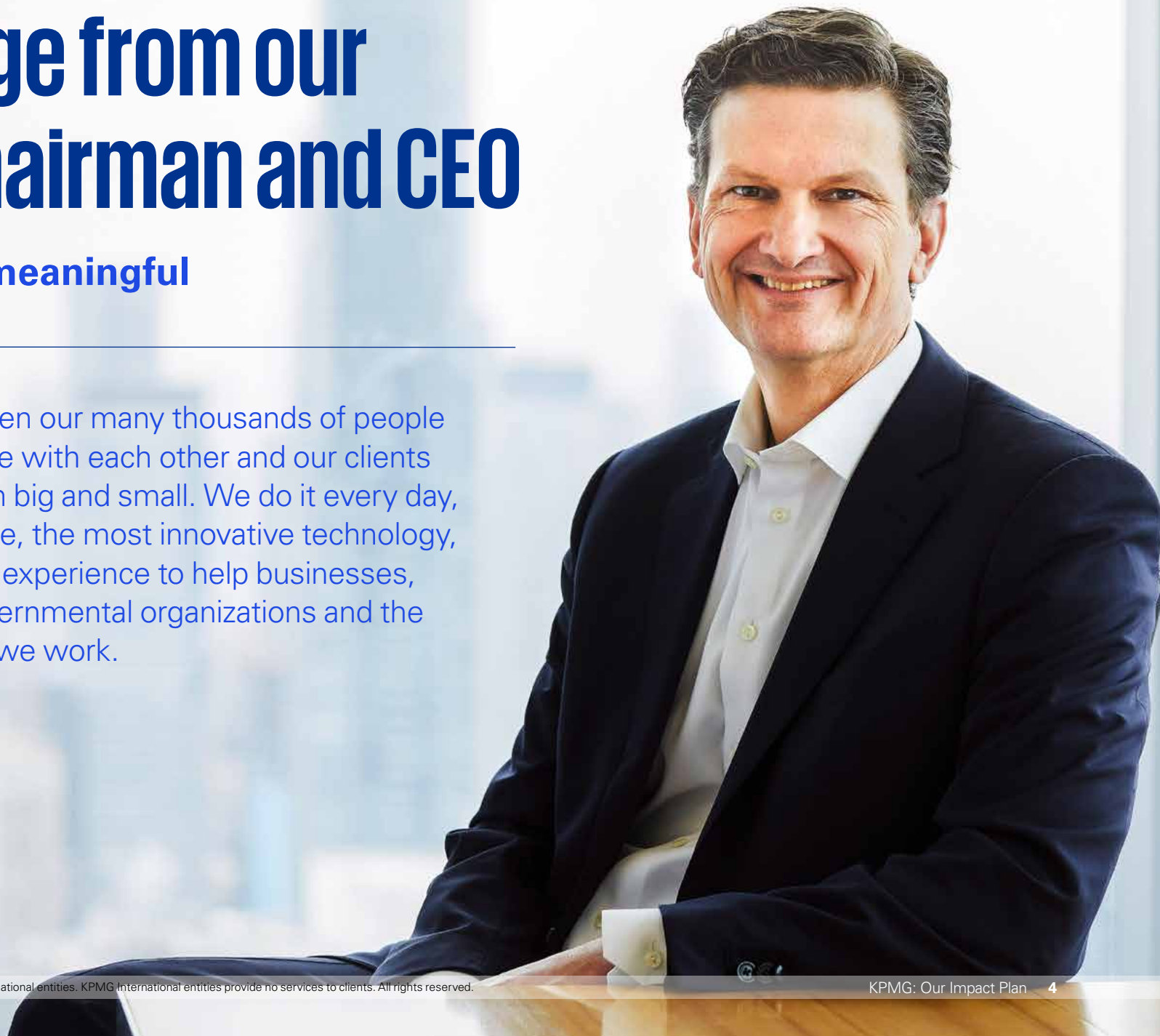
<sup>2</sup> 14 percent is based on the growth in continuing operations and excludes the FY21 and FY22 revenues from businesses sold or countries from which KPMG exited during this period. When not restated, the revenue growth is 13 percent.

<sup>3</sup> Operational taxes include employer payroll and social security taxes, non-creditable sales taxes, property taxes, entertainment taxes and other miscellaneous taxes; they don't include the personal tax member firm partners pay.

# A message from our Global Chairman and CEO

## Making change meaningful

KPMG is at its best when our many thousands of people are working side by side with each other and our clients to solve problems, both big and small. We do it every day, bringing the best people, the most innovative technology, and all of our collective experience to help businesses, governments, non-governmental organizations and the communities in which we work.



Through Our Impact Plan, we turn the mirror on ourselves, which is why I am pleased to provide this annual update on our progress to meet our commitments. We analyze what we can and should be doing to meet our responsibility to help shape a better future by doing what we do best — solving problems to make lasting, meaningful change.

This past year saw us make important strides in each of our four priority areas: Governance, People, Planet and Prosperity. Highlights include reaching a 25 percent carbon emissions reduction against our 2019 baseline, achieving a 50:50 gender balance on our Global Management Team, and using our scale to invite more than 500 key global suppliers to disclose their carbon footprint data. There are plenty more examples showing the actions we are taking to meet our responsibility.

**We analyze what we can and should be doing to meet our responsibility to help shape a better future by doing what we do best — solving problems to make lasting, meaningful change.**

We know that we need to do more to match the expectations and needs of a world that is changing very quickly. That's why we want to be transparent about our progress. We want our people, our clients and everyone who relies on us to understand where we are and where we are going. But one of the most important lessons we've learned since we started this journey is that meaningful change takes commitment and, ultimately, time.

I am confident that we'll get there though, and it's going to take the focus and determination of all of our 260,000 people to do it.

With people across the world impacted by the many significant global challenges, it's important to focus perspective on what matters most. I firmly

believe businesses are a critical component to the many solutions needed to the pressing challenges our communities and society face. And I remain convinced, seeing it at KPMG every day, if confronted with a problem, that humanity's capacity to create a solution is limitless.

We continue to work together to create meaningful change, and Our Impact Plan is our roadmap to get there. Thank you for taking the time to learn more about how KPMG is changing itself — Together. For Better.

**Bill Thomas**  
**Global Chairman and CEO**  
**KPMG International**

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All images in this report are of KPMG people from around the world.

For details on the basis of preparation and our alignment with the World Economic Forum International Business Council's Stakeholder Capitalism Metrics, refer to the "Indexes and explanations" section on page [80].

Our Impact Plan represents the collective environmental, social and governance commitments of independent KPMG member firms, affiliated with KPMG International Limited. The data represented in Our Impact Plan is aggregated data from KPMG member firms for the 12 months to 30 September unless stated otherwise. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. Where the terms "KPMG"; "firm"; "we" or similar references are used without definition, they are intended to refer to KPMG International Limited and the independent KPMG member firms.

# Material topics

**Understanding the material topics relevant to our business and our stakeholders.**

## **Our approach to materiality**

We're committed to building a better KPMG. One way we're doing that is through regular materiality assessments to help ensure we're focusing our attention and resources in the areas where we can make the largest impact.

In the past year, we reexamined the list of our 12 material topics shared in last year's Our Impact Plan within the context of recent geopolitical events, changes in our stakeholder and business priorities, relevant reporting standards like the Global Reporting Initiative (GRI), and emerging data and insights from our key stakeholders. We took the following into consideration:

- data from independent trust research conducted annually (3 May to 15 July 2022) in our eight key markets (Australia, Canada, China, France, Germany, Japan, the UK and the US), including views from the C-suite, wider stakeholders (including industry and trade associations, academics, non-governmental organizations and advocacy groups, multilateral organizations, business analysts and investors) and the informed public
- data from the Employee Engagement Index and Employee Trust Drivers from our Global People Survey
- our most significant business risks using our proprietary Dynamic Risk Assessment methodology
- material topics identified by KPMG firms and those published by other large global professional services organizations

**In the past year, we reexamined the list of our 12 material topics shared in last year's Our Impact Plan**

We're committed to continuing to improve and refine our methodology as well as reporting on our material topics. We anticipate that our reporting will, over time, transition to adopt the new standards set by the International Sustainability Standards Board (ISSB). We continue to disclose and explain how we've applied the World Economic Forum International Business Council Stakeholder Capitalism Metrics, as well as other reporting frameworks, including the United Nations (UN) Global Compact Principles.



**SUSTAINABLE DEVELOPMENT GOALS**

Our Impact Plan sets out the commitments we're making on our journey to become a better business and reaffirms our commitments to the UN Global Compact Principles and the UN Sustainable Development Goals.

## 12 material topics

Our assessment exercise confirmed that the 12 material topics identified in our previous materiality assessment continue to be the most relevant to both our stakeholders and our organization across four priority areas: [Governance](#), [People](#), [Planet](#) and [Prosperity](#). In Our Impact Plan, we set out commitments that respond to these material topics, reporting our progress transparently and identifying where we have gaps.

While all material topics remain the same this year, three topics have increased in focus:

- **Environmental sustainability:** Most external stakeholders surveyed in our independent trust research conducted in 2022 noted that “demonstrating commitment to environmental sustainability” was increasingly important for professional services organizations. We continue to see this as a priority and have committed to making ESG a watermark that runs through our business and operations, as detailed in our [Planet](#) section.
- **Information protection:** There's continued focus on information and data protection due to an increase in cyberattacks globally and the need for all businesses, including large global professional services organizations, to protect and manage data in an effective and secure way. We've built, maintained and evolved an information security program that supports the protection of our people's and clients' data against loss and exploitation, as detailed in our [Governance](#) section.

- **Talent experience:** We heard from our people in the annual Global People Survey that talent experience — which includes compensation, inclusion, diversity and equity, employee health and well-being — continues to be the most important material topic for our people. To help address that, we've rolled out significant programs to support our people and provide them with resources to help them stay healthy and remain productive, as detailed in our [People](#) section.





## How our 12 material topics connect to our commitments outlined in Our Impact Plan:

# Governance

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### 1. Ethics, integrity and independence

We're committed to the highest standards of personal and professional behavior in everything we do. Ethics and integrity are core to who we are and why everyone at KPMG is responsible and accountable for their conduct.

- [Acting transparently with accountability and integrity](#)
- [Human rights](#)

### 2. Transparency and accountability

All KPMG firms are committed to our shared Purpose and Values, standards and service quality expectations. Our clear governance and practice management standards help ensure we're driving consistency and accountability across our entire global organization.

- [Acting transparently with accountability and integrity](#)

### 3. Relevant, quality services in the public interest

We have a fundamental commitment to serve the public interest and build trust. We do this by leading in audit quality, driving responsible tax practices and advising clients on ways in which they can transform their business to help create sustainable value — embedding ESG into client services.

- [Purposeful business](#)
- [Economic contribution](#)

### 4. Information protection

We have policies, processes and controls that address confidentiality, information security and data privacy. We provide annual training on confidentiality, information protection and data privacy requirements. Our clients and stakeholders entrust us with sensitive information, and we're committed to observing applicable laws and regulations and investing in systems to help keep them safe and secure.

- [Purposeful business](#): Client confidentiality, information security and data privacy

### 5. Purpose, culture and values

We're led by our Purpose — to inspire confidence and empower change — and driven by our Values in creating a caring and inclusive culture that provides our people with opportunities to make an impact, solve challenges and tap into their passion for doing work that matters.

- [Purposeful business](#): Our Values and what we stand for



# People

## 6. Talent attraction, development and retention

By fostering an environment that values continuous learning and development, we empower our people with tools to help them succeed and make their mark. We're focused on growth and upskilling our talent with leading technologies and future-proof skills.

- [Inclusion, diversity and equity](#)
- [Health and well-being](#)
- [Learning and development](#)
- [Employment](#)

## 7. Inclusion, diversity and equity (IDE)

Unique experiences and perspectives enhance KPMG and help create the drive for a fairer, more equitable society that includes everyone. We're committed to embedding and improving IDE across our global organization — encouraging people to come as they are.

- [Inclusion, diversity and equity](#)
- [Employment](#)

## 8. Health, well-being, workload and job security

To create opportunities for themselves and others, our people should be at their best, both physically and mentally. Our responsibility is to help our people to be healthy, secure and supported through the challenges in their personal and professional lives — enabling them to thrive.

- [Health and well-being](#)

# Planet

## 9. Environmental sustainability

Human activity has changed the Earth's natural capabilities — pushing planetary boundaries and threatening humanity's very existence. Addressing climate change, water pollution, deforestation and biodiversity loss is a key to enabling responsible growth. We're committed to driving a culture of sustainable practices within our global organization, supply chain and beyond to help ensure a healthy planet for generations to come.

- [Decarbonization](#)
- [Climate risk](#)
- [Nature and biodiversity](#)

# Prosperity

## 10. Financial, operational and brand resilience

Through a diverse business model that emphasizes strong and agile processes and practices, we're well positioned to remain resilient in increasingly complex and volatile environments — promoting wider economic growth and prosperity.

- [Economic contribution](#)

## 11. Technology and innovation

Our continual investment in technology and innovation helps ensure we're keeping up with the accelerating

pace of technological change, positioning us for future success so we can meet stakeholder expectations and growth objectives.

- [Purposeful business](#)
- [Decarbonization](#)

## 12. Impactful community initiatives

We're committed to having a positive impact on the communities we serve, and we're increasing our investment in a wide range of social initiatives with an emphasis on education for youth and underrepresented populations.

- [Uplifting our local communities](#)



# Governance

## Our Purpose and Values guide everything we do.

For more than 150 years, we've inspired confidence while empowering change. Our purpose is rooted in rich history, built on our role to protect the public interest while shaping a better future for our people, clients and broader stakeholders. The pressures on business and society are rapidly increasing. With new challenges facing the world, our purpose is more relevant than ever.

At KPMG, we know that trust is earned by doing the right thing. To inspire confidence and empower change, we need to consider the economic, environmental and social impact of our activities, align our financial and societal performance as part of a shift toward stakeholder capitalism, and have strong governance in place to oversee all of our activities.

**“We must be ready to see and respond to the business opportunities — not just the risks — presented by transforming businesses and communities to address ESG challenges. Without a healthy world, there is no sustainable business.”**

**Jane Lawrie**

Global Head of Corporate Affairs  
KPMG International



## Our commitments

### Purposeful business

- Always act with a clear purpose
- Lead the profession in audit quality
- Drive a responsible tax practice

### Acting transparently with accountability and integrity

- Act lawfully, ethically and in the public interest
- Work against corruption in all its forms, including extortion and bribery

### Human rights

- Respect human rights



# Purposeful business

Our commitment: Always act with a clear purpose

We commit to always acting with a clear purpose, reflecting the meaningful work we do for our clients and our positive impact on society as a whole to sustainably grow our business. That’s how we believe we’ll achieve our ambition: to be the most trusted and trustworthy professional services organization.

We will continue to strive toward ESG as the watermark that runs through KPMG — empowering our people to become agents of purposeful change, leveraging our global talent to help clients and seeking to apply industry best practices throughout the global organization.

## Our structure and governance

KPMG has strong governance for overseeing our activities, setting policies and aligning our strategy with our purpose. KPMG International Limited acts as the co-ordinating entity for the overall benefit of the KPMG global organization. Its governance bodies are composed of the Global Council, the Global Board, the Global Management Team (GMT) and Global Steering Groups.

## Our Purpose

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

### People

*We are a people business.*

Our people crave opportunities to do meaningful and impactful work while developing a thriving career in an inclusive, diverse and caring culture.

### Clients

*We stimulate trust and confidence in business.*

Our clients seek our expertise to overcome vast challenges ahead and to grow sustainably.

### Society

*We have a responsibility to build a sustainable future.*

Society expects a fairer, more equitable future that doesn’t come with such deep costs to people and our planet.

## Global Board

The [Global Board](#) is the principal governance and oversight body, currently consisting of 22 members from diverse jurisdictions that reflect KPMG’s global presence. The key responsibilities of the Global Board include approving global strategy developed by the GMT working together with the Executive Committee of the Global Board; protecting, promoting and enhancing the KPMG brand and reputation; overseeing the activities of the GMT; and approving significant policies with which KPMG firms must comply. It also approves the admittance or termination of KPMG firms as members of our global organization. Find out more about our Global Governance in our [Global Transparency Report 2022](#).

## Global Management Team

The Global Board has delegated certain responsibilities to the GMT. These responsibilities include developing the global strategy by working together with the Executive Committee of the Global Board, jointly recommending the global strategy to the Global Board for its approval and overseeing the activities of the Global Steering Groups. The GMT also supports KPMG firms in their execution of the global strategy and KPMG International decisions and policies, including holding them accountable to their commitments. The list of GMT members is available on [the leadership section of our website](#).

## Our Values and what we stand for

Our Values guide our day-to-day behaviors, informing how we act, the decisions we make and how we work with each other. They're embedded in the entire employee journey, in our business processes and in all of our stakeholder interactions.

By living our Values and considering the impact of our work from a broad range of perspectives, we aim to be a purposeful business, fostering prosperity and helping address key issues faced by our clients and their stakeholders.

In 2022, KPMG in the UK conducted the first Values Week — designed to build better awareness and understanding of our Values, and to encourage our people to take greater ownership and accountability for living them. Each day focused on a different Value with a diverse line-up of guest speakers. The result was that the majority of the almost 12,000 participants reported that they believed that KPMG is committed to building a culture guided by our Values.

Many of our member firms use the Values to guide recognition programs that regularly remind our people of the behaviors we value. In addition, they're embedded in a number of core processes, such as our 360-degree assessments that have been adopted by 48 KPMG firms.



### Our Values are:

- **Integrity:** We do what is right.
- **Excellence:** We never stop learning and improving.
- **Courage:** We think and act boldly.
- **Together:** We respect each other and draw strength from our differences.
- **For Better:** We do what matters.

# People of KPMG

**Richard Boele**  
KPMG Australia

In 2022, I became KPMG Australia’s first Chief Purpose Officer (CPO) and the first among KPMG firms.

Having spent my early career working in and with businesses to identify and address human rights risks, I have always been profoundly aware of the impact organizations have on the world around them and the critical role they can play when combining purpose with profit.

As CPO, I’ve been given a mandate to make purpose the North Star that defines everything KPMG Australia does. I’m responsible for helping the Australian firm navigate toward that North Star.

I’m also a challenger. I sit on various committees, constructively challenging my

colleagues to put purpose at the center of their decision-making and helping them to consider how their decisions sit alongside the commitments we made as a firm.

And the third part of my role is to enable. I work with partners across the Australian firm, as well as other KPMG firms, to help articulate their purpose and explore how that purpose nests with our global purpose. I also help them find ways to meaningfully act on it.

It’s exciting to be part of a business that puts purpose at the top of its strategy and is carving out new roles, like my own, that can help make its purposeful commitments a reality every day. I hope that the lessons and experiences I have in this role will help KPMG firms create structures that better drive our commitments and purpose.



## Creating future leaders

We're fostering and investing in programs that will help enable purpose-driven future leaders within KPMG.

- The **Leaders 2050** network empowers young professionals with the skills and platform to play an active role in shaping the transition to net zero. After launching in KPMG in the UK, we've expanded the program globally, welcoming members from all sectors and backgrounds connected by a passion for making a positive impact. At the UK firm, the Leaders 2050 network launched the [Diversity for Net Zero Report](#).
- The **Next Generation Council** (NGC) is set up to represent the voice of the next generation of leaders at KPMG and help make meaningful contributions to and expand our perspective on key strategic issues like ESG. A number of KPMG firms have also adopted an NGC to help inform their priorities and act as sounding boards for senior leadership.
- **One Young World's** annual summit empowers and develops leaders under 30 from around the world in all sectors to marry their desire for a corporate career with their social and environmental activism. KPMG has been involved in the summits for over a decade with more than 10 KPMG firms sending delegates, and we have more than 300 ambassadors across the organization.

## People of KPMG

### Safia Mirza

KPMG in Canada

The opportunity KPMG gave me to attend the One Young World (OYW) Summit, a forum for young leaders to confront humanity's biggest challenges, transformed my career and the impact I've had through it.

As a sponsor of OYW, KPMG sends delegates to the Summit each year. When I attended the Summit as a delegate from KPMG in the UK, I was blown away by how positive and inspirational the event was. Hearing other people my age talk about how they were embracing their purpose and the impact they had made me want to do the same.

Prior to the Summit, I had learned to code and created a six-week coding course. The course was designed to give disadvantaged people and those underrepresented in technology the opportunity to develop programming skills that employers value.

OYW pushed me to go even further, and I started delivering my course firstly with a charity (The Prince's Trust) and later at a local university for women who would not otherwise have had access to equipment. I also widened access to the course by live-streaming it — a first for KPMG in the UK. The course has now been viewed by more than 17,000 people in over 30 countries and territories.



And, in January 2023, I helped launch a Code Ambassadors program in schools in areas of low mobility. By teaching schoolchildren how to code and giving them access to KPMG mentors and the skills to train others, I hope to create a ripple effect of learning.

I was also recently given the opportunity to make the move to KPMG in Canada, where I have continued to teach my course and expand the number of people I reach.

I'm proud to say that KPMG has not only supported me, but also enabled me, to achieve what I have. From support at the highest levels of leadership, to my manager helping me build my course, I feel lucky to work somewhere where I'm encouraged and empowered to turn big ideas into reality.



# People of KPMG

## Marwa Mahmoud

KPMG in the Netherlands

When I joined KPMG in the Netherlands as a Climate Risk and Decarbonization Strategies Manager in September 2022 and told my manager that I wanted to attend the 27<sup>th</sup> Conference of the Parties (COP27) just two months later, the response was, “If you want it to happen, we will make it happen.”

And so, just weeks into my new role, I was flying to Egypt to work with a delegation of future leaders to help make KPMG’s contribution to COP27 a success. At COP, I was proud to have organized a series of events in collaboration with the Regional Center for Renewable Energy and Energy Efficiency and secured access to the blue zone (the main negotiating zone) for me and two of my colleagues. I developed a presentation for a session on just energy transition where I introduced potential

global strategies to transition to clean energy and coordinated a session that assessed the current state of the energy crisis, leveraging insights from recent KPMG thought leadership.

My experience at COP has provided me with unique insights into the interplay between policy and industry in tackling climate change and what it takes to help ensure a just transition of energy. I apply these insights as I help clients of KPMG in the Netherlands to decarbonize and assess their climate risks. It also gave me the opportunity to build an invaluable network of climate change contacts from across the globe.

As a new recruit, I thought that asking to go to COP27 was a long shot. Instead, I learned that at KPMG the sky is the limit, and I will be supported in endeavors that can leverage my expertise to help make a positive difference to the world around us.



## Our approach to identifying risks

At KPMG, we help inspire confidence in our people, clients and society, and we recognize how important it is to identify, manage and plan for risks. Every KPMG firm is required to identify and manage its risks through a formal risk assessment process for which each firm's leadership takes responsibility.

At the global level, our GMT is responsible for the Enterprise Risk Management Program, including ensuring effectiveness of mitigating controls, under the oversight of the Global Board's Quality, Risk Management and Reputation Committee, Executive Committee and any other committee of the Global Board designated by the Executive Committee in respect of a specific risk area.

Our global client and engagement acceptance and continuance policies and processes help member firms identify and evaluate potential risks, ethics or compliance issues prior to accepting or continuing a client relationship or performing a specific engagement. Member firms are required to consider a range of factors as part of this evaluation, including the client or potential client's risk profile (e.g. its management and ultimate beneficial owners), potential independence and conflict of interest issues (using our conflicts and independence checking system), intended purpose and use of engagement deliverables, public perception, and whether the services would be unethical or inconsistent with our Values, as well as factors specific to the type of engagement. Where client or engagement acceptance or continuance decisions pose significant risks, additional approvals are required. Read more in our [Global Transparency Report 2022](#).



## Client confidentiality, information security and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms, including our [Global Code of Conduct](#). We have policies that address information security, confidentiality and data privacy. Member firms also provide their personnel with annual training on confidentiality, information protection and data privacy requirements.

## Speaking up safely

KPMG has a detailed approach for monitoring and reporting any illegal or unethical acts. Our Global Code of Conduct and policies and procedures set out a clear process for anyone seeking advice or wanting to report illegal or unethical behavior, and we openly encourage a culture of speaking up without any fear of reprisal. We prohibit retaliatory behavior when our people report ethical issues, breaches or suspected breaches in good faith.

KPMG firms are required to establish, communicate and maintain clearly defined channels to allow KPMG people and third parties to make inquiries about, raise concerns in relation to, provide feedback on, and notify of reportable matters without fear of reprisal, in accordance with applicable laws and regulations.

Supporting our speak-up culture, KPMG International has a hotline which is a mechanism for our people, KPMG firms' clients and other third parties to confidentially report concerns they have relating to any activity by KPMG International, KPMG firms or KPMG people. This is in addition to other mechanisms that may exist within KPMG firms.

## People of KPMG

**Tamara Lajara**  
KPMG in the UK

I'm one of KPMG in the UK's Ethics Champions.

Ethics Champions are a network of trusted colleagues at the UK firm who are trained about and will listen to concerns raised about unethical working practices or situations in which colleagues aren't living our Values. We do this role alongside our day jobs and this network exists alongside our other speak-up reporting channels. Any reports we take are escalated to colleagues who will look into the matter and decide on appropriate steps to be taken.

Ethics isn't always clear-cut, and it can be difficult to work out what the right course of action is on your own. So my job as an Ethics Champion is to listen to colleagues — in a safe space and without judgment — and help them to get the support they need.

As an Ethics Champion, I wear a differently colored lanyard so I can be easily identified by my colleagues in the office.



Our network is made up of colleagues at manager grades who work in different parts of the UK firm so you can always find someone you are comfortable speaking with.

Becoming an Ethics Champion gave me first-hand insight into the importance KPMG places on walking the talk when it comes to its commitments and Values. From the regular training I'm receiving, through to the support and flexibility I get from leadership to do this role, acting ethically is at the heart of what KPMG is.



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## Focusing on audit and assurance quality

Our commitment: Lead the profession in audit quality

Quality and integrity are the foundations that strengthen trust in the companies and stakeholders we serve. Audit quality is fundamental and is a key measure on which our professional reputation stands. We're committed to ensuring our approach to audit quality evolves as the audit itself continues to be reshaped with new technologies and methods that can create a better experience for clients and our teams.

Across our global organization, we've strengthened the consistency and robustness of our system of quality management that enables compliance with the International Standard on Quality Management (ISQM 1), issued by the International Auditing and Assurance Standards Board (IAASB), which took effect on 15 December 2022. We consider this to be a transformational and fundamental change for KPMG firms. Find out more about our relentless focus on quality in our [Global Transparency Report 2022](#).

**Our role in ESG assurance:** KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders. We believe the same level of professionalism, quality, consistency and trust should apply to ESG disclosures as to financial data. That's why KPMG firms are making significant investments in putting ESG at the heart of the organization. During 2022, as part of our commitments to meeting both the public interest and market demands, a [Global Head of ESG Assurance](#) was appointed, an online [sustainability reporting resource center](#) was launched and guidance was provided on the [financial reporting impacts of climate change](#).

## Leading a responsible tax practice

Our commitment: Drive a responsible tax practice

Our Tax services aim to deliver targeted approaches that help tax leaders embrace their role in ESG. This is made possible through resources like our [tax impact reporting](#) methodology to help clients assess their existing tax governance, access relevant tax data and prepare transparency reports. In FY22, we revised our Global Principles for a Responsible Tax Practice — an important part of our ethical framework — to provide greater simplicity and readability without changing their essential nature.

Our FY22 tax initiatives included the following:

- **Building trust with revenue authorities:** In September 2022, the Organisation for Economic Co-operation and Development (OECD) released a report (*Tax Morale II: Building Trust between Tax Administrations and Large Businesses*) based on a series of global roundtables, in which KPMG was involved, and a survey of global revenue authorities. The report indicated there was room to improve the relationship between business and revenue authorities. KPMG is developing a program to discuss what practical measures can be taken to build trust on taxation matters.
- **Tax transparency:** There will be increased focus on transparency, with voluntary reporting through the GRI standards and mandatory public country-by-country reporting being introduced in the European Union (EU) and Australia.
- **Global minimum tax:** The introduction of a global minimum tax is one of the most significant

changes in taxation in decades. This initiative, which started with the OECD and Group of 20 (G20), now includes more than 130 countries and territories. We've provided support to a large number of companies globally in relation to the tax rules surrounding this initiative, including data collection, accounting disclosures and how to meet future compliance obligations.

- **Taxation and carbon:** We've issued [a number of publications](#) on the role of taxation in the energy transition and have held roundtables and a debate to discuss different forms of carbon taxation, including taxes, trading programs and hybrid arrangements.
- **Crypto assets reporting:** There's considerable uncertainty surrounding the treatment of crypto assets. The OECD has agreed on a framework for participants to provide information to revenue authorities, and KPMG has made submissions to the OECD concerning the shape of these rules, as well as assisting clients to help ensure they meet their taxation requirements.

We believe it's imperative that we use our voice in the market to provide multinational organizations with a global view on the tax implications for their businesses — and the impact their choices have on society. We're committed to acting lawfully and with integrity, providing high-quality advice and building mutually trusting relations with tax authorities. This is consistent with our Values and [Global Code of Conduct](#).

Read our full [Principles for a Responsible Tax Practice](#).



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## Driving purposeful transformations

Technology continues to evolve, shape and transform how businesses function and people interact. We're working with organizations to shape this change and transform purposefully, helping them to create lasting value and responsible growth through new technology and business models.

Our Advisory professionals work with leading organizations to help create and protect the sustainable value of their business. For instance, we're looking at the opportunities to help clients navigate corporate sustainability reporting requirements and climate-related disclosures.

Our capabilities are powered by a suite of digital and business transformation solutions that provide clients with the resources they need to help optimize risk, automate compliance and support the identification of opportunities driven by a rapidly evolving landscape and regulatory change. We've brought together insights, tools and methodologies that provide detailed paths to agility and business resilience. We call this digital transformation [Connected. Powered. Trusted.](#)

We're committed to ensuring that ESG is the watermark that runs through our business, providing enhanced approaches and services for clients.

- Our newly launched Climate Change and Decarbonization Center plays a critical role in coordinating our efforts with professionals across KPMG firms on a range of topics, including energy transition, built environment, climate policy, climate risk, carbon markets and more.

- We're leveraging technology and helping clients assess their climate risks under a range of scenarios with KPMG Climate IQ, a multi-industry risk management tool that enables companies to identify, quantify and manage their physical and transition risks due to climate change. The tool was launched at the end of FY21 and scaled and evolved through FY22.

We continue to embed ESG in our tools and services and into our work with clients and will continue this journey in FY23 across three pillars of opportunity: transformation, reporting and assurance.



# We're committed to ensuring that ESG is the watermark that runs through our business, providing enhanced approaches and services for clients.

# People of KPMG

## Marc van Meel

KPMG in the Netherlands

As technology evolves, it's critical that it's aligned with human values.

We have a responsibility to shape a world that is free from invasions of privacy, discrimination against minority groups, the tarnishing of reputations and breaches of autonomy. All of this means that the development of ethical artificial intelligence (AI) has become much more than a nice-to-have. It's a vital part of business and society.

As part of the "AI in Control team" at KPMG in the Netherlands, I work with governments and businesses to help integrate ethics into the development and deployment of their algorithms.

But it's also important for me to talk to as wide an audience as possible to help all the stakeholders in our future world — including business leaders, technology professionals and the public who use services and products driven by AI — understand the issues at play.

KPMG in the Netherlands has given me the support and bandwidth to do this. The firm has supported my commitments publishing, teaching and speaking on the topic of trustworthy and ethical AI. Most notably, I was given the time and flexibility to attend PyData in the Netherlands, a conference for data science professionals, as a keynote speaker.



# Acting transparently with integrity and accountability

## Setting the highest standards of ethical conduct

### Our commitments:

- Act lawfully, ethically and in the public interest
- Work against corruption in all its forms, including extortion and bribery

We're committed to the highest standards of personal and professional behavior in everything we do.

The KPMG [Global Code of Conduct](#) (the Code) outlines our ethical principles and expectations as to how all KPMG people treat each other, clients and the public. It demonstrates how our Purpose and Values inspire and guide all of our behaviors and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities. We regularly review our Code to make sure it's a clear reflection of these principles and expectations. In addition, all of our people are required to confirm their understanding of, and compliance with, the Code upon joining KPMG and thereafter on an annual basis.

Consistent with being signatories to the [UN Global Compact](#), we work against corruption in all of its forms, including extortion and bribery. The Code clearly states that we don't tolerate illegal or unethical behavior within KPMG or from clients, suppliers or public officials with whom we work. Bribery and corruption are unethical, even in situations where it might not be considered illegal in a particular jurisdiction.

All KPMG firms are required to have processes to assess prospective clients, third parties and suppliers in relation to bribery and corruption. Firms must also assess their bribery and corruption environment annually and establish and maintain processes to monitor, manage and control how their personnel and their agents interact with government entities and government officials so as to ensure compliance with applicable laws and regulations and to maintain public trust. Find out more about [our position on bribery and corruption](#).

We take seriously any incidents that are inconsistent with our Values or in breach of the Code. As an industry we must have the highest standards of integrity. In FY22, news emerged of employees in a small number of KPMG firms sharing answers in training. KPMG takes incidents like this extremely

seriously and our member firms hold our people accountable for any behavior of this kind. Our member firms learn from these incidents and have taken steps to strengthen their controls, policies and ethical culture, including leveraging technology. We have also enhanced our mandatory ethics and integrity training which all KPMG people complete annually. KPMG is committed to taking all necessary action aimed at preventing incidents like this in the future.

Additionally, KPMG firms and professional accountants are bound by the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA). These standards are in alignment with KPMG's ethical principles and expectations.

## Integrity training completion

KPMG firms provide regular mandatory training to partners and employees on a range of topics, including the Code and our anti-corruption policies and procedures. The following table shows the completion rate for our *We Do What is Right: Integrity at KPMG* course, which covers a range of topics including the Code, ethical principles, policies and more.

## Integrity training completion

### By region

Americas	Asia Pacific	EMA	Total
<b>99%</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>
<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>

■ FY22 completion rate ■ FY21 completion rate

### Notes:

1. Data represents partners and employees who completed the *We Do What is Right: Integrity at KPMG* training across Reporting KPMG Firms.
2. Data is based on the training issued and due for completion in the reporting year.
3. The data excludes those who are exempt. Only those on extended leave from their roles are given exemptions from taking the training.
4. KPMG people are required to complete anti-corruption training upon being hired and every year after that.
5. *We Do What is Right: Integrity at KPMG* includes but is not limited to training on our Global Code of Conduct, ethical principles, policies and scenarios.
6. Refer to the "Indexes and explanations" section for further details.





# Human rights

## Respecting human rights

Our commitment: Respect human rights

KPMG International is committed to respecting human rights, as outlined in our Business and Human Rights Statement, which is in line with the UN’s Guiding Principles on Business and Human Rights and builds on our longstanding support for the UN Global Compact. This means supporting the protection of human rights, avoiding being complicit in human rights abuses (including those involving business relationships) and helping to eliminate all forms of forced, compulsory and child labor.

While the professional services industry is not typically considered a high-risk sector for labor-related breaches, we recognize we have an important role to play in managing potential harm to people through a risk-based approach to human rights due diligence.

Ethical behavior is of utmost importance to us, as reflected in our Business and Human Rights Statement. Additionally, our Global Code of Conduct articulates our zero tolerance for behavior that is illegal, unethical or breaches human rights — within both our global organization and our suppliers.

## Addressing modern slavery risks

Since our last report in 2022, we continued with our efforts to further embed modern slavery considerations in our business operations and supply chains, both at the global and member firm level. A number of KPMG firms are also assisting their clients in assessing and addressing the risks of modern slavery in their operations given the demand for greater transparency on how businesses are dealing with it.

At the global level, we take a proactive approach to effectively address and manage these issues:

- We remain focused on our supply chain. We’re reviewing the results of self-assessment surveys we sent to all suppliers contracted using our global procurement process, which represent a majority of our third-party suppliers. The purpose of these surveys is to further understand risks in our downstream supply chain and how we might mitigate and address them.
- We’ve revised our supplier code of conduct, which requires our suppliers who have adopted it to meet the same standards and practices as ours in relation to eradicating modern slavery and human trafficking. Our supplier code of conduct also requires our suppliers who have adopted it to

provide us with assistance to expose and address modern slavery risks, including, for example, responding to due diligence questionnaires and providing us with information required to remediate those risks.

- Members of our senior leadership, our procurement professionals, commercial contracting and procurement lawyers, and other professionals attended a modern slavery training workshop in order to understand our efforts in addressing modern slavery and to raise awareness of key risks.
- Our KPMG International hotline allows for reporting of concerns regarding modern slavery. To date, the hotline has not received any substantiated modern slavery complaints.

**Ethical behavior is of utmost importance to us, as reflected in our Business and Human Rights Statement.**

Case study

## Assessing modern slavery risks, KPMG Australia

Modern slavery is a complex global problem and cannot be dealt with through a set-and-forget process. It takes rigor, resources, time and commitment from senior leadership and throughout an organization.

KPMG Australia is going beyond regulatory requirements to lead the way in its response to modern slavery and human rights.

The Australian firm has a human rights working group which is chaired by its Chief Operating Officer/Chief Financial Officer and Chief Risk Officer and works closely with a dedicated Human Rights Manager to implement a comprehensive multi-year modern slavery response.

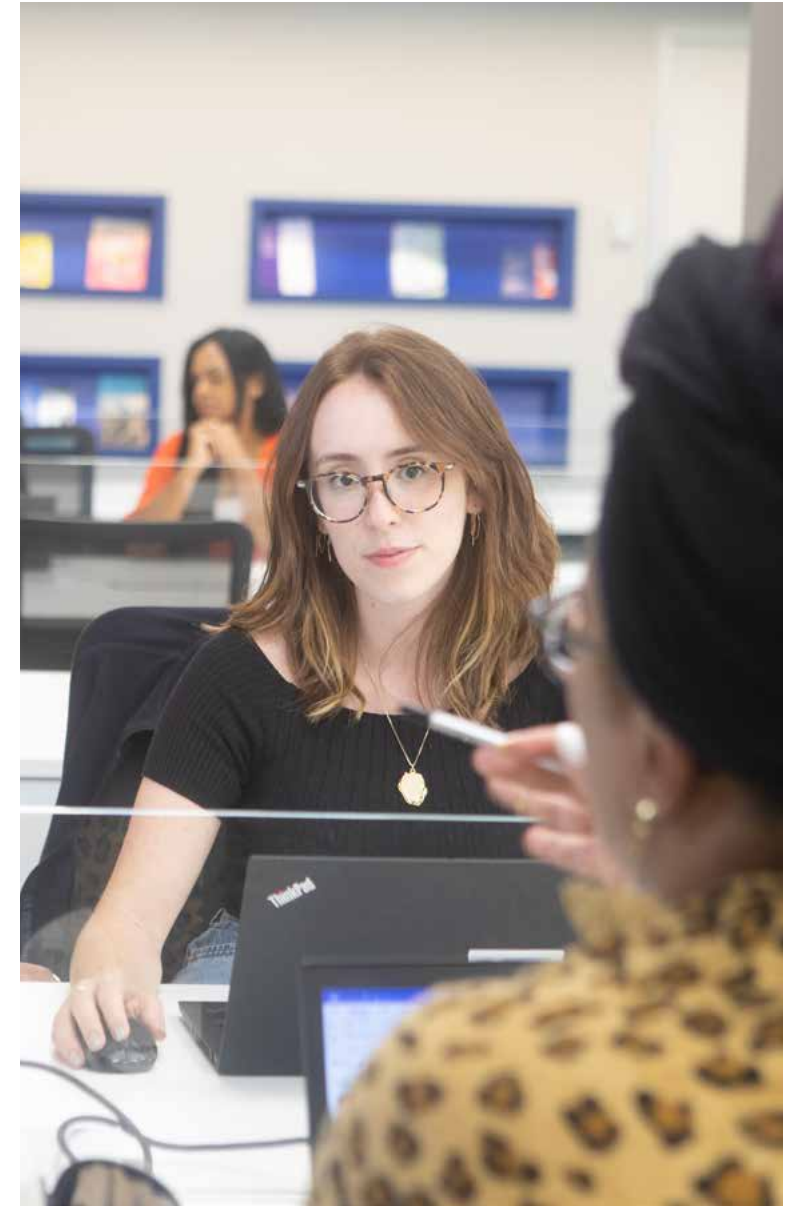
KPMG Australia assesses modern slavery risk in all prospective clients and suppliers and engages proactively with high-risk organizations to address issues rather than walk away from them.

It has made a human rights and modern slavery e-learning module available to all staff and mandatory for people in specific roles. This complements ongoing engagement with risk, procurement and client-facing teams to help manage modern slavery risks in their own work.

KPMG Australia has also developed a Modern Slavery Measurement and Evaluation Framework, which assesses the impact of its efforts every six months, helping to drive meaningful change.

Collaboration is crucial to making sustained progress in respecting human rights. Recognizing this, the Australian firm shares lessons from its modern slavery response with peers through forums, including the UN Global Compact Network Australia, and works with other member firms in the Asia Pacific region to apply leading practices and learnings to their own operations.

Everything the Australian firm does is backed by the expertise of KPMG Banarra, a dedicated business and human rights consultancy based in KPMG Australia.



# People

## Creating a caring, inclusive, Purpose-led and Values-driven culture for our people.

We're a people business. When the best people build a career with us, we can all thrive: our clients, our colleagues, our communities and our planet. We want the world to think of our people when they think about KPMG.

People's needs have changed, including their expectations of what work is, where it happens and what it gives them. We have an opportunity to improve what work is by delivering a more human relationship between KPMG and our people. It's about understanding our people as individuals and respecting the fact that they care about their work but also their life as a whole.

We developed a new employee value proposition (EVP) — the articulation of the benefits we offer our people — in line with the emerging new ways of working to reflect what's unique about the KPMG people experience. We gathered insights from current and prospective KPMG people across countries and territories to understand what motivates them and what we can do so they can perform at their best. This way, we deliver a people experience that helps us attract and retain the best talent.

**“Businesses are having to navigate complex tensions in the new world of work, and we're no different. We're thinking hard about the lessons learned over the past few years and what we want to be known for. We need to help ensure our people feel they are being actively heard, looked after and responded to while enabling them with the skills they need to develop exciting careers doing work that matters and thriving as individuals.”**

**Nhlamu Dlamu**  
Global Head of People  
KPMG International



## Our commitments

### Inclusion, diversity and equity (IDE)

- Have an inclusive culture built on trust
- Foster an educated, empathetic workforce
- Advocate for equal opportunity

### Health and well-being

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

### Continuous learning

- Develop a continuous learning culture



## Our refreshed employee value proposition

Your insight can create opportunities for you and contribute to a better future. Do work that matters, supported by a community that values difference and cares about you. Gain learning that'll last you a lifetime and be recognized for the impact you make. Find opportunity everywhere with KPMG.

- **Do work that matters:** Every day, in ways big and small, you make a meaningful and positive difference for clients, people and the communities we serve. Help create opportunity in a world of increasing complexity.
- **Come as you are:** Your unique experiences and perspectives belong here. Both individually and as a team, you will understand and value the differences that lead to stronger insights and innovation.
- **Thrive with us:** Build relationships with colleagues who take care of each other. You will have the KPMG community at your side, providing the support you need to be at your best and create opportunities for yourself and others.
- **Learn for a lifetime:** Grow your own way in an environment where learning is continuous. Feed your curiosity, work with the best on emerging practices and technologies, and gain an advantage for life.
- **Make your mark:** Your aspirations and initiative make KPMG better. Wherever you work, be recognized for the impact you make, the leadership you show and the success you create with others.



### External collaborations

- Signatory to Valuable 500
- Signatory to Partnership for Global LGBTI Equality
- Member of Out Leadership — Business for LGBTQ+ Equality
- Signatory for Champions for Change, Catalyst
- Signatory to WEF’s Partnering for Racial Justice in Business
- Signatory of UN Women’s Empowerment Principles

**World Economic Forum (WEF) Good Work Alliance:** This year we became a member of the WEF Good Work Alliance. The alliance’s objectives are to co-create a framework for good work with companies and other stakeholders; to support the development of relevant metrics; and to promote measurable commitments by companies to core good work goals. These objectives are aligned with Our Impact Plan commitments and our desire to build a healthy, resilient and equitable future of work.

# Inclusion, diversity and equity

## Come as you are

IDE underpins our Values and is vital to our Purpose. There’s an expectation from our people, clients and society that we have a robust IDE agenda — linked to Our Impact Plan and our strategy. Improving our EVP to attract and retain the best talent also aligns with the “S” in our ESG commitments.

We strive to do what’s right, which means we must provide all of our people with the environment to help them be the best version of themselves — their *true* selves. What makes us different is what makes us stronger.

### How we define IDE:

- **Inclusion is about belonging:** We commit to creating a safe environment built on trust, where we can bring our authentic selves to work and feel valued for our unique contributions and perspectives.
- **Diversity is about difference:** We commit to embracing and respecting the variety of unique experiences, cultures, identities and perspectives we collectively bring to KPMG.
- **Equity is about access to opportunities:** We commit to standing against systemic barriers and biases. We help level the playing field and ensure everyone can succeed and thrive at KPMG.

Our commitment: Have an inclusive culture built on trust

Building a culture that welcomes everyone without exception takes purposeful work, which KPMG firms around the globe have focused on in FY22. We believe we’re on the right path as we focus on creating communities that empower us to make better decisions, innovate and build a culture where our people can stand up and do what is right.

Leveraging our people’s input, in 2021, we created our IDE Collective Action Plan. We focused on building a strong foundation that resulted in the creation of a new Global IDE Center of Excellence, the release of a global IDE policy, the launch of standard global IDE goals and the expansion of our data collection, to name a few.

**“IDE is core to KPMG: building teams with diverse views that represent the world we live in plays a key role in unlocking our full potential across member firms. It’s incredibly encouraging to see IDE principles being reflected across the globe. Given the trajectory we’re on, I can’t wait to see what we’ve achieved a year from now.”**

**We strive to do what’s right, which means we must provide all of our people with the environment to help them be the best version of themselves — their true selves.**

**Kristine Remedios**

Global Head of Inclusion, Diversity & Equity, KPMG International

## Deepening our focus on the communities we serve

### Analyzing the current state of disability inclusion

To support our disability inclusion efforts, we conducted a current state analysis of recruitment, retention and advancement for people living with disabilities in our Reporting KPMG Firms. Although we're making progress, the outcome of our assessment will focus our collective efforts on continuing to expand our data collection, educating our people on disability inclusion language and digital accessibility, and working together with our disability employee resource group leads.

### Our first LGBTQ+ inclusion statement

In collaboration with our Global Pride Network, we launched our first global LGBTQ+ inclusion statement. As a global organization, we're committed to actions that promote LGBTQ+ awareness and making sure our people feel safe, recognized and heard. A key action from this statement is to support KPMG firms in appointing Pride Partner Champions to help address the challenges faced by our LGBTQ+ people. Pride Partner Champions are KPMG leaders aligned with their Pride Networks and responsible for championing their firm's LGBTQ+ inclusion efforts inside and outside of the workplace.

### Taking a stand against racial discrimination

We engaged professionals from around the globe in practical learning and actions through the International Day for the Elimination of Racial Discrimination (IDERD) actions-based initiative, where our people made more than 2,500 commitments to take a stand against racial discrimination. Topics included the importance of creating psychologically safe workspaces, challenging microaggressions and colorism.



**In collaboration with our Global Pride Network, we launched our first global LGBTQ+ inclusion statement. As a global organization, we're committed to actions that promote LGBTQ+ awareness and making sure our people feel safe, recognized and heard.**

## People of KPMG

### Jess Wood-Waikari

KPMG in New Zealand

I come from the Eastern Tribe of Ngāti Porou in New Zealand and am Founder of the KPMG Kiwa Mentoring Program.

The Kiwa network is a home and family for Māori and Pasifika colleagues at KPMG in New Zealand. The name Kiwa comes from the Māori name for the Pacific Ocean, Te Moana-nui-a-Kiwa, which represents the diversity of nations and cultures the ocean brings to the New Zealand firm. The network helps to drive KPMG in New Zealand’s aim to have a workforce that is culturally competent, is representative of the communities it serves and does meaningful work to fuel the country’s prosperity.

When I joined KPMG in New Zealand as a graduate, I was very aware of the obstacles facing Māori and Pasifika applicants. So, with my colleagues, I created a mentoring program designed to shed light on the application process for prospective Māori and Pasifika applicants, build their

confidence to apply and — most importantly — build connections between students and staff to make KPMG feel more like a place Māori and Pasifika students could see themselves working at in the future.

The program not only gives us a positive reason to come together as Kiwa colleagues, but also has the greater purpose of giving back to the next generation of Māori and Pasifika graduates and growing the support given to talented young people from Māori and Pasifika communities as they move into their careers.

The Kiwa Mentoring Program has been running for five years, with four of the New Zealand firm’s national offices working alongside local universities and tertiary providers. It has graduated around 250 students, and I feel honored that just under 50 of those have joined KPMG in New Zealand as graduates and/or interns. I can vividly remember the first time my mentee was offered a job at KPMG, and I am so proud and excited every time a mentee joins our Kiwa family.





Case study

## Bringing value through diversity, KPMG in Japan

KPMG AZSA Officemate Ltd. (AZOM) is a subsidiary of KPMG in Japan and employs over 100 people (members), mainly with intellectual disabilities.

In Japan, a company that employs 43.5 people or more is legally required to ensure that 2.3 percent of its permanent workforce are people with disabilities. As a knowledge-based business driven by KPMG’s Values, KPMG in Japan wanted to create jobs specifically designed for people with intellectual disabilities who may not otherwise have had an opportunity to work in a knowledge industry. It also wanted to foster a diverse environment to support its growth.

AZOM members support the smooth running of KPMG in Japan in an environment that is suited to — and supports — their individual abilities. Members are engaged in administrative tasks that contribute to the efficiency of the Japanese firm, including helping set up for meetings, logging event feedback and graphing results, printing, binding, filing and shipping. Many AZOM staff members are also stationed at various divisions at KPMG in Japan, including its Audit and Advisory practices. Over time, the range of this work has expanded and diversified.

AZOM members are assigned a job coach who helps ensure they are comfortable in the workplace and make the most of their abilities at work. Upon joining AZOM, some members are also teamed up with a senior staff member who explains the work and is a ready-made point of contact for questions or concerns.

As AZOM grows, it will strive to continue to give its members a workplace where they feel valued, can develop and can gain social independence through employment.



### Driving accountability

Established in FY21, the aim of our inaugural global IDE policy is to ensure we have a consistent method for IDE across our global organization by setting baseline requirements. To drive accountability in all KPMG member firms and measure how we are effecting change, we're tracking progress against policy milestones.

One of these core requirements is for all KPMG firms to appoint an IDE lead. In FY22, all Reporting KPMG Firms appointed an IDE lead, which was critical to driving change.

In addition, we developed a set of dedicated global IDE goals to help all of our people understand expectations, build their skills and embrace actionable commitments as they progress through their careers at KPMG. This year, we've seen an uptake from the majority of Reporting KPMG Firms. Our people are embracing these goals, including them in their goal setting and engaging in activities that support their progress.

We've grown our IDE community globally, focusing our attention on supporting these roles and creating a community of IDE leads who come together, share leading practices and provide input on key IDE initiatives based on local country context.

## People of KPMG

**Patricia Molino**  
KPMG in Brazil

As the co-chair of the newly created global chapter of the KPMG Network of Women (KNOW), I'm proud to be helping KPMG achieve its intention to have women in one-third of leadership roles by 2025.

KNOW is responsible for delivering a wide array of women's programs and activities that support the advancement of KPMG women and help create a more compelling work environment. KNOW was founded to create communities of like-minded women (and men), enabling them to connect internally and externally with peers and colleagues, meet mentors and share career experiences. KPMG firms around the world lead their own chapters, and I led the KNOW chapter in Brazil from 2016 to 2021.

I've been at KPMG in Brazil for more than 25 years and was one of its first woman partners. One of the many reasons I've



stayed at KPMG for so long is because of the opportunities I've had to shape a rewarding and purpose-led career.

As the co-chair of the global chapter of KNOW, I'm able to create opportunities for other women in KPMG firms across the world and help ensure women can succeed at the leadership level.

## Advocate for equal opportunity

Our commitment: Advocate for equal opportunity

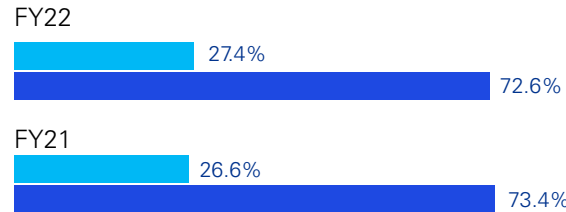
Globally, we set an intention to have women in 33 percent of leadership roles by 2025, which includes member firm partners and directors. This will help drive our commitment to advancing gender equality across all KPMG member firms. This intention was driven from the bottom up based on the local aspirations set by our Reporting KPMG Firms through to 2025. As of the end of FY22, the representation of women in leadership across our KPMG firms sits at 27.4 percent, up 0.8 percentage points from FY21.

As we close in on 2025, we know there’s still work to be done to close the gap. We’ve set ourselves a series of milestones moving forward to continue to support all of our member firms to attract, retain and advance diverse talent in order to accelerate progress and achieve our collective goal by 2025. To support KPMG firms in reaching our 33 percent goal, we’ve developed a process to track year-over-year progress, produced a guide to drive more impactful, inclusive and equitable practices in our talent processes, and renewed our focus on the KPMG Network of Women.

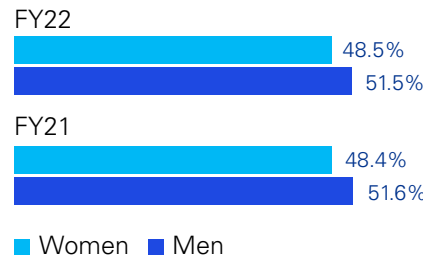
Another area of our focus moving forward is developing a recommended global approach to conducting analyses of pay by gender, based on leading practices, by level and grade accounting for factors that include performance, skills, geography, experience and length of service with the organization — to help increase our transparency, establish a baseline approach and inform recommendations to close identified pay gaps.

## Gender by level, FY22 vs. FY21

### Leadership (partners and directors)



### Total partners and employees



We’ve seen a number of member firms being recognized for their work. For example, KPMG in Canada was named one of [Canada’s Best Diversity Employers](#); KPMG in Japan ranked Gold in the 2022 PRIDE Index in recognition of their initiatives in support of LGBTQ+ colleagues; and KPMG in Malaysia was named UN Women 2022 Malaysia WEPs Awards runner up in the Gender Inclusive Workplace category.

## 50:50

Our Global Management Team is made up of **50% women**, as of 1 October 2022. These senior leaders are responsible for developing our global strategy with the Executive Committee of the Global Board and driving alignment across our KPMG firms.

## Creating safe spaces

Our commitment: Foster an educated, empathetic workforce

Our global learning programs focus on building allyship, listening to the voices of our people and educating ourselves on the perspectives and life experiences of others, with the aim of creating an environment in which all of our people can bring their best and most authentic selves to work.

In FY22, we continued to leverage technology to bring our people together to support one another with digital on-demand training, dedicated global learning summits and campaigns in recognition of International Day for the Elimination of Racial Discrimination, International Day of Persons with Disabilities, International Women’s Day and Pride Month.

- Our people from more than 45 countries or territories have taken IDE e-learning courses from global inclusion experts Culture Wizard — a more than 60 percent year-over-year increase in participation.
- We created an allyship guide to provide our people with the tools to help them be better allies to foster a more supportive workplace.

KPMG colleagues from **90 countries** participated in our FY22 global learning summits.

Year over year, there was also a **14%** increase in global attendance and **9%** leadership attendance at these summits.

## People of KPMG

### Asma Hasan

KPMG in Canada

If someone asked me a few years ago if I wanted to be a partner, I would have quietly smiled and shaken my head. I would think to myself, “Me? A partner? I’m a woman of color, a proud Muslim who wears the hijab (head covering) and a mother to a little girl with autism.”

In my mind, I had the odds stacked up against me and simply didn’t believe people like me could become partners. It was something I didn’t dare dream of, let alone aspire to. Over the years, I had built up so many barriers in my mind, but thanks to the support of some amazing colleagues at KPMG in Canada who reminded me to believe in myself, I was able to move past them.

I was given the time and space to progress at my speed and forge a career that worked for me and my family while receiving the encouragement to take the next step when I was ready.

And now that I’m in this position, I’m passionate about helping others to break down their own barriers.



I co-chair the Salam Network, a group that connects the Muslim community at KPMG in Canada with each other, clients and the wider community. I co-founded the Special Family and Friends Network, which helps to ensure a supportive working environment for my colleagues who are parents and family members of children who are neurodivergent, and their friends and allies. And I mentor young professional women both at KPMG and beyond.

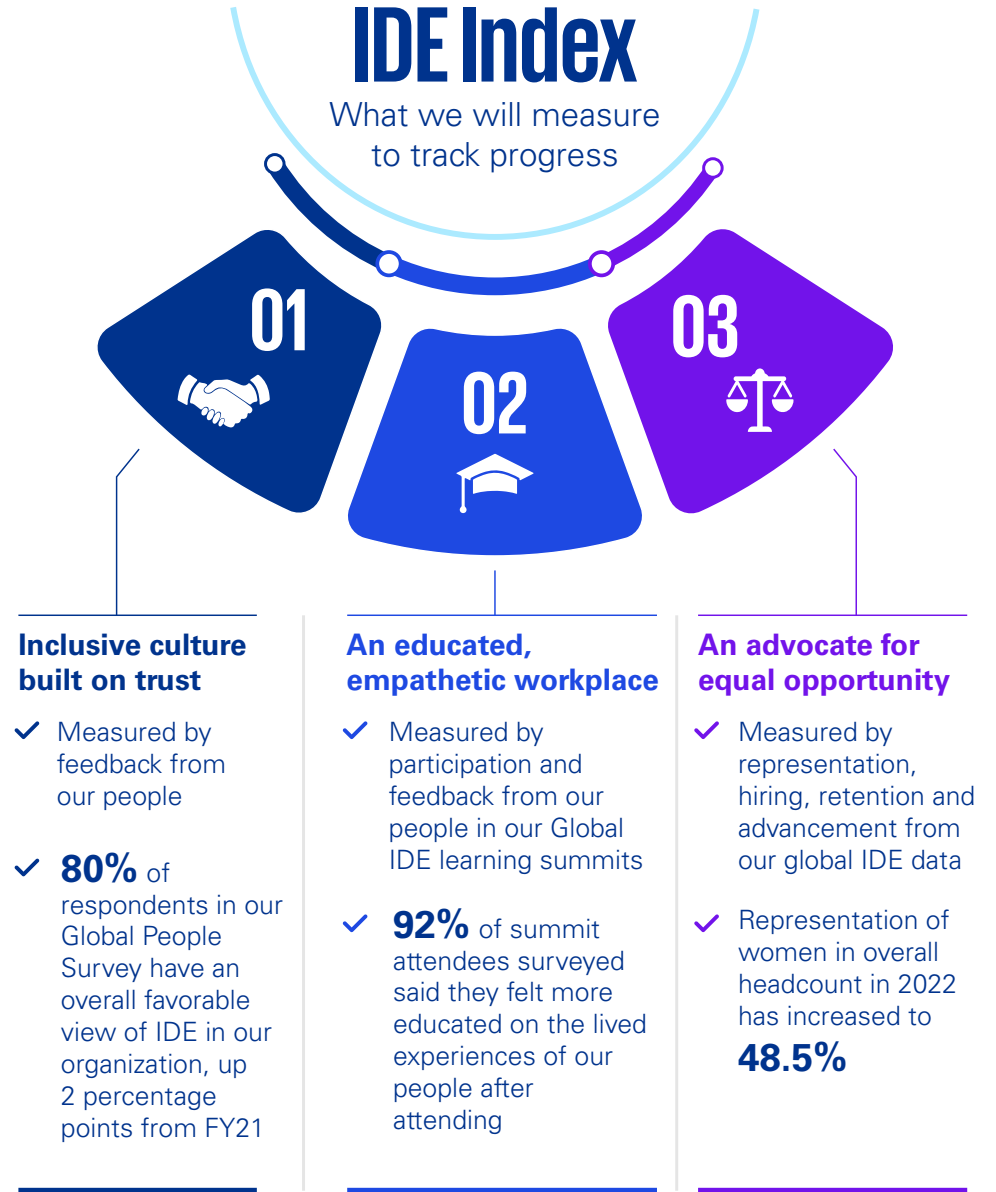
I’m gratified to say that I’m a partner at KPMG in Canada, where inclusive culture is in our DNA.

## Measuring our impact

We measure progress consistently to help ensure we stay on the right path. We work together with KPMG firms to continue to expand our collection of global IDE data. In line with the objectives set for our IDE ambition, we've created an IDE Index to help us measure the impact of our work from quantitative and qualitative perspectives.

We're pleased to see the FY22 results of our first IDE Index, which shows favorable overall IDE scores in each area. We look forward to building on this progress, which includes building additional metrics to measure the impact of the work we do.

We also developed a global set of custom demographic questions for KPMG firms to use in our annual engagement survey to enable them to understand the lived experiences and perceptions of different diversity groupings. This has led to more than 30 additional countries and territories having the ability to look at engagement from a diversity lens, including 60 percent of Reporting KPMG Firms.



**Each member firm that set ethnicity goals has reported positive progress in their reports:**

**KPMG in the UK**  
has committed to having  
**20%**  
of its partners represented by people from an ethnic minority by 2030.

**KPMG in the US**  
has an aspiration of  
**50%**  
partner and managing director representation from underrepresented groups, including doubling Black representation, by 2025.

**KPMG in Canada**  
committed to  
**26%**  
of its partners being represented by people of color by 2025.

**KPMG Australia**  
has committed to  
**20%**  
of its partners being culturally diverse by 2025.



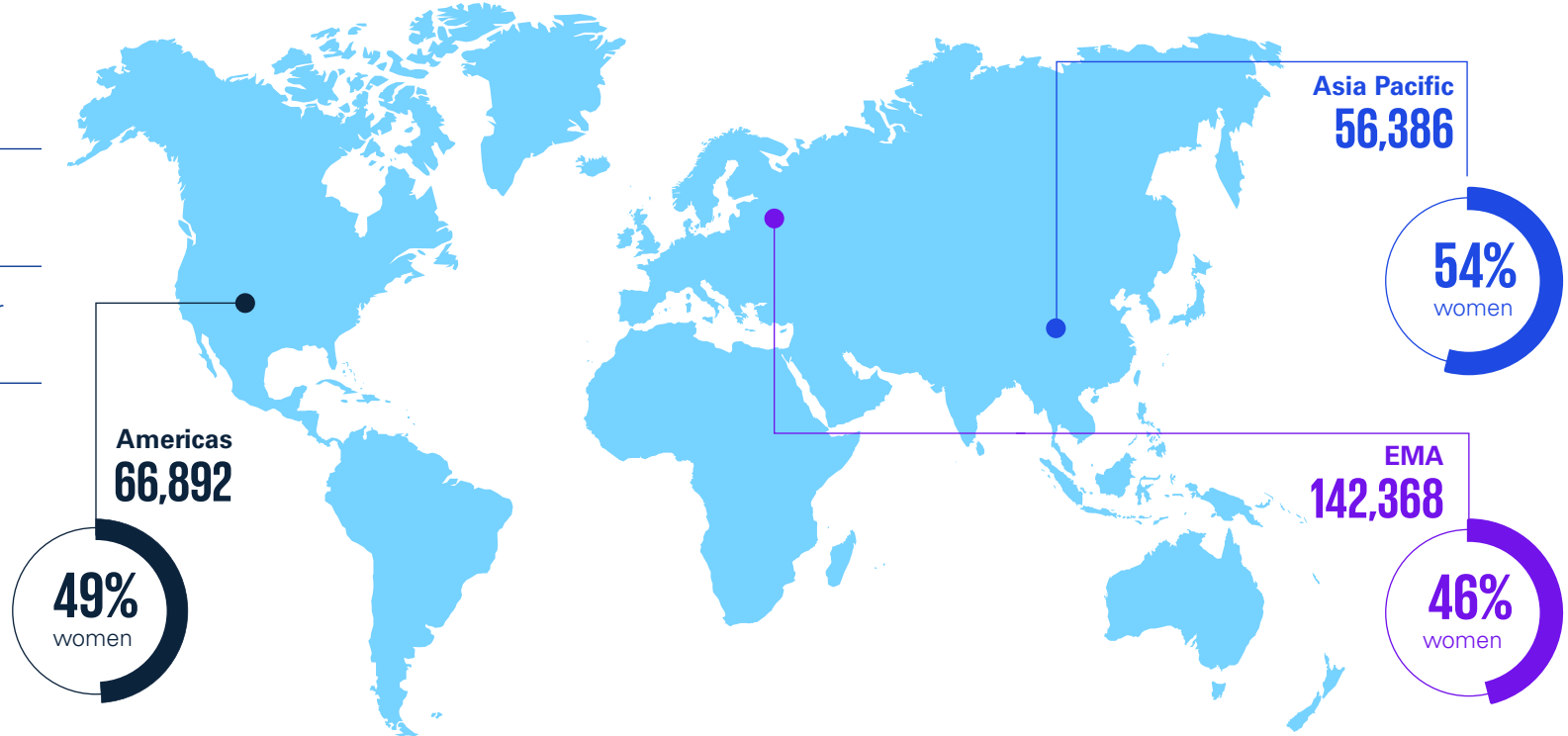
KPMG continues to be committed to building an inclusive culture. We're working with KPMG firms to set targets that will drive our commitment to advancing IDE across the global organization — and it all starts with measuring and reporting on our progress.

Total headcount

**265,646**

**48.5%** Women

**143** Total member firms



\*We recognize that gender is a spectrum. KPMG is committed to inclusivity and better monitoring of gender identity beyond binary definitions going forward. Headcount reported above based on partners and staff employed as at 30 September 2022. EMA=Europe, Middle East and Africa, including India.

## KPMG firms' gender headcount by level and region

Gender by level	FY22			FY21			FY20		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Partners	12,321	22.2%	77.8%	11,455	21.2%	78.8%	11,115	20.8%	79.2%
Directors	10,781	33.4%	66.6%	9,842	32.9%	67.1%	9,213	31.6%	68.4%
<b>Leadership</b>	<b>23,102</b>	<b>27.4%</b>	<b>72.6%</b>	<b>21,297</b>	<b>26.6%</b>	<b>73.4%</b>	<b>20,328</b>	<b>25.7%</b>	<b>74.3%</b>
Senior managers	26,250	40.6%	59.4%	23,540	40.5%	59.5%	22,177	39.5%	60.5%
Managers	35,665	45.6%	54.4%	32,181	44.9%	55.1%	30,557	44.7%	55.3%
<b>Management</b>	<b>61,915</b>	<b>43.5%</b>	<b>56.5%</b>	<b>55,721</b>	<b>43.1%</b>	<b>56.9%</b>	<b>52,734</b>	<b>42.5%</b>	<b>57.5%</b>
Senior associates	63,578	50.1%	49.9%	58,894	49.4%	50.6%	57,545	48.8%	51.2%
Associates	117,051	54.5%	45.5%	100,345	55.4%	44.6%	92,023	55.3%	44.7%
<b>Team members</b>	<b>180,629</b>	<b>52.9%</b>	<b>47.1%</b>	<b>159,239</b>	<b>53.2%</b>	<b>46.8%</b>	<b>149,568</b>	<b>52.8%</b>	<b>47.2%</b>
<b>Total partners and employees</b>	<b>265,646</b>	<b>48.5%</b>	<b>51.5%</b>	<b>236,257</b>	<b>48.4%</b>	<b>51.6%</b>	<b>222,630</b>	<b>47.9%</b>	<b>52.1%</b>



## KPMG firms' gender headcount by level and region (cont'd)

Gender by region	FY22			FY21			FY20		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Americas	66,892	48.6%	51.4%	59,325	48.1%	51.9%	55,979	47.7%	52.3%
Asia Pacific	56,386	54.4%	45.6%	50,449	53.5%	46.5%	46,950	52.4%	47.6%
EMA	142,368	46.1%	53.9%	126,483	46.5%	53.5%	119,701	46.2%	53.8%
<b>Total partners and employees</b>	<b>265,646</b>	<b>48.5%</b>	<b>51.5%</b>	<b>236,257</b>	<b>48.4%</b>	<b>51.6%</b>	<b>222,630</b>	<b>47.9%</b>	<b>52.1%</b>

**Notes:**

1. Total member firm partner and employee headcount based on KPMG people employed as of 30 September, excluding contingent labor.
2. KPMG member firms' local grade and level structures are mapped to the corresponding KPMG International grade or level.
3. KPMG recognizes that gender is a spectrum, and we're committed to inclusivity and better monitoring of gender identity beyond binary definitions going forward. The headcount data presented is based on what is currently available and is a mix of sex and gender identity.
4. Refer to the "Indexes and explanations" section for further details.
5. In FY22, the average full-time equivalent (FTE) total partners and employees was 255,738 (FY21 — 230,477).

In addition to partners and employees, KPMG firms also have a contingent labor force. In FY22, the contingent labor force was 28,942 (FY21 — 27,619; FY20 — 21,737), bringing the total workforce to 294,588 (FY21 — 263,876; FY20 — 244,367).

## KPMG firms' promotion by gender

Partner promotions	FY22			FY21		
	Total	Women	Men	Total	Women	Men
Americas	326	32.2%	67.8%	310	29.7%	70.3%
Asia Pacific	317	26.2%	73.8%	218	34.7%	65.3%
EMA	617	28.0%	72.0%	299	27.8%	72.2%
<b>Total</b>	<b>1,260</b>	<b>28.7%</b>	<b>71.3%</b>	<b>827</b>	<b>30.3%</b>	<b>69.7%</b>

	Total	Women	Men
Director promotions	1,783	37.0%	63.0%
Senior manager promotions	4,553	41.4%	58.6%
Manager promotions	8,015	45.9%	54.1%

**Notes:**

1. Data represents promotions across Reporting KPMG Firms.
2. Data is based on the announcements in the financial year and therefore includes promotions effective on 1 October of the following financial year.
3. KPMG recognizes that gender is a spectrum, and we're committed to inclusivity and better monitoring of gender identity beyond binary definitions going forward. The headcount data presented is based on what is currently available and is a mix of sex and gender identity.
4. The director, senior manager and manager promotion data collection is new data that was collected for the first time in FY22.
5. In FY20 there were 490 partner promotions: 27.1 percent women and 72.9 percent men.
6. Refer to the "Indexes and explanations" section for further details.



### Ratio of minimum wage to graduate-entry wage

Across Reporting KPMG Firms, where the country or territory has set a minimum wage, the ratio of average graduate entry-level salary compared to the country minimum wage for FY22 ranged from 1.3 to 3.2 times the minimum wage (for FY21, it ranged from 1.3 to 3.1). The range across member firms is mainly driven by regional variations and the difference in ratio between men and women is minimal.

### Generational split of active headcount by level

Age range	FY22					FY21					FY20				
	<25	25–35	34–45	45–55	55+	<25	25–35	34–45	45–55	55+	<25	25–35	34–45	45–55	55+
<b>Leadership</b>	–	3%	39%	42%	16%	–	3%	40%	42%	15%	–	3%	40%	42%	15%
<b>Management</b>	–	40%	39%	15%	6%	–	40%	39%	15%	6%	–	41%	39%	14%	6%
<b>Team members</b>	26%	59%	9%	4%	2%	25%	60%	9%	4%	2%	23%	61%	10%	4%	2%
<b>Total partners and employees</b>	18%	49%	19%	10%	4%	17%	50%	19%	10%	4%	15%	51%	20%	10%	4%

**Notes:**

1. Total member firm partner and employee headcount based on KPMG people employed as of 30 September, excluding contingent labor.
2. KPMG firms’ local grade and level structures are mapped to the corresponding KPMG International grade or level.
3. Refer to the “Indexes and explanations” section for further details.

# Health and well-being

## Thrive with us

Our commitment: Protect the health of our people — both physically and mentally — and enable them to be effective and productive

Everyone deserves strong and accessible support, and we put our people’s physical and mental health first. We commit to protecting the health of our people, enabling them to be effective, productive and to thrive with us. We believe when we’re at our best, our best work happens, and that’s why we create opportunities that can help each of us achieve physical and mental health on our own terms.

In FY22, we reopened our offices and leveraged our digital transformation and learnings from the past two years to develop new work practices that align with our people’s desire for flexibility. All our largest member firms have adopted working models that provide flexibility between the office, client sites and home, with a focus on using time in each location in a purposeful way.

Feedback on the approach has been positive, with 84 percent of respondents in our 2022 Global People Survey having a favorable response to the question: “I can work where I am most effective to meet client, business and team needs.” We continue to listen closely to people across our organization as we experiment and learn. While flexibility can enhance

well-being, it can also bring challenges in maintaining a healthy work-home balance, so we’ve provided training and support to help managers and their teams navigate these new ways of working.

Managing workload and creating sustainable work practices is a challenge that can impact well-being. We carried out a global review of workload, initially focusing on our Audit teams, identifying actions that could help create a long-term, sustainable people experience that supports well-being outcomes. We’ve launched a global framework centered around five themes — portfolio management, increasing capacity, process optimization, enabling culture and vision of the future — and are working with KPMG firms to activate this. We’re committed to implementing the recommendations across the organization.

In the past year, we increasingly focused on ensuring our people have time away from work to recharge, including providing opportunities for breaks through office closures or abridged working weeks. For example, KPMG in Canada gave Fridays off to all of its employees throughout July and August 2022, and KPMG Australia had a two-week summer office shutdown in late December.

Looking at ways to create a work environment that supports each individual’s well-being and promotes a healthy workforce will continue to be a priority. In a coordinated effort to have research-backed evidence, KPMG International and KPMG in the UK are collaborating with the University of Cambridge to identify ways to improve mental well-being at work.

### Case study

## University of Cambridge collaboration, KPMG International and KPMG in the UK

KPMG International and KPMG in the UK joined forces with the University of Cambridge to undertake research focused on understanding ways to improve mental well-being at work.

Using KPMG as a case study, the program will first look to discover how to correctly measure mental well-being, what works from an intervention perspective and understand the interrelations among mental well-being, productivity and the workplace. The program’s aim is to develop the foundations needed to rewire businesses and create environments that are conducive to promoting mental well-being as a first principle.

We will use the research to look at how variations in working scenarios — including across business types, locations and types of interactions in the workplace — can impact the mental health of a workforce and develop effective interventions that can be deployed to better promote and protect the mental health of workforces in the future. Trial and test interventions will be set up before opening up the findings to help make a difference, including to other businesses and policymakers.



KPMG in Singapore’s new LEED Platinum building (the highest certification level in the green building rating system)

**Case study**

## Embedding well-being into workplace design, KPMG in Singapore

KPMG in Singapore recently moved to a new office location, embedding the well-being of our people and new ways of working into its design.

It was an opportunity to reimagine what work can — and should — look like, both now and in the future. Our ambition was to design a workplace for the evolving needs of colleagues, clients and communities.

The new office was co-created with our people to support their preferred ways of working. It was designed to support hybrid working, be sustainable, flexible and resilient, drive greater learning and collaboration, and — most importantly — enhance well-being while at work.

The fit-for-future design came to life through a deliberate process to listen to the needs of our people, bringing them in at critical stages. We held surveys and focus groups before design or construction even began.

One of the key things we heard was the need for the move to be sustainable, and we’ve made that commitment by moving to a LEED Platinum building, among other carbon-friendly initiatives. For example, we launched a reduce, reuse, recycle program, including gifting previous office furniture to local charity groups.

When paired with meaningful hybrid work policies, the workplace helps facilitate adaptable, fit-for-purpose interactions — whether online or in person — for a sustainable future of work. The central clubhouse can easily convert from an event space for clients to a dedicated space for employee events or networking. As we grapple with ever-changing ways of working, social interaction and connection is something we all need.

KPMG in Singapore created a space intended to help everyone feel safe and able to be their best selves, while providing flexibility to personally own what new ways of working mean for both individuals and teams.

# Learning and development

## Learn for a lifetime

Our commitment: Develop a continuous learning culture

Learning and development (L&D) is embedded in our Values, our brand and Our Impact Plan commitments. It equips our teams with the technical know-how, skills and ethical behaviors to best serve our clients, our colleagues and our communities. Member firms have invested significantly in continuous learning, including an average spend of US\$1,049 and 63 hours of formal learning per employee in FY22, up from 51 hours in FY21.

At a global, regional and member-firm level, we’re evolving L&D to deliver a continuous learning culture through learning in the flow of work. We’re also pivoting from the narrow remit of L&D that tended to focus on formal training courses.

Our new learning approach adopts an enabling, value-adding definition of L&D that extends beyond the classroom to include on-the-job and just-in-time solutions, supported by a manager, mentor or coach. This encompasses learning in its broadest sense, growing our people’s capabilities, helping to skill and reskill with speed and agility, and ultimately allowing them to better respond to the complex realities of today’s world.

The investments we made helped us to increase our annual hours of formal learning per employee over the prior year. Looking ahead, we’ll move away from only measuring L&D success using investment figures, which don’t necessarily provide an accurate view of the effectiveness of learning solutions; instead, we’ll gather actionable, qualitative data on the benefits of learning solutions, as reported by learners and their performance managers.

**84%**

of our people agree they have “learning opportunities that help [them] develop skills to succeed in the future”

↑ **4%**  
from 2021

**85%**

of our people agree those they work for “do a good job sharing their knowledge and experience”

↑ **2%**  
from 2021

Source: 2022 KPMG Global People Survey respondents.

## Our learning technology

- Our chosen global learning experience platform — Degreed — has been deployed in more than 90 countries or territories to date. Through Degreed, our people can easily access on-demand and tailored learning. Learners have access to more than 20 external content providers to help them target their individual interests.
- Another pivotal technology is Kaltura, which provides access to live virtual classrooms and video hosting for virtual or hybrid learning and features enhanced viewer reporting for ISQM 1 and Continuing Professional Education (CPE) requirements.
- Looking ahead, we plan to launch a global badge program, enabling our learners to demonstrate their growing skillset and expertise internally and externally.

**Member firms have invested significantly in continuous learning, including an average spend of US\$1,049 and 63 hours of formal learning per employee in FY22, up from 51 hours in FY21.**



## Training cost and hours per individual

	FY22		FY21		FY20	
	US\$	Hours	US\$	Hours	US\$	Hours
<b>Per individual</b>	<b>1,049</b>	<b>63</b>	<b>1,071</b>	<b>51</b>	<b>1,019</b>	<b>54</b>

**Notes:**

1. Based on Reporting KPMG Firms.
2. FY22 data doesn't include data from member firms that exited the network in FY22.
3. Includes continuous professional education and excludes KPMG International central costs. Professional designation training, such as training to become a certified public or chartered accountant, is excluded.
4. Includes instructor classroom-led training as well as digital and virtual training.
5. Includes training development, licenses, administration and delivery. The opportunity cost of completing training is not included.
6. Includes travel and venue costs, including KPMG dedicated training facility location costs.
7. "Per individual" is based on average total partner and employee headcount.
8. Refer to the "Indexes and explanations" section for further details.

### Accelerator learning

**KPMG core skills**

This 4.5-day program is for first-year employees, equipping them with the skills to help them succeed from day one. These skills include self-management, communication, operating high-performing teams, stakeholder management, problem solving and presentation skills.

**ESG learning**

Through collaborations with leading academic institutions, including the University of Cambridge Judge Business School and New York University, along with internally developed programs, we've launched foundational ESG learning to all KPMG professionals.

ESG 101 is our foundation-level program that aims to give all of our people a solid understanding of what

ESG is, why it matters, what KPMG is doing about it and how they can make a positive impact. The program consists of three modules: an introduction to ESG for all KPMG professionals; how KPMG is making an impact both internally and externally, addressing Our Impact Plan commitments; and how client-facing KPMG professionals can have ESG-focused conversations.

**Digital and Data Foundations**

This multi-year program is aimed at raising KPMG professionals' collective digital and data literacy, providing a strong understanding of the technology trends and concepts that are reshaping the business world.

**C75 program**

This program brings together high-potential partners who possess the skills, experiences and personal

attributes that demonstrate their potential to be successful in future leadership roles. Participants are given a series of regional and international experiences with a focus on global priorities and challenges through peer-to-peer and collective sessions, along with executive coaching and mentoring.

**Elevation growth academy**

The Global Lead Partner and Global Sector Head roles are some of the most high-profile roles at KPMG, with a responsibility to help drive business growth. This academy supports and equips these leaders with insights into what it takes to be truly high performing in their roles, and we provide them with a skills development framework, alumni mentoring and executive coaching programs.

# Planet

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

To help reduce global warming and ensure a fair and just transition, organizations and governments need to invest more in low- and zero-carbon energy grids — in both advanced and low-income economies. It’s also important to move away from short-term thinking and ensure that climate strategies are resilient and able to withstand external shocks. This means balancing short-term needs with long-term change and taking into account major geopolitical and economic events.

KPMG is committed to reaching net-zero carbon emissions by 2030. This requires halving our carbon emissions by 2030 — while continuing to look at how we address climate change, water pollution, deforestation and biodiversity loss. We’re implementing sustainable practices within our global organization and evaluating our supply chain to help ensure a healthy planet for generations to come. What we do internally mirrors the services we provide to our clients as we work across sectors, helping to ensure long-term protection from the worst effects of the climate crisis.

Our commitments mirror the policy and science resulting from COP events, the UN Sustainable Development Goals and the wider international community. We don’t operate in isolation, which is why we set a science-based target (SBT) and why we’ve developed our approach to nature and biodiversity, climate risk and circularity in our journey to net zero. Our role as a trusted adviser to our clients, the influence we have across our value chain and the impact we have in our wider communities are guided by these frameworks.

**“We’re working together with businesses, government and stakeholders to help ensure the world is able to transition to net zero in a fair and just way. This will require collaboration, innovation and a willingness to invest in the future of the planet.”**

**John McCalla-Leacy**  
Head of Global ESG  
KPMG International





## Our commitments

### Decarbonization

- Achieve net-zero carbon emissions by 2030

### Climate risk

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

### Nature and biodiversity

- Understanding and improving our impact on nature and biodiversity





**Case study**

## Alliance for a Just Energy Transformation

The [Alliance for a Just Energy Transformation \(AJET\)](#) was launched by the United Nations Development Programme and World Wildlife Fund at COP27 with the support of KPMG. This voluntary initiative aims to accelerate the implementation of just transition policies around the world and is designed to accelerate progress toward achieving global net-zero goals while prioritizing the wider social agenda.

As a founding member, KPMG works with other AJET organizations to facilitate conversations that advance a just energy transformation around the world. Our aim is to use our global network of firms, clients and external stakeholders to help improve public and private sector collaboration in driving climate action and ensure that developing and emerging countries and territories are engaged in critical just energy transition debates.

**Case study**

## Net Zero Urban Program

The [Net Zero Urban Program](#) is designed to accelerate the scale and speed at which the world can achieve net zero in urban environments.

The program is dedicated to developing impactful urban decarbonization solutions in critical sectors such as the built environment, mobility, energy and industry infrastructure, water, and waste. It aims to reach 10,000 cities, scale up 100 solutions and raise US\$25 billion of capital by 2030.

Recognizing that new types of public-private co-investment and blended finance investment will be needed to fund a transition to net zero, the program bridges the gap between high-level ambitions and promising initiatives. The program matches game-changing technologies and innovative start-ups or projects with the right financing to facilitate net-zero breakthroughs.

# Decarbonization

Our commitment: Achieve net-zero carbon emissions by 2030

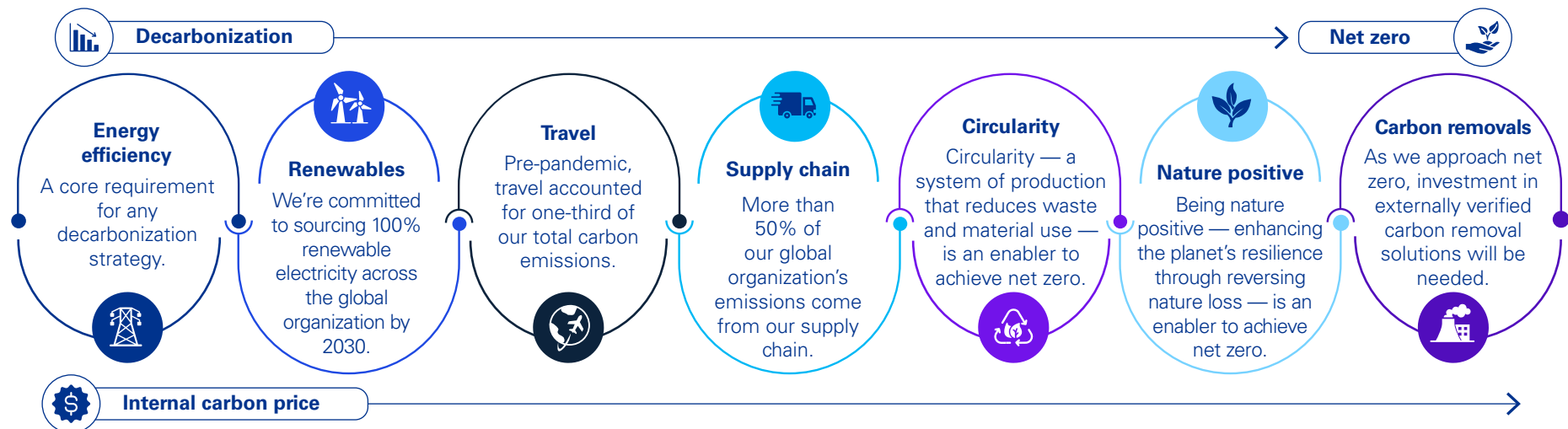
As a global organization and provider of ESG-related services, we have a responsibility to look at the impact of our operations and play our part in the global decarbonization effort. Our focus has been on reducing emissions and collecting more accurate data to support this effort and understand where we need to focus our energy in the years ahead. Decarbonization is critical to our collective net-zero efforts, and our goals are aligned with the 1.5°C Paris Agreement target, with a near-term SBT to decarbonize our business by 50 percent by 2030, compared to our FY19 baseline.

Before we collated and analyzed our data for FY22, we made two assumptions:

1. Our business travel was likely to increase. While KPMG International and our network of member firms are collectively developing and taking a more sustainable approach to travel, our travel emissions in the previous financial year had decreased significantly from prior years due to pandemic-related travel restrictions. As restrictions relaxed around the world, the need for us to reconnect with our clients and colleagues would naturally lead to increased business travel. While we anticipated an increase compared to our previous financial year, we still expected this number to be lower than our FY19 baseline.
2. There was potential for a significant change to our Scope 3 purchased goods and services emissions

due to a change in methodology. Through the CDP Supply Chain program, we've engaged our largest suppliers to obtain "allocated emissions" — a proportion of a supplier's emissions specifically attributable to KPMG due to the goods and services we purchase from them. We will look to supplement this data using factors provided by the CDP, which they've refined from their experience of working in different supply chains across many sectors. Though we now have greater confidence in our data for this category (typically one of the most difficult emissions areas to measure), we wouldn't necessarily be able to make a like-for-like comparison to our data from prior years. Read more about our supply chain and procurement approach in the [Integrating supply chain into our commitments](#) section.

## Our route to net zero



## Our carbon greenhouse gas footprint

We had a nine percent emissions reduction from last year, and a 25 percent reduction against our FY19 baseline year. We also saw a reduction to 38 tCO<sub>2</sub>e per US\$1 million revenue (net), from a baseline year value of 60. Compared to last year’s figures, while our overall gross emissions have decreased, we’ve seen noticeable increases in certain areas, which can largely be attributed to the gradual relaxing of pandemic restrictions globally.

With the updated FY21 emissions data, we saw an increase in **Scope 1** emissions in our FY22 figures. We can attribute part of this to an increase in office-based working, with the most significant increase due to business travel (which was expected as we returned to our offices and visited client sites). While

we’ve seen a modest increase in **Scope 2** energy and gross emissions, a larger proportion of electricity sourced is renewable and highlights progress toward our ambition to use 100 percent renewable energy across the global organization by 2030.

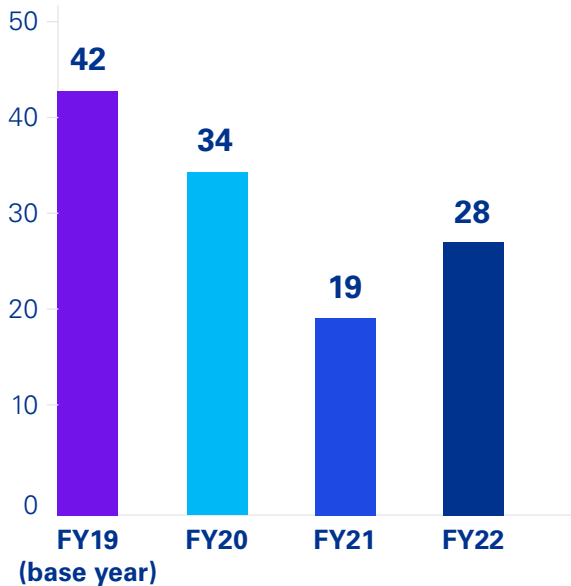
The most significant increase (relative to FY21) was in our **Scope 3** business travel emissions (where air travel is captured). While this increased by approximately 230 percent compared to FY21, it’s 37 percent of our FY19 baseline and within the range we were hoping to achieve at this stage. These reductions were made possible in part by improved management, a climate-focused view on business travel and the easing of restrictions partway through FY22. Overall, our people took a measured approach to business travel, and we’ll continue to monitor

business travel and the impact climate-conscious travel policies are having on our travel emissions.

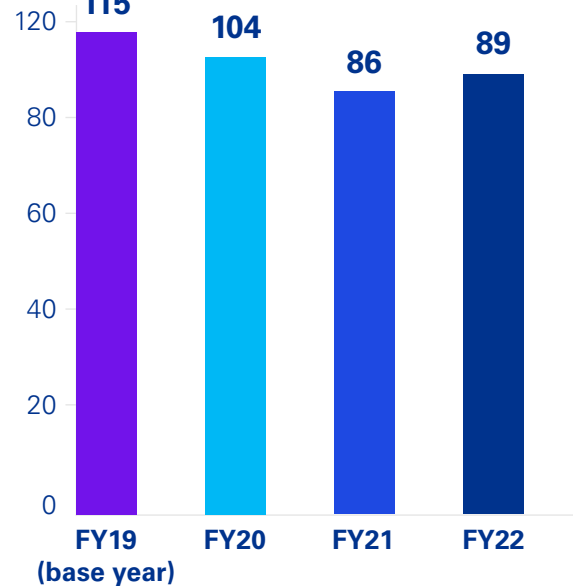
Our **Scope 3** purchased goods and services emissions continue to be our most significant source of tCO<sub>2</sub>e, even with the change in accounting methodology. This new methodology means we’ll have increased confidence in our data going forward. Our progress toward a low-carbon supply chain, part of our [ESG procurement approach](#), is not just about getting better emissions data — it’s about engaging our suppliers and working with them to help reduce their emissions. As we continue to work with suppliers and enhance our value chain data accuracy, we’ll work toward re-baselining our emissions with this more robust accounting methodology for purchased goods and services.

## Our operational GHG footprint (unit of measure ktCO<sub>2</sub>e)

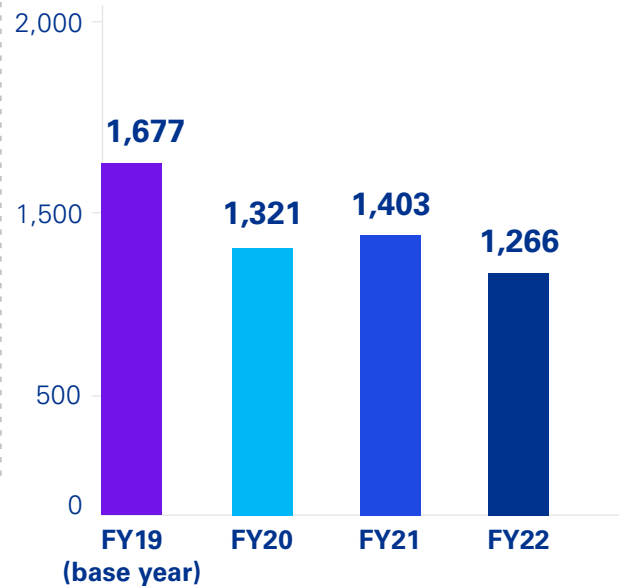
Scope 1



Scope 2 — location-based



Scope 3



## Climate change performance

	ktCO <sub>2</sub> e			
	FY22	FY21	FY20	FY19 (base year)
<b>Gross emissions</b>	<b>1,383</b>	1,508	1,459	1,834
<b>By region</b>				
<b>Americas</b>	<b>640</b>	970	846	995
<b>Asia Pacific</b>	<b>230</b>	207	195	256
<b>EMA</b>	<b>513</b>	331	418	583
<b>By category and source</b>				
<b>Scope 1</b>	<b>28</b>	19	34	42
<b>Scope 2 – location-based</b>	<b>89</b>	86	104	115
<b>Scope 3 – purchased goods and services</b>	<b>979</b>	1,272	975	986
<b>Scope 3 – business travel (air travel)</b>	<b>157</b>	33	197	465
<b>Scope 3 – business travel (other)</b>	<b>49</b>	30	52	89
<b>Scope 3 – commuting</b>	<b>41</b>	38	60	96
<b>Scope 3 – other</b>	<b>40</b>	30	37	41
<b>Net emissions</b>	<b>1,330</b>	<b>1,446</b>	<b>1,395</b>	<b>1,778</b>
<b>Intensity of net emissions</b>				
<b>tCO<sub>2</sub>e per individual</b>	<b>5.35</b>	6.30	6.24	8.23
<b>tCO<sub>2</sub>e per US\$1 million revenue</b>	<b>38</b>	45	48	60

**Notes:**

- Climate change performance data reflects the data of approximately 60 KPMG firms including the Reporting KPMG Firms that have been used to estimate total emissions on a global basis.
- The tCO<sub>2</sub>e per individual is calculated using average total partner and employee headcount.
- The tCO<sub>2</sub>e per US\$1 million revenue is based on the aggregated global gross revenues.
- In FY22, the methodology for calculating Scope 3 purchased goods and services was refined and updated as part of ongoing improvement to ESG data. The updated methodology incorporates allocated emissions from suppliers (specific to KPMG) based on CDP data where it's available. The remainder is calculated on a spend-based method using sector-based data emissions factors. FY21, FY20 and FY19 have not been represented for this change of basis, however, we anticipate that we will recalculate them in the future when more comprehensive supplier specific data is available.
- Renewable energy has been recalculated for FY21, FY20 and FY19 as updated, more accurate data became available.
- Net emissions are gross emissions adjusted for renewable energy offsets and certificates.
- Refer to the "Indexes and explanations" section for further details.

## Renewable energy

The trend toward sourcing 100 percent renewable energy across our organization by 2030 has continued. All Reporting KPMG Firms reached this goal by the end of FY22.

	<u>FY22</u>	<u>FY21</u>	<u>FY20</u>	<u>FY19 (base year)</u>
Purchased electricity (GWh)	<b>234</b>	<b>236</b>	<b>272</b>	<b>282</b>
Renewable energy (GWh)	<b>184</b>	<b>163</b>	<b>151</b>	<b>140</b>
<b>Renewable energy (%)</b>	<b>79%</b>	<b>69%</b>	<b>56%</b>	<b>50%</b>
<b>Energy per FTE (MWh per FTE)</b>	<b>0.94</b>	<b>1.03</b>	<b>1.22</b>	<b>1.31</b>

**Note:** Renewable energy has been recalculated for FY21, FY20 and FY19 as updated, more accurate data became available.



**Reporting KPMG Firms reached the target of 100 percent renewable energy in October 2022 by finding the best solution for their respective regions.**

## Renewable energy

We have a target of sourcing 100 percent renewable electricity across our organization by 2030. As we continue to make progress toward this goal, we've hit an interim — and significant — milestone: Reporting KPMG Firms reached the target of 100 percent renewable energy in October 2022 by finding the best solution for their respective regions.

In terms of total electricity usage, the levels remained very similar — demonstrating that despite increased office usage the efficiency initiatives KPMG firms have taken have balanced this. Additionally, the proportion of renewable energy across our global organization increased from 69 percent in FY21 to 79 percent in FY22. The challenge now is to support the remainder of our member firms in sourcing renewable energy to achieve our 2030 goal.

Some of our firms are now looking beyond electricity to help reduce their energy impact. For example, KPMG in Ireland now sources 100 percent biogas for its offices as a replacement for natural gas, chosen for its minimal life cycle emissions as a source of energy, which reduces the life cycle emissions associated with heating the offices.

**The challenge now is to support the remainder of our member firms in sourcing renewable energy to achieve our 2030 goal.**



## ESG reporting tool

Last year, we started to invest in our approach to ESG reporting and how we manage our data. To enhance our own ESG data gathering and reporting capabilities, initially focusing on the climate and emissions data, this investment will help drive consistency across our global organization.

Once implemented, we'll be able to understand and analyze performance more meaningfully and efficiently, which can help us make better-informed decisions to manage our emissions. This is a crucial step to help improve how we manage operations and transition to net zero and meet our wider ESG commitments.

## People of KPMG

**Tomi Adepoju**  
KPMG in Nigeria

I'm part of a multi-market team at KPMG in Nigeria working with a leading full-service commercial bank with operations spanning sub-Saharan Africa, Europe and Asia to help reduce the bank's greenhouse gas emissions. The project is one of the first of its kind for the banking sector in Nigeria.

Our work with the bank helped the business set a baseline for its greenhouse gas emissions, benchmark itself against its peers, set emissions targets and develop a carbon abatement and offset strategy. The bank is now tracking, monitoring and disclosing its progress using frameworks that my team developed.

Delivering the work with our colleagues at KPMG in India made our engagement experience value-driven as we harnessed their experience while projecting our understanding of the local realities. It's the



ability to tap into the expertise of our global network of KPMG professionals to collaborate that makes us stronger.

The entire team is proud of the work we've done with the bank. As Nigeria thrives to balance economic growth alongside its emissions targets, my team and I are proud to be playing our part in helping us get there. Indeed, at KPMG, we do work that matters.



### Internal carbon price

Building on last year’s report, we set an internal carbon price (ICP) at KPMG International and within our Reporting KPMG Firms. An ICP helps incentivize changes in behavior and ensure climate is integrated into our decision-making process. We set the floor price (i.e. minimum price) at US\$15 per tCO2e. We encouraged each participating firm to choose a price that best suited their decarbonization objectives and local market conditions, so ICPs range from US\$15 to US\$50 per tCO2e across the organization. We will look to deploy this further in the coming years, recognizing the price will likely need to increase over time to help ensure we accurately and appropriately reflect the true impact of climate on our business.

The ICP funds raised will be invested at the discretion of our member firms in decarbonization activities they feel will be most impactful, and we’ve seen a variety of innovative and exciting ideas — from facilities’ efficiency through to nature-based solutions. We’re confident the ICP will continue to be a key tool in our decarbonization journey.

**We encouraged each participating firm to choose a price that best suited their decarbonization objectives and local market conditions.**

## People of KPMG

**Hannah Richardson**  
KPMG in the UK

As Head of Travel and Venue Services at KPMG in the UK, I know that travel-related emissions make up a significant part of the UK firm’s carbon footprint. Central to the UK firm’s Sustainable Procurement program is an ambition that KPMG in the UK is thinking carefully about: finding ways to limit the impact we have on the planet, including how we travel for work.

One of the ways we have done this is by launching a carbon emissions travel app. The app was custom built for KPMG in the UK by the firm and educates individuals on the emissions their business travel is responsible for.

The app has been designed to relay information in relatable ways. For example, it can tell a user that their flight to New York emitted the same amount of carbon as heating an average UK home for over two years would. It also gives users travel hints and tips, as well as the



ability to make peer-to-peer comparisons. The idea is to arm colleagues with the insight they need to make informed decisions about when and how they travel.

Developing the app was no easy feat, but it was made possible thanks to close collaboration with my colleagues in corporate responsibility and data. And, throughout the process, I was given the full weight of support from my firm’s leadership team, as well as the confidence that I’m doing the right thing.

## Decarbonization challenges

Overall, we're making progress on our decarbonization journey while we continue to address a number of challenges. In general, we're focused on ensuring accuracy in our reporting, and we recognize the need to continuously update our methodology with new areas and realities as they become material (e.g. emissions associated with working from home). While measuring emissions and improving data is a fundamental part of this, we've identified two key decarbonization challenges:

1. **Scope 3** purchased goods and services emissions continue to be an area we need to measure — and manage — better. While we've made changes to our supplier engagement approach, and we're grateful of the efforts our suppliers are continuing to make to decarbonize their operations, as previously stated, a proportion of the year-on-year change is based on the new accounting methodology. One of our critical goals is to decouple emissions from economic growth, so it's essential that our rate of supply chain decarbonization exceeds our rate of growth. This won't be easy, but we're committed to helping our member firms and suppliers.
2. Even though we anticipated this year's increase in business travel — and at face value, our FY22 emissions are lower compared to our baseline year — we will be conscious of how the trend continues. Professional services is a people-centered industry, and while there are numerous benefits of flexible working, we recognize there are occasions where being in the same room as colleagues and clients is the best option. We need to manage any further increases to help achieve a level and balance appropriate for our climate goals and our client relationships.



## Circularity

In FY22, we developed a circularity strategy and roadmap for our operations, including our supply chain. This involved taking a holistic approach that focuses on circular procurement, avoiding waste, optimizing material use and enhancing end-of-life treatment.

We started the process by identifying the key areas to which these circular principles can be applied within the organization, followed by analyzing the current

state and spotting opportunities for improvement. The scope of our circular strategy is focused on three key areas: information and communications technology; offices and real estate; and catering and hospitality.

For each of these themes, we've developed a roadmap that outlines the initiatives that could be taken to move the organization toward a more circular model — such as offering repaired, recycled or refurbished IT equipment and sourcing circular furniture — and implementing strategies to help optimize material use and lifetime.

As we developed our global approach to circularity, we also looked at what KPMG firms were doing. For example, KPMG in the UK committed to becoming a zero-waste business by 2030 by eliminating all avoidable wastes, cutting the volume of materials used within its operations. Numerous KPMG firms have implemented reuse and recycling schemes for IT equipment and mobile phones. KPMG China and KPMG in Canada have implemented “green corners,” where colleagues can donate quality items they no longer need and take any items they want (e.g. books, clothes and toys).

Through engagement with member firms, we're empowering colleagues to understand the concept of a circular economy and where waste is generated across our value chain while providing a framework for implementation and reporting.

A **circular economy** reduces material use and the emissions associated with the production of the materials that traditionally go to waste.

# Climate risk

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

Climate risk refers to how we assess the consequences, likelihood and responses to the impacts of climate change and how we, as a business, will adapt to meet these challenges. This includes our whole value chain — from how we work with our suppliers through to the services we provide our clients.

We continue to report annually to CDP on our collective performance and management for climate-related issues. This year we maintained a B grade,<sup>4</sup> displaying co-ordinated action on climate issues. To further strengthen our rating, over the last year we've focused on quality assurance, supply chain engagement and assessing climate risk under a range of scenarios using the KPMG Climate IQ platform, a multi-industry risk management tool that enables companies to identify, quantify and manage their exposure to physical and transition risks due to climate change.

In FY22, we conducted a Task Force on Climate-related Financial Disclosures (TCFD)-compliant scenario analysis to explore our exposure to transition

risk across the largest countries and territories in which KPMG firms operate. The assessment financially quantified the risks and opportunities arising from climate change and the low-carbon transition. The outcomes of this assessment are being reviewed and integrated into our quality and risk and other relevant processes. They will form part of the evaluation of our climate strategy and performance, which our Global Board reviews annually. This scenario analysis will form a foundation for future CDP responses and TCFD reporting.

KPMG plays an active role on the TCFD Board, which includes Simon Weaver, Partner and Co-Head of Climate Risk and Strategy at KPMG in the UK. Through the TCFD, we're helping drive how organizations should disclose consistent information on climate-related financial risk and the potential impacts, as well as drawing attention to the strategic benefits of good climate risk management.



**Climate risk refers to how we assess the consequences, likelihood and responses to the impacts of climate change and how we, as a business, will adapt to meet these challenges.**

<sup>4</sup> A B-score indicates that a company is showing some evidence of managing its environmental impact but is not undertaking actions that mark it out as a leader in its field.

# Nature and biodiversity

Our commitment: Understanding and improving our impact on nature and biodiversity

WEF has estimated that more than half of the world’s gross domestic product (US\$44 trillion<sup>5</sup>) is moderately or highly dependent on natural ecosystems and the rate of degradation in nature over the past 50 years is unprecedented. Business activities contribute to direct and indirect drivers of nature loss, which creates risks — and opportunities — for business and society.

We have a role to play in the transition toward nature positivity. Since our last report, we implemented a biodiversity plan as part of our ambition to become a net-zero business. This includes supporting the global journey toward a nature-positive future through work for our clients and in our operations. We will continue to develop our thinking, aligned to leading practices through initiatives like the Taskforce on Nature-related Financial Disclosures (TNFD) to help ensure our approach to business considers the impact and dependencies on nature.

Our biodiversity approach focuses on the office footprint, employees, external collaborations and suppliers:

- **Office footprint:** We’re using the Integrated Biodiversity Assessment Tool to understand our impact on biodiversity, protected areas,

threatened species and critical habitats across KPMG’s global office footprint and to help inform how we manage our office footprint.

- **Employees:** We’re implementing an ESG employee education initiative — the global ESG learning curriculum — which incorporates biodiversity and will align with our nature-positive position statement.
- **External collaborations:** KPMG is an active participant in global biodiversity forums that seek to advance the understanding of, and action on, biodiversity. Along with TFND, WEF and GRI, our external collaborations include the Sustainable Markets Initiative (SMI) and the World Business Council for Sustainable Development (WBCSD). We’re a member of the **WBCSD** Nature Working Group, and we’ve committed our support to the GRI’s development of a new biodiversity standard. We’re a founding partner of the **SMI**, which sets out a 2030 roadmap for businesses to move toward a sustainable future by supporting the protection and restoration of 30 percent of biodiversity on land and below water by 2030 and 50 percent by 2050.
- **Suppliers:** We plan to work with our suppliers to inform and widen our understanding of our biodiversity impacts. This work will complement our ESG supplier engagement program as we support our suppliers to help reduce their impacts.

<sup>5</sup> Source: Reuters, “Explainer: How close are we to passing 1.5 degrees Celsius of global warming?” 14 November, 2022.

## Case study

### Nature Positive Challenge, KPMG Australia

Protecting and enhancing biodiversity is one of the biggest and most urgent issues facing our planet.

To help address this challenge, KPMG Australia launched its Nature Positive Challenge, designed to support some of the most innovative start-ups working on ideas, solutions and technologies to address nature and biodiversity challenges.

More than 50 start-ups submitted entries to the challenge, and four were shortlisted as finalists. The finalists have been given free access to KPMG Australia’s advisory services designed to help them scale and grow, and the winner also received AUD100,000 in funding. Over the course of the challenge, the finalists also had opportunities to share their ideas with critical stakeholders in Australia’s natural capital ecosystem, including the New South Wales State Minister for the Environment and Heritage, as well as research, industry and community partners.

Through the challenge, KPMG Australia has directly supported entrepreneurs with growth and scale-up plans for their innovative solutions, including a carbon-negative and home degradable plastic alternative, a digital twin for sustainable agriculture, tree-planting drones and a natural capital intelligence platform.

## People of KPMG

### Sumouleendra Ghosh KPMG in India

The Ganga is the longest river in India and holds immense economic, sociocultural and religious value to the people of the country. However, pollution, deforestation, unplanned urbanization and the development of industry and infrastructure in the river basin have all contributed to its long-term deterioration.

I lead KPMG in India's work with the Government of India's National Mission for Clean Ganga (NMCG) — the implementing agency for a US\$4 billion river rejuvenation initiative called Namami Gange Mission.

During the time we've spent working on the initiative so far, our team has provided support to NMCG, helping to restore some of the most polluted stretches of the river. I feel proud that in 2022, Namami Gange Mission was selected as a World Restoration Flagship of UN Decade. The

selection recognizes the project as one of the most promising examples of large-scale and long-term ecosystem restoration in the world. The recognition was also publicly acknowledged by the Prime Minister of India, Narendra Modi.

And as Global Infrastructure Water Sector Lead, I have a unique opportunity to help other KPMG firms make their mark. For example, I have been working with KPMG firms in East Africa to launch a water mission week, bringing together water access stakeholders in the region to discuss opportunities to work together in the future.

Access to clean water is going to be one of the biggest issues that humanity faces, so it's important to me to be able to work on projects that have a real impact and make use of the extensive knowledge KPMG has in the water sector.

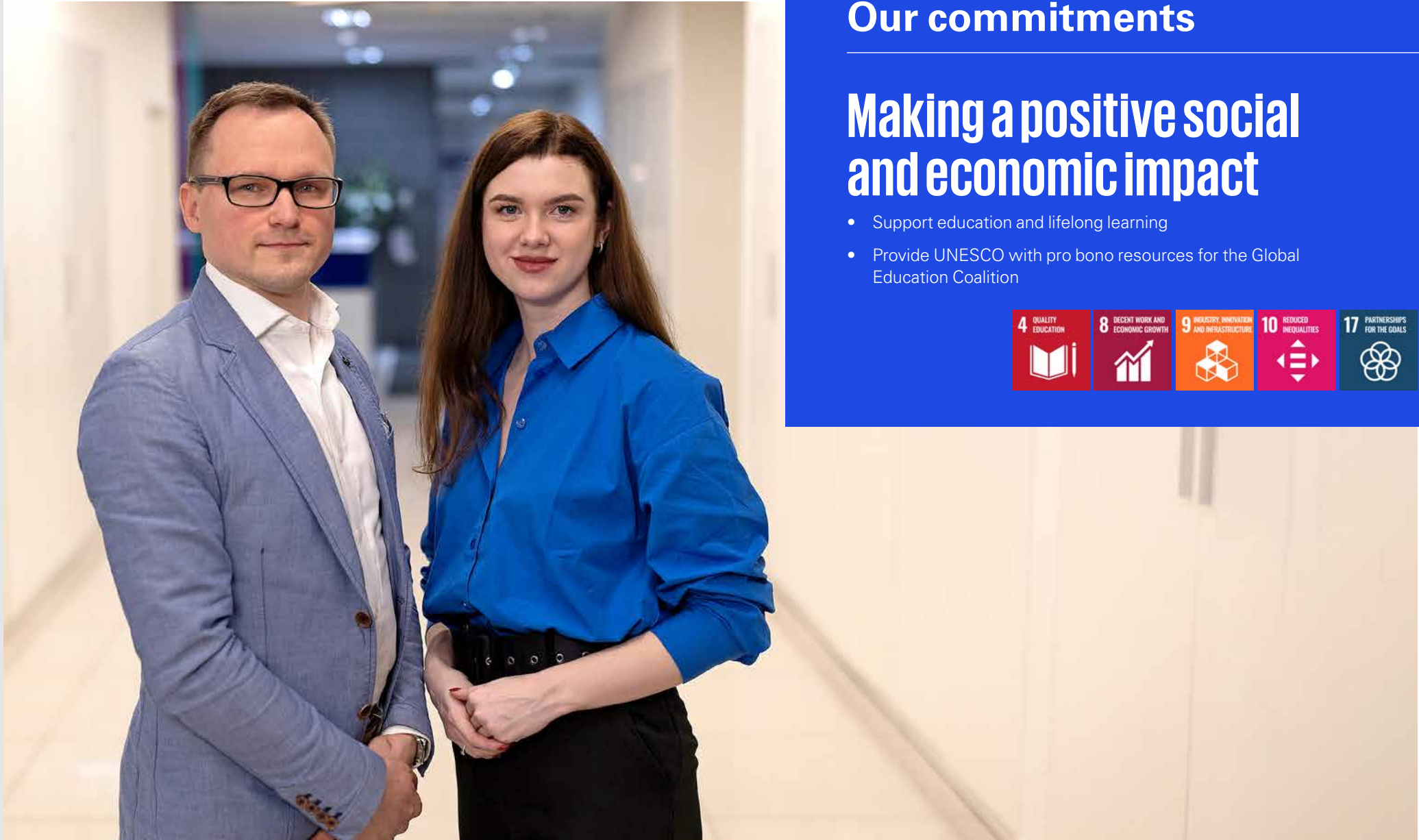


# Prosperity

## Making a positive social and economic impact.

We've made progress in unlocking our organization's contribution toward economic and social prosperity, in line with the UN Sustainable Development Goals. To us, prosperity is about what businesses are doing to make a positive contribution to and impact on society and the communities in which they operate — being a good corporate citizen.

This means we strive to create meaningful employment opportunities; we generate wealth and contribute to the economy through growing our business and paying taxes; we provide services for clients to help them drive sustainability; and we invest in our communities through volunteering and donations.



## Our commitments

# Making a positive social and economic impact

- Support education and lifelong learning
- Provide UNESCO with pro bono resources for the Global Education Coalition



# Employment

We take our role in society seriously and are proud of the jobs we create and the careers we develop — whether it be the people who build a long-term career at KPMG or the people we develop and enable with professional qualifications in their early careers who then go on to varied roles in the private and public sectors across the world.

In FY22, we brought more than 96,000 new hires into our global organization and created nearly 30,000 net-new roles, investing in our workforce to support growth by adding specialists and subject matter experts at all levels. We face geopolitical uncertainty and a turbulent economic environment, and while continuing to invest in our people, we'll remain vigilant to ensure our workforce aligns with current and anticipated demand in the market.

KPMG firms overall hired more than 25,000 graduates, representing more than 25 percent of the total new hires throughout the KPMG organization. These new hires will have the opportunity to benefit from our structured development, including funded professional qualifications and accreditations — gaining learning for a lifetime. They will have opportunities to make an impact with their work as well as outside of KPMG through volunteering and community initiatives.



**These new hires will have the opportunity to benefit from our structured development, including funded professional qualifications and accreditations — gaining learning for a lifetime.**





## New hires and hire rate by gender

	FY22			FY21			FY20		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>Total new hires</b>	<b>96,558</b>	<b>48.1%</b>	<b>51.9%</b>	<b>71,974</b>	<b>48.7%</b>	<b>51.3%</b>	<b>42,354</b>	<b>48.5%</b>	<b>51.5%</b>
<b>By level</b>									
<b>Leadership</b>	1,605	28.3%	71.7%	1,084	25.4%	74.6%	847	26.2%	73.8%
<b>Management</b>	11,731	38.0%	62.0%	7,639	36.5%	63.5%	4,498	37.4%	62.6%
<b>Team members</b>	83,222	49.9%	50.1%	63,251	50.6%	49.4%	37,009	50.3%	49.7%
<b>By region</b>									
<b>Americas</b>	21,526	48.3%	51.7%	17,810	46.5%	53.5%	8,429	48.6%	51.4%
<b>Asia Pacific</b>	19,748	56.3%	43.7%	17,508	57.2%	42.8%	10,043	53.7%	46.3%
<b>EMA</b>	55,284	45.0%	55.0%	36,656	45.7%	54.3%	23,882	46.2%	53.8%

	FY22			FY21			FY20		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>Total new hire rate</b>	<b>38.8%</b>	<b>38.5%</b>	<b>39.1%</b>	<b>31.4%</b>	<b>31.7%</b>	<b>31.1%</b>	<b>19.0%</b>	<b>19.2%</b>	<b>18.8%</b>
<b>By level</b>									
<b>Leadership</b>	7.1%	7.4%	7.0%	5.2%	5.0%	5.2%	4.2%	4.3%	4.1%
<b>Management</b>	19.5%	17.0%	21.4%	13.7%	11.7%	15.3%	8.5%	7.5%	9.2%
<b>Team members</b>	50.2%	47.1%	53.6%	41.4%	39.5%	43.7%	24.8%	23.6%	26.1%
<b>By region</b>									
<b>Americas</b>	34.1%	34.1%	34.2%	30.9%	30.0%	31.8%	14.9%	15.3%	14.5%
<b>Asia Pacific</b>	37.1%	38.7%	35.2%	36.1%	39.0%	32.8%	21.5%	22.0%	20.8%
<b>EMA</b>	41.7%	40.7%	42.6%	29.8%	29.3%	30.2%	20.0%	20.0%	20.0%

## Leavers and turnover by gender

	FY22			FY21			FY20		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>Total leavers</b>	<b>62,997</b>	<b>46.8%</b>	<b>53.2%</b>	<b>57,805</b>	<b>47.0%</b>	<b>53.0%</b>	<b>44,153</b>	<b>47.2%</b>	<b>52.8%</b>
<b>By level</b>									
<b>Leadership</b>	1,885	27.3%	72.7%	1,740	25.5%	74.5%	1,736	25.2%	74.8%
<b>Management</b>	12,456	39.7%	60.3%	11,125	39.0%	61.0%	8,627	38.9%	61.1%
<b>Team members</b>	48,656	49.4%	50.6%	44,940	49.8%	50.2%	33,790	50.5%	49.5%
<b>By region</b>									
<b>Americas</b>	13,889	46.3%	53.7%	14,368	44.9%	55.1%	9,883	44.7%	55.3%
<b>Asia Pacific</b>	13,547	54.0%	46.0%	13,616	54.7%	45.3%	10,108	52.3%	47.7%
<b>EMA</b>	35,561	44.3%	55.7%	29,821	44.4%	55.6%	24,162	46.2%	53.8%

	FY22			FY21			FY20		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>Total turnover</b>	<b>25.3%</b>	<b>24.5%</b>	<b>26.1%</b>	<b>25.2%</b>	<b>24.6%</b>	<b>25.8%</b>	<b>19.8%</b>	<b>19.6%</b>	<b>20.0%</b>
<b>By level</b>									
<b>Leadership</b>	8.3%	8.4%	8.3%	8.3%	8.0%	8.4%	8.6%	8.4%	8.6%
<b>Management</b>	20.7%	18.9%	22.1%	20.0%	18.1%	21.4%	16.2%	14.9%	17.2%
<b>Team members</b>	29.3%	27.3%	31.6%	29.5%	27.6%	31.5%	22.6%	21.6%	23.7%
<b>By region</b>									
<b>Americas</b>	22.0%	21.1%	22.9%	24.9%	23.4%	26.4%	17.4%	16.4%	18.4%
<b>Asia Pacific</b>	25.4%	25.4%	25.4%	28.1%	29.0%	27.1%	21.6%	21.6%	21.6%
<b>EMA</b>	26.8%	25.8%	27.8%	24.2%	23.2%	25.1%	20.2%	20.2%	20.3%

**Notes:**

1. New hires and leavers by gender based on KPMG partners and employees for the fiscal years ended 30 September, excluding contingent labor.
2. FY22 new hires include direct external hires and hires by acquisition. In prior years, new hires by acquisition were excluded, in all periods new hires by acquisition represent less than one percent of the total hires.
3. KPMG recognizes that gender is a spectrum, and we're committed to inclusivity and better monitoring of gender identity beyond binary definitions going forward. The headcount data presented is based on data collected across sexual and gender identity.
4. Refer to the "Indexes and explanations" section for further details.

## New hires and leavers by age

	FY22					FY21				
Age range	<25	25–35	35–45	45–55	55+	<25	25–35	35–45	45–55	55+
<b>% new hires by age</b>	<b>36%</b>	<b>49%</b>	<b>11%</b>	<b>3%</b>	<b>1%</b>	<b>36%</b>	<b>49%</b>	<b>10%</b>	<b>4%</b>	<b>1%</b>
<b>Hire rate</b>	80%	38%	22%	13%	9%					
<b>% leavers by age</b>	<b>17%</b>	<b>63%</b>	<b>14%</b>	<b>4%</b>	<b>2%</b>	<b>13%</b>	<b>65%</b>	<b>14%</b>	<b>4%</b>	<b>4%</b>
<b>Turnover</b>	25%	32%	19%	11%	14%	21%	31%	16%	10%	16%

**Notes:**

1. FY22 new hires and leavers by age based on all KPMG partners and employees for the fiscal year ended 30 September 2022, excluding contingent labor. FY21 new hires and leavers by age based on KPMG partners and employees across Reporting KPMG Firms. The data coverage was extended to the full network in FY22 as part of ongoing ESG reporting development.
2. The hire rate by age data is being reported for the first time in FY22 and comparative data is not available.
3. Hire rate is calculated by dividing the number of new hires in the year by the average headcount in the relevant group of partners and employees.
4. Turnover is calculated by dividing the number of leavers in the year by the average headcount in the relevant group of partners and employees.
5. Refer to the “Indexes and explanations” section for further details.

# Economic contribution

During continued economic and geopolitical uncertainty, robust numbers and consistent growth were achieved across all functions at KPMG firms. For FY22, KPMG reported annual aggregated global revenues of US\$34.64 billion — an increase of 14 percent from FY21.<sup>6</sup> Advisory achieved the largest growth increase — up 19 percent on FY21 across KPMG firms globally. Tax & Legal<sup>7</sup> experienced 10 percent growth while Audit grew eight percent, benefiting from a combination of the investments made in technology and our KPMG firms' globally connected local knowledge.

## Strong revenues promote prosperity

FY22 revenue includes more than 15 percent in locations that the UN categorizes as developing regions, and the growth we saw in some of those regions exceeded the levels of growth we saw in KPMG firms across the global KPMG network. This growth has led to the addition of specialists and subject matter experts at all levels, and as we grow, our ability to strengthen our community support does, too.

**For FY22, KPMG reported annual aggregated global revenues of US\$34.64 billion — an increase of 14 percent from FY21.<sup>6</sup>**

## Financials (FY22, US\$ in billions)

### Gross revenue by function



### Gross revenue by region



<sup>6</sup> 14 percent is based on the growth in continuing operations and excludes the FY21 and FY22 revenues from businesses sold or countries from which KPMG exited during this period. When not restated, the revenue growth is 13 percent.

<sup>7</sup> Certain member firms of the KPMG global organization, including the US firm, do not provide legal services or have KPMG Law service entities.

## Gross revenue by function and region

Gross revenue by function	FY22 US\$ billions	FY21 US\$ billions	FY22 change in US\$	FY21 change in US\$	FY22 change in constant FX	FY21 change in constant FX
Audit	11.85	11.46	3%	4%	8%	1%
Tax & Legal	7.35	7.02	5%	8%	10%	5%
Advisory	15.44	13.65	13%	17%	19%	13%
<b>Total</b>	<b>34.64</b>	<b>32.13</b>	<b>8%</b>	<b>10%</b>	<b>13%</b>	<b>6%</b>

### Gross revenue by region

Americas	13.71	11.88	15%	6%	16%	6%
Asia Pacific	6.31	5.97	6%	13%	13%	8%
EMA	14.62	14.28	2%	12%	11%	7%
<b>Total</b>	<b>34.64</b>	<b>32.13</b>	<b>8%</b>	<b>10%</b>	<b>13%</b>	<b>6%</b>

**Notes:**

- Gross revenue data presented for the fiscal years ended 30 September.
- Reflects KPMG’s financial performance expressed in US dollars. Based on gross revenues, including travel and other client reimbursable expenses.
- The financial information set out represents combined information of the independent KPMG member firms that perform professional services for clients, affiliated with KPMG International Limited. The information is combined here solely for presentation purposes. KPMG International Limited performs no services for clients nor, concomitantly, generates any client revenue.
- Revenue growth in FY22 from continuing operations was 14 percent, this excludes the FY21 and FY22 revenues from businesses sold or countries from which KPMG exited during the year. When not restated, the revenue growth is 13 percent.
- Refer to the “Indexes and explanations” section for further details.

## Operational taxes paid

	FY22 US\$ billions	FY21 US\$ billions
Employer payroll taxes	1.7	1.5
Non-creditable sales tax	0.2	0.2
Other taxes	0.1	0.1
<b>Total</b>	<b>2.0</b>	<b>1.8</b>

### Notes:

1. Includes entertainment, property, fringe benefit and other taxes.
2. Operational taxes data are for Reporting KPMG Firms.
3. Refer to the "Indexes and explanations" section for further details.

### Our approach to tax

KPMG firms generate and pay taxes in the countries and territories in which they operate. Generating and paying taxes is a key means by which we can make a meaningful contribution to the communities in which KPMG firms operate. These contributions to governmental revenues support governmental functions, public benefits and the development of infrastructure such as health systems, education and transport networks.

We have a responsible approach to tax, strong governance and policies and are committed to transparency around tax.

- **Our tax contribution:** KPMG firms' contributions include taxes paid directly, those collected on behalf of governments and those paid directly by partners and employees.

- **Tax paid directly (operational taxes):** In FY22, Reporting KPMG Firms paid a total of US\$2.0 billion in operational taxes (up from US\$1.8 billion in FY21), which included employer payroll and social security taxes, non-creditable sales taxes, property taxes, entertainment taxes and other miscellaneous taxes.
- **Tax on profits:** As a network of member firms, KPMG does not have a requirement to prepare consolidated financial statements. The legal structure of KPMG firms varies. Many firms are structured as partnerships that are "flow-through" for tax purposes, although there are other structures, such as corporate entities that pay corporation tax. Tax laws and reporting requirements also vary by jurisdiction. The characteristics of a partnership are such that the obligation to pay tax on the profits is on the

individuals rather than the partnerships, and many KPMG firms don't have access to the details of individual partners' tax paid.

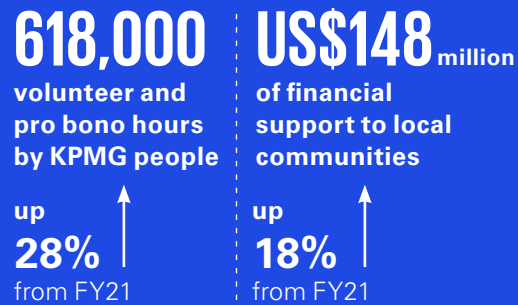
- **Taxes collected on behalf of governments:** With revenue in FY22 of US\$34.64 billion, KPMG collects a significant amount of taxes on behalf of the governments in the jurisdictions in which KPMG firms operate, particularly in relation to employee payroll taxes and sales taxes.
- **Approach to tax policy:** KPMG has a global policy to set the standard and expectations around member firm and partner tax affairs. There are also risk management practices in place to help ensure that tax affairs have been conducted in accordance with the relevant local laws and regulations and in harmony with global tax principles.

# Communities

## Uplifting our local communities

Our charitable and non-profit support is directed toward organizations and initiatives that meet a compelling community need. We're focused on areas where we have a significant presence — such as education and lifelong learning — and on programs and initiatives where we can make a meaningful impact.

In FY22, we made significant investments in social impact through our sponsorships, fundraising, contributions to the community and donations, focusing on social impact priorities. Through these investments, we utilize the range of skills within our organization to have a strong impact on those in need, while also using our public voice to support those who are marginalized.



## People of KPMG

**Briana Haines**  
KPMG in the US

I'm passionate about accessibility and inclusivity. I believe that bringing people of different perspectives and abilities to work together is the key to unlocking progress and prosperity.

Championing accessibility is something I do every day in my role at KPMG in the US working with our document processing and graphics teams — but my commitments go beyond this.

I'm heavily involved with the Special Olympics, a sports organization for people with intellectual disabilities. I serve as a board member for my state's Special Olympics program, am the secretary of the executive committee, chair the development committee, and am involved in organizing local events. I'm also a Special Olympics-appointed Unified Sports Delegate for golf, which saw me attend the Special Olympics World Games in Abu Dhabi, as well as the Special Olympics German National Games in Berlin.

My experience with Special Olympics was one of the most fulfilling experiences of



my life, and I have KPMG to thank for it. I first got involved as a direct result of KPMG in the US's sponsorship of the organization and a partner in my local office encouraging me to put my hand up for a role organizing our KPMG volunteers. And as time has gone on, I have had the full backing of a team that recognizes the importance of what Special Olympics does and gives me the time and flexibility to attend events and meetings, even during busy periods.

I feel lucky to work for a firm that really walks the talk and gives me so many opportunities to put what I stand for into practice.

## Community investment value and hours

Value	FY22	FY21	FY20
	US\$ millions	US\$ millions	US\$ millions
Cash donations by KPMG partners and employees	30	26	30
KPMG member firm and Foundation donations	62	51	49
<b>Cash contributions from KPMG member firms, partners and people</b>	<b>92</b>	<b>77</b>	<b>79</b>
Pro bono engagements	10	12	12
Volunteering	26	18	17
<b>Total pro bono and volunteering</b>	<b>36</b>	<b>30</b>	<b>29</b>
Other (including management costs)	20	18	16
<b>Total community investment value</b>	<b>148</b>	<b>125</b>	<b>124</b>

Hours	No. of hours '000		
	FY22	FY21	FY20
Pro bono engagements	69	81	81
Volunteering	549	403	395
<b>Total community investment hours</b>	<b>618</b>	<b>484</b>	<b>476</b>

**Notes:**

1. Community investment data based on information received from 39 member firms (38 member firms in FY21 and FY20) including Reporting KPMG Firms.
2. FY21 includes a small number of additional firms compared to FY20, as part of ongoing ESG reporting development. Their contribution was approximately US\$3 million and 8,000 hours.
3. Values reflect the activity supported, including for pro bono engagements, which are valued at marketplace value and other volunteering activities which are based on cost to KPMG or minimum wage.
4. Refer to the "Indexes and explanations" section for further details.



## Communities

Our commitments:

- Support education and lifelong learning
- Provide UNESCO with pro bono resources for the Global Education Coalition

### Focus on education

KPMG is focused on making significant contributions toward achieving UN Sustainable Development Goal 4 to help ensure inclusive and equitable education for all.

### 10by30 strategy

In FY22, we made progress on our commitments to help economically empower 10 million disadvantaged young people by 2030 through education, employment and entrepreneurship opportunities. KPMG is delivering on this vision through a framework that will equip students with the skills to succeed in the labor market; support job transition by providing students with knowledge, mentorship and opportunities to access work; and help transform the education ecosystem by upskilling educators and helping to create more effective education institutions.

As part of KPMG’s ongoing commitment to help young people develop the skills to help them become future-ready, we’re working with KPMG firms around the world to support them on their journey toward the world of work.

We’re continuing to strengthen our global collaboration with UNESCO and rallying behind an initiative we call “IT’s Her Future” to empower girls and women with technology skills. To scale our

reach, we will leverage technology, make donations and expand volunteering and pro bono work.

### Global Skills Academy

In collaboration with UNESCO, we’re forging an innovative collaboration to scale up the Global Skills Academy (GSA), which includes 23 members of the Global Education Coalition. The GSA aims to provide access to free and demand-driven online training opportunities to increase learners’ employability and resilience in a changing labor market. The objective is to encourage and inspire existing and new GSA members to further collaborate and combine skills and resources to create a more inclusive, equitable and prosperous world as set out by the UN Sustainable Development Goals.

To ensure the plan is informed by data and evidence-driven insight, UNESCO has undertaken research — funded by KPMG — to analyze the labor market opportunity, skills gap and best practice approaches to bridging the deficit at scale. The labor market analysis examines the skills in highest demand for decent jobs — whether through employment or entrepreneurship — at a global level and also in priority geographies. This is being compared to the supply of these skills to identify the greatest skills gaps that the GSA, together with its members, can invest in, to open up economic opportunity for young people being left behind. The research is also analyzing the most effective ways to address those skills gaps and support students to transition from education to work.

The findings from this research are informing the GSA’s delivery plan. This will include leveraging existing UNESCO platforms and processes,

increasing the capacity of technical and vocational education and training institutions, and deploying enabling technology.

### Planned pilot initiative

As part of KPMG and UNESCO’s Cooperation on Youth Economic Empowerment Initiative launched in March 2022, KPMG in India is providing the expertise and knowledge of 100 mentors based in India, to be paired up with 100 young people aged 18 to 25 currently being trained by the National Skill Development Corporation International. The selected mentees hail from a low-income background, with equal participation from both women and men.

### Ukraine secondees

KPMG funded two secondees from our office in Ukraine to UNESCO to work on education initiatives for young people displaced by the war. The development of the post-war education recovery strategy includes analysis of gaps both before and arising from the war; identification of programs, capabilities and resources available at UNESCO that could be used to close these gaps; and discussion of the identified gaps and matching UNESCO resources with the Ministry of Education and Science of Ukraine for the purposes of developing a steps plan for post-war recovery.

# People of KPMG

## **Maksym Zavalnyy** KPMG in Ukraine

Since Russia’s war in Ukraine began, I have felt a need to do whatever I can to make even the smallest difference in people’s lives and help my country navigate the many challenges it now faces.

So, when my colleague and I were offered the chance to be seconded to work for UNESCO in Ukraine, setting up its base here and helping transition the education system, we couldn’t say yes quickly enough.

As UNESCO secondees, we help in a number of ways. We’ve been involved in a program to give Ukrainian teachers the skills and tools they need to teach remotely now that it’s no longer safe to meet their students in physical classrooms. As part of this, I helped manage the import and distribution of more than 50,000 donated laptops to teachers across the country. We’ve also been involved in work to safeguard the mental health of, and help ensure the availability of, psychosocial

support to teachers and students.

In addition, I have been working closely with UNESCO departments to develop Ukraine’s post-war education recovery strategy, which is closely tied to government economic recovery plans. To be part of a project like this has given me hope as I look toward the future.

As well as giving me the opportunity to put my skills and knowledge to good use to help our country, KPMG in Ukraine has been critical in making sure I have everything I need to work. I have a young son, and KPMG in Ukraine has always made clear that my safety and that of my family come first.

The situation is uncertain right now, but I’m proud to work at KPMG, where our collaborations and networks give people like me opportunities to contribute positively to some of the biggest challenges the world faces.



### IT's Her Future

This is a global program designed to encourage more women into technology careers and to support their ongoing development and progression, whether they're still in school, just setting out on a career path or are looking to move into senior roles. The goal is to champion change for women in the IT industry. The program includes providing mentors, internal and external events, networking opportunities and targeted learning, as well as opportunities to serve as non-executive members of boards, even from a junior level.

#### Member firm initiatives:

- **KPMG in the US:** Summer Immersion Program with Girls Who Code, focused on computer science, resumes and interviews.
- **KPMG in the UK:** Tackling gender diversity at KPMG and beyond through school workshops, career talks, mentoring and work shadows with Next Tech Girls, Code First Girls and others. (Participation has also expanded to Australia, China (HK), the Netherlands, Belgium and Malta).
- **KPMG in France:** "Les Ambitieuses Tech for Good" is a nine-month program with La Ruche for women who drive social entrepreneurship projects. It includes coaching, training and scale-up strategy support.
- **KPMG in India:** Supporting 260 girls through Aspire with technology and other skills, laptops and financial support. The program is designed to help build the skills and abilities of disadvantaged girl students through quality education, regular mentoring and other pertinent inputs that enhance their employability.

## People of KPMG

### Arline Kitoto

KPMG in Kenya

As a firm believer in the value of mentorship, when KPMG in Kenya offered me the opportunity to become a mentor via the Global Give Back Circle, I knew this was the perfect way for me to make a positive impact on the lives of others.

The Global Give Back Circle is an education, mentorship and employment-readiness program designed to help at-risk girls in Kenya become economically empowered leaders, with a specific focus on science, technology, engineering and mathematics (STEM). The program's 'circularity' comes from those it has helped, later giving back by supporting the next generation of girls in their community.

KPMG in Kenya supports the Global Give Back Circle by providing mentorship to the girls it's working with and participating in and supporting its awareness-raising and educational events.

As a mentor, I've had the opportunity to work with a university student who, just like me when I was her age, needed help

working out her next steps after graduating. I was able to use my professional experiences at KPMG in Kenya to provide meaningful guidance and support with job applications. I'm proud to say that my mentee is now pursuing a career in accounting — something she felt she would not have been equipped or confident enough to do before participating in the program.





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## Case study

# STEM is HER Future, KPMG China

Technology is going to be a critical part of how we work and live in the future, but more needs to be done to nurture women's talents in STEM.

KPMG China runs the STEM is HER Future program in collaboration with the Yiyou Youth Center, which aims to help promote STEM careers to promising women students. In 2022, the program was recognized by UN Women at the National Women's Empowerment Principles awards as the top winner in the Community Engagement and Partnerships category.

The program sees young women attend a series of specially designed online courses, all of which have been developed to help them write a business plan for a solution or service that uses STEM to tackle looming industry issues. The students present their plans to a panel of KPMG professionals, and the best are invited to a final competition at KPMG China's office in Shanghai.

The program is designed to give students insights into industry trends and knowledge. KPMG China also offers participants the chance to attend career workshops. KPMG China's volunteers dedicate time to the program as course tutors, program coaches and competition judges, using their professional skills to empower students.

In 2022, the program reached over 1,700 women from 281 universities in 27 provinces in China. And the response from those students is overwhelmingly positive — telling the Chinese firm that the program improved their confidence in their STEM skills, and they are more likely to pursue a STEM career as a result. Thirteen students even went on to intern at KPMG China in the KPMG Digital Ignition Centre and in the Advisory function.

## Providing disaster relief

In the wake of disasters around the world, whether from wars or natural disasters, vulnerable populations are disproportionately at risk. As a global organization, these issues impact us all. When a crisis hits, we have a responsibility to help where we can:

### Ukraine support

- In response to the Russian government's invasion of Ukraine, we've helped our Ukrainian colleagues and those affected in the region, including their immediate family members, to relocate to safer areas of Ukraine or leave the country if they wished, and supported them financially throughout. With the help of our KPMG firms and colleagues, KPMG International and member firms contributed more than US\$4.5 million to UNICEF's Ukraine Emergency Appeal, helping to provide water and sanitation services, child protection, psychosocial support, health services and emergency cash assistance.

### Pakistan support

- KPMG mobilized to provide critical aid and humanitarian support to affected families as a result of catastrophic flooding and made donations from KPMG International and member firms and their people of more than US\$400,000. Significant efforts by KPMG in Pakistan, supported by member firms and KPMG International, continue to be provided to the country as it enters its rebuild phase.

# Activating our ESG commitments

Our ESG commitments are not something we just report on — we strive to embed them across our global organization. We can help deliver measurable, long-term impact by supporting KPMG firms to meet our global targets, including how we structure our teams, address emerging standards and integrate supply chain considerations into our commitments.

**“Our Impact Plan is the blueprint for driving our internal ESG transformation across the global organization and it requires us to act boldly to achieve our commitments to make impactful change.”**

**Eliza Albronda**  
Global Head of Our Impact Plan  
KPMG International



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## Committing to change within the organization

Our Global Head of Our Impact Plan has ramped up progress in operationalizing our ESG commitments across the global organization to share leading practices and drive change. We also embedded more accountability within our team to better execute on our commitments to track and report on our progress. This new program delivery structure established leads for each of our Governance, People, Planet and Prosperity pillars and across horizontal teams, including member firm engagement, technology and procurement.

All KPMG firms whose senior partner is also a Global Board member have appointed Heads of Our Impact Plan, and other countries and territories have regional representatives to help them drive Our Impact Plan progress. Building this accountability across the organization helps us drive change and ensure we tell a consistent story across all of our geographies.

The aim of the Our Impact Plan team is to:

- engage the KPMG global organization, develop guidance and identify and share best practices to help KPMG firms drive change and execute on global ESG commitments
- develop and implement global targets and standards
- expand and align our global ESG data reporting
- report on progress each year

Doing this work helps ensure that KPMG firms are applying similar tools, processes and strategies to our own operations as those suggested when we offer services to clients.

## Integrating supply chain into our commitments

Delivery against Our Impact Plan commitments requires us to assess the entire value chain, including our supply chain. KPMG firms spend billions of dollars through our supply chain, which cuts across multiple industries. As a result, our supply chain has a substantial impact on our ESG agenda, and in turn our procurement teams — responsible for managing our supply chain-related functions — are integral to our journey to a sustainable future.

### Operationalizing

Our goal is to drive procurement practices across the KPMG global organization that support our commitments. To help meet this goal, we've:

- established a cross-border procurement working group across key member firms to develop standards and leading practices and build the capability to subsequently share such expertise with the rest of the network
- developed a coherent approach to operationalizing Our Impact Plan commitments that have a supply chain impact to provide a consistent way to determine a baseline, define targets, engage our supply chain, measure performance and implement improvement strategies that support Our Impact Plan journey

### The road ahead

Since our last report, we've engaged with the CDP Supply Chain program and have invited more than 500 key global suppliers to disclose their carbon footprint data through CDP. This year, we're looking to encourage increased participation and work with our suppliers to identify opportunities to reduce the carbon impact of our supply chain.

We've also taken the first steps in engaging our global suppliers to identify potential modern slavery issues. Looking ahead, we're aiming to enhance supplier engagement to promote awareness of these issues and create relevant risk mitigation plans.

**Since our last report, we've engaged with the CDP Supply Chain program and have invited more than 500 key global suppliers to disclose their carbon footprint data through CDP.**

## ESG reporting standards

2022 was a year of intense activity for ESG reporting standard setting, with a significant pace of development. As focus continues to shift to the impact businesses have on the world around them, demand for transparency and accountability around ESG has increased.

Some of the ways we're embracing this reporting evolution include, but are not limited to:

- **ISSB:** In 2022, one of the ISSB's main focuses was on developing global reporting standards for climate and sustainability-related matters. Our membership in the ISSB Integrated Reporting and Connectivity Council and the Technical Reference Group shows our commitment to support this effort.
- **WEF International Business Council:** To promote alignment among existing metrics and disclosure frameworks, WEF and its partners have identified a set of universal metrics and disclosures — the Stakeholder Capitalism Metrics. KPMG continues to support the Stakeholder Capitalism Metrics initiative, and in FY22, the WEF group's efforts were focused on encouraging key players and standard setters to continue working together toward a global baseline.
- **TCFD:** The TCFD, of which KPMG is a member, has developed recommendations for more effective climate-related disclosures. The recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. Those

thematic areas are currently being used to develop global standards by the ISSB and other emerging frameworks globally.

- **TNFD:** In 2022, the TNFD, of which KPMG is a member, launched the second version of its beta framework for nature-related risk and opportunity management and disclosure. The market-led, science-based TNFD framework aims to enable companies and financial institutions to integrate nature into decision making.

## Our other initiatives

- **Sustainability survey:** On a biannual basis, KPMG analyzes sustainability reporting to provide

business leaders with meaningful insights on how they can improve existing levels of disclosure. The findings in our 2022 [Survey of Sustainability Reporting](#) reflect on the current state of reporting and overarching business strategies that can enable companies to meet increasing regulatory expectations.

- **Sustainability reporting resource center:** In November 2022, we launched our [sustainability reporting resource center](#), which provides guidance on getting ready for the ISSB's IFRS Sustainability Disclosure Standards.





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# Indexes and explanations





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## ESG data — basis of preparation

We anticipate that our reporting of metrics and disclosures relevant to Our Impact Plan will, over time, transition to adopt the new standards set by the ISSB. We'll continue to monitor developments in best practices from the industry through our own expertise and will work with clients to help ensure that we keep up with market-leading external reporting of developments and progress as it relates to Our Impact Plan.

In 2022, we continued to make progress against our commitment to disclose or explain how we have applied the WEF IBC Core Metrics, as well as other reporting frameworks, including the GRI standards and the UN Global Compact Principles, while reporting against our most material topics.

The tables that follow provide a summary of our reporting against the key standards with links and references to where you can access associated disclosures and information in our reporting.

### Disclose or explain

We continue to be committed to addressing the gaps in our disclosures. To support our focus on transparency, we apply the "disclose or explain" principle for all the Stakeholder Capitalism Metrics. The table on the following page provides details of where to find our current reporting on a topic, and

where necessary, outlines the primary reason for any omission using the following categories:

- **(M) Materiality:** Our assessment did not identify these topics as the most material topics for our stakeholders and organization. Therefore, we've not prioritized capturing this data. In recognition that these remain important issues, we will continue to work to develop processes to collect data for future reporting where relevant.
- **(L) Legal considerations:** These relate to topics where there are legal prohibitions or restrictions to data collection or publication, such as asking people their ethnicity in certain jurisdictions.
- **(D) Data definitions and collection:** We continue to develop the scope and relevance of our reporting. For these topics, there are limitations on the availability of the data, or it has not previously been collected from KPMG firms.
- **(MG) Methodology not established:** These are metrics for which there is not a globally accepted methodology. For example, there is not yet a sector-based methodology to estimate the carbon impact of the professional services KPMG firms provide (i.e. our downstream Scope 3 emissions), but we are committed to continuously improving our consideration of the social, economic and environmental impact of KPMG firms' services.

**We'll continue to monitor developments in best practices from the industry through our own expertise and will work with clients to help ensure that we keep up with market-leading external reporting of developments and progress as it relates to Our Impact Plan.**

## UN Global Compact

Disclosure recommendation	Disclosure
<b>Human Rights</b>	
1. Businesses should support and respect the protection of internationally proclaimed human rights; <b>and</b>	<a href="#">Governance: Human rights</a>
2. make sure that they are not complicit in human rights abuses.	
<b>Labour</b>	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<a href="#">Governance: Human rights</a> <a href="#">People: Inclusion, diversity and equity</a>  KPMG International and KPMG firms support freedom of association and, where applicable, recognize the right to collective bargaining.
4. the elimination of all forms of forced and compulsory labour;	
5. the effective abolition of child labour; <b>and</b>	
6. the elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	
7. Businesses should support a precautionary approach to environment challenges;	<a href="#">Planet</a>
8. undertake initiatives to promote greater environmental responsibility; <b>and</b>	
9. encourage the development and diffusion of environmentally friendly technologies.	
<b>Anti-corruption</b>	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	<a href="#">Governance: Acting transparently with integrity and accountability</a>

# Governance

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Theme	Core metrics and disclosures	GRI mapping	Location and notes
Governing purpose	<b>Setting purpose</b>	GRI 2-12	<a href="#">A message from our Global Chairman and CEO</a> <b>Prosperity:</b> <a href="#">Purposeful business</a>
Quality of governing body	<b>Governance body composition</b>	GRI 2-9, GRI 405-1a	<b>Governance:</b> <a href="#">Our structure and governance</a> <b>Transparency Report:</b> <a href="#">Governance and leadership</a>
Stakeholder engagement	<b>Material issues impacting stakeholders</b>	GRI 2-12, GRI 2-29, GRI 3-2	<b>Material topics</b>
Ethical behavior	<b>Anti-corruption (D)</b>	GRI 205-2, GRI 205-3	<b>Prosperity:</b> <a href="#">Acting transparently with integrity and accountability</a>
	<b>Protected ethics advice and reporting mechanisms</b>	GRI 2-26	<b>Prosperity:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Living our culture and Values</a> <b>Transparency Report:</b> <a href="#">Being independent and ethical</a>
Risk and opportunity oversight	<b>Integrating risk and opportunity into business process</b>		<b>Material topics</b> Our Global Quality & Risk Management Steering Group (GO&RMSG) is chaired by the Global Head of Quality, Risk & Regulatory and its other members are the risk management partners from the eight largest KPMG member firms and for each of the three regions. GO&RMSG is responsible for setting quality and risk management policies and procedures for the global organization and for providing associated guidance.

# Planet

Theme	Core metrics and disclosures	GRI mapping	Location and notes
Climate change	<b>Greenhouse gas (GHG) emissions (MG)</b>	GRI 305:1-3	<b>Planet:</b> <a href="#">Decarbonization</a>
	<b>TCFD implementation (D)</b>		<b>Planet:</b> <a href="#">Climate risk</a>
Nature loss	<b>Land use and ecological sensitivity</b>	GRI 304-1	<b>Planet:</b> <a href="#">Nature and biodiversity</a>
Freshwater availability	<b>Water consumption and withdrawal in water-stressed areas (M)</b>	GRI 303-5	<b>Planet:</b> <a href="#">Nature and biodiversity</a>

# People

Theme	Core metrics and disclosures	GRI mapping	Location and notes
Dignity and equality	<b>Diversity and inclusion (L)</b>	GRI 405-1b	<b>People:</b> <a href="#">Inclusion, diversity and equity</a>
	<b>Pay equality (D)</b>	GRI 405-2	<b>People:</b> <a href="#">Inclusion, diversity and equity</a>
	<b>Wage level (D)</b>	GRI 2.21, 202-1	<b>People:</b> <a href="#">Inclusion, diversity and equity</a>
	<b>Risk for incidents of child, forced or compulsory labor</b>	GRI 408-1b, GRI 409-1	<b>Governance:</b> <a href="#">Human rights</a>
Health and well-being	<b>Health and safety (D)</b>	GRI 403-9a&b, GRI 403-6a	<b>People:</b> <a href="#">Health and well-being</a>
Skills for the future	<b>Training provided (D)</b>	GRI 404-1	<b>People:</b> <a href="#">Learning and development</a> <b>Transparency Report:</b> <a href="#">Nurturing diverse skilled teams</a>

# Prosperity

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Theme	Core metrics and disclosures	GRI mapping	Location and notes
Employment and wealth generation	<b>Absolute number and rate of employment (L)</b>	GRI 2.7, 401-1a&b	<a href="#">Prosperity: Employment</a>
	<b>Economic contribution (D)</b>	GRI 201-1, GRI 201-4	<p><a href="#">Prosperity: Economic contribution</a></p> <p><a href="#">Prosperity: Communities</a></p> <p>Government assistance — during FY22, several KPMG firms received payments from governments in the normal course of business. These represent locally applicable tax credits and reimbursement of levies, including schemes where firms had previously paid contributions. There were also a small number of KPMG firms where COVID-19 related assistance was received. This was in countries or territories where the schemes provided were mandatory or where support provided was generally applicable to all employers.</p> <p>There are limitations on providing certain economic contribution indicators as KPMG is a network of member firms and does not produce consolidated financial statements.</p>
	<b>Financial investment contribution (D)</b>		There are limitations on providing certain financial-related indicators as KPMG is a network of member firms and does not produce consolidated financial statements.
Innovation of better products and services	<b>Total R&amp;D expenses (D)</b>		<p><a href="#">Governance: Purposeful business</a></p> <p><a href="#">Planet: Decarbonization</a></p> <p><a href="#">Transparency Report: Embracing digital technology</a></p>
Community and social vitality	<b>Total tax paid (D)</b>	GRI 201-1	<p><a href="#">Prosperity: Economic contribution</a></p> <p>There are limitations on providing certain financial-related indicators as KPMG is a network of member firms and does not produce consolidated financial statements.</p>

## GRI content index

KPMG’s Our Impact Plan has been informed by GRI standards (2021 update).

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GRI standard	Disclosure	Location
<b>GRI 2:</b> General Disclosures 2021	2-1 Organizational details	<a href="#">About us</a> <b>Indexes and explanations:</b> <a href="#">Notes and explanations</a>
	2-2 Entities included in the organization’s sustainability reporting	<a href="#">About us</a> <b>Indexes and explanations:</b> <a href="#">Notes and explanations</a>
	2-3 Reporting period, frequency and contact point	Unless otherwise stated, the reporting is for the year ended 30 September 2022. Reporting is on an annual basis. <b>Indexes and explanations:</b> <a href="#">Contacts</a>
	2-4 Restatements of information	KPMG is committed to the ongoing development of its ESG data to support Our Impact Plan commitments. As we work on this data development, we occasionally have methodology or data scope improvements where comparative restatements are required. An explanatory note is provided when this is the case.
	2-5 External assurance	A number of larger KPMG firms have external assurance over their GHG and other ESG metrics.
	2-6 Activities, value chain and other business relationships	<a href="#">About us</a> <b>Material topics</b> <b>Governance:</b> <a href="#">Purposeful business</a>
	2-7 Employees	<b>People:</b> <a href="#">Inclusion, diversity and equity</a>
	2-8 Workers who are not employees	<b>People:</b> <a href="#">Inclusion, diversity and equity</a> KPMG firms employed more than 28,000 people on a contingent labor basis at 30 September 2022. Benefits available to employees are in line or are above the requirements of local employment laws and regulations.
	2-9 Governance structure and composition	<b>Governance:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Governance and leadership</a>
	2-10 Nomination and selection of the highest governance body	<b>Governance:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Governance and leadership</a>

GRI standard	Disclosure	Location
<b>GRI 2:</b> General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	<p><b>Governance:</b> <a href="#">Purposeful business</a></p> <p>The Global Management Team’s role includes: (i) promoting KPMG’s global strategy, incorporating KPMG’s public trust and growth ambition with the guiding principles of global consistency and accountability, (ii) promoting the commitment to KPMG being a multidisciplinary organization, (iii) leading by example by taking pro-active steps to encourage trust, openness and challenge and by staying close to KPMG member firm markets in the way most appropriate to their role, and (iv) supporting KPMG member firms in their execution of the global strategy and KPMG International decisions and policies, including holding them accountable against their commitments.</p>
	2-13 Delegation of responsibility for managing impacts	<p><b>Governance:</b> <a href="#">Purposeful business</a></p>
	2-14 Role of the highest governance body in sustainability reporting	<p>The Global Board reviews and approves Our Impact Plan reporting.</p>
	2-15 Conflicts of interest	<p><b>Governance:</b> <a href="#">Acting transparently, with integrity and accountability</a></p> <p><b>Transparency Report:</b> <a href="#">Being independent and ethical</a></p> <p>Consistent with KPMG’s global policies, all personnel, including Global Board members, are required to comply with detailed policies on conflicts of interest and auditor independence, as well as our <a href="#">Global Code of Conduct</a>, which includes specific additional responsibilities for leaders.</p> <p>Global Board members, like all our people, are prohibited from acting as the director or officer (including company secretary) of any non-KPMG entity except for a non-profit that is not an audit or assurance client; an entity established for personal family reasons that is not a client; or an appointment made in the normal course of conducting restructuring engagements.</p>

GRI standard	Disclosure	Location
<b>GRI 2:</b> General Disclosures 2021	2-16 Communication of critical concerns	<b>Material topics</b> <b>Governance:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Living our culture and Values</a>
	2-17 Collective knowledge of the highest governance body	<b>Governance:</b> <a href="#">Purposeful business</a> Global Board members have a broad range of economic and social competencies, as well as having either economic/finance-related degrees and/or accounting qualifications. All have experience in running national KPMG practices which entails consideration of economic, social and environmental issues and receive regular ESG briefings.
	2-22 Statement on sustainable development strategy	<a href="#">A message from our Global Chairman and CEO</a> <b>Governance:</b> <a href="#">Purposeful business</a>
	2-23 Policy commitments	KPMG’s policy commitments are described throughout this document, in the <a href="#">Transparency Report 2022</a> and on <a href="#">kpmg.com</a> . A link to the full policy is also provided where publicly available.
	2-24 Embedding policy commitments	<a href="#">Code of Conduct</a> <b>Governance:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Living our culture and Values</a>
	2-25 Processes to remediate negative impacts	<a href="#">Code of Conduct</a> <b>Governance:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Living our culture and Values</a>
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Code of Conduct</a> <b>Governance:</b> <a href="#">Purposeful business</a> <b>Transparency Report:</b> <a href="#">Living our culture and Values</a>
	2-27 Compliance with laws and regulations	<b>Governance:</b> <a href="#">Acting transparently, with integrity and accountability</a> <b>Transparency Report:</b> <a href="#">Living our culture and Values</a> <b>Transparency Report:</b> <a href="#">Being independent and ethical</a>
	2-28 Membership associations	<a href="#">About us</a> <b>Governance:</b> <a href="#">Purposeful business</a>
	2-29 Approach to stakeholder engagement	<b>Material topics</b>





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GRI standard	Disclosure	Location
<b>GRI 2:</b> General Disclosures 2021	2-30 Collective bargaining agreements	KPMG International and KPMG firms support freedom of association and, where applicable, recognize the right to collective bargaining.
<b>GRI 3:</b> Material Topics 2021	3-1 Process to determine material topics	<a href="#">Material topics</a>
	3-2 List of material topics	<a href="#">Material topics</a>
	3-3 Management of material topics	<a href="#">Material topics</a>

## Notes and explanations

### Acronyms

Term	Description
<b>AI</b>	Artificial Intelligence
<b>AJET</b>	Alliance for a Just Energy Transformation
<b>ASPAC</b>	Asia Pacific
<b>AZOM</b>	ASZA Office Mate
<b>CDP</b>	Formerly the Carbon Disclosure Project
<b>CEO</b>	Chief Executive Officer
<b>COP</b>	Conference of the Parties
<b>CPE</b>	Continuing Professional Education
<b>CPO</b>	Chief Purpose Officer
<b>EMA</b>	Europe, Middle East and Africa, including India
<b>ESG</b>	Environmental, social and governance
<b>EVP</b>	Employee value proposition
<b>G20</b>	Group of 20
<b>GDP</b>	Gross domestic product
<b>GHG</b>	Greenhouse Gas
<b>GMT</b>	Global Management Team
<b>GQ&amp;RMSG</b>	Global Quality and Risk Management Steering Group
<b>GRI</b>	Global Reporting Initiative
<b>IAASB</b>	International Audit and Assurance Standards Board
<b>ICP</b>	Internal Carbon Price
<b>IESBA</b>	International Ethics Standards Board for Accountants

Term	Description
<b>ISSB</b>	International Sustainable Standards Board
<b>IDE</b>	Inclusion, diversity and equity
<b>IDERD</b>	International Day for the Elimination of Racial Discrimination
<b>ISQM 1</b>	International Standards on Quality Management
<b>L&amp;D</b>	Learning and development
<b>LGBTQ+</b>	Lesbian, gay, bisexual, transgender, queer (or sometimes questioning) and others
<b>NGC</b>	Next Generation Council
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OYW</b>	One Young World
<b>SBT</b>	Science-Based Target
<b>SMI</b>	Sustainable Markets Initiative
<b>tCO2e/ ktCO2e</b>	Tonnes/kilotonnes of carbon dioxide equivalent
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNGC</b>	United Nations Global Compact
<b>WBCSD</b>	World Business Council for Sustainable Development
<b>WEF IBC</b>	World Economic Forum International Business Council

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## Glossary

Term	Description
<b>Community investment</b>	Community investment is identified by two guiding principles: it is voluntary — there is no legal or contractual obligation to contribute — and it is charitable — it supports an organization or activity that is recognized as having a clear charitable purpose and/or community benefit.
<b>Contingent labor</b>	Contingent labor includes agency staff, KPMG-dedicated outsourced staff, temporary contractors and interns.
<b>KPMG Climate IQ</b>	Climate IQ is KPMG’s multi-industry risk management tool that can run multiple scenarios to address the questions clients have around their company’s exposure to climate change. It supports formulating strategic decisions in line with business needs and regulatory requirements.
<b>FY19</b>	1 October 2018 to 30 September 2019
<b>FY20</b>	1 October 2019 to 30 September 2020
<b>FY21</b>	1 October 2020 to 30 September 2021
<b>FY22</b>	1 October 2021 to 30 September 2022
<b>GHG Protocol</b>	KPMG follows the globally recognized Greenhouse Gas Protocol (GHG Protocol), developed by the World Business Council for Sustainable Development and the World Resources Institute. The GHG Protocol provides standards and guidance for companies and other organizations preparing a GHG emissions inventory, also known as a carbon footprint. The GHG Protocol categorizes a company’s or organization’s emissions into three separate scopes.
<b>GRI</b>	The Global Reporting Initiative is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.
<b>ISSB</b>	The International Sustainability Standards Board is a standard-setting body established in 2021-2022 under the IFRS Foundation, whose mandate is the creation and development of sustainability-related financial reporting standards to meet investors’ needs for sustainability reporting.
<b>Reporting KPMG Firms</b>	Reporting KPMG Firms means KPMG member firms in 20 large countries and territories, including member firms whose senior partner is also a Global Board member. These countries and territories are Australia, Brazil, Canada, China, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, Poland, Singapore, Spain, South Africa, South Korea, Switzerland, the UK and the US. The corresponding data from FY20 and FY21 included data from Russia which is no longer part of the KPMG network.
<b>KPMG Foundations</b>	Several KPMG firms have established separate community giving entities as KPMG Foundations. A KPMG Foundation typically is funded by a periodic contribution by the affiliated KPMG member firm(s), has a separate structure, including its own administrative and management costs.
<b>Pro bono</b>	Formal engagements, with a signed engagement letter and engagement code, that provide a professional service, skill or knowledge which is offered free of charge by a KPMG firm to another organization being a non-governmental organization (NGO), beneficiary organization, non-profit organization, charity, social enterprise, school and/or other locally relevant civil society organizations (out-of-pocket costs, such as travel, may be charged to the client).

Term	Description
<b>RE100</b>	A global initiative bringing together the world's most influential businesses committed to 100 percent renewable electricity.
<b>Scope 1: Direct GHG emissions</b>	Direct GHG emissions occur from sources the KPMG member firms owns or controls, including on-site stationary fuel combustion, fuel combustion in owned/controlled vehicles, and fugitive emissions from leaks in heating, ventilation and cooling equipment.
<b>Scope 2: Indirect emissions from purchased electricity</b>	Indirect emissions from purchased electricity, steam, heat or cooling which arise from the generation of power by a third party that is consumed by a KPMG firm.
<b>Scope 3: Other indirect GHG emissions</b>	Upstream Scope 3 emissions include business activities that are relevant to a KPMG firm's climate impact but are not under the direct control of a KPMG firm, such as supply chain, air travel, business travel in personal vehicles, rail travel and energy used in common areas of multi-tenant buildings (e.g. elevators, lobbies) and employee commuting. Downstream Scope 3 emissions would be the carbon impact of our client services. We do not currently estimate these, as there is no established methodology for professional services.
<b>Skills-based volunteering</b>	Includes: <ul style="list-style-type: none"> <li>• Secondments, where KPMG periodically provides resources at no cost to civil society organizations. These may be on a full- or part-time basis over an extended period.</li> <li>• Board or trustee appointments, where KPMG firm partners and employees frequently serve as board or trustee members of community organizations.</li> <li>• Skills-based volunteering, where volunteering for a community-benefit organization and utilizing KPMG professionals' skillsets. These differ from pro bono engagements as they are typically shorter periods and not formalized as an engagement.</li> </ul>
<b>UN Global Compact</b>	The UN Global Compact is a non-binding UN pact to encourage businesses and organizations worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.
<b>UN Sustainable Development Goals</b>	The UN Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. Source: <a href="http://www.UNDP.org">www.UNDP.org</a>

**Notes on basis of preparation**

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4. As of 30 September 2022, KPMG firms operate in 143 countries and territories. All metrics are for the network as a whole unless otherwise stated.

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**[kpmg.com/ourimpactplan](https://kpmg.com/ourimpactplan)**



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Designed by Evalueserve.

Publication name: KPMG: Our Impact Plan

Publication number: 138640-G

Publication date: April 2023