



KPMG: Our Impact Plan

2024 update

KPMG. Make the Difference.

KPMG International | kpmg.com/ourimpactplan



Our highlights at a glance

Measuring our progress to creating long-term value and building a more sustainable future

Governance

Revised our **Supplier Code of Conduct**, articulating more clearly the expectations of our suppliers to support our ESG commitments.

Completed a robust materiality assessment refresh and, for the first time, reported 'with reference' to **Global Reporting Initiative (GRI)** guidance.

Launched **US\$4 billion investments in Technology, Talent and ESG** to ensure that we remain a resilient business that clients can rely on in a dynamic environment.

Hosted our first Global Values Week for **270,000+ of our people** across 140+ countries and territories.

People

Upskilled our people through Digital and Data Foundations training programs with more than **126,000 hours** in FY23 to stay current on technological innovations.

Collaborated with three leading business universities to launch more than **100 ESG learning resources**, accessible to all our people, underpinning our commitment to embed ESG in everything we do.

Increased the representation of women in leadership roles across KPMG firms to **29.4 percent** up by 3.3 percent from our baseline at 1 October 2020.

Formed new alliance with **MindForward**, a global not-for-profit organization transforming workplace culture, to scale and provide stronger mental health and well-being support for all our people.

Planet

Reduced gross emissions against our FY19 baseline year **by 22 percent** on our journey to net-zero.

Increased renewable energy consumption across our global organization to **81 percent** in FY23 including our Reporting KPMG Firms¹ that reached 100 percent in FY22.

Supported nature-based solutions through **Internal Carbon Price (ICP)** funding as part of KPMG firms' decarbonization investment plans.

Published our **first global Climate Risk Report** — aligned with Task Force on Climate-related Financial Disclosures (TCFD) — that assessed the impact of moving to a low-carbon net-zero economy and how we can support our clients with this change.

Prosperity

Helped economically **empower 1 million** disadvantaged young people through our **10by30 initiatives**.

Increased support to local communities by providing **US\$181 million** of financial investment, up 22 percent from FY22.

Provided **806,000 hours** of pro bono and volunteer work focused on activities that delivered greater impact on communities, growing by 30 percent from FY22.

Contributed **US\$2 billion** in operational taxes that support governmental functions, public benefits and key infrastructure in the communities where we operate.

¹ "Reporting KPMG Firms" means KPMG 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.

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A message from our Global Chairman and CEO

How we make the difference

Welcome to Our Impact Plan. This is now the fourth year we have published our progress against the clear goals we've laid out in our plan, and I am very proud of what KPMG firms have achieved. Although we still have a lot of hard work ahead of us, holding ourselves to account by tracking our progress will help ensure that we meet our commitments and continue to reduce our environmental footprint.

'What gets measured gets done' has been the guiding principle behind Our Impact Plan, and, as with our clients, we are following the available frameworks and standards to ensure we provide clarity to all our stakeholders, including our colleagues. In this update we have taken into consideration the World Economic Forum International Business Council (WEF IBC) Stakeholder Capitalism metrics, the reporting expectations of the UN Global Compact, the recommendations of the Task Force on Climate-related Financial Disclosures and the Global Reporting Initiative (GRI).

Highlights from our progress against Our Impact Plan include:

- We have conducted a robust materiality assessment refresh and, for the first time, are reporting 'with reference' to GRI guidance.
- We've reduced our gross emissions by 22 percent against our FY19 baseline year, and increased renewable energy usage across our global organization to 81 percent.
- We have helped economically empower 1 million disadvantaged young people through our 10by30 initiatives.
- We've seen an increase of women in leadership roles across KPMG firms to 29.4 percent — up by 3.3 percent from our baseline at 1 October 2020.

- We're investing more than US\$4 billion dollars in Technology, Talent and ESG to ensure that we are agile and resilient and that clients can rely on our firms in a dynamic environment.

As the world continues to become increasingly complex and sees even greater fragility, we will continue to bring our skills across all our disciplines to work with clients, NGOs, alliance partners and others to help bring about innovation and transformation to build a better future. That is why in this year's progress update we have also included greater focus on the work we do through our clients, as well as our position on artificial intelligence (AI).

We see the exponential rise of generative AI and machine learning as an opportunity to use our unique skills to help identify and address some of our planetary crises, but we approach this topic with open eyes. We are focused on building the right governance and guardrails to apply AI and technology to bring about positive change and to help ensure the rise of technology does not bring about new pressures on society.

Thank you for taking the time to read more about what KPMG is doing to become a more sustainable business. I hope you find the update useful and look forward to continuing working with all our stakeholders to bring about the transformation so needed in the world today.

“As the world continues to become increasingly complex and sees even greater fragility, we will continue to bring our skills across all our disciplines to work with clients, NGOs, alliance partners and others to help bring about innovation and transformation to build a better future.”

Bill Thomas

Global Chairman and CEO
KPMG International

ESG as the watermark: how we make an impact at KPMG

Today, the challenges the world faces have never been greater, with immense pressures on business and in society.

It's why all of us at KPMG embrace our Purpose — to inspire confidence and empower change — as it has never been so relevant. Confidence is needed to navigate the uncertainty of this dynamic environment and accelerating change is needed to build a more sustainable future.

Answering that calling starts with great people with strong values and skills across many different disciplines. Our people are our bedrock and form the foundation of our organization. They are driven by a strong purpose, led by our Values, equipped with knowledge and skills, and motivated to find solutions for the world's biggest challenges.

KPMG is at our very best when all of those 270,000+ talented individuals across the globe are working together, side-by-side with clients, alliance partners and wider stakeholders to solve problems, big or small. From businesses to NGOs, governments to communities, we help them by bringing our best experience and knowledge, paired with cutting-edge technology and innovation, to drive progress.

Aspiration	 Make ESG the watermark underpinning everything we do while striving to achieve our ambition of driving growth across our business and of becoming the most trusted and trustworthy professional services organization					
Our Impact	 Clients and supply chain <ul style="list-style-type: none"> Impact through the services we provide Offer insights and analysis to help inform the decision making of clients Sustainable, ethical and fair practices 	 People <ul style="list-style-type: none"> Create an inclusive culture where our people come as they are Commitment to offer the skills needed for the future world of work Do work that matters Support the communities we live in 	 Society <ul style="list-style-type: none"> Bring together multi-disciplinary skills and our geographic breadth to help build a fairer and more equitable future Reflect the communities we operate in Reduce our impact on the planet to build a more sustainable and resilient future 			
Our Foundation	 Our Purpose			 Our Values		
What we offer	 Commitment to drive meaningful, sustainable change	 Professional excellence and quality services	 Scale of reach and expertise	 Innovative solutions	 Protection of capital markets	 Shaping of public policy and regulations

We do this directly by helping clients meet their business goals, including: mitigating climate change and seeking potential alternative energy transition pathways, economic growth, technological advances, the fair and efficient operation of tax systems, and the delivery of better outcomes for public services. We also do this by driving discourse on topics shaping our profession, the business world and society-at-large, especially as it relates to strengthening the capital markets and protecting the public interest.

Throughout all of this, we're committed to meeting our own responsibility to ensure our business is resilient, sustainable and does not exacerbate the challenges we all face together. Our Impact Plan is our roadmap to build a stronger and more sustainable business. It is also our opportunity to reaffirm our commitments to the UN Global Compact Principles and the UN Sustainable Development Goals.

From reducing our impacts and developing the most sustainable footprint possible, we acknowledge we can and will accomplish more.

Ultimately, the biggest impact we can make is helping those that rely on us overcome their challenges. That is why we are committed to ensuring ESG is embedded in everything that we do.

Being part of the solution is what has driven us for more than 150 years, and even as the world evolves, we are determined to keep learning and improving — and working with others to do the same.



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Further insights

[KPMG International Transparency Report 2023](#)
[Climate Risk Report](#)
[KPMG International 2023 Annual Results](#)

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



Governance

Our Purpose and Values guide everything we do.

KPMG is here to help bring positive change and this can only be achieved with strong governance. Governance creates the framework that drives purposeful activity. It helps us ensure we are considering our economic, environmental and social impact in all that we do, internally and in our work with clients. It helps us align our financial and societal performance.

Driven by our Values that guide our actions and our Purpose to inspire confidence and empower change, we are committed to the highest standards of personal and professional behavior. As the pressures on business and society evolve and intensify, we believe our Purpose remains as relevant as ever.

We're committed to making ESG the watermark that runs through our business. Growing awareness of sustainability issues has led to strengthened governance which frames our activities and supports robust risk management, including ESG risks, when working with clients.

We apply an ESG lens across our audit, tax and advisory services, globally, regionally and locally, and work to equip our people with the necessary ESG knowledge and skills. Ongoing efforts involve enhancing cross-functional collaboration, continually reinforcing governance structures, and providing necessary training to help ensure a clear, responsible and resilient approach to sustainability.

“If ESG is truly to be the watermark of our business, it needs to be embedded in everything we do — from the work we perform for clients, to our own operations, our relationships with partners and suppliers, to how we support and empower our people. Our Impact Plan sets the framework and the standards that guide us toward our own ESG goals. It allows us to monitor our progress, report transparently, be held accountable, and push ourselves to go further, faster, where necessary.”

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

Respecting human rights

- Respect human rights

Purposeful business

Our commitment:

Always act with a clear purpose

At KPMG, we recognize that trust is foundational to our business — and we can only earn that trust by acting with purpose and delivering the highest quality work that contributes to society today and in the future. Our strong governance and structure support consistency of service quality and adherence to our Values, used across the organization to guide our day-to-day behaviors. As stewards of the business, we continually consider emerging risks and seek to maintain the trust of our clients through responsible business practices and policies.

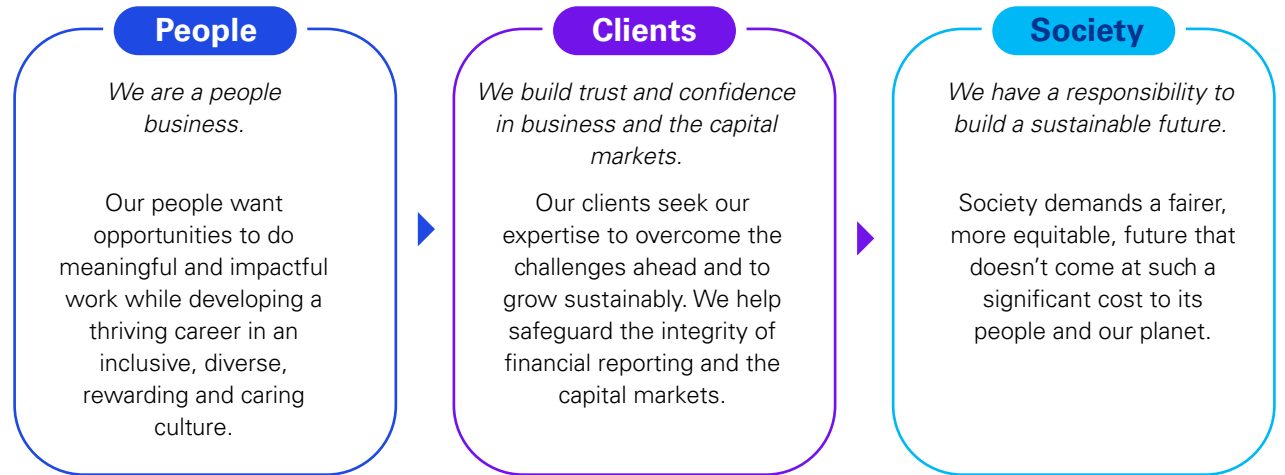
We commit to always acting with a clear purpose. KPMG firms are focused on delivering the highest quality work that contributes to society today and in the future; building inclusivity and profitability that provides rewarding careers today and for generations to come. Our ambition is to drive growth across our business and to become the most trusted and trustworthy professional services organization that delivers sustainable growth to all our stakeholders. It's an ongoing process that we are fully committed to.

Our Purpose

Inspire confidence. Empower change.



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



Our 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, across the 140+ countries and territories that we operate in. They're embedded across the entire employee journey, in our business processes and in 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 to address some of the key issues facing our people, clients, stakeholders and wider society.

Our Values



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.

Our first Global ValuesWeek — building a values-led organization of the future:

In 2023, for the first time ever, a global event for 270,000+ people across KPMG's global organization — regardless of location or function — were brought together and celebrated our shared culture and Values through a week-long series of events.

The global event aimed to provide space for our people to consider how they are living our Values every day, introduce them to new joiners, and as an opportunity to celebrate our diverse culture.

Concentrating on one of our five Values each day, this was a globally consistent program delivered by KPMG firms with locally relevant, personalized experiences. The momentum from the event energized our people



and we are continuing to engage with the Values from onboarding to performance management, creating touchpoints across all stages and levels of our people's experience working at KPMG.

Our structure and governance

KPMG has strong governance for overseeing our activities, setting policies and aligning our strategy with our Purpose. KPMG International Limited² acts as the coordinating entity for the overall benefit of the KPMG global organization. It does not provide professional services, directly or indirectly, to clients. Its governance bodies comprise the Global Council, the Global Board (including its committees), the Global Management Team (GMT) and Global Steering Groups.

Global Board: The [Global Board](#) is the principal governance and oversight body, currently consisting of 22 members from diverse countries that reflect KPMG's global presence and geographic footprint.

The Global Board reviews KPMG's global climate strategy annually, as well as broader sustainability reporting as part of the annual Our Impact Plan progress updates.

Find out more about our global governance in our [KPMG International Transparency Report 2023](#).

For detailed descriptions of individuals and committees with management responsibility over climate-related risks and opportunities, read our [Climate Risk Report](#).

Global Management Team (GMT): The Global Board has delegated certain responsibilities to the [Global Management Team](#). These include working together with the Executive Committee to develop and jointly recommend the global strategy to the Global Board for its approval. They also have oversight of the activities of the Global Steering Groups, support KPMG firms with the execution of the global strategy at a local level and hold them accountable against their commitments.

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](#). The KPMG global organization has policies on information security, confidentiality, personal information and data privacy. Annual training on confidentiality, information protection and data privacy requirements is also provided to all KPMG people.

The KPMG global organization has a legal framework that provides for adequate safeguards in relation to the processing of personal data in a manner that is consistent with laws and regulations and for the protection of privacy and the fundamental rights and freedoms of individuals. This includes safeguards for the international transfer of personal data by data exporters to data importers (including the applicable standards set out in the General Data Protection Regulation (GDPR)) and the protection of client information when transferred between KPMG firms.

KPMG has strong governance for overseeing our activities, setting policies and aligning our strategy with our Purpose.

Where parts of the KPMG global organization work with third parties, appropriate controls are included in the terms and conditions of the contracts, including those to protect the confidentiality of information and help ensure the processing of personal data occurs in a manner that is consistent with applicable laws and regulations.

Cybersecurity, creating a trusted digital world

Maintaining the trust of KPMG firms' clients requires us to continually look over the cyber risk horizon and adapt our approach where needed. We're evolving our global security standards and proactively maintaining compliance to meet the ongoing needs of our business, while actively educating our people in cyber security safety protocols and their understanding of collectively managing cyber risks. We also continue to identify and implement enhanced cyber security controls to provide an additional level of protection to our data, our KPMG firms' clients' data and other key assets.

² KPMG International Limited provides services and support to, or for the benefit of, KPMG firms and does not provide professional services directly, or indirectly, to clients. Professional services to clients are exclusively provided by KPMG firms who remain solely responsible for and liable in respect of these services.

KPMG International’s cybersecurity professionals have a variety of backgrounds and experience, including digital transformation, IT, regulatory and forensics. Together, they continue to drive increased efficiency across the global organization, including the delivery of key investments in managed detection and response; cloud security; security operations; risk quantification; digital identity and zero trust; third-party security; AI, machine learning and advanced analytics; Internet of Things and operational technology security.

As cyber threats grow in volume and sophistication, KPMG teams are bringing technological expertise, deep business knowledge and innovation, to work with clients in creating a more resilient and trusted digital world.

Public Policy engagement, protecting trust

KPMG International’s Global Public Affairs team proactively participates in shaping the policy discussion and advocating for meaningful change that allows business, government and society to prosper together, with a positive impact on people and the planet. We look to engage beyond our colleagues and our clients by building strong relationships with key policy makers and stakeholders (such as investors, directors, analysts, business associations, NGOs, academics and other thought leaders), ultimately creating trust among

key audiences and strengthening the foundation for sustainable growth.

Taken as a whole, our work helps our KPMG firms deliver value to companies, governments, NGOs, the capital markets, the economy and wider society.

KPMG International is an active member of the Global Public Policy Committee (GPPC), which brings together leaders from the six large international accounting networks to advance the public interest and enhance public confidence in the profession. The GPPC is focused on professional matters of global scope deemed to be priorities by their respective network’s CEOs, such as the enhancement of quality in auditing and corporate reporting.

Our approach to identifying risk

At KPMG, 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 Enterprise Risk Management (ERM) process for which each firm’s leadership is responsible.

Within KPMG International, our GMT is responsible for the ERM Program, including ensuring the effectiveness of mitigating controls, under the oversight of the Global Board’s Quality and Risk Management Committee, Executive Committee and any other committee of the Global Board designated by the Executive Committee in

respect of a specific risk area. The ERM Program uses KPMG’s internal risk assessment criteria and leverages the [Dynamic Risk Assessment](#) methodology to identify, connect and visualize risks across four dimensions relevant to KPMG International: impact, likelihood, time horizon and connectivity.

KPMG firms report the results of their ERM processes annually to KPMG International’s ERM team, which aggregates and analyzes the information and shares insights and risk exposures across the KPMG global organization.

The global organization’s client and engagement acceptance and continuance policies and processes are designed to help KPMG firms identify and evaluate potential risks, including relevant ESG risks, prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG firms evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

Read more in our [KPMG International Transparency Report 2023](#) and in our [Climate Risk Report](#)

Delivering quality audit and assurance

Our commitment:

Lead the profession in audit quality

KPMG is committed to fulfilling our public interest role in providing robust audit and assurance quality that benefits investors and other stakeholders. We believe the same level of professionalism, quality, consistency and trust should apply to ESG disclosures as it does to financial statement data.



Delivering robust audit and assurance services is critical to stakeholder trust. Audit and assurance is at a generational transformation point that we have not seen in decades with the recognition of the importance of high quality ESG disclosures by the companies we audit, as well as the risks and opportunities from the 'rise of AI'. Climate risk is becoming a more significant issue that is being embedded into our scope of work. We're committed to continuously evolving our approach to quality and, as a technology-driven organization, are harnessing innovative solutions to deliver high-quality audit and assurance services.

[KPMG Clara](#) is the global operating system for KPMG Audit and has been fully deployed in the culmination of a multi-year, multi-billion dollar investment. It is a globally consistent methodology and workflow, and a web-enabled, cloud based technology that is used by more than 90,000 audit professionals in more than 140 countries in each of our audits. KPMG Clara is a transformative innovation in the audit sector, empowering our auditors to offer deeper insights and improved audit quality to hundreds of thousands of entities we audit. Our ongoing initiative, KPMG Clara 2.0, demonstrates our commitment to continual innovation, enhancement and digitization of the platform powered by artificial intelligence, deeper data analysis and automation.

KPMG Clara is a transformative innovation in the audit sector, empowering our auditors to offer deeper insights and improved audit quality to hundreds of thousands of entities we audit.

Through sustained innovation, we aim to consistently deliver superior quality to audited entities. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to their system of quality management to drive audit and assurance quality, enabling them to meet the requirements of the International Standard on Quality Management (ISQM) 1.
- We're utilizing powerful technologies on client engagements around the world, including artificial intelligence, and leveraging our alliances with technology leaders such as MindBridge to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigor, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, we have deployed, across the global organization, an assurance methodology, KPMG Clara workflow and learning curriculum to upskill and build teams for purposes of providing assurance on ESG reporting that helps our clients build a more sustainable future.

Providing high-quality services is what allows people at KPMG to continuously earn and re-earn the trust that has underpinned our global organization for more than 150 years. Learn more about how KPMG delivers professional excellence and quality in the [KPMG International Transparency Report 2023](#).

Case study

Gaining assurance over ESG metrics KPMG in Germany

KPMG in Germany completed a landmark assurance engagement, a first-time reasonable assurance ESG Key Performance Indicator (KPI) audit for E.ON SE, one of Europe's largest operators of energy networks and energy infrastructure and a provider of innovative customer solutions for approximately 48 million customers. The company is decisively driving forward the energy transition in Europe and is committed to sustainability, climate protection and the future of our planet.

The KPMG team conducted a group-wide, high-quality audit of 22 ESG KPIs, covering emissions, work safety, governance and more. The team also conducted limited assurance work for the organization on European Union Taxonomy tagging, the classification system that defines criteria for economic activities that are aligned with a net-zero trajectory by 2050 and broader environmental goals, other than climate.

The team developed a tailored audit approach and also worked in close collaboration with the assurance teams at other European E.ON entities to ensure that all requirements were met, as well as timely completion of the project, ensuring it could be included in E.ON's public communications to the capital market.

Case study

Building trust in ESG disclosure KPMG in Vietnam

By providing limited assurance on Asia Commercial Joint Stock Bank's (ACB) Sustainability Report, KPMG in Vietnam is helping the client to raise its standard of ESG reporting.

As the first ESG Assurance engagement for KPMG in Vietnam, this marked an important milestone, building upon ACB's trust of KPMG as its long-term auditor.

Through collaboration with other KPMG firms in the region, KPMG in Vietnam also enhanced its ESG disclosure good practices, transitioning from an audit engagement and upskilling the team.

Cultivating a responsible tax practice

Our commitment:

Drive a responsible tax practice

We continue to invest significantly in Global Tax Services to provide a full suite of tax and legal technologies and services that supports tax transparency and helps KPMG firms support clients in meeting their current and future compliance obligations.

We aim to provide a targeted approach to our Global Tax Services that helps KPMG tax leaders deliver positive impacts for clients and wider society. We do this by helping clients ensure they are taking a responsible approach to tax rules and obligations. We also help clients to better understand new tax rules emerging in ESG-related areas such as carbon taxation and pricing — an increasingly important feature of the new, low-carbon world that governments, tax authorities and stakeholders are aspiring to create.

In FY23, our tax initiatives included the following:

Embedding new Global Tax Principles: Our [Global Tax Principles](#) are designed to ensure that we operate a responsible tax practice. We continue to emphasize the principles in the advice that we provide to clients and in our relationships with governments and the broader community. These principles are consistent with our Values.

Responsible Tax Roundtables: KPMG firms use their convening power to share industry best practice, holding regular roundtables with business and civil society to help them better understand what a responsible tax position looks like in the changing and evolving world. In FY23, we held discussions on the circular economy, carbon pricing, wealth taxation, tax policy and the changing nature of work, as well as the institutional framework surrounding international tax rules, including the roles of the Organisation for Economic Co-operation and Development (OECD), G20, Inclusive Framework and the United Nations.

Investing in technology: We continue to invest significantly in [KPMG Digital Gateway](#). Powered by Microsoft Azure and built on the cloud, the platform helps clients turn ESG data into value at an increased level of quality, speed and scale so they can respond faster to emerging tax issues related to ESG.

Global minimum tax: We recognize the societal benefits of a responsible tax approach and continue to support clients in meeting the evolving responsibilities. The way in which multinational organizations navigate and comply with their tax obligations around the world is about to change with new Base Erosion and Profit Shifting (BEPS) 2.0 measures, necessitating companies to rethink their processes, technology systems and data. To help companies evaluate, monitor, compile, track, calculate, analyze, report and comply with Pillar 2 obligations, we are rolling out [KPMG BEPS 2.0 Automation Technology \(KBAT\)](#) through integration with the [KPMG Digital Gateway platform](#). Through

this technology, we will provide ongoing support to a large number of companies across the globe in relation to the tax rules, including data collection, accounting disclosures and helping ensure they meet future compliance obligations.

Tax transparency: In FY23, we saw an increased focus on tax transparency, with voluntary reporting through the GRI standards and mandatory public country-by-country reporting being introduced in the European Union (EU) and Australia. Looking to FY24, large companies with a presence in either the EU or Australia need to apply these new mandatory reporting rules. KPMG teams support clients to create the data and governance processes required for the adoption, collation and presentation of both voluntary and mandatory reporting — underpinning good governance, transparency and stakeholder trust.

KPMG firms use their convening power to share industry best practice, holding regular roundtables with business and civil society to help them better understand what a responsible tax position looks like in the changing and evolving world.

Legal Services: Legal advice and compliance is an important aspect of the ESG agenda. Legal considerations can arise, for example, around issues such as directors’ liability, sustainability reporting requirements and access to capital and insurance. Legal teams can help the business understand ESG risks and work with other functions to manage them, developing the policies and governance frameworks needed. KPMG firms with Legal Services³ work with clients’ in-house legal departments to help them ensure they’re playing a full role in the ESG evolution.

Carbon pricing and incentives: The energy transition is multi-faceted and KPMG firms continue to be at the forefront of providing advice to clients, contributing to policy discussions and issuing thought leadership on carbon initiatives, particularly as incentives deployed across countries and territories can be complex, with many nuanced global impacts.

Driving purposeful transformations

Technology continues to evolve, shape and transform how businesses function and people interact. It can also be leveraged to help businesses better meet a range of ESG objectives and obligations. In FY23, through our Advisory practices across the globe, we helped organizations utilize technology solutions to create and protect the sustainable value of their business, including:

Sustainability reporting: A rapidly evolving and complex field with a variety of reporting frameworks, requiring a step-change in the level of assurance. We help clients use a range of technology tools to capture, manage and report their ESG data and impacts, driving increased stakeholder confidence.

Circularity: The transition to a circular economy is a central tenet for sustainable business. Through tools and trackers such as the [KPMG Circularity Tracker](#), developed on Microsoft Cloud for Sustainability and Power Platform, we help clients automate data collection and better track circularity across products, locations, materials and more, fostering a holistic approach to sustainability.

KPMG ESG Academy: Technology can drive better learning, too. KPMG’s dedicated [ESG Academy](#), launched in collaboration with Microsoft and leading universities, aims to help companies empower and educate their workforce, supporting their ESG initiatives with foundational and advanced learning for their people across a wide range of topics and disciplines.

We strive to embed sustainable practices across our portfolio of tools, solutions and services for use both within our global organization and in our work with clients. We will continue this journey with a particular focus on areas of the greatest client demand: transformation, reporting and assurance.

³ Legal Services may not be offered to SEC registrant audit clients or where otherwise prohibited by law.

Collaboration spotlight

Collaborating with Microsoft to make a difference

KPMG and Microsoft are helping to lead the way in transforming the sustainable business landscape. Recognizing ESG as a pivotal area for innovation, the collaboration goes beyond just reporting responsibilities — it also works to prioritize impactful change and increased value creation within organizations. Through initiatives like the multi-year generative AI investment and the [KPMG ESG Academy](#), KPMG and Microsoft work together to help demonstrate the role of technology in driving sustainable business success and aim to develop leading solutions that make a tangible impact on corporate responsibility and environmental stewardship.

“In collaboration with KPMG professionals, we’re helping to pioneer transformative solutions within Microsoft Cloud for Sustainability, empowering organizations to more seamlessly integrate data intelligence. Together, we’re illuminating the path for businesses to make informed decisions that drive real impact on their environmental and social responsibilities.”

Shelly Blackburn

Vice President Cross Solutions, Microsoft

Acting transparently with accountability and integrity

Our commitments:

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

We regularly review our [Global Code of Conduct](#) to make sure it clearly reflects our Values and the commitments and responsibilities that KPMG people have to each other, our clients and the public. In line with the Global Code of Conduct, we strongly support a speaking-up culture and set out a clear process for advice on, or the reporting of, illegal or unethical behavior. The new KPMG CARE framework (Consider, Assess, Respond, Evolve) helps our people practice and build confidence in making ethical decisions.



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

Within our [Global Code of Conduct](#) (our Code), we outline the commitments and responsibilities all KPMG people have to each other, our clients and the public.

It shows how our Values and Purpose inspire our greatest aspirations and guide all of our behaviors and actions. It defines what it means to work at, and be part of, the KPMG global organization, 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, everyone at KPMG can expect to be held accountable for their behavior, consistent with our Code, and are required to confirm their compliance with it.

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

KPMG firms provide regular training to partners and employees on a range of topics, including our Code and our anti-corruption policies and procedures. The learning emphasizes the importance of making ethical decisions even when under pressure, and speaking up to ask questions, respectfully challenge, and raise concerns when we are uncertain or when something does not seem right.

Driving ethical decision-making

KPMG International

At KPMG, we know that trust is earned by doing the right thing. As the world rapidly changes and becomes more complex, this simple principle has never been more important. KPMG’s ethical decision-making framework CARE (Consider, Assess, Respond, Evolve), which was created in 2023 and is used by KPMG firms, steers us to ethical decision making and supports our Purpose, Values and Code of Conduct, centered on building and reinforcing trust.

The CARE framework helps our people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma. It also reminds them that they do not have to make these decisions alone.

The CARE framework is backed by a portfolio of supporting materials and guides, including facilitated discussions to enable our people to practice and build confidence in making ethical decisions.

CARE

Ethical decision-making framework

Consider
what is the issue



Assess
options to address the situation



Respond
with decision



Evolve
and reflect



Consistent with being signatories to the UN Global Compact and the World Economic Forum’s Partnering Against Corruption Initiative (PACI), we work against corruption in all of its forms, including extortion and bribery. Our 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 have processes to assess prospective clients, third parties and suppliers in relation to bribery and corruption. KPMG 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 to ensure compliance with applicable laws and regulations and to maintain public trust. Find out more about [our position on bribery and corruption](#).

Our commitment to a continuous strengthening of our ethical culture

Across the KPMG organization, we take very seriously any incidents that are inconsistent with our Values or contrary to our Code. When KPMG firms fail to meet the high standards, we set for ourselves, or those set by the organizations that regulate us, we address those challenges by taking steps to strengthen our ethical culture. This includes looking at our policies and controls and leveraging technology.

As a global organization, we remain committed to KPMG firms taking all appropriate actions to address incidents that are inconsistent with our Values.

We understand that trust is built on professional excellence, integrity and societal impact. The trust of clients and the public is crucial for future growth and success.

Speaking up safely

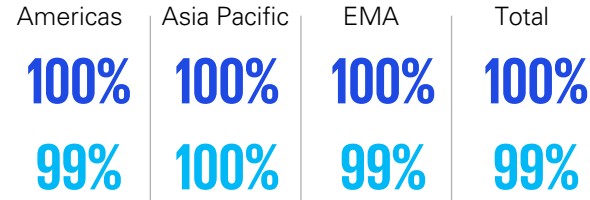
KPMG has a detailed approach for monitoring and reporting any illegal or unethical acts. Our Code, policies and procedures set out a clear process for anyone seeking advice or wanting to report illegal or unethical behavior, and we openly encourage a culture of speaking up without any fear of reprisal.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

To safeguard the principle of holding each other accountable, each KPMG firm commits to having clearly defined channels that allow KPMG people and third parties to make inquiries, raise concerns in relation to providing feedback, and notify reportable matters without fear of reprisal, in accordance with applicable laws and regulations.

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

Integrity training completion

By region



■ FY23 completion rate ■ FY22 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 subsequently on an annual basis.
5. The *We Do What is Right: Integrity at KPMG* training 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.



Respecting human rights

Our commitment: Respect human rights

We are committed to the protection of human rights and helping to eliminate all forms of forced, compulsory and child labor in line with the United Nation’s Guiding Principles on Business and Human Rights. We recognize we have an important role to play in managing potential harm to people and, as part of our Global Quality & Risk Management processes, have established a risk-based approach to human rights. A key priority is a focus on suppliers and we continue to refine our approach to addressing modern slavery risks throughout KPMG International’s supply chain.

We are committed to respecting human rights as outlined in our [Business and Human Rights Statement](#), which is in line with the United Nation’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. Additionally, our [Global Code of Conduct](#) sets out our commitments to:

- Work with clients, suppliers and subcontractors that live up to KPMG’s core ethical standards.
- Act lawfully, ethically and in the public interest.
- Not tolerate behavior within KPMG, by clients or suppliers, or public officials with whom we deal, that is illegal, unethical or breaches human rights.
- Champion an inclusive and collaborative culture that is free from bullying, discrimination and harassment, where everyone is treated with respect and dignity.

The policies and procedures that KPMG firms across the globe have agreed to implement are consistent with the UN Declaration of Human Rights, the UN Guiding Principles, the International Labor Organization Core Conventions, and the OECD’s Guidelines for International Enterprises. KPMG International and KPMG firms:

- Undertake to avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; and
- Seek to prevent or mitigate adverse human rights impacts that are directly related to their operations, products or services through their business relationships.

We recognize that we have an important role to play in managing potential harm to people, through a risk-based approach to human rights due diligence.

We monitor human rights impacts across our global organization as part of our Global Quality & Risk Management processes.

The KPMG International Hotline can be used to raise any concern relating to a human rights issue. We take reports received by the International Hotline seriously and we respond and agree on appropriate actions to be taken by KPMG firms.

We are committed to respecting human rights as outlined in our Business and Human Rights Statement, which is in line with the United Nation’s Guiding Principles on Business and Human Rights and builds on our longstanding support for the UN Global Compact.

Modern slavery in the supply chain

While the professional services industry is not typically considered a high-risk sector for labor-related issues such as slavery and human trafficking, we recognize our supply chain poses a higher risk in certain industries and locations. A key priority is to focus on our suppliers, particularly on reviewing, assessing, and monitoring high- and medium-risk suppliers.

We have continued to refine and improve our approach to addressing modern slavery risks throughout KPMG’s supply chain⁴ by leveraging existing best practices across our KPMG firms. Our annual self-assessment supplier outreach now incorporates specific high-risk factors such as a high-risk service type and/or location, and certain high-risk business models (such as a reliance on vulnerable or temporary work staff). Risk analysis is complemented with public scrutiny research, using trusted external sources.

Where a potential risk factor is identified, we complete an additional supplier assessment to evaluate whether relevant policies, standards and controls are in place to prevent and address modern slavery risks in the supplier’s organization as well as across their own supply chain.

⁴ The supply chain of KPMG International.

People of KPMG

Andre Winter
KPMG in Brazil

KPMG in Brazil’s new Human Rights Services Hub focuses on the ‘Social’ component of ESG, where we can leverage our deep knowledge in risk, reputation and integrity to help make the difference.

I’m co-leading the Hub that helps our clients manage any impacts from human rights and labor conditions, as well as other social-related challenges.

The Hub has become a place for colleagues to find the right solutions and help our clients. It brings together colleagues from across the Brazilian firm, including the Tax Labor team and Culture and Change Management teams, as well as colleagues from across the wider global KPMG organization.

We are now providing our clients with support on IDE strategies, partnering with Instituto Olga Kos, a national NGO in Brazil, to develop and deploy methodologies and approaches that are relevant for people and businesses. Additionally, Engaja Brasil, a local Alliance partner, provides a governance, risk and compliance technology platform to support clients in mitigating risks and improving governance in their relationship with NGOs.

Throughout my career, I’ve worked in Sustainability Advisory, and I believe human rights are a key part of the sustainability equation. Organizations rely on the



labor of their workforces, as this can sometimes give rise to complex situations. On a daily basis, I deal with challenging issues that range from discussions on the background philosophy of human rights to the practical aspects that can impact everyday life.

The work that I do carries a lot of weight and responsibility but gives me enormous personal satisfaction, particularly as I feel passionately that when businesses focus on social practices, it’s not only the right thing to do, it can also positively benefit their trust and growth ambitions, while also making a huge impact on society as a whole.

Our Supplier Code of Conduct

We have refreshed our KPMG International Supplier Code of Conduct to articulate more clearly the expectations we have of our suppliers, with respect to:

- **Ethical conduct and integrity:** Expecting our suppliers to uphold the highest levels of ethics and integrity in line with KPMG’s professional standards.
- **Modern slavery and respecting human rights:** Expecting our suppliers to respect human rights, promote fair labor practices and meet the same standards and practices as ours in relation to eradicating modern slavery and human trafficking.
- **Inclusion and diversity:** Articulating our requirement for suppliers to foster an inclusive environment that is free of discrimination and promotes equal opportunity. Suppliers are encouraged to establish appropriate inclusion, diversity and equity (IDE) goals for their organization.
- **Environment:** Articulating our expectation that suppliers will collaborate with us to support our climate goals and can evidence programs or initiatives within their own organization that help to reduce their impact on the environment.

The refreshed Supplier Code of Conduct is an important step in formalizing our requirement for suppliers and incorporates language in our contracts that underpins our ESG commitments. KPMG firms can leverage the refreshed code in adopting and applying a supplier code of conduct for their local firm.

The Supplier Code of Conduct specifically references the fact that the KPMG International Hotline is open

to our suppliers’ workforces to report any potential unethical behavior experienced, without any form of retaliation, while engaged in the fulfillment of a KPMG contract.

Incorporated into our standard supplier policies for contracting with KPMG International, we review our Supplier Code of Conduct regularly to ensure continued alignment to our ESG commitments.

Case study

Building supplier diversity KPMG US

KPMG US has developed its Supplier Diversity program that seeks to include people from all backgrounds in the sourcing and procurement process, with the goal to organically grow spend with our network of suppliers from diverse backgrounds.

The strategy is designed to identify diversely owned businesses that are qualified and certified as: minority-owned, women-owned, disability-owned, veteran-owned, service-disabled-veteran-owned, and LGBTQ+-owned enterprises.

Understanding that procurement decisions have economic and social impacts, in 2024 KPMG US is expanding their program internally and externally, and increasing their work with suppliers, clients and partners. This program is continuing to highlight the commitment to inclusion and recognizing the benefits of including all businesses in the strategic sourcing process.



People

Creating a caring, inclusive,
Purpose-led and Values-driven
culture.

We aim to provide our people with meaningful and impactful work and help them develop their careers within an inclusive, diverse, rewarding and supportive culture. In a fast-changing and uncertain world, we place a high priority on acquiring new skills across multiple disciplines to adapt and grow, as part of a lifetime of learning.

Our people are encouraged to come as they are and bring their unique experiences and perspectives to deliver insights and innovation. They are recognized for the difference they make, the leadership they show and the success they create for our clients and with others.

We listen to our people by giving everyone an opportunity to share their views in our annual global engagement survey and targeted pulse surveys, in addition to member firm specific listening and engagement activities. This provides the opportunity to monitor year-on-year progress as well as identify areas where we need to direct immediate focus.

We act on the insights and feedback, using it to inform our long-term people strategy and immediate priority areas including issues such as ways of working, health and well-being, learning and development, career opportunities, and Inclusion, Diversity and Equity (IDE). Our KPMG firms use the insights to develop detailed local action plans.

The ongoing pace of change means that we have to respond with speed, while remaining focused on creating the right people experience for the long term.

“KPMG strives to create a compelling employee experience for our 270,000+ people, supporting them to build challenging and rewarding careers. We continue to face a rapidly changing environment and it is crucial that while we respond to the short-term needs, we continue to take a long-term view to bring our promise to our employees to life, support their well-being and development, and deliver business results. Our approach of two-way engagement with our people helps us build an organization that is responsive to their needs while delivering the best results for our clients and contributing positively to our communities.”

Nhlamu Dlomu

Global Head of People
KPMG International

Our commitments

Inclusion, diversity and equity

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

Health and well-being

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

Learning and development

- Develop a continuous learning culture



Inclusion, diversity and equity

Our commitment:

Have an inclusive culture built on trust

We want to foster a culture that welcomes everyone — without exception. We continue to advocate for equal opportunity by supporting our KPMG firms to develop their Inclusion, Diversity and Equity (IDE) focus on gender, persons with disabilities, LGBTQ+ and other cultural and ethnic groups. We've made progress with our global approach to IDE, yet we know there is more work to be done and seek to expand the measurement and impact of our programs. On track to achieve our KPMG International goals for women in leadership by 2025, gender equality is a strategic priority and we are working to identify more opportunities across the global organization.

Inclusion, Diversity and Equity (IDE) underpins our Value of 'Together' and is vital to inspiring confidence and empowering change — 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. We align to three key principles for our IDE approach:

- **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, helping level the playing field and ensuring everyone can succeed and thrive at KPMG.

Our refreshed IDE journey

Fostering a culture that welcomes everyone — without exception — requires purposeful work. IDE has been part of our culture for many years. Building upon the progress we've achieved, we regularly review and update our global approach to help make the difference for our people and push ourselves to go further.



Global IDE Inclusive Talent Process Guide

In FY23, KPMG International launched a global guide to provide insights on global best practices related to those areas where an evolved IDE focus can help make the greatest impact through the creation of an inclusive environment — including hiring, compensation, performance evaluation and promotions.

A well-designed talent program is critical to future proofing our organization, helping to build great teams with diverse views, experience and capabilities that represent the world we live in. We aim to continually evolve our talent frameworks to provide equity of opportunity for all our people around the world. Ultimately, this helps to level the playing field and allows us to tap into the entire talent pool, giving everyone the chance to succeed.



Measuring our impact

We consistently measure our progress and work with KPMG firms to continually expand our global IDE data. Our IDE Index helps us measure the qualitative and quantitative impact of our work.

Our Global People Survey is one of the key mechanisms of the Index, allowing us to continue to build on the results from our first IDE Index by aiding in the effort to collect additional demographic data. In FY23, 54 KPMG firms chose to add optional self-identification questions into their local versions of the survey, giving 65 percent of our workforce the ability to self-identify, enabling us to better understand our people’s lived experiences and perceptions.

In FY24, we aim to continue to increase the number of KPMG firms who adopt the self-identification questions into their surveys.

Our Global People Survey is one of the key mechanisms of the Index, allowing us to continue to build on the results from our first IDE Index by aiding in the effort to collect additional demographic data.



Inclusive culture built on trust

- ✓ Measured by feedback from our people.
- ✓ **80%** of respondents in our Global People Survey have an overall favorable view of IDE in our organization, consistent with FY22.

An educated, empathetic workplace

- ✓ Measured by participation in our Global IDE learning summits.
- ✓ **9,000** participants attended the FY23 Summit, up 19% from FY22.

An advocate for equal opportunity

- ✓ Measured by representation, hiring, retention and advancement from our global IDE data.
- ✓ Representation of women in overall headcount in FY23 has increased to **49%** (48.5% in FY22).

Advocating for equal opportunity

Our commitment:

Advocate for equal opportunity

Equality remains a focus for KPMG people across the globe. Through ongoing educational programs, a robust calendar of immersive and inclusive events and increased levels of accountability at global, regional and local levels, KPMG people are together building a culture of equality and acceptance for all.

We continue to advocate for equal opportunity by supporting our KPMG firms with a focus on gender, persons with disabilities, LGBTQ+ and historically under-represented ethnic groups. KPMG firms foster an inclusive culture that champions equality for all its members and actively promotes social mobility, embraces neurodiversity and goes above and beyond to create an environment where everyone can thrive.

LGBTQ+: KPMG is committed to actions that promote LGBTQ+ awareness. In FY22, in collaboration with our Global Pride Network, we launched our first global LGBTQ+ Inclusion Statement, which sets the tone for our organization at a global level and presents a unified voice on our support and commitments for our LGBTQ+ people and communities. All firms across our global network commit to a common set of values that is



We continue to advocate for equal opportunity by supporting our KPMG firms with a focus on gender, persons with disabilities, LGBTQ+ and historically under-represented ethnic groups.

underpinned by this inclusive approach. To demonstrate leadership accountability, we introduced a Pride Partner Champion role to provide visibility, advocacy and support to our LGBTQ+ people, with responsibility for championing the respective KPMG firms. More than 20 Pride Partner Champions were appointed across 16 locations — a significant step forward in helping our people feel safe, recognized and heard.

Disability inclusion: In FY21, we became a signatory to the Valuable 500 and furthered our commitment to advancing disability inclusion. Over the past year, we provided practical digital accessibility learning to our people worldwide through our virtual Global IDE Summits.

Using the power of technology, all our virtual summits now have live sign-language interpreters and closed captions functionality in multiple languages to create summits that are accessible to all. We also launched a Global Disability network to create a safe space for our people to connect globally and share ideas.

People of KPMG

Emily Carlson
KPMG in the UK

I'm making the difference as an advocate for persons with disabilities at KPMG.

I lead the Digital Accessibility team at KPMG in the UK, where we're responsible for ensuring our workplace technology is accessible to everyone, including those with physical disabilities, those who are neurodivergent, and those with long-term health conditions.

It's important for us to also ensure that the technology we provide our clients is also accessible for people with disabilities. By working across teams within KPMG in the UK, we are making sure everything we develop works for all of our KPMG professionals. Together with our recruitment teams, we also want to open doors for people within our communities, creating pathways for those with disabilities to join and thrive at KPMG.

Our Special Educational Needs and Disability (SEND) Work Experience program runs work experience days for students from local schools, providing tours so they can learn more about working on our teams such as reception, events, fine dining and security. We want them to know that there is opportunity at KPMG — where they can be their authentic selves.



Our recruitment teams also work with various organizations to contract and hire disabled and neurodivergent talent into our technology capability. We've seen so much success from these programs that we've shared learnings with other large organizations.

My passion for advocating for persons with disabilities started at a young age. My brother has Downs Syndrome and is non-verbal. Growing up watching him speak and learn through his tablet, I never imagined this could be a full-time job.

I'm proud of the impact I'm able to make.

People of KPMG

Ina DeVos

KPMG in South Africa

As a champion of the Disability Support Network, I make the difference by driving disability awareness and understanding.

In 2022, KPMG in South Africa launched a comprehensive Disability Workplace Program to encourage disability disclosure and promote ongoing awareness, education and sensitization. Disability initiatives are integrated with other People practice plans — such as our graduate recruitment processes and our well-being and mental health programs. While planning our firm’s Disability Disclosure Campaign, I realized that we tend to focus primarily on people with visible disabilities. However, many people live with disabilities we cannot see.

It’s not just about accommodating someone who uses a wheelchair, but understanding how we can support people with non-visible disabilities, including those suffering from a chronic illness.

It takes a lot of courage for a person with a non-visible illness to initiate conversations with their colleagues if they require certain workplace

accommodations. Consequently, some may choose to hide their needs out of fear it will impact their opportunities and progress. As a firm, we wanted to do what we could to support and make the process easier, taking away some of the burden from the individual themselves, and reinforcing that those with any disabilities are valued members of the KPMG community.

The Disability Support Network started holding workshops and reviewing our firm’s activities. As a result, we created more open communication and improved understanding and awareness of persons with all types of disabilities. The firm will also provide medical alert bracelets to people with disabilities, so others are aware in case something happens. We also have trained first responders on each floor.

As someone with asthma and coronary heart disease, a chronic condition that makes it difficult to function like my colleagues, I’ve benefited from the awareness raised by the Disability Support Network. My peers now understand the challenges I face and the network is continuing to work toward greater understanding and support for all individuals with disabilities.



Ethnic and cultural diversity: We know that our KPMG firms are working to advance cultural diversity across the globe in a number of impactful ways, including through:

- Investing in talent programs and initiatives to grow more culturally diverse teams and groups;
- Specific anti-racism policies;
- Employee resource groups that represent impacted and intersectional culturally diverse groups to connect and build internal networks.

We are working to increase our global reporting coverage of LGBTQ+, ethnic and cultural, and disability representation across our KPMG firms. Four countries have made notable advancements in these areas.

Gender equality: A strategic priority across the organization is our gender equality. In FY22, we set an intention globally to have women hold 33 percent of leadership roles by 2025 (which includes KPMG firm partners and directors). Since then, we achieved gender parity across our Global Management Team and women in leadership roles across our KPMG firms increased from 26.1 percent (1 October 2020) to 29.4 percent as of 1 October 2023. This year, we embedded a women in leadership goal into the annual business planning processes, which holds leadership accountable for updating projections and business plans annually with the same rigor they apply to financial goals.

This year, we embedded a women in leadership goal into the annual business planning processes, which holds leadership accountable for updating projections and business plans annually with the same rigor they apply to financial goals.



To accelerate progress, we also enhanced the data we collect, including diversity data across client and market opportunities, and examining executive leadership groups to understand how we are advancing women at each level of the organization.

While we are on track to reach our goal, we know that there is still work to be done. We continue to support KPMG firms to understand their employee data at a granular level, as well as their hiring, development and retention activities.

Global pay gap by gender

In FY22, we began to develop a global methodology to analyze relative pay by gender in order to help increase our transparency, establish a baseline and develop global recommendations to support KPMG firms. In FY23, we completed analysis with six of our Reporting KPMG Firms to help gain a better understanding of our current state. To further support our global commitments to our IDE and ESG strategies, we are now working toward greater collaboration with our Reporting KPMG Firms to identify opportunities for consistency, while also considering local laws and market nuances.

People of KPMG

Miles Brazle
KPMG US

I'm a Tax Associate at KPMG in the US and I chose KPMG because I felt I could make a difference here. The positive way that KPMG US embraces students from HBCUs (historically Black colleges and universities) showed me that KPMG lives its Values to bring a variety of experiences and perspectives, helping to better reflect the communities in which we work.

Every year during campus recruiting events at my school, I'd see KPMG there but knew little about what kind of organization it was. I started to talk to two of the recruiters and we exchanged contact info. They kept in touch and let me know that they wanted to see me succeed, no matter if I chose KPMG or not. That really stuck with me.

They kept me updated on open roles and really opened my eyes to the types of jobs that I never would have thought to consider, pushing me to reach my potential. They told me that as long as I'm motivated and willing to learn, I'll do well.

Since I've been working at KPMG US, I've been back to Prairie View A&M University a few times to pay it forward and share what I've learned with the next generation of students.



I'm one of more than 400 professionals at KPMG US that is a graduate of an HBCU. KPMG US has made expanding the talent pipeline a key priority through the Accelerate 2025 strategy. It aims to ensure that more individuals from under-represented groups choose KPMG as their employer of choice, build careers at KPMG, and advance to leadership positions within both our firm and the wider profession.

Case study

Driving pay equity KPMG in Canada

The Canadian subsidiary of a multinational financial group needed support in complying with pay equity laws for its Canadian employees.

Assembling a team of compensation and pay equity professionals, KPMG in Canada helped to embed technology-enabled efficient processes and drove insights to streamline the client’s pay equity efforts.

The KPMG team used a proprietary pay equity calculator to automate the steps required to achieve pay equity and allow for detailed audit tracking and report validation. The team also developed a dashboard that provided an interactive visualization of pay equity results, gender wage gap analyses and dynamic organizational insights.

The engagement included the review of job documentation and employee data to assess pay equity risks, implement a gender neutral job evaluation system, and formulate a compensation philosophy in line with business objectives. The next phase involves supporting the client in establishing a pay equity committee and guiding them through the steps of legislative compliance over a 12-month period.

With KPMG’s support, the client is working to comply with pay equity laws and develop compensation practices free from gender discrimination. The social objective of providing equitable remuneration is central to this project and has wide societal impact within households and communities.



Creating spaces to come as you are

Our commitment:

Foster an educated, empathetic workforce

Supporting an inclusive culture characterized by respect, we bring our people together for global IDE-related learning summits and campaigns to build knowledge and allyship and to encourage workplace conversations on diversity and inclusion.

Our global learning programs focus on building allyship, listening to our people and educating ourselves on the perspectives and life experiences of others.

In FY23, we brought our people together for 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.

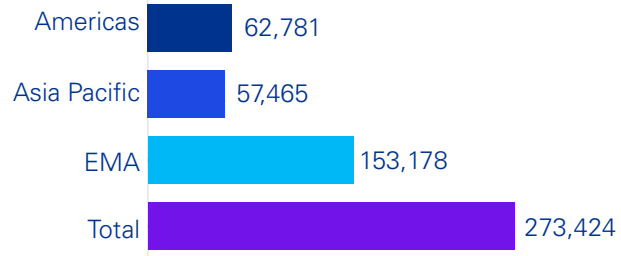
By focusing on increasing leadership visibility across our summits, we saw participation grow to almost 19 percent with more than 9,000 people from 86 countries and territories taking part.

In FY23, we also hosted a Heads of IDE education series for our KPMG firm leaders, featuring experts discussing belonging and fairness, equity in the hybrid workplace, psychological safety, IDE in a post-pandemic world and microaggressions.



FY23 people overview

By region



EMA = Europe, Middle East and Africa, including India
 Headcount reported is based on partners and staff employed as of 30 September 2023.
 FY23: 1 October 2022–30 September 2023

By role

Role	FY23
Partners	13,221
Directors	11,711
Leadership	24,932
Other employees	248,492
Total	273,424

Headcount reported is based on partners and staff employed as of 30 September 2023.
 FY23: 1 October 2022–30 September 2023

By gender

Role	% Women	% Men
Partners	23.2%	76.8%
Directors	35.1%	64.9%
Leadership	28.8%	71.2%
Other employees	51.0%	49.0%
Total	49.0%	51.0%

Headcount reported is based on partners and staff employed as of 30 September 2023.
 FY23: 1 October 2022–30 September 2023
 We recognize that gender is a spectrum. KPMG is committed to inclusivity and better monitoring of gender identity beyond binary definitions going forward.

KPMG firms' gender headcount by level and region

Gender by level	FY23			FY22			FY21		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Partners	13,211	23.2%	76.8%	12,321	22.2%	77.8%	11,455	21.2%	78.8%
Directors	11,711	35.1%	64.9%	10,781	33.4%	66.6%	9,842	32.9%	67.1%
Leadership	24,932	28.8%	71.2%	23,102	27.4%	72.6%	21,297	26.6%	73.4%
Senior managers	27,301	41.7%	58.3%	26,250	40.6%	59.4%	23,540	40.5%	59.5%
Managers	37,610	45.9%	54.1%	35,665	45.6%	54.4%	32,181	44.9%	55.1%
Management	64,911	44.2%	55.8%	61,915	43.5%	56.5%	55,721	43.1%	56.9%
Senior associates	66,783	50.8%	49.2%	63,578	50.1%	49.9%	58,894	49.4%	50.6%
Associates	116,798	55.0%	45.0%	117,051	54.5%	45.5%	100,345	55.4%	44.6%
Team members	183,581	53.5%	46.5%	180,629	52.9%	47.1%	159,239	53.2%	46.8%
Total partners and employees	273,424	49.0%	51.0%	265,646	48.5%	51.5%	236,257	48.4%	51.6%

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

Gender by region	FY23			FY22			FY21		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Americas	62,781	49.5%	50.5%	66,892	48.6%	51.4%	59,325	48.1%	51.9%
Asia Pacific	57,465	54.8%	45.2%	56,386	54.4%	45.6%	50,449	53.5%	46.5%
EMA	153,178	46.6%	53.4%	142,368	46.1%	53.9%	126,483	46.5%	53.5%
Total partners and employees	273,424	49.0%	51.0%	265,646	48.5%	51.5%	236,257	48.4%	51.6%

Notes:

1. Total KPMG firms' 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. 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. Our gender leadership goal has been re-presented. Previously, we reported progress against this goal based on data as at 30 September, we are now reporting this progress to 1 October of the following financial year. This re-presentation reflects improved data collection which more accurately reflects our position and progress as it includes promotions agreed in the financial year but not effective until 1 October. When we initially set our gender leadership intention, the representation of women in leadership stood at 26.1 percent as at 1 October 2020. Subsequently, this figure increased to 27.0 percent, 28.2 percent, and 29.4 percent as at 1 October 2021, 1 October 2022, and 1 October 2023, respectively.
5. Refer to the "Indexes and explanations" section for further details.
6. In FY23, the average full-time equivalent (FTE) total partners and employees was 278,353 (FY22 — 255,738, FY21 — 230,477).
7. In addition to partners and employees, KPMG firms also have a contingent labor force. In FY23, the contingent labor force was 26,753 (FY22 - 28,942; FY21 — 30,202), bringing the total workforce to 300,177 (FY22 - 294,588; FY21 — 266,458).

KPMG firms' promotion by gender

Partner promotions	FY23			FY22			FY21		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Americas	200	29.5%	70.5%	326	32.2%	67.8%	310	29.7%	70.3%
Asia Pacific	191	30.4%	69.6%	317	26.2%	73.8%	218	34.7%	65.3%
EMA	428	28.0%	72.0%	617	28.0%	72.0%	299	27.8%	72.2%
Total	819	28.9%	71.1%	1,260	28.7%	71.3%	827	30.3%	69.7%

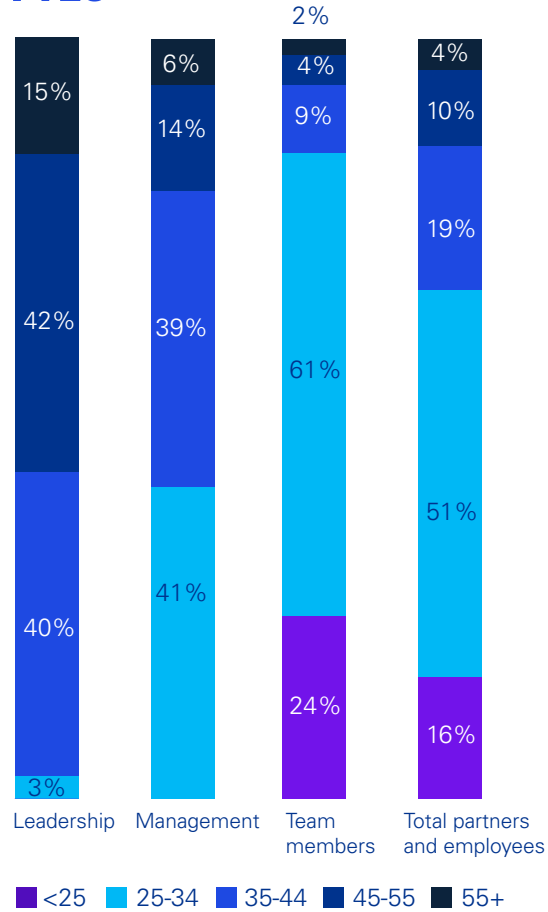
	FY23			FY22		
	Total	Women	Men	Total	Women	Men
Director promotions	1,754	38.5%	61.5%	1,783	37.0%	63.0%
Senior manager promotions	3,885	41.5%	58.5%	4,553	41.4%	58.6%
Manager promotions	7,129	44.3%	55.7%	8,015	45.9%	54.1%

Notes:

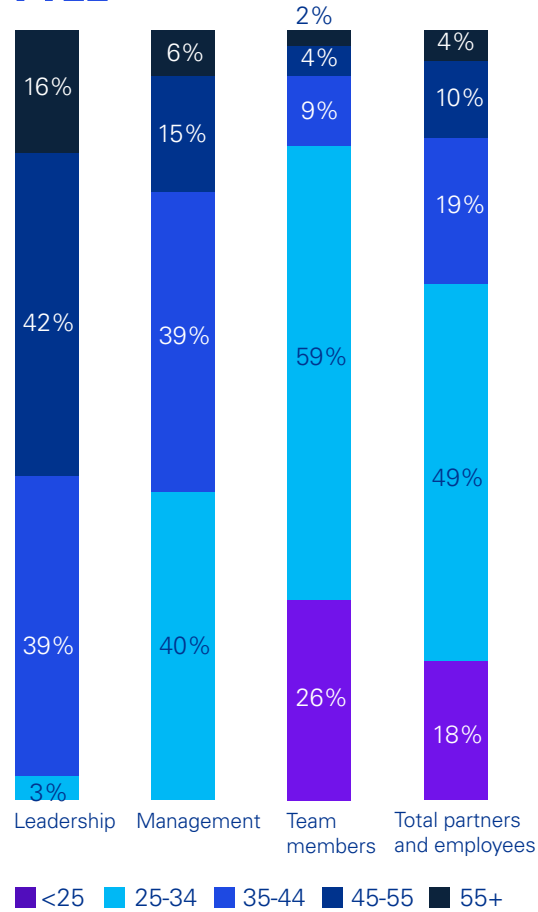
1. Data represents promotions across Reporting KPMG Firms.
2. Data is based on promotion announcements made during the financial year but which were not effective until 1 October of the following financial year.
3. KPMG recognizes that gender is a spectrum, and we're committed to inclusivity and better 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. Refer to the "Indexes and explanations" section for further details.

Generational split of active headcount by level across all KPMG firms

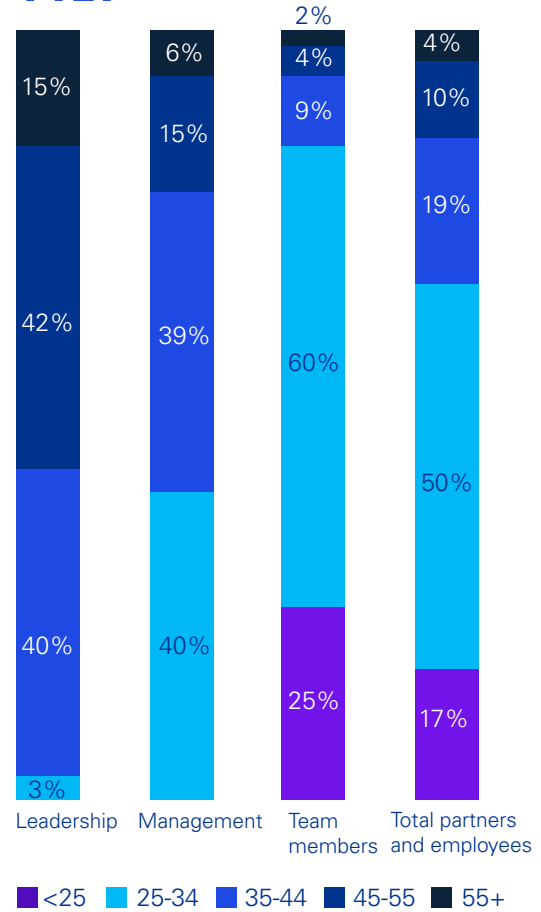
FY23



FY22



FY21



50:50

Our Global Management Team is made up of **50% women**, as of 1 October 2023. 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.

Health and well-being

Our commitment:

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

Professional services can be a fast-paced and demanding environment, so we are creating a culture where people can be open about their well-being. At the KPMG global and firm level, we are taking strong steps to remove the stigma on mental health in the workplace. We actively seek feedback from our people on the well-being support offered and understand that work-life balance and flexibility is important to them.

Physical and mental well-being helps people thrive and deliver high-quality work to our clients. Professional services can be a fast-paced and demanding environment, so we are focused on creating a culture where people can be open about their well-being — and reach out for support when they need it.

Collaboration spotlight

Supporting workplace mental health with MindForward

In FY23, we joined forces with the MindForward Alliance, a not-for-profit membership organization whose aim is to transform workplace culture around mental health.

MindForward Alliance helps businesses improve how they support the mental health and well-being of their employees by bringing together business leaders and Human Resource practitioners to collaborate and share knowledge.

By joining, KPMG International has access to a global community of businesses working together to accelerate the transformation of workplace mental health and help build resilience in employees and businesses.

“Our alliance of businesses, including KPMG, works together closely to create mentally healthy workplaces. Our vision is to ensure that every workplace around the world is good for people’s mental health and helps them feel supported to talk about well-being.”

Alison Unsted

CEO, MindForward Alliance



01 Governance

02 People

03 Planet

04 Prosperity

05 Materiality

06 Indexes and explanations

While our KPMG firms offer medical and well-being programs locally, we are also prioritizing mental well-being at a global level to create an integrated approach.

Through our membership with the MindForward Alliance, we are working to help remove the stigma around talking about mental health in the workplace and giving KPMG firms the capabilities to support our people to thrive.

Improving well-being measurement and insights

In 2023, we expanded the number of questions in our 2023 Global People Survey to help drive tangible, consistent measurements that can be tracked annually across our KPMG firms (who may also carry out their own in-depth surveys). The 2023 results show that 72 percent of KPMG professionals agree that the global organization shows care and concern for its people, while 71 percent also feel that the well-being support provided is sufficient for their needs.

While positive, these results demonstrate that there is still room for improvement. Now that this baseline has been established, we will continue to use this important measure to gain deeper insights into our people's views, and focus on further opportunities to both foster a culture that supports mental health and drive higher numbers.

We are conscious that workload pressures can impact well-being. We have focused on addressing this in recent years by developing a globally scalable

workload management framework. It links operational and people considerations for a holistic strategy and approach by managing work volume while maintaining quality and resource capacity.

We have been monitoring our year-on-year progress in this area through specific questions in our Global People Survey. From our FY21 baseline, we have seen positive increases which tell us that while there is still more work to do, we are heading in the right direction.

Support through different life circumstances

We recognize the importance of expanding our offerings and supporting people through different life stages and our KPMG firms continue to develop innovative programs targeting specific needs. For example, in 2023, KPMG in the UK introduced dedicated menopause support, including a consultation with a menopause trained general practitioner, a personalized care plan and additional flexible work options and support networks for those that needed it. Meanwhile, under KPMG in France's new parent policy, all new and adoptive parents are entitled to a four-day week at five days' pay for up to six months.

Ways of working

Our Global People Survey responses show that flexibility and work-life balance remain important considerations for our people and we are committed to supporting them to achieve a balance.

In recent years, KPMG firms have adopted a variety of hybrid models that enabled our people to benefit from more flexible ways of working, grounded in the principle of working where they are most productive so they continue to deliver excellence for clients. We continue to listen and adapt our approach to help ensure there is sufficient in-person time for relationship building, knowledge sharing and coaching, along with team-building and social activities which support a healthy work environment. Whether in the office, at a client site or working from home, we encourage our people to use their time in each location with purpose and intention.

Feedback on this approach continues to be positive, with 81 percent of participants in our 2023 Global People Survey responding favorably to the statement 'I can work where I am most effective to meet client, business and team needs.'

We recognize the importance of expanding our offerings and supporting people through different life stages and our KPMG firms continue to develop innovative programs targeting specific needs.

Learning and development

Our commitment:

Develop a continuous learning culture

Rapid advances in technology have made reskilling and upskilling more important than ever. Providing our people with opportunities to learn and develop their careers is a key pillar of KPMG's People strategy. In addition to the wealth of training courses we offer, we are also developing coach-like leaders who can support conversations around diverse opportunities to pursue varied and challenging careers, a hallmark of our multi-disciplinary model.

Growth through learning

We are committed to developing a culture of continuous learning in line with our desire to provide access to learning for a lifetime — one where our people can continually upskill and reskill in functional, ethical and accelerated learning. With a focus on enabling excellence, our continuous learning culture helps our people make the difference for both clients and themselves.

- **Functional learning** provides our people with globally relevant subject matter expertise in KPMG's service areas of Audit, Tax & Legal and Advisory.

- **Ethical learning** empowers our people to always act ethically and encourage others to do the same.
- **Accelerator learning** gives our people an edge by strengthening their skills in ESG and digital and data literacy, including AI training.

Enabled by our global learning technology, we've connected these three areas of formal learning to create a more holistic, academy-style learning experience that is aligned to our priorities of ESG, Technology and Talent and enables growth for our professionals.

Driving ESG, ethical decision-making and integrity

In FY23, KPMG worked with the European Business School, Cambridge University's Judge Business School, and New York University Stern Executive Education to develop more than 100 ESG learning resources and launch programs across our network to increase our people's ESG knowledge and capabilities.

From an ethical learning perspective, these new programs focus on integrity, independence and executing high-quality standards within our client deliverables. They have also coincided with the launch of the CARE framework, our new ethical decision-making model.

Cultivating talent

Success for our people and our network of KPMG firms comes from developing well-rounded, digitally literate, coach-like leaders who are mindful of sustainability principles and highly experienced in their fields.

Our coaching strategy program brings to life the voice of our people, to reflect what they need to succeed in their employee learning journey and in leading the development of others. Coach-like leadership helps people rapidly develop skills in empathy, engagement, inclusion and wellness, and is critical to our human-centric people strategy.

All KPMG employees are invited to join our Coaching Culture Community of Practice, which is guided by leaders from eight of our Reporting KPMG Firms and our regions.

Strengthening digital and data foundations

In FY23, KPMG's people invested 126,000 hours in our Digital and Data Foundations training program, with 19,000 of those hours dedicated specifically to AI. Through this program, we are helping to enhance our people's AI skills and deliver more valuable insights to clients undergoing their own digital transformations.

In collaboration with top learning provider Pluralsight, we've expanded the program with an additional

200 courses connected to our business strategy. Our people can undertake deep learning and skill development in Python, PowerBI, cloud, cyber, automation, disruptive technology and more.

An annual event benefiting our professionals and the community, the KPMG Global Cyber Day program aims to provide cyber awareness training to more than 120,000 people worldwide. The program focuses on reaching youth and fostering safer online practices, building a more secure digital community.

Measuring the impact

In FY23, we committed to gathering qualitative data on the benefits of our learning solutions and launched a new global evaluation platform that measures the immediate and actual long-term impact of training on our people’s work.

Case study

Building an AI-skilled workforce KPMG International

We place a strong focus on ensuring our people are ready for the future world of work. Alongside KPMG’s investment in cutting-edge technology, it’s important that we equip our people with the essential skills and knowledge to maximize the power of AI.

That’s why we launched our first ‘24 hours of AI — the foundations’ as part of our global AI immersion and education program — a round-the-clock event designed to enhance our people’s knowledge of AI tools. With a different session every hour, the event was attended by more than 17,500 colleagues from 52 countries around the world.

Alongside outlining KPMG’s strategic vision for AI, the sessions covered:

- How AI is transforming our Audit, Tax and Advisory processes — showcasing our innovative approach to leveraging technology for business excellence and improving the employee experience.
- Unlocking creative power in the generative AI era by allowing our people to get ‘hands on’ with our AI tools - discovering how to write effective statements, questions and prompts to get the best responses.
- Highlighting the importance of responsible AI and the ethical considerations we place at the heart of AI development with our Trusted AI approach and framework.

“AI is a technology that enhances us as individuals — like a companion or assistant. Those that embrace AI are going to find that achieving what they want to achieve is easier, faster and of a higher quality. It’s the combination that is special. We’re the ‘co-pilot’. We have the subject matter expertise in our fields, and it is the human factor that will always make the difference in our work.”

David Rowlands
Head of Global AI
KPMG International

We also continually seek feedback from our professionals. In our Global People Survey, 76 percent said they are satisfied with the learning and development available to improve their knowledge and skills, and 75 percent felt the people they work for take an active role in their learning and development. While strong, the results guide us to specific areas to focus on for improvement.

Supporting a growth mindset, we launched ‘digital badges’ for our people in FY23 to make their skills visible across the network, with 16,000 badges issued to date.

Developing future leaders

We are particularly keen to develop and give a voice to the next generation of leaders. We have several global programs to support and develop leaders at different stages of their careers:

Chairman’s 75 brings together more than 75 high-potential partners from across our organization. The program’s aim is to create stronger leadership, establish global collaboration and a strong community between participants, and ensure KPMG is well positioned to tackle future global issues.

Next Generation Council enables a select number of senior managers from our Reporting KPMG Firms to represent the voice of the next generation of leaders, contribute fresh ideas and new insights, and make meaningful contributions to key strategic issues.

Recent topics addressed have included improving career mobility, leveraging social media to drive engagement and attract talent, building a stronger sales culture, and improving inclusion, diversity and equity.

Leaders 2050 is a cross-industry external network of future leaders focused on a fair and just transition to net-zero, clean growth and sustainability. The network provides a platform that connects the next generation of leaders, both within KPMG and externally, while equipping them with the skills they need to drive a more sustainable future. Originally established by KPMG in the

UK, in 2023 the program expanded across the network to include 26 KPMG firms and was part of KPMG’s delegation at COP28, as well as at [ENRich](#), KPMG’s flagship annual Energy and Natural Resources (ENR) Conclave.

One Young World’s annual summits empower and develop leaders under 30 from around the world. KPMG sent 32 delegates to the 2023 summit in Belfast, where they were able to connect as some of the world’s future leaders to learn, grow, share experiences and exchange ideas on the most pressing issues facing humanity.

Training cost and hours per individual

	FY23		FY22	
	US\$	Hours	US\$	Hours
Per individual	1,385	67	1,383	73

Notes:

1. Based on data collected from Reporting KPMG Firms.
2. Includes continuous professional education, but excludes professional designation training, such as training to become a certified public or chartered accountant.
3. Includes instructor classroom-led training as well as digital and virtual training.
4. Includes training development, licenses, administration, and delivery. The opportunity cost of completing training is not included.
5. Includes travel and venue costs, including KPMG dedicated training facility location costs.
6. “Per individual” is based on average total partner and employee headcount.
7. Refer to the “Indexes and explanations” section for further details.
8. As part of our continuous efforts to enhance ESG data reporting, we have updated the scope and restated the FY22 data to ensure consistency.



Planet

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

As a large, global and values-led organization, at KPMG we recognize and embrace our responsibility to quantify and mitigate the impact of our operations and the services we provide. We want to fully play our part in the transition to societal net-zero and help address the existential challenges of climate change, water pollution, deforestation and biodiversity loss.

In order to achieve our ambition to become a net-zero organization, we need to halve our current level of carbon emissions by 2030. We're doing this through a continued focus on our footprint, investing in energy-efficient systems and bolstering our adoption of circular economy practices. We place a priority on sustainability within our global organization and are working with our suppliers to help them decarbonize and measure progress too.

Additionally, an important focus is on advising clients around sustainability solutions and the decarbonization journey, together with our key work in the public interest of auditing climate-related risks and opportunities as they are expressed in the financial statements.

“The climate crisis is intensifying, along with increasingly serious nature and biodiversity loss. To address these urgent, interlinked challenges, holistic approaches are needed. At KPMG, we are striving to take an integrated and coordinated approach across our KPMG firms to reduce our impacts and develop the most sustainable footprint possible. We also want to maximize our impact by helping clients on their decarbonization journeys — which bring not only risk but huge opportunity. We're acting ourselves and helping others act — we are all in it together as we move along this path.”

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



Decarbonization

Our commitment:

Achieve net-zero carbon emissions by 2030

Decarbonization is critical to curbing the harmful effects of climate change and drives our net-zero carbon emission efforts to decarbonize our business by 50 percent across all scopes by 2030. Overall, we are making progress, as we've seen a 22 percent reduction in gross emissions against our FY19 baseline year, but we realize the decarbonization journey is complex. While we've seen improvements in Scope 1 and 2 emissions, we remain vigilant in addressing our Scope 3 emissions with a focus on managing business travel and advancing our supply chain decarbonization program.

Our decarbonization journey

Decarbonization is critical to our societal net-zero efforts, which is why we set a near-term science-based target (SBT) to decarbonize our business by 50 percent across all scopes by 2030, compared to our FY19 baseline. Like many organizations, we are looking beyond 2030 as we move toward net-zero.

We also look beyond our own footprint toward ways that we can make a difference through our client work, with third parties and through what the Science-Based Targets initiative (SBTi) refers to as "beyond value chain mitigation." This includes investing in carbon credits and nature initiatives to support the global effort to reach net-zero. For KPMG, our current approach includes an investment of more than US\$1 million across a number of our firms in WWF conservation and nature restoration projects, as well as buying credits from voluntary carbon markets.

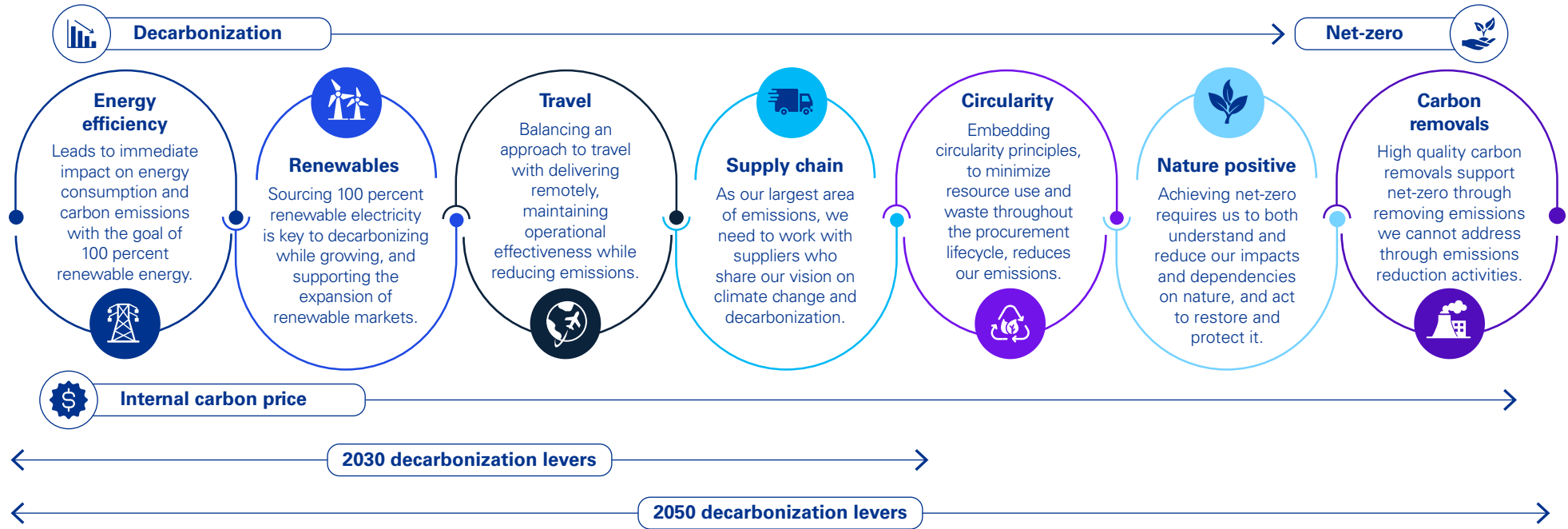
Our main priority, however, remains our own internal decarbonization. In FY23, we had a 4 percent increase in **gross emissions** from the prior year due to the reintroduction of business travel following COVID-19 lockdowns. However, this still represents a 22 percent reduction against our FY19 baseline year, and we also managed a reduction in emissions intensity across several key indicators.

Our **Scope 1 and 2** net emissions continued to decrease: a 12 percent reduction compared to FY22. The reductions we achieved in Scope 1 and 2 emissions are due to the continuation of hybrid working and the initiatives KPMG firms have been implementing to improve energy efficiency. These are funded in some

KPMG firms by the implementation of an Internal Carbon Price (ICP), a monetary value on greenhouse gas emissions which businesses can then factor into investment decisions and business operations. Reporting KPMG Firms have implemented ICPs ranging from US\$15 to US\$85 per tCO₂e, in line with their decarbonization priorities and national economic circumstances — with KPMG firms planning increases in line with their future decarbonization investment plans and focusing on managing emissions such as air travel.

Our total electricity usage decreased slightly despite our growth, with the proportion of renewable energy across our global organization increasing from 79 percent in FY22 to 81 percent in FY23. With all our Reporting KPMG Firms having now transitioned to renewable electricity, the challenge is to ensure that the remaining KPMG firms can also transition in a just, fair and equitable manner. KPMG firms that are yet to source renewable electricity are typically located in countries and regions where availability of supply and prohibitive prices are potential obstacles. Despite this, we remain committed to our goal of using 100 percent renewable electricity across our global organization by 2030 as we recognize that our commitment helps drive wider energy transition goals.

Our route to net-zero



While overall we saw a modest increase in Scope 3 of 3 percent, business travel emissions increased significantly, primarily due to increased air travel emissions. While air travel emissions increased by approximately 77 percent compared to FY22, this total remains 40 percent lower than our FY19 baseline. The rise in air travel is principally due to our people beginning to reconnect with client and team members following post-COVID-19 travel restrictions as well as

organizational growth and a change in emissions factors. Importantly, due to proactive travel management, the implementation of sustainable travel guidelines across KPMG firms, and the behavior-changing influence of our ICP, this ‘rebound’ in air travel has not brought us back to pre-pandemic levels.

We remain vigilant in collectively managing business travel across the organization, as it remains a vital

component to achieving our 2030 target and our overall ambition to decouple emissions from growth.

The accepted standards to calculate emissions factors for air travel emissions have also changed due to passenger loads changing as a result of the COVID-19 pandemic — meaning that, in FY23, those who flew needed to account for a *greater proportion of emissions*,⁵ which accounts for a proportion of our air travel emissions growth.

⁵ Refer to the GHG data table for more details.

Supply chain impacts

Our Purchased Goods and Services (PGS) make up a significant portion of our total Scope 3 emissions. We recognize that ongoing and proactive engagement and collaboration with our suppliers is critical to achieving our decarbonization ambitions.

We have completed our second supply chain engagement cycle with CDP (formerly the Carbon Disclosure Project), which is foundational to our supply chain decarbonization program, covering the supply chains for KPMG International and 10 of the Reporting KPMG Firms that, collectively, have the largest emissions footprint.

Taking lessons learned from our first CDP supply chain cycle, our focus for 2023 was improving supplier response rates as well as data quality, particularly around emissions allocated to KPMG. Using CDP offers a consistent and methodological approach to obtaining accurate data on PGS emissions. This has enabled us to further refine our methodology for estimating our Scope 3 Category 1 emissions, which in turn will improve our emissions data for our mandatory re-baselining exercise for our Science Based Target in FY25.

We have developed KPIs that help us track supplier performance against our priority areas. We have also developed a supplier performance roadmap to help benchmark suppliers' carbon performance and to provide more meaningful feedback to them on potential areas for improvement. As our disclosure program is maturing, we are looking to increase our engagement with suppliers and collaborate further to reduce our collective footprint.

People of KPMG

Apurba Mitra
KPMG in India

I have built a career as an ESG specialist with a specific focus on energy and climate change. I started at KPMG in India 14 years ago when the ESG practice was created and driven by a passion for sustainability, later transitioning to more of an environmental think tank. Two years ago, I returned to KPMG with a desire to make a difference by addressing ESG challenges on the ground by engaging directly with businesses and policymakers and helping to drive meaningful change.

I lead the Climate Change service line and am the People Lead for the ESG practice in India. The ESG practice in India has one of the highest gender diversity ratios within the firm — with more than 57 percent women. As a working mother, I understand the challenges that come with managing a career and raising a family and I'm committed to seeing the women on my team thrive. One of my biggest inspirations growing up was my mother, who broke barriers as the first woman Indian Police Services officer from our state. She showed me from a very young age the strength that women can bring to the table.



In the last two years, I have worked with many other KPMG firms on ESG services and led first-of-its-kind engagements in India, including end-to-end decarbonization strategies for the agricultural value chain. I also represent KPMG in the Technical Working Group of the Science Based Targets initiative (SBTi), which provides credible frameworks for companies to take measurable and effective actions in addressing climate change.

To me, it's important to create a safe and collaborative workplace environment where open communication and constructive debate are encouraged. This helps build a strong foundation of trust within the team and enhances our collective ability to address the world's most significant ESG challenges.



Consideration of climate-related risks in the financial statement audit

In our role as auditors, KPMG firms support the transition to a net-zero global economy by planning and performing financial statement audits in accordance with professional standards, including as they relate to climate-related matters. In recent years, KPMG has introduced and developed enhanced methodologies, guidance, training and workpapers for the consideration of climate-related risks in the financial statement audit.

KPMG recognizes that entities should consider whether environmental and climate-related matters are material

to the financial statements, including potential impacts arising from the risks associated with the transition to a lower-carbon economy.

To further support the transition to a net-zero global economy, KPMG monitors four quality metrics relating to the planning and performance of financial statement audits. The metrics were monitored at a selection of KPMG clients from carbon-intensive industries ('in-scope engagements') for the most recently completed audit prior to 30 September 2023. Procedures and activities performed at the in-scope engagements were used as a basis for measurement. The quality metrics and monitoring results are:

Application of audit methodology

Percentage of engagement teams including specific audit procedures to determine whether climate-related risks are material to the audit of financial statements. This was achieved in **100 percent** of cases.

100%

Communications

Percentage of engagement teams who discussed the relevance of climate-related risks of material misstatement in the audit of financial statements with those charged with governance and management. For this quality metric we achieved **92 percent**.

92%

Training

Percentage of engagement teams (managers and above) who have received specific training on assessing and responding to climate-related risks of material misstatement in the audit of financial statements. We achieved a **95 percent** result for this quality metric.

95%

Reporting

Percentage of engagement teams that specifically considered whether climate-related risk(s) needed to be explicitly mentioned in the audit report. This quality metric was achieved in **100 percent** of audits monitored.

100%

Looking ahead, we will support investor efforts to connect financial and sustainability disclosures. We will also call for robust sustainability assurance standards to help drive confidence in climate-related disclosures by enabling a level of quality in such disclosures that mirrors the same level required in financial statements.

Continuing to advance our journey

We're making progress on our decarbonization journey — but we're also looking beyond 2030 to 2050. As a global organization, we continue to develop our internal transition plan, including re-baselining our FY19 emissions within the next two years (per SBTi requirements). We are also looking at longer term commitments (aligning an investment approach in nature and carbon credit projects across our global organization), while keeping our eye on the 2030 goal.

Concurrently, we are working toward introducing a hybrid approach to ESG assurance across the Reporting KPMG Firms by FY25 — including reporting Greenhouse gas (GHG) data — to support decarbonization plans and to meet the increasing expectations of clients and suppliers.

Collaborating to address climate change

Climate change is a global challenge which requires global collaboration. Our impact extends beyond our own efforts to address climate change through the work of our KPMG firms to support clients with their climate journeys.

In 2023, a multi-disciplinary team from across the organization collaborated on a number of key events and initiatives in support of the 28th Conference of the Parties (COP28) and its goals. They came together to focus on amplifying the program themes of COP28 and collaborating with clients to expand the reach and increase awareness of the conference and its goals.

Launched as part of our COP28 program of work, [KPMG's 2023 Net-Zero Readiness Report](#) examined the possible barriers to meeting net-zero by 2050, such as global public debt, domestic tensions, increased opposition to decarbonization plans, and the need to guarantee energy supply.

Leveraging our global scale, reach and breadth of service offerings, KPMG continues to play an active role in driving conversations that help to address the challenges being faced by our clients and the planet.

In 2023, a multi-disciplinary team from across the organization collaborated on a number of key events and initiatives in support of the 28th Conference of the Parties (COP28) and its goals.

Case study

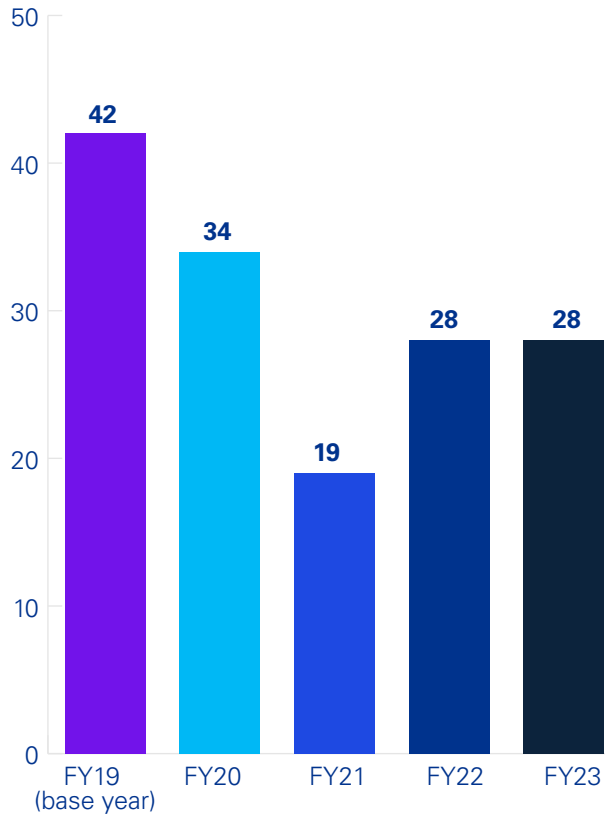
Next generation of leaders driving a sustainable future KPMG International

In 2021, during the United Nations Climate Change Conference, KPMG in the UK established the first KPMG Leaders 2050 program. The UK program has hosted multiple external-facing events and produced key thought leadership to raise awareness and encourage action on climate change, growing the program to over 2,500 members.

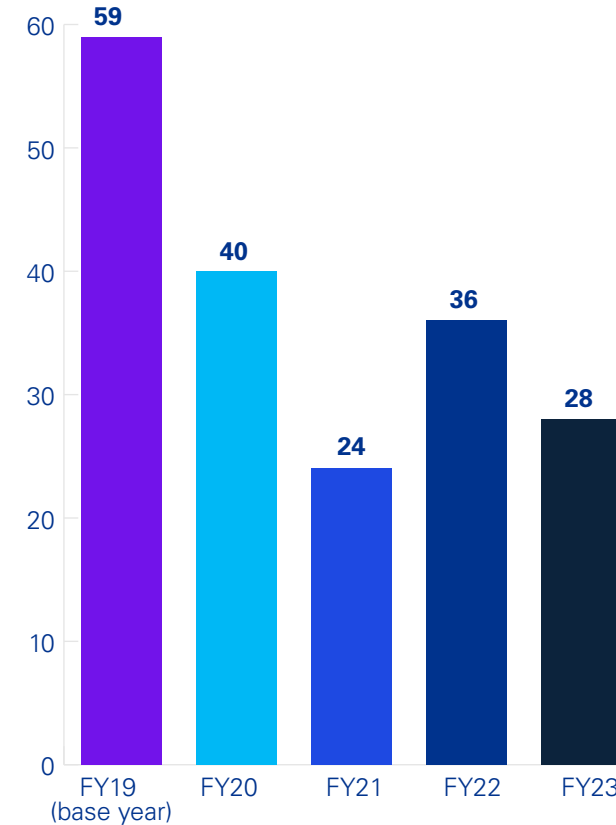
Following the program's notable success, 26 KPMG firms have now established a Leaders 2050 program, building a network of future leaders across KPMG. These future leaders are collectively breaking down barriers, establishing new ways of working and thinking, and making the difference by helping to drive a fair and just transition to net-zero, clean growth and sustainability.

Our GHG footprint (ktCO₂e)

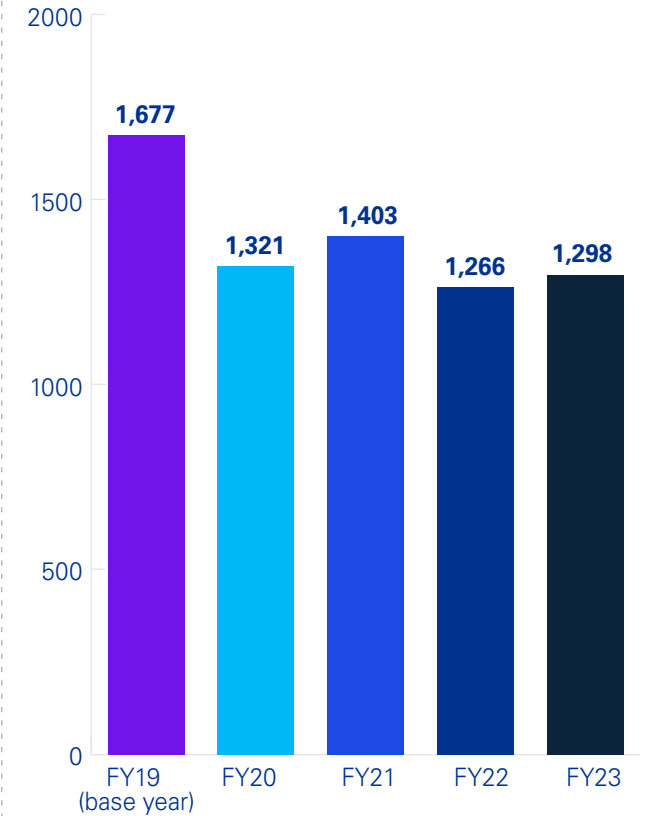
Scope 1



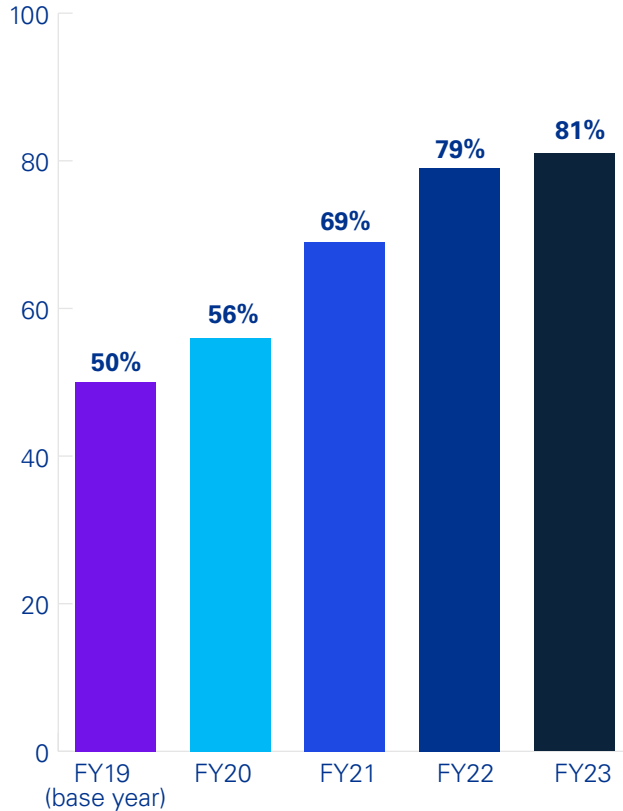
Scope 2 – location-based



Scope 3



Renewable energy



Circularity

Circularity promotes greater sustainability by reducing material use and the emissions associated with the production of materials that traditionally go to waste. Transition toward a circular economy is essential to achieve net-zero emissions.

To play our part, we have developed a circularity strategy and roadmap for our operations, including our supply chain. This has involved taking a holistic view and approach that focuses on circular procurement, avoiding waste, optimizing material use and enhancing products' end-of-life treatment.

We began the process by identifying where these circular principles can be applied within our organization, followed by analyzing our current performance 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
- Catering and hospitality

For each of these themes, we've developed a roadmap that outlines the actions that could 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.

Through ongoing engagement with KPMG firms, we're helping colleagues better understand the concept of a circular economy and identify where waste is generated across our value chain, while also providing a framework for implementation and reporting.

We want to help clients in this key area too — and recently launched the [KPMG Circularity Tracker](#), using Microsoft Cloud for Sustainability, which measures and tracks circularity at every level of an enterprise, from products and locations to materials. This exciting and innovative solution provides comparisons across products, as well as advice on how to reduce primary resource use and waste generation.

Circularity promotes greater sustainability by reducing material use and the emissions associated with the production of materials that traditionally go to waste. Transition toward a circular economy is essential to achieve net-zero emissions.

Climate change performance

	ktCO2e				
	FY23	FY22	FY21	FY20	FY19 (base year)
Gross emissions	1,438	1,383	1,508	1,459	1,834
Gross emissions by region					
Americas	518	640	970	846	995
Asia Pacific	212	230	207	195	256
EMA	708	513	331	418	583
Net emissions by category and source					
Scope 1	28	28	19	34	42
Scope 2 – location-based	28	36	24	40	59
Scope 3 – purchased goods and services	879	979	1,272	975	986
Scope 3 – business travel (air travel)	277	157	33	197	465
Scope 3 – business travel (other)	67	49	30	52	89
Scope 3 – other	75	81	68	97	137
Net emissions	1,354	1,330	1,446	1,395	1,778
Intensity of net emissions					
tCO2e per individual	5.02	5.35	6.30	6.24	8.23
tCO2e per US\$1 million revenue	37	38	45	48	60

Notes:

- Climate change performance data for FY23 reflects the data of 75 KPMG firms including the Reporting KPMG Firms that have been used to estimate total emissions on a global basis.
- The tCO2e per individual is calculated using average total partner and employee headcount.
- The tCO2e per US\$1 million revenue is based on the aggregated global gross revenues.
- In FY23, we continued to use and refine the methodology for calculating Scope 3 purchased goods and services as part of our ongoing improvement to ESG data reporting. This 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.
- Net emissions are gross emissions adjusted for Renewable Energy Certificates (RECs) and similar market-based instruments.
- Refer to the "Indexes and explanations" section for further details.

Renewable energy

	FY23	FY22	FY21	FY20	FY19 (base year)
Purchased electricity (GWh)	235	234	236	272	282
Renewable energy (GWh)	188	184	163	151	140
Renewable energy (%)	81%	79%	69%	56%	50%
Energy per FTE (MWh per individual)	0.87	0.94	1.03	1.22	1.31

Case study

Accelerating the transition to a circular economy KPMG in the Philippines

The government of the Philippines has been working with an international development agency to transition to a circular economy.

The agency needed help collecting the baseline data required to support the indicators of a circular economy and engaged KPMG in the Philippines to carry out elements of a study. This data was critical to help enable stakeholders and decision-makers of relevant government agencies to monitor and track progress toward a circular economy.

Working with professionals who specialize in the circular economy, KPMG in the Philippines developed baseline reports and coordinated with national government agencies and local governments in target cities to consolidate and analyze all available data in the identified indicators.

As a result of the project, a circular economy framework has been developed and made available by the government of the Philippines as a guide to helping achieve circular economy-supportive policies that accelerate the country's transition.



Climate risk

Our commitment:

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

KPMG recognizes climate change as a key business risk and we are already experiencing its impact. Like many other global organizations, we are on a journey when it comes to climate change. A key milestone in this journey is the publication of our first [Climate Risk Report](#) — aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

The report also provides insights into the challenges we face and areas of importance as we move toward 2030 and our long-term net-zero ambition.

Our [Climate Risk Report](#) presents KPMG’s climate-related risks and opportunities. These include our exposure to both physical risk — extreme weather events and the impact on our people, operations and supply chain — and transition risk which assesses the impact of moving to a low-carbon net-zero economy and how we can support our clients with this change.

The report also provides insights into the challenges we face and areas of importance as we move toward 2030 and our long-term net-zero ambition.

To further understand our progress and areas of ongoing development, read the full report [here](#).

KPMG played an active role on the TCFD Board. Prior to its disbanding in January 2024 and the integration of its work with that of the IFRS and ISSB, the intent of the TCFD was to foster the right strategic behavior by ensuring that climate risks and opportunities were built into organizations’ risk management processes and strategic planning. We are pleased that their recommendations have been integrated into the climate-related and general sustainability-related disclosure standards of the ISSB. As an integrated whole, these standards will further articulate how organizations should disclose information consistently on climate-related financial risk (and its potential impacts), as well as drawing attention to the strategic benefits of good climate risk management.

We also continue to report annually to CDP on our collective performance and management for climate-related issues. This year we maintained a B grade, displaying a coordinated 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.

We are committed to furthering our efforts to fully understand and articulate our climate-related impacts and to embed them into the heart of our business, while continuing to engage with key stakeholders to support our ongoing climate journey.

Case study

Boosting climate change resilience across Africa

KPMG in Norway

The African continent is experiencing a concerning rise in the scale and frequency of extreme climate-related events, many of which cause social and economic disasters that can erase decades of development in a matter of minutes. The inherent uncertainty and magnitude of these events, coupled with competition for limited fiscal resources, have left governments across the continent struggling to proactively and effectively manage the risks and adequately respond when they take place.

Recognizing the urgent need to bolster countries' resilience and response capabilities, the African Development Bank (AfDB) has taken proactive measures to support disaster risk management systems. The AfDB commissioned KPMG in Norway to pilot the design of a comprehensive program known as the Africa Climate Risk Insurance Facility (ACRIF), aimed at facilitating countries' access to disaster risk financing, including insurance products.

KPMG in Norway played a crucial role in shaping the program, engaging stakeholders from participating country governments, establishing clear objectives and targets, and designing a robust institutional framework to support the implementation.

This program has served as a cornerstone for AfDB, enabling them to mobilize US\$8.9 million in climate-related funding from the Global Environment Facility (GEF), a multilateral environmental fund.



Nature and biodiversity

Our commitment:

Understanding and improving our impact on nature and biodiversity

As nature positivity and biodiversity are foundational for the health of the planet, we are conducting an assessment across our global organization to better understand our nature-related impacts. KPMG International actively participates in the new Taskforce on Nature-related Financial Disclosures (TNFD), helping to drive improved transparency on how businesses manage their relationship with nature.

We are actively engaged in fostering a transition toward nature positivity.

KPMG firms around the world are working closely with their clients to support them with their own nature-related policies and initiatives. Simultaneously, we are committed to gaining a better understanding of, and addressing, our own nature-related impacts and dependencies. With this in mind, we have undertaken a nature-related impacts and dependencies assessment across our global organization, the outcome of which will inform our ongoing management and reporting.

As part of our commitment to nature, KPMG International actively participates in the Taskforce on Nature-related Financial Disclosures (TNFD), playing a key role in the development and implementation of the new TNFD framework. We firmly endorse the TNFD’s mission to integrate nature considerations into business

frameworks, urging transparent disclosure and reporting on the risks, impacts, dependencies and opportunities. This collective effort underscores KPMG’s continued dedication to influencing positive change in how businesses worldwide comprehend and manage their relationship with nature.

Collaboration spotlight

Investing in ecosystem protection and restoration with WWF

KPMG International has chosen to allocate its internal carbon price (ICP) funds to two collaborative projects with WWF - UK, each of which spans three years — one in Colombia and another in East Africa.

Expanding our current involvement in project finance and people engagement, we are working with more KPMG firms to expand our funding and involvement with WWF initiatives. Similar collaborations with WWF exist in KPMG firms in China, Germany and Australia, which collectively contribute over US\$1 million to WWF globally and form the foundation for growing KPMG and WWF collaboration.

“At WWF, our mission is to create a future in which people and nature can thrive together. KPMG International is supporting our urgent efforts to halt the decline of nature and protect and restore ecosystems, specifically in two key WWF-UK supported programs, the Trillion Trees initiative in East Africa and our work to secure Colombia’s Protected Areas in the Amazon. Furthermore, we are excited to be exploring how both organizations can use our collective skills, reach and influence to advance the business and nature agenda — making a difference for the planet and society.”

Claudia Cossi

Director of Private Sector Partnerships, WWF-UK

People of KPMG

Fiorella Sanchez
KPMG in Belgium

I'm a biologist, passionate about nature and biodiversity, and I came to KPMG to make the difference.

In my role with KPMG in Belgium, I advise and help guide clients to shape their business practices to meet environmental regulations.

I was born and raised in Costa Rica, a land of nature. I've worked for non-profits throughout my career and coming to KPMG was an opportunity to increase my impact. I believe businesses have huge potential to make transformative change. The possibilities for innovation, efficiency, speed of progress — you can't find that anywhere else. As a consultant, I am able to support and advise clients in many different sectors on strategies, actions and recommendations that help get us one step closer to a nature-aligned society.

My work goes hand-in-hand with the efforts of many of my extraordinary colleagues from

across other KPMG firms to advance the biodiversity agenda. I am able to work with people from all over the organization who have expertise in biodiversity, but also in other areas such as strategy, technology, supply chain and the circular economy. Together, we jointly deliver multi-disciplinary projects that we wouldn't be able to deliver without collaboration.

I'm currently working on a project close to my heart, delivering tangible and actionable opportunities for companies to use for their own circular economy approaches and help reduce their impact on biodiversity.

As I continue this journey, my commitment remains unchanged — to work collaboratively toward a future where businesses harmonize with the environment, creating a positive impact on both nature and the communities in which we work and live.



Case study

Powering the blue economy in Papua New Guinea

KPMG Australia

KPMG is taking on a world-first project to help devise and launch a blue economy business incubator in collaboration with the United Nations Development Program (UNDP). The project brings together KPMG professionals from Papua New Guinea, Canada and Australia and subject matter experts from across the globe.

The 18-month pilot will take place in Kimbe Bay, a picturesque hotspot for ocean biodiversity in the West New Britain Province of Papua New Guinea. The project will focus on: accelerating sustainable livelihood opportunities linked to the marine environment, empowering women-led enterprises and supporting Papua New Guinea’s incredible coral reef ecosystems.

KPMG will first identify potential participants and then draft a plan for the incubator businesses and revenue plans.

The team will then work with five chosen businesses, each one related to the local coral reef and sea, to help develop prospectuses and build their reach, whether it be ecotourism, sustainable fishing or seaweed harvesting.

The blue economy presents opportunities for new business models that enhance marine biodiversity and climate resilience. This growing sector is making a significant impact on the economies of all Pacific nations. The three KPMG firms are working closely together to deliver this exciting engagement for one of our largest clients in the development aid sector.





Prosperity

Making a positive social and economic impact.

Being a good corporate citizen is something KPMG takes seriously. We believe it is our responsibility to help create a more prosperous world and continue contributing to the overall economic and social well-being of the world’s population.

We do this by bringing together our multi-disciplinary skills to drive economic growth and organizational resilience in a sustainable and responsible way. We are a significant employer in the countries and territories in which we operate. We are responsible payers of all applicable tax. We drive social impact by helping to stimulate digital and technological advancements through innovation and by leveraging our global reach.

Our continued focus on bringing education and opportunity together with responsible economic contribution is helping to empower the communities in which we live and work.

“Today’s rapidly evolving environment continues to demand quality services delivered with speed and scale. Between now and 2026, KPMG is collectively investing US\$4 billion in our people, technology and ESG, with ongoing commitment to develop, implement and uphold quality and the ethical standards of our industry. We remain steadfast in our focus to build a more agile and connected KPMG, fit for the future.”

Gary Wingrove

Chief Operating Officer
KPMG International

Our commitments

Communities

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



Employment

Our intention is to create fulfilling and meaningful work for all our people, helping them build their careers with KPMG or elsewhere in the private and public sectors. As part of a lifetime of growth and learning, and by developing strong skills and qualifications, KPMG professionals help our clients prosper while also achieving their own personal ambitions.

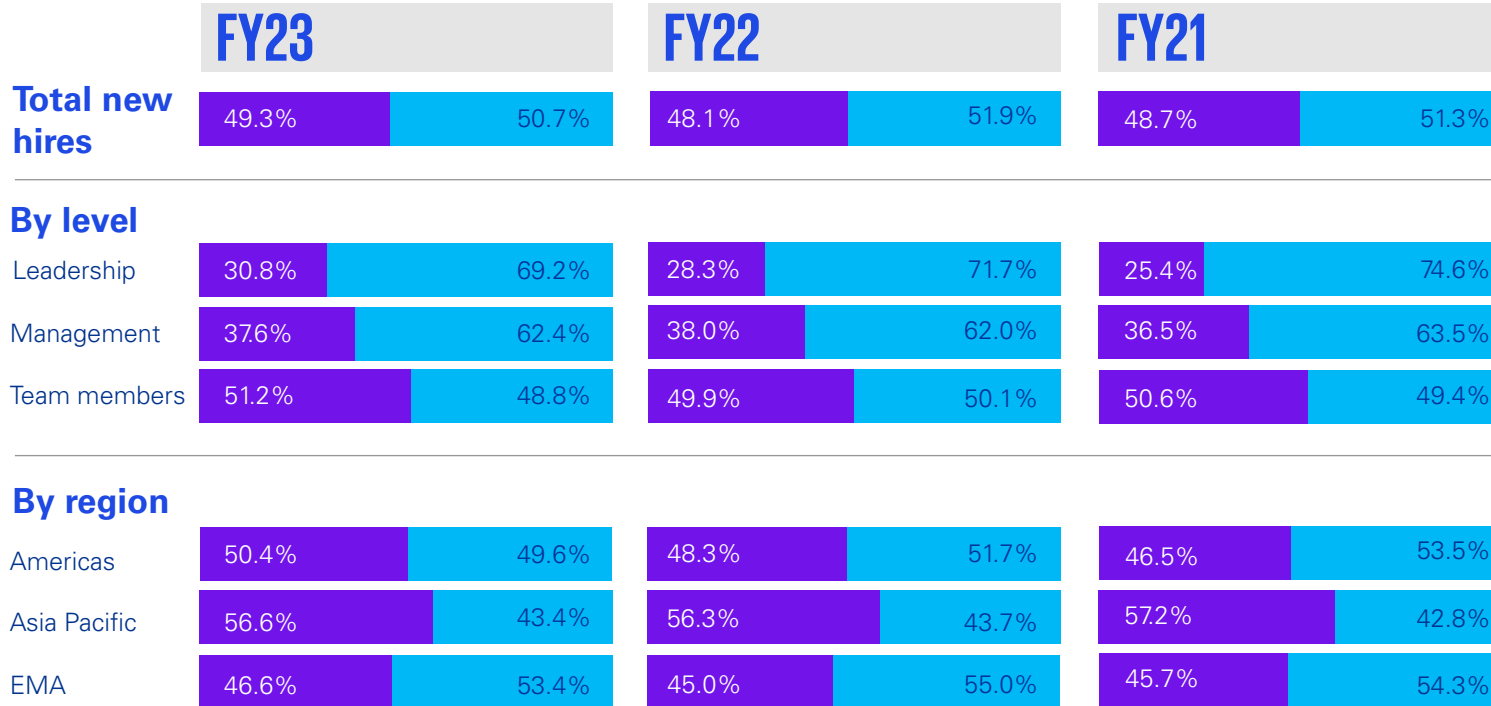
Following a period of higher-than-usual people turnover after the COVID-19 pandemic ended, we saw this normalize in FY23, reflecting broader talent market conditions. We brought more than 66,000 new hires into our global organization and created nearly 8,000 net-new roles in FY23.

Aligned to our goal of increasing the number of women in leadership positions, across our global organization we increased the percentage of external women hires into leadership roles by 2.4 percent to reach 30.8 percent of total hires.

Overall, KPMG firms hired more than 20,000 graduates, representing more than 30 percent of the total new hires throughout the global organization.



New hires by gender



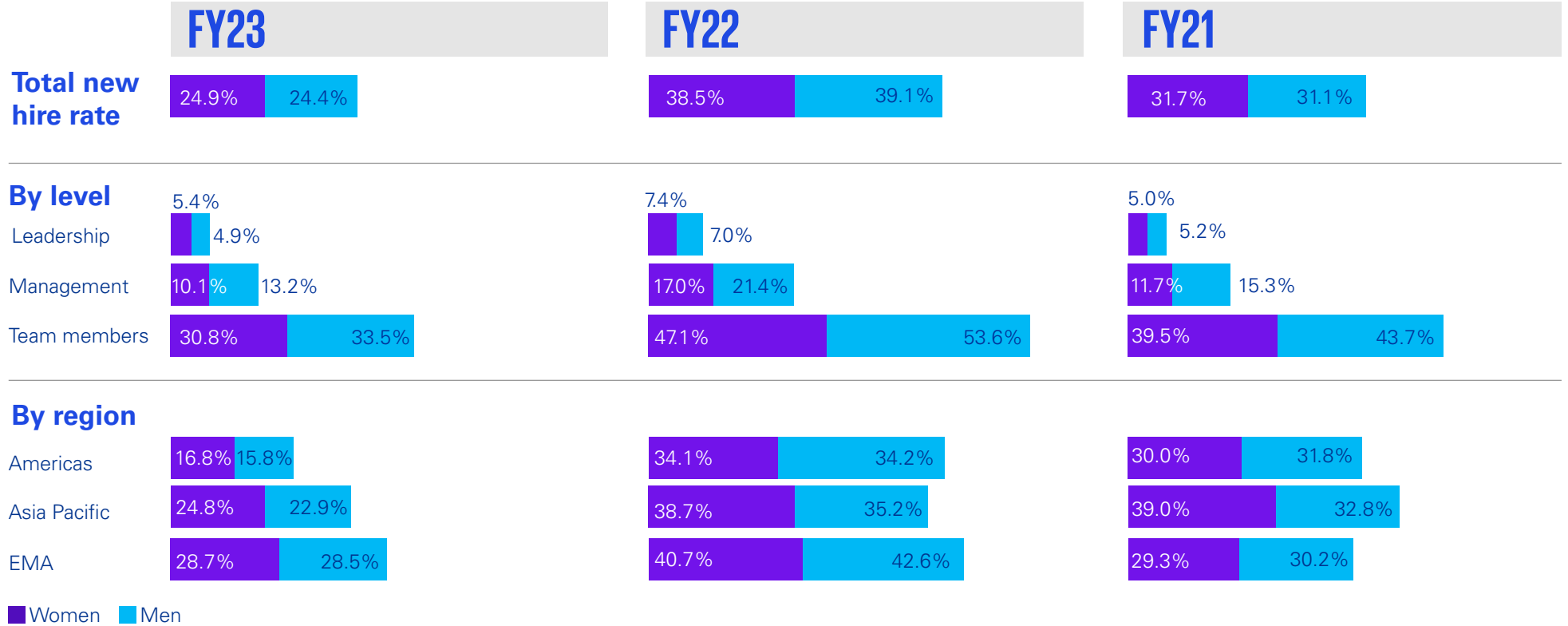
■ Women ■ Men

Notes:

1. New hires and leavers by gender based on KPMG partners and employees for the relevant financial years ended 30 September, excluding contingent labor.
2. FY23 and 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 currently available and includes both sex and gender identity.
4. Refer to the "Indexes and explanations" section for further details.
5. In response to market conditions, we reduced headcount in specific areas of the business in some geographies. In these cases, we follow local laws and best practice guidance to support those impacted.

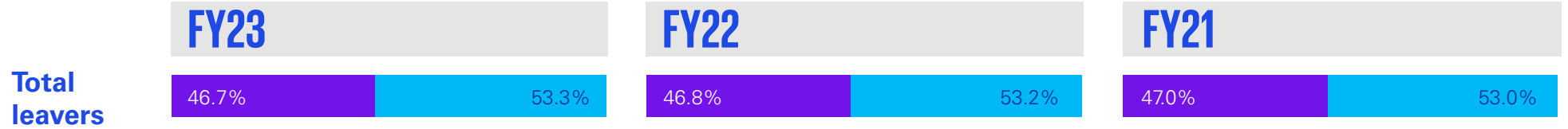
Total new hires				By level	FY23	FY22	FY21	By region	FY23	FY22	FY21
	FY23	FY22	FY21	Leadership	1,239	1,605	1,084	Americas	10,591	21,526	17,810
	66,591	96,558	71,974	Management	7,680	11,731	7,639	Asia Pacific	13,619	19,748	17,508
				Team members	57,672	83,222	63,251	EMA	42,381	55,284	36,656

New hire rate by gender

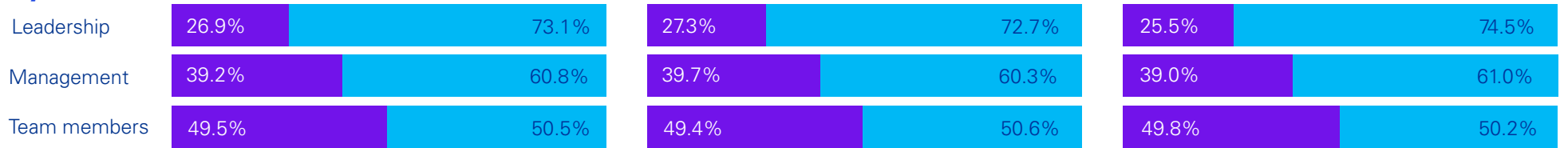


Total new hire rate				By level			By region		
	FY23	FY22	FY21	FY23	FY22	FY21	FY23	FY22	FY21
	24.7%	38.8%	31.4%	5.0%	7.1%	5.2%	16.3%	34.1%	30.9%
			11.8%	19.5%	13.7%				
			32.0%	50.2%	41.4%				
						23.9%	37.1%	36.1%	
						28.6%	41.7%	29.8%	

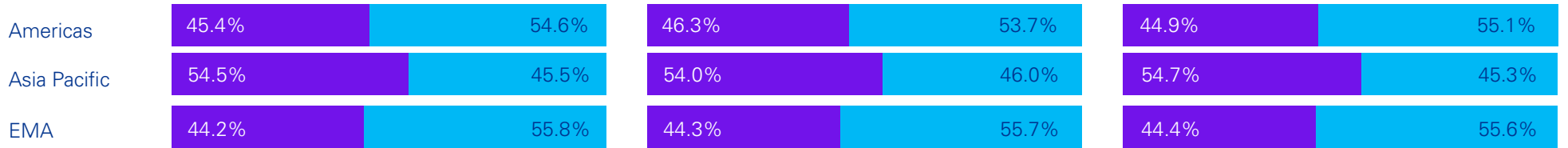
Leavers by gender



By level



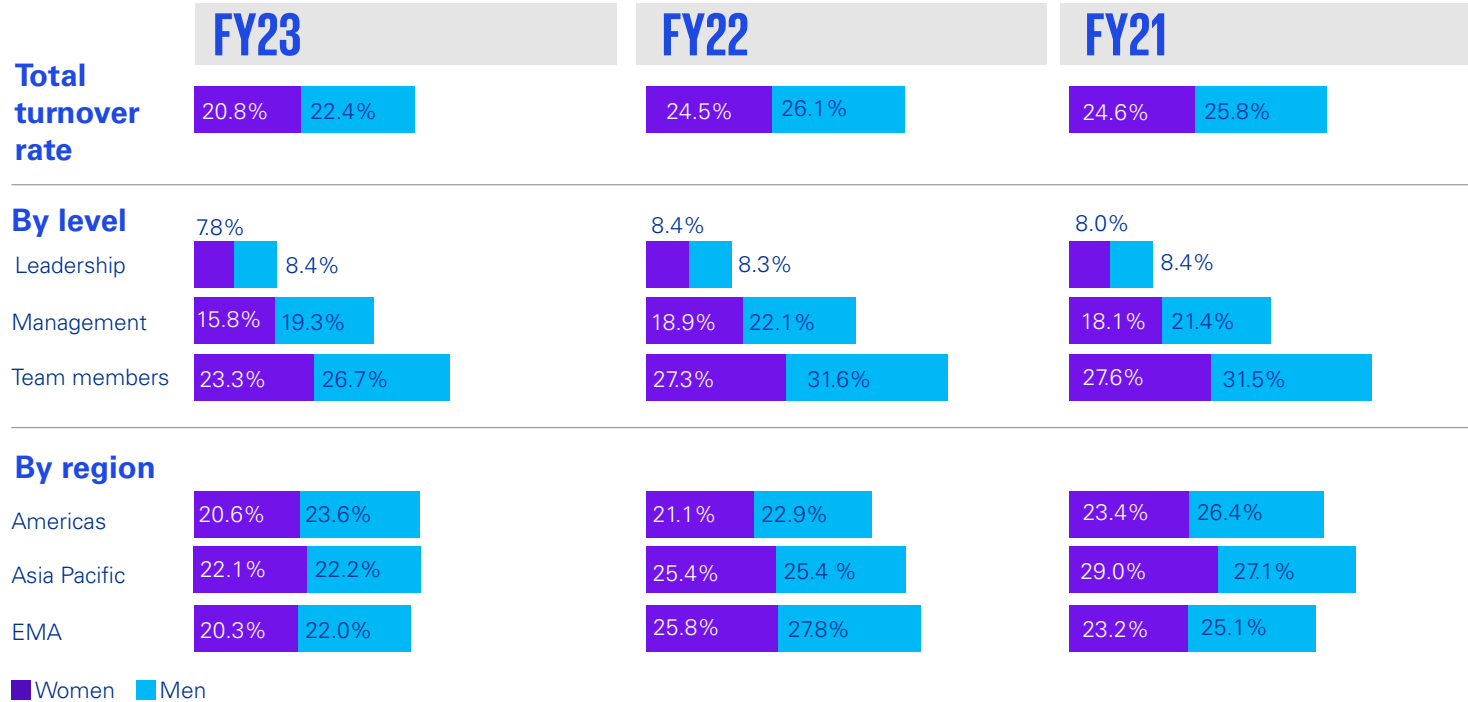
By region



■ Women ■ Men

Total leavers				By level			By region			
	FY23	FY22	FY21	FY23	FY22	FY21	FY23	FY22	FY21	
	58,623	62,997	57,805	Leadership	2,037	1,885	1,740	Americas	14,456	13,889
			Management	11,555	12,456	11,125	Asia Pacific	12,610	13,547	13,616
			Team members	45,031	48,656	44,940	EMA	31,557	35,561	29,821

Turnover rate by gender



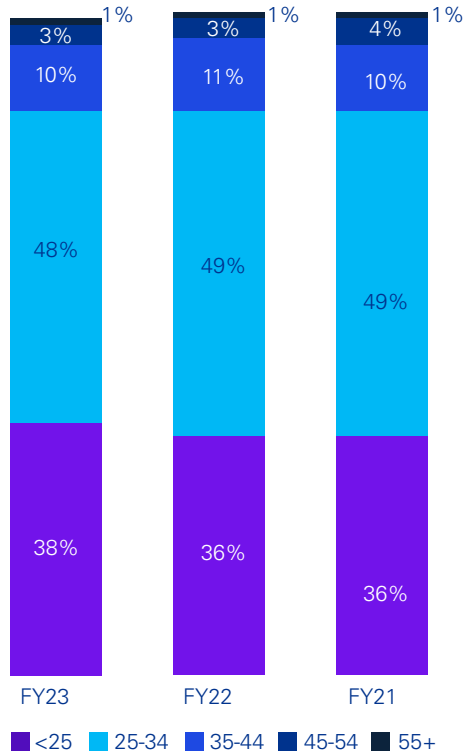
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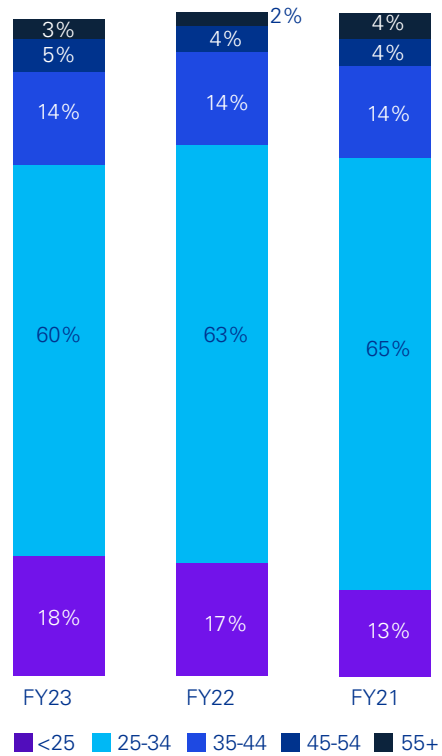
Total turnover rate				By level	FY23	FY22	FY21	By region	FY23	FY22	FY21
	FY23	FY22	FY21	Leadership	8.3%	8.3%	8.3%	Americas	22.3%	22.0%	24.9%
	21.7%	25.3%	25.2%	Management	17.7%	20.7%	20.0%	Asia Pacific	22.2%	25.4%	28.1%
				Team members	25.0%	29.3%	29.5%	EMA	21.3%	26.8%	24.2%

New hires and leavers by age

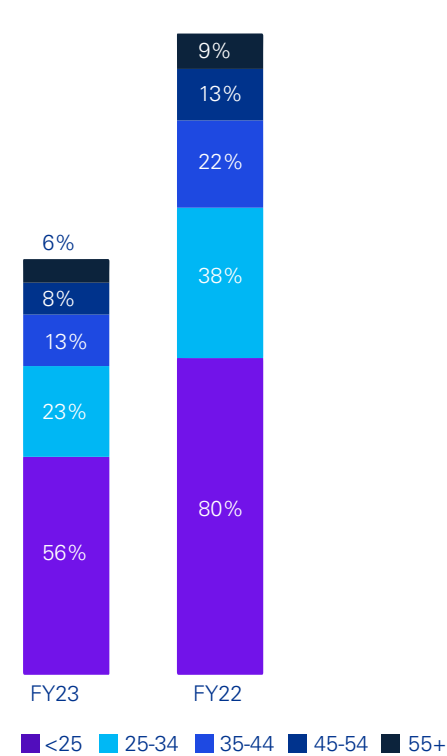
Hires by age



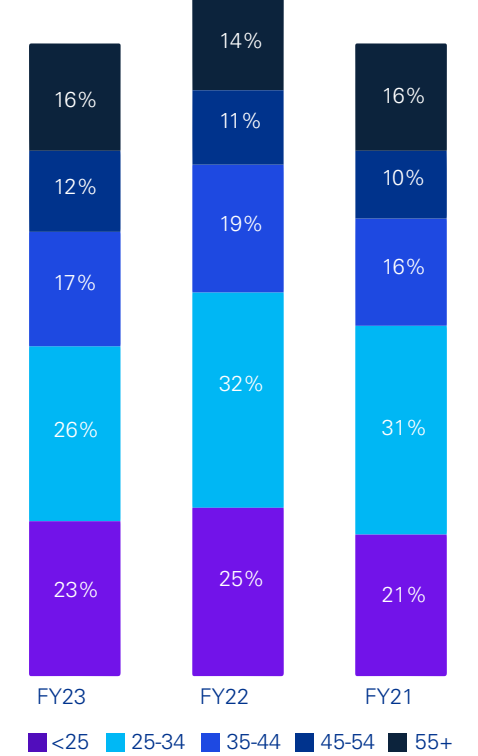
Leavers by age



Hire rate by age



Turnover rate by age





01 Governance

02 People

03 Planet

04 Prosperity

05 Materiality

06 Indexes and explanations

Economic contribution

By stimulating growth in a responsible and sustainable way, we make the difference in the countries and territories in which we operate. Sustainable revenues help promote collective prosperity and enable KPMG firms to grow their teams despite economic and geopolitical uncertainty.

As we grow, so does our ability to strengthen our community support.

For FY23, KPMG reported annual aggregated global revenues of US\$36.4 billion⁶ — an increase of 8 percent from FY22 (5 percent in US\$). Audit revenues grew by 9 percent, Advisory by 7 percent, and Tax & Legal Services by 10 percent. In FY23, KPMG outlined the next phase of its global strategy, highlighting its focus on those client issues that will drive sustainable growth over the next three years. The strategy outlines a US\$4 billion collective investment in quality and a wider focus on high impact opportunities, particularly in Technology, Talent and ESG.

Our approach to tax disclosures

We take a responsible approach to tax, have strong governance and policies, and are committed to tax transparency. KPMG firms generate and pay all relevant taxes in the countries and territories in which they

operate. Generating and paying taxes is key to how we continue to make meaningful contributions to the communities where KPMG firms operate. These contributions support government functions, public benefits and key infrastructure such as health systems, education and transport networks.

As defined by the UN, we are beginning to look at how KPMG firms' revenues and headcounts are divided between developing and developed nations and we will be exploring this further.

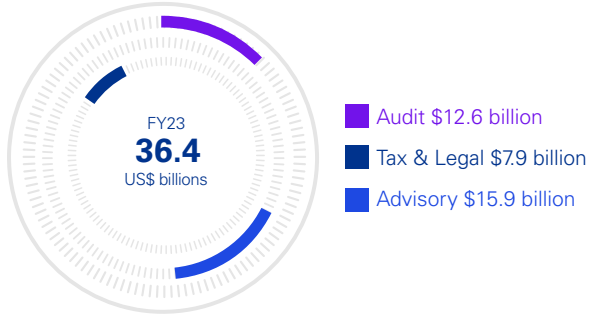
- **Our tax contribution:** KPMG firms' contributions include taxes paid directly, those collected on behalf of governments and those paid directly by partners and employees.
- **Tax paid directly (operational taxes):** In FY23, Reporting KPMG Firms paid a total of US\$2 billion in operational taxes (US\$2 billion in FY22), 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 KPMG firms, KPMG does not have a requirement to prepare consolidated financial statements. The legal structure of each

KPMG firm varies. Many firms are structured as partnerships, defined as '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 profits falls on individuals rather than the partnership.

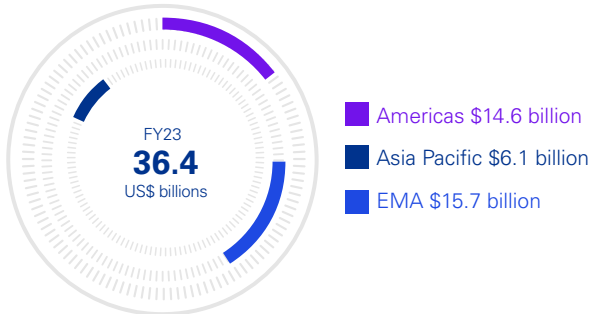
- **Taxes collected on behalf of governments:** With revenue in FY23 of US\$36.4 billion, KPMG collects, on behalf of the governments in the jurisdictions where KPMG firms operate, a significant amount of tax, particularly in relation to employee payroll taxes and sales taxes.
- **Policies and practices about tax:** KPMG International has established policies which apply throughout the global organization to set the standard and expectations for KPMG firms and partner tax affairs. There are also quality and risk management practices in place to help ensure that all tax affairs have been conducted in accordance with relevant local law and regulations, and in harmony with KPMG's Global Tax Principles.

⁶ The financial information reported represents combined information of the independent KPMG 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.

Gross revenue by function



Gross revenue by region



Notes:

1. Gross revenue data presented for the relevant financial years ended 30 September for KPMG firms.
2. Reflects KPMG’s financial performance expressed in US dollars. Based on gross revenues, including travel and other client reimbursable expenses.
3. The financial information set out represents combined information of the independent KPMG firms, affiliated with KPMG International Limited, that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International Limited performs no services for clients nor, concomitantly, generates any client revenue.
4. Refer to the “Indexes and explanations” section for further details.

Operational taxes paid

	FY23 US\$ billions	FY22 US\$ billions	FY21 US\$ billions
Employer payroll taxes	1.7	1.7	1.5
Non-creditable sales tax	0.2	0.2	0.2
Other taxes	0.1	0.1	0.1
Total	2.0	2.0	1.8

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.



Innovation

In today’s rapidly changing world, our people create, inspire and innovate every day for clients and ourselves — enabling KPMG firms to collectively embrace new technologies (including generative AI) and successfully undergo meaningful transformation.

In FY23, we entered into a [landmark agreement with Microsoft](#) that put AI at the forefront of professional services. This significant expansion of our longstanding global relationship includes a multibillion-dollar, five-year commitment from KPMG to Microsoft’s cloud and AI services. As an early access partner and early adopter of Microsoft’s 365 Copilot, our people continue to be at the forefront of emerging technologies, helping KPMG member firm clients use the AI-based tool and other generative AI technologies to derive increased value and productivity.

Significant alliance-led growth

Over the past five years across the network, the focus has been on supporting clients’ digital transformation, resulting in KPMG firms’ alliance-enabled sales increasing by 400 percent. Driven by innovative and technology-enabled services, KPMG firms are working with KPMG’s alliance partners to help clients by:

- Leveraging data and the cloud to deliver advanced analytics through KPMG Clara.
- Delivering reimagined and transformed services from Tax & Legal services.

- Transforming and automating sustainability reporting, data intelligence and management while supporting clients in building their understanding of the ESG agenda.

colleagues across all sectors and markets as they look to innovate and harness technology such as generative AI.

In a world that is constantly changing, we help clients understand why they need to change, what they need to change and how we can help make that change a reality.

Ignition centers

KPMG’s global network of 39 Ignition centers, our state-of-the-art collaboration spaces, supports clients and

Case study

Unleashing the potential of offshore wind KPMG in the UK

The UK hopes to become a leader in the global offshore wind sector — a key contributing factor helping to drive the government-supported decarbonization journey by 2050.

A leading energy trade group approached KPMG to help them bring together key stakeholders from government, academia and the offshore wind industry to develop a new Industrial Growth Plan (IGP) to guide the expansion of the UK offshore wind sector. The client sought KPMG’s support to drive alignment on key strategic areas and help build a guiding vision to achieve its 2050 ambition.

Led by the KPMG in the UK Ignition team, the team of professionals succeeded in producing a first draft of the framework and plan within one day. The group also developed potential cross interventions that both the industry and government could jointly invest in and build the Future of the UK’s Offshore Wind Industry.

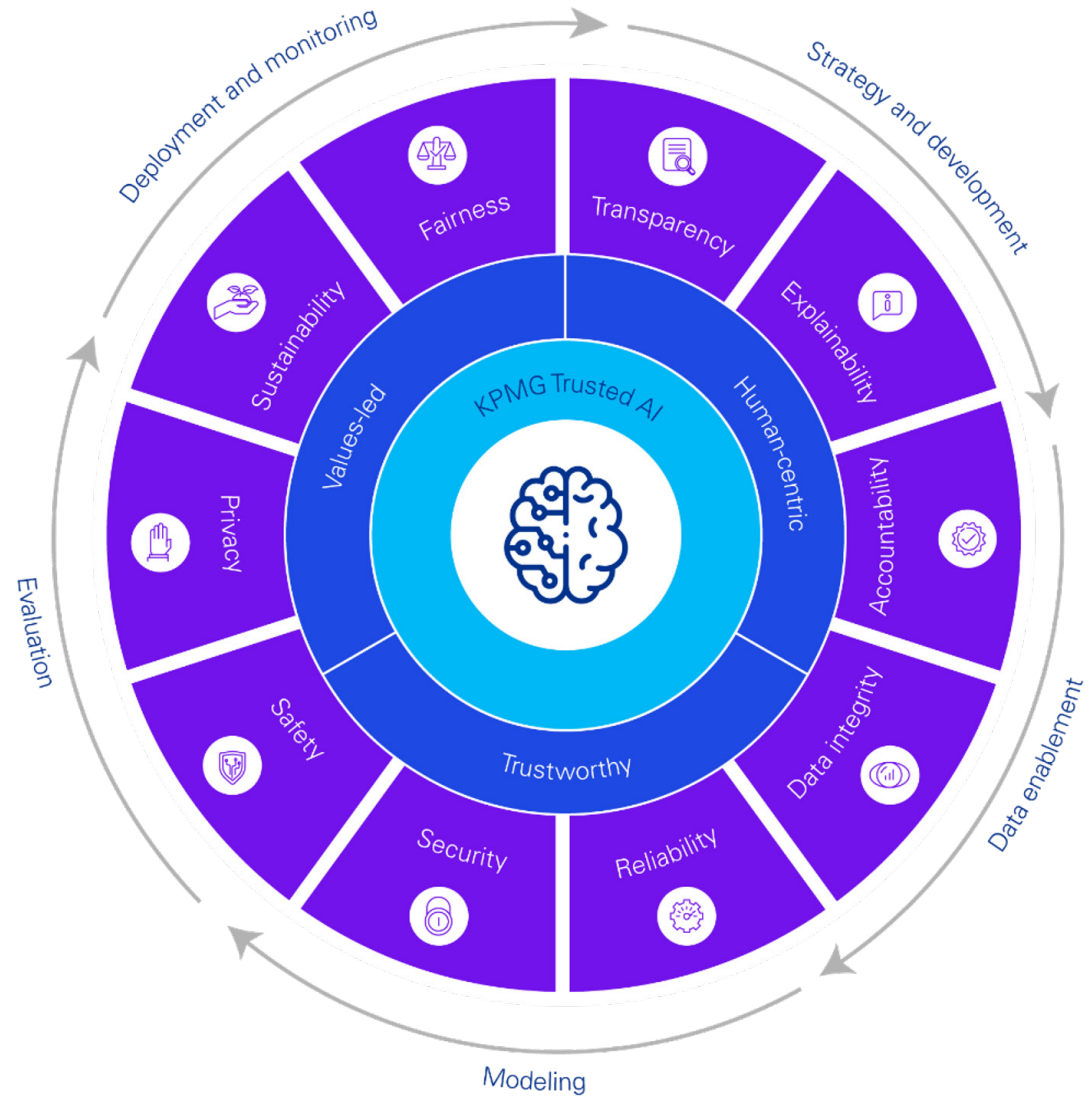
KPMG Trusted AI

Artificial intelligence (AI) is transforming nearly every field of human endeavor and becoming increasingly embedded in all aspects of everyday life for both businesses and individuals alike. As KPMG works to fully harness the power of AI and accelerate adoption, we recognize that advanced technologies can introduce complexity and risks that need to be addressed clearly and responsibly.

We are excited about the opportunities that AI presents but remain equally committed to upholding the ethical standards for AI solutions that align with our Values and professional standards, and that foster the trust of KPMG clients, people, communities and regulators.

KPMG Trusted AI is our strategic approach and framework to designing, building, deploying and using AI solutions in a responsible and ethical way to ensure we can accelerate value with confidence. Learn more about our [24 hours of AI training](#) event that was available to all KPMG colleagues across the organization.

The field of AI is rapidly evolving. As the technology advances and legal, ethical, risk and regulatory standards mature, we will continue to review and evolve our approach as necessary.



Case study

Adopting technology with trust

KPMG in Colombia

Banks play a pivotal role supporting economic growth and serve as the backbone of the global economy. Grupo Bancolombia, Colombia’s largest commercial bank, turned to KPMG in Colombia with an ambitious agenda to improve their operations’ efficiency and quality results while also ensuring better risk mitigation and regulatory compliance.

KPMG worked side-by-side with Bancolombia on a comprehensive robotics process automation (RPA) business case that evaluated the use of robotics to automate processes within credit review, collections, clearance and settlement, capital markets and international business. As a result, KPMG professionals in Colombia successfully developed and implemented a comprehensive RPA strategy, launching more than 200 robots — or bots — into the bank’s operations.

At a time when risk and compliance evaluation for banks is essential for maintaining the integrity of banking operations and building consumer trust, this state-of-the-art automation software has not only improved efficiency but also significantly enhanced data quality, strengthening the bank’s decision-making capabilities and improving its risk and compliance performance.

People of KPMG

Troels Steenstrup Jensen

KPMG in Denmark

Problem solving is my passion and it is what I bring to my role as the Head of KPMG’s Global Quantum Hub, where I feel I can make the difference. With a PhD in quantum mathematics, emerging technologies and algorithmic complexity hold a special place in my heart.

According to Gartner, nearly 40 percent of large companies are expected to create quantum computing initiatives by 2025. In security for example, quantum represents one of the biggest shake-ups of digital infrastructure and cybersecurity we’ve ever seen — creating both a huge opportunity for more effective information protection and a challenge for clients, many of whom will likely see classic technology become rapidly obsolete.

Quantum computing is not an easily accessible subject for many, so what I bring to the table is an ability to translate complex topics into everyday business insights — merging my background in finance, data science, mathematics and technology, with my ability to help clients better understand how emerging technologies are impacting their business and identifying possible opportunities and risks.



In banking, telecommunications and other industries that carry sensitive and confidential data, quantum computing is playing a key role in securing data infrastructure and accelerating risk calculations, giving the institutions that embrace the technology a real competitive advantage. Meanwhile in logistics, more immediately accessible ‘quantum-inspired optimization’ (where quantum calculations are simulated on classic hardware) is helping to revolutionize a number of logistical challenges such as vehicle routing plans.

A big part of my role is to upskill my colleagues from across the KPMG network, helping our people to better understand the technology, its applications and implications, so that our organizational knowledge of quantum is expanded to meet the growing demands of our clients.

Communities

Our commitments:

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

As the pace of change across the globe rapidly evolves, so do societal challenges faced by billions of people. To aid in addressing these challenges, we prioritize our investment in communities and, across the KPMG organization, we enable our people to collaborate on solutions that positively impact those in need. Our 10by30 program aims to help economically empower 10 million disadvantaged young people by 2030 and, in the first two years, we've impacted 1 million youth. Through our collaboration with UNESCO, we've been able to implement programs around the world to drive education, employment and entrepreneurship across underserved communities. We realize the scale of these societal issues and, looking forward, we plan to accelerate our impact, powered by our people's dedication and desire to give back.

KPMG directs our charitable and non-profit support toward organizations and initiatives that meet a compelling community need, such as education and lifelong learning, and on programs and initiatives where we can make the most meaningful impact.

In FY23, we invested significantly in sponsorships, fundraising, contributions to the community and donations — using our people's diverse range of skills to positively impact those in need, while also bringing our collective voice to support those who are marginalized.

10by30: helping to economically empower disadvantaged young people

Our 10by30 program aims to help economically empower 10 million disadvantaged young people by 2030. 10by30 includes bespoke, local programs created and run by individual KPMG firms, as well as broader network-wide initiatives that address the three key themes that we believe are key to improving the life chances of young people:

- **Education:** Supporting education institutions and upskilling teachers.
- **Employment:** Helping young people to access gainful employment.
- **Entrepreneurism:** Equipping young people with skills they need for the future.

In its first two years, KPMG's 10by30 program focused on helping underserved communities across the globe, reaching 1 million beneficiaries, with further plans to accelerate the program through collaboration and increased levels of local activity. Given the diverse needs of different countries and communities, each KPMG member firm tailors its program to enable maximum impact.



People of KPMG

Chi Zhang
KPMG China

By helping to create employment pathways for disadvantaged youth across China, I am making a difference in my community.

I grew up during a period of economic reform and my empathy for the children of today living in underdeveloped areas drove me to pursue my career in sustainable development. I've witnessed the evolution over the past 20 years in the work being done and am grateful that the value of sustainability is being recognized as essential to building longevity.

In 2022, KPMG announced its global 10by30 strategy to help economically empower 10 million disadvantaged young people around the world by 2030 through education, employment and entrepreneurship opportunities. This opened the door to help transform our education programs in KPMG China, allowing us to focus on equipping students with future-ready skills and school-to-work transition support, better preparing them for their future.

We realized our programs were mostly focused on in-depth support for individual students, such

as intensive training or mentorship for a small group of young people over time. However, the ability to reach large numbers of students was limited. With this in mind, our aim soon became to find the sweet spot of striking the right balance between scale and impact.

We established new relationships with NGOs that were experienced in delivering quality services, and co-designed programs that could create meaningful impact while also reaching a greater number of students.

All of this has only been possible through the incredibly diverse, rich and valuable skills of my colleagues and the close collaboration with teams from Human Resources, Organizational and Talent Development, and IT. Our people are also volunteering from across the Chinese firm on curriculum development, training delivery, internships, mentorships and more. In FY23, we were able to reach over 73,000 students, quadrupling our reach from the previous year.

For us, it's not just the quantity of students we reach but also the quality of the impact we can collectively have on individuals' lives by leveling the playing field and doing what we can to help set them up for a brighter future.



A significant community investment

We are proud to invest in the communities we live and work in through financial and non-financial donations throughout our global organization, supporting organizations or activities that have a clear charitable or community benefit.

In FY23, our total community investment increased by 22 percent to US\$181 million, with volunteering contributions rising by 31 percent. The number of pro bono and volunteer hours our people devoted to community activity also grew by 30 percent to 806,000 — with pro bono hours up by 30 percent. We aim to further increase the number of volunteer hours, with an increased focus on activities that will deliver greater impact on communities and on fostering the specific skills required to progress our 10by30 strategy.

In line with our Values, we collectively work together to continually expand our reach in helping to foster transparency on our impact and progress. In FY23, more than 1 million young people were directly impacted through KPMG activity, volunteering or funding as part of our 10by30 programs across the globe.

We’re continuing to strengthen our global collaboration with UNESCO and supporting gender diversity through KPMG member firm initiatives such as IT’s Her Future.

We view and measure our work through three different levels of impact, which are aligned with the Business for Sustainable Impact (B4SI) Community Investment Framework:

- **Connect:** Activities that reach a higher number of people but have lower level of impact, for example delivery of online courses or resources.
- **Engage:** Activities that provide medium levels of reach and impact, working with a larger group but with an element of personalized support, for example workplace visits, group mentoring.
- **Transform:** Activities that tend to have a high level of impact but will likely reach fewer people due to the increased resourcing needed for delivery, for example one-to-one mentorships.

Currently, 80 percent of the people we reach are via ‘Connect’ activities but we continue to consider and address the mix of activities to help ensure we realize our 10by30 ambition.

Case study

Advancing career opportunities for women in tech

KPMG in Mexico

As a digital leader in professional services, KPMG is well placed to help close the gender gap in technology and inspire the next generation of women IT leaders in KPMG and throughout the industry. IT’s Her Future is an expansive program with a range of initiatives focused on helping girls and women from diverse, under-served communities acquire technical and other essential skills to find gainful employment. KPMG in Mexico, in collaboration with Fundación Ozaru, launched its local IT’s Her Future initiative in 2023.

In Mexico, only three out of 10 women study science, technology, engineering and mathematics (STEM), but there are close to 20,000 vacancies in the technology sector. Aligned with KPMG’s 10by30 strategy, IT’s Her Future aims to help address this disparity in Mexico by introducing more women to STEM subjects and technology and giving them the training and confidence to seek employment in the IT sector.

In 2023, participants in the inaugural program collectively received 180 hours of technical training on data science and 880 hours of soft skills training to help develop their employability. Fifty KPMG volunteers worked with the women one-on-one, providing them with tailored life coaching and career mentoring.

The impact was further increased by KPMG in Mexico’s collaboration with Education First, through which women who showed strong performance and potential were awarded an additional six month scholarship to improve their English.

Community investment value and hours

Value	FY23	FY22	FY21
	US\$ millions	US\$ millions	US\$ millions
Cash contributions from KPMG member firms, partners, and people	110	92	77
Pro bono engagements	14	10	12
Volunteering	34	26	18
Total pro bono and volunteering	48	36	30
Other (including management costs)	23	20	18
Total community investment value	181	148	125

Hours	No. of hours '000		
	FY23	FY22	FY21
Pro bono engagements	90	69	81
Volunteering	716	549	403
Total community investment hours	806	618	484

Individuals reached	No. of individuals '000		
	FY23	FY22	FY21
Total individuals reached	1,090	509	n/a

Notes:

1. Community investment data based on information received from all the Reporting KPMG Firms and a number of other KPMG firms.
2. 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.
3. Refer to the "Indexes and explanations" section for further details.

Connect

Preparing young people for the AI revolution

Case study

KPMG Australia

In July 2023, KPMG and Microsoft announced a significant expansion of their global relationship, which included an agreement to explore and participate in joint opportunities to drive social and community impact.

In Australia, Microsoft and KPMG Australia have created an AI skilling program — AI Amplified — by partnering with Year13 (an organization dedicated to enhancing the school-to-work transition for young people by empowering them to discover meaningful career pathways and to learn fundamental life skills).

AI Amplified aims to provide free, equitable access to AI learning content to help foster AI fluency for future learning and work across all industries. It's targeted at young people and those who are currently under-represented in the technology sector.

Microsoft's 2023 Annual Work Trend Index reports that working alongside AI will be as everyday as using the internet — and that everyone will require new core competencies, not just those in technical roles or AI experts. This shift will require affordable, scalable, accessible courses that support everyone, with a focus on young people and women, in building skills and confidence in emerging technologies such as generative AI.

Engage

Bridging the gap between education and work

Case study

KPMG in Spain

For the past 10 years, KPMG in Spain has been running the KPMG Objetivo Empleo (KPMG Employment Initiative) project, which supports young people's job placement as they complete their vocational training. The program works with several training colleges and supports KPMG volunteers sharing their experience and knowledge with the program participants.

The goal of the program is for students to experience a real-work environment, identify their strengths and areas for improvement and build their confidence in their job interview skills, all serving as a stepping stone for starting their career and finding their first full-time job.

Through the program, students receive: a workshop on job search techniques, an opportunity to work one-on-one with a Vocational Training and Labor Guidance teacher, simulated online job interviews led by KPMG volunteers, and a professional skills assessment led by the firm's Talent Acquisition team, where students gain experience going through KPMG's role selection process.

In 2023, the program assisted 800 students with their job search by introducing them to see the variety of roles available at KPMG and helping them to enhance and strengthen their skills.

Since its inception, the initiative has helped over 3,000 students supported by almost 800 KPMG volunteers.

Transform

Making cybersecurity a career for all

Case study

KPMG in India

As the digital economy grows, organizations are becoming more vulnerable to cyberattacks — but there is a shortage of skilled professionals to fill open positions in this crucial area. According to Cybersecurity Ventures, there will be 3.5 million cybersecurity jobs available globally by 2025, representing a 350 percent increase over eight years — compounded by a lack of gender diversity in the cybersecurity workforce.

KPMG in India has collaborated with Microsoft's cybersecurity skilling program, CyberShikshaa (Hindi for 'cyber education'), to help close the cybersecurity skills gap and create a more inclusive and diverse workforce.

Working with community colleges across the country, the initiative aims to provide practical experience, mentorship and group coaching sessions for traditionally excluded groups, particularly underserved young women who are starting their careers.

KPMG in India is running mentoring and group coaching sessions, both in person and virtually, across 13 cities. With a number of successful students being hired, the initiative is helping to advance cybersecurity skills and generate employment opportunities.



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Making meaningful differences collaborating with UNESCO

To help drive education transformation across the globe, KPMG has continued to build strong collaboration with UNESCO, enabling our people to collaborate on solutions that positively impact those in need.

UNESCO Global Skills Academy

Along with a number of other partners, KPMG International is helping to globally scale the UNESCO Global Skills Academy (GSA), which provides access to training opportunities to help increase employability and resilience in a changing labor market. Initially focused on funding a labor market skills-gap analysis, KPMG International's support aims to drive increased investment toward essential skills that will help to create opportunities for those young people at risk of being left behind.

The GSA, along with its private and strategic partners, aims to help 10 million youth and adult learners from around the world to build skills required for improved employability and resilience by 2029. While separate, the GSA's goal complements and aligns with our KPMG global 10by30 strategy by offering a range of training and mentoring opportunities focused on skilling, upskilling and reskilling, and tailored to a fast-evolving labor market.

KPMG International is now working to implement and activate activities on the ground to achieve the greatest impact.

Collaboration spotlight

Facilitating inclusive learning opportunities with UNESCO

Since 2020, KPMG has been a private sector founding partner of the UNESCO Global Education Coalition, bringing together a number of partners to act as a collective catalyst to facilitate inclusive learning opportunities for children and youth — building on the shared commitment toward the United Nations Sustainable Development Goal 4 (ensure inclusive and equitable quality education and promote lifelong learning opportunities for all).

KPMG has continued to build strong collaboration with UNESCO, with an ongoing commitment to helping drive education transformation across the globe.

“Education is a vital tool for building wealth and equality and, through our partnership with KPMG and others, the UNESCO Global Skills Academy is making great strides to boost opportunities for younger members of society. With its in-depth understanding of the labor market, and the energy and enthusiasm of its volunteers, KPMG is a valuable partner and will help us reach our ambitious goals.”

Borhene Chakroun

Director, Division for Policies and
Lifelong Learning Systems
UNESCO

Mentoring in India

Under the scope of the UNESCO Global Skills Academy, KPMG in India piloted an employment mentorship program for disadvantaged young people, aimed at supporting young graduates (aged 18-25) as they enter India's labor market.

With a strong focus on equal gender representation, and on enrolling those who would not otherwise have the means to participate, the program paired 100 KPMG in India mentors with 100 graduates, offering guidance and advice to help make them 'job ready.'

Working together, UNESCO and KPMG are now jointly developing the strategy for expansion of our mentoring and employability skills activity. Our approach has been powered by our people's desire to give back to their communities and help provide vital employability skills for the next generation.

Ukrainian secondees

In FY22, two secondees from the KPMG firm in Ukraine went to work on education initiatives at UNESCO. The secondment was extended for a year, and they continue to contribute their skills, expertise and experience to initiatives helping to ensure continuity of the education system and recovery strategies. With this secondment, KPMG and UNESCO remain committed to helping the Ukrainian education system to rebuild and become a resilient education system with a future-ready workforce that can help with recovery.



With a strong focus on equal gender representation, and on enrolling those who would not otherwise have the means to participate, the program paired 100 KPMG in India mentors with 100 graduates, offering guidance and advice to help make them 'job ready.'



Materiality

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 our annual materiality assessment, which helps to focus our attention and resources where we can make the largest impact. KPMG International's materiality assessment is a key input to defining our ESG strategy and guiding our reporting.

This year for the first time, we are reporting with reference to the Global Reporting Initiative (GRI) guidance and have used GRI 3 to help shape our approach to our materiality assessment refresh. We re-examined the list of material topics shared in last year's Our Impact Plan progress update, taking into consideration recent geopolitical events and changes in our stakeholder and business priorities. Leveraging best practice methodology, and with the support of KPMG's ESG Advisory practice, we have taken a four-step approach:

Step	What we did
1. Understand KPMG's context	Gathered data about KPMG International and our global organization: <ul style="list-style-type: none"> • Who we are, including our Values. • What we do and who our clients are. • How we create value and impact.
2. Identify actual and potential impacts	Identified the ways in which KPMG International and our global organization impacts the economy, the environment and society as a whole, and identified whether the impacts are positive or negative, and actual or potential.
3. Assess the significance of the impacts	Gathered internal and external stakeholder insights to assess the likelihood and significance of the identified impacts. The assessment factored in scale, scope, irremediability and likelihood.
4. Prioritize the most important impacts for strategic focus and reporting	Identified the highest priority impacts and shared the results with relevant Our Impact Plan leaders.

Engaging with our stakeholders is a central element of Our Impact Plan approach. We welcome the diverse opinions and contributions of different stakeholder groups, covering all aspects of our business and our geographical footprint, including:

Stakeholder group	Details of input sought
C-suite – clients and potential clients	Data from independent trust research conducted annually (May to July 2023) in our eight key markets (Australia, Canada, China, France, Germany, Japan, the UK and the US).
Other external stakeholders	Data from independent trust research conducted annually (May to July 2023), including industry and trade associations, academics, non-governmental organizations and advocacy groups, multilateral organizations, business analysts and investors, and the informed public.
Our People	Data from the Employee Engagement Index and Employee Trust Drivers from our Global People Survey.
Management	Data on our most significant business risks as prioritized in our Enterprise Risk Management program using our proprietary Dynamic Risk Assessment methodology, as well as a management questionnaire completed by Our Impact Plan community from across the KPMG network.
Peers	Review of the topics considered material by our KPMG firms and our international competitors.
Regulators and standard setters	Review of the guidance available from the WEF IBC stakeholder capital metrics, GRI, ISSB and the draft ESRS standards.

Our assessment exercise found:



All the material topics from FY22 continue to remain relevant for FY23.



One of the topics, *Environmental Sustainability*, was identified as covering a fairly wide range of impacts with varying significance — therefore, for FY23 it has been split into two topics, *Climate Change* and *Biodiversity & Sustainable Operations*.



Two new topics were also identified — *Responsible Supply Chain* and *Public Policy Engagement*.



As we refined the methodology in FY23, no topics have been identified as having increased or decreased in significance.

At KPMG International, we’re committed to continuous improvement, refining our methodology as well as reporting on our material topics. We anticipate that our reporting will, over time, transition to align with 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 reporting with reference to the GRI and against the United Nations (UN) Global Compact Principles.

KPMG’s material topics

Governance

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](#)
- [Respecting human rights](#)

Transparency and accountability: All KPMG firms are committed to our shared Purpose and Values, professional 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](#)

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](#)

Information protection: We have policies, processes and controls in place that address confidentiality, information security and data privacy. We provide and mandate 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 information safe and secure.

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

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](#)

Public policy engagement: KPMG participates in shaping policy discussions and advocating for meaningful change that allows business, government and society to prosper together.

- [Purposeful business: Public policy engagement, protecting trust](#)

Responsible supply chain: The global depth, breadth and scale of KPMG’s supply chain has a substantial impact on our ESG agenda and we proactively

manage it through our dedicated team of procurement specialists, based in a number of key locations across the globe. We have an ongoing program to drive a more responsible and sustainable supply chain that includes: providing resources to support responsible sourcing decisions, collaborating across geographies to share best practice, driving consistency, and leveraging the knowledge and expertise of our own subject matter experts’ knowledge, particularly in decarbonization and human rights across the supply chain.

Through our global network of supply chain and procurement advisory professionals, we help clients to improve the sustainability of their operations. By bringing together cutting-edge thinking on sustainable supply chain management with leading digital solutions and tools, we help manage and improve the wider impact of supply chains across the globe.

- [Acting transparently with accountability and integrity](#)
- [Respecting human rights](#)
- [Decarbonization](#)

People

Talent attraction, development and retention:

By fostering an environment that values continuous learning and development, we empower our people with the tools they need 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](#)

Inclusion, diversity and equity (IDE): Unique experiences and perspectives enhance our global organization and help create the drive for a fairer, more equitable society that includes everyone. We’re committed to embedding and improving IDE — encouraging people to come as they are. Drawing on the experience and capabilities of our People and Change professionals, we also support our clients in meeting their own commitments and targets and, by doing this, help to drive wider impact across the business environment.

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

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 be healthy and to feel secure and supported through the challenges they may face in their personal and professional lives — enabling them to thrive.

- [Health and well-being](#)

Planet

Climate change: We're committed to driving a culture of sustainable practices within our global organization, across our entire business ecosystem including our suppliers, alliance partners, and through the work that KPMG firms do for clients across the globe. By taking a wider outlook, we aim to drive impact beyond just the boundaries of our business, and help to ensure a healthy planet for generations to come.

- [Decarbonization](#)
- [Climate risk](#)

Biodiversity and sustainable operations: KPMG is actively engaged in fostering a transition toward nature positivity. We are dedicated to influencing positive change in how businesses around the world comprehend and manage their relationship with nature. We are also committed to improving the sustainability of both our own operations and those of our clients.

- [Nature and biodiversity](#)
- [Circularity](#)

Prosperity

Financial, operational and brand resilience: Through a diverse and multi-disciplinary 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](#)

Technology and innovation: Our continual investment in technology and innovation, in collaboration with our alliance partners and other stakeholders, helps ensure that we're keeping up with the accelerating pace of technological change, positioning us for future success so we can meet stakeholder expectations and achieve our collective growth objectives. We work side-by-side with clients to help them embrace technological change, improve organizational efficiency, drive increased return on investment and enrich the skills required for a digital world.

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

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, employment and entrepreneurship for youth and under-represented populations.

- [A significant community investment](#)





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Indexes and explanations

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 2023, we are reporting with reference to GRI for the first time. We have also continued to align our reporting with the WEF IBC Core Metrics, as well as the requirements of the UN Global Compact Principles, while reporting against our most material topics.

We are working toward introducing a hybrid approach to ESG assurance across the Reporting KPMG Firms by FY25 across a number of our key ESG metrics. A number of larger KPMG firms already have external limited assurance over their greenhouse gas (GHG) and other ESG metrics. Statements or representations about KPMG's emissions and/or carbon claims have not yet been independently verified. Nonetheless,

data supporting the firm's current methodologies and measurements for relevant emissions and/or carbon claims is set forth in the Planet chapter hereto.

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.

UN Global Compact

Disclosure recommendation	Disclosure
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights;	Governance: Respecting human rights
2. Make sure that they are not complicit in human rights abuses.	
Labor	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Governance: Respecting human rights People: Inclusion, diversity and equity 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 labor;	
5. The effective abolition of child labor;	
6. The elimination of discrimination in respect of employment and occupation.	
Environment	
7. Businesses should support a precautionary approach to environment challenges;	Planet
8. Undertake initiatives to promote greater environmental responsibility;	
9. Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	Governance: Acting transparently with accountability and integrity

WEF IBC Core Metrics Index

Theme	Core metrics and disclosures	GRI mapping	Location and notes
Governance			
Governing purpose	Setting purpose	GRI 2-12	A message from our Global Chairman and CEO Governance: Purposeful business
Quality of governing body	Governance body composition	GRI 2-9, GRI 405-1a	Governance: Our structure and governance KPMG International Transparency Report: Governance and leadership
Stakeholder engagement	Material issues impacting stakeholders	GRI 2-12, GRI 2-29, GRI 3-2	Materiality
Ethical behavior	Anti-corruption (D)	GRI 205-2, GRI 205-3	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Be independent and ethical
	Protected ethics advice and reporting mechanisms	GRI 2-26	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Live our culture and Values
Risk and opportunity oversight	Integrating risk and opportunity into business process		Materiality KPMG International’s Global Quality & Risk Management Steering Group (GQ&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 firms and for each of the three regions. GQ&RMSG is responsible for setting quality and risk management policies and procedures for the global organization and for providing associated guidance. Climate Risk Report: Risk Management

Theme	Core metrics and disclosures	Corresponding metrics	Location and notes
Planet			
Climate change	Greenhouse gas (GHG) emissions (MG)	GRI 305:1-3	Planet: Decarbonization
	TCFD implementation (D)		Planet: Climate risk Climate Risk Report
Nature loss	Land use and ecological sensitivity	GRI 304-1	Planet: Nature and biodiversity
Freshwater availability	Water consumption and withdrawal in water-stressed areas (M)	GRI 303-5	Planet: Nature and biodiversity
People			
Dignity and equality	Diversity and inclusion (L)	GRI 405-1b	People: Inclusion, diversity and equity
	Pay equality (D)	GRI 405-2	People: Inclusion, diversity and equity
	Wage level (D)	GRI 2-21, 202-1	People: Inclusion, diversity and equity Across the 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 FY23 ranged from 1.5 to more than 3.0 times the minimum wage (for FY22, it ranged from 1.3 to more than 3.0). The range across KPMG firms is mainly driven by regional variations and the difference in ratio between men and women is minimal.
	Risk for incidents of child, forced or compulsory labor	GRI 408-1b, GRI 409-1	Governance: Respecting human rights
Health and well-being	Health and safety (D)	GRI 403-9a&b, GRI 403-6a	People: Health and well-being
Skills for the future	Training provided (D)	GRI 404-1	People: Learning and development KPMG International Transparency Report: Nurture diverse skilled teams

Theme	Core metrics and disclosures	Corresponding metrics	Location and notes
Prosperity			
Employment and wealth generation	Absolute number and rate of employment (L)	GRI 2-7, 401-1a&b	Prosperity: Employment Indexes and explanations
	Economic contribution (D)	GRI 201-1, GRI 201-4	<p>Prosperity: Economic contribution Prosperity: Communities Government assistance — during FY23, 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.</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>
	Financial investment contribution (D)		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	Total R&D expenses (D)		Prosperity: Innovation KPMG International Transparency Report: Embrace digital technology
Community and social vitality	Total tax paid (D)	GRI 201-1	Prosperity: Economic contribution There are limitations on providing certain financial-related indicators as KPMG is a network of member firms and does not produce consolidated financial statements.

GRI content index

Statement of use	KPMG International has reported the information cited in this GRI content index for the period from 1 October 2022 to 30 September 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About us Indexes and explanations: Notes and explanations
	2-2 Entities included in the organization’s sustainability reporting	About us Indexes and explanations: Notes and explanations
	2-3 Reporting period, frequency and contact point	Unless otherwise stated, the reporting is for the year ended 30 September 2023. Reporting is on an annual basis. Indexes and explanations: Contacts
	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 improvement where comparative restatements are required. An explanatory note is provided when this is the case.
	2-5 External assurance	We are working toward introducing a hybrid approach to ESG assurance across the Reporting KPMG Firms by FY25 across a number of our key ESG metrics. A number of larger KPMG firms already have external assurance over their greenhouse gas (GHG) and other ESG metrics. Statements or representations about KPMG’s emissions and/or carbon claims have not yet been independently verified. Nonetheless, data supporting the firm’s current methodologies and measurements for relevant emissions and/or carbon claims is set forth in the Planet chapter hereto.
	2-6 Activities, value chain and other business relationships	About us Materiality Governance: Purposeful business

GRI standard	Disclosure	Location
	2-7 Employees	People: Inclusion, diversity and equity
	2-8 Workers who are not employees	People: Inclusion, diversity and equity KPMG firms employed more than 26,000 people on a contingent labor basis as at 30 September 2023. Benefits available to employees are in line or are above the requirements of local employment laws and regulations.
	2-9 Governance structure and composition	Governance: Purposeful business KPMG International Transparency Report: Governance and leadership Climate Risk Report: Governance
	2-10 Nomination and selection of the highest governance body	Governance: Purposeful business KPMG International Transparency Report: Governance and leadership
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance: Purposeful business Climate Risk Report: Governance
	2-13 Delegation of responsibility for managing impacts	Governance: Purposeful business
	2-14 Role of the highest governance body in sustainability reporting	Governance: Purposeful business Climate Risk Report: Governance
	2-15 Conflicts of interest	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Be independent and ethical Consistent with KPMG International’s 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 Global Code of Conduct , which includes specific additional responsibilities for leaders. 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.

GRI standard	Disclosure	Location
	2-16 Communication of critical concerns	Materiality Governance: Purposeful business KPMG International Transparency Report: Live our culture and Values
	2-17 Collective knowledge of the highest governance body	Governance: Purposeful business Members of the Global Board have a broad range of economic and social capabilities, 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 message from our Global Chairman and CEO Governance: Purposeful business
	2-23 Policy commitments	KPMG’s policy commitments are described throughout this document, in the KPMG International Transparency Report 2023 and on kpmg.com . Global Code of Conduct
	2-24 Embedding policy commitments	Governance: Purposeful business Global Code of Conduct KPMG International Transparency Report: Live our culture and Values
	2-25 Processes to remediate negative impacts	Governance: Purposeful business Global Code of Conduct KPMG International Transparency Report: Live our culture and Values
	2-26 Mechanisms for seeking advice and raising concerns	Governance: Purposeful business Global Code of Conduct KPMG International Transparency Report: Live our culture and Values
	2-27 Compliance with laws and regulations	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Live our culture and Values KPMG International Transparency Report: Be independent and ethical
	2-28 Membership associations	Governance: Purposeful business About us

GRI standard	Disclosure	Location
	2-29 Approach to stakeholder engagement	Materiality
	2-30 Collective bargaining agreements	KPMG International and KPMG firms support freedom of association and, where applicable, recognize the right to collective bargaining.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality
	3-2 List of material topics	Materiality
	3-3 Management of material topics	Materiality
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Prosperity: Economic contribution
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Risk Report
	201-4 Financial assistance received from government	Government assistance — during FY23, several large member 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 are limitations on providing certain economic contribution indicators as KPMG is a network of member firms and does not produce consolidated financial accounts.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	People: Inclusion, diversity and equity Across the 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 FY23 ranged from 1.5 to more than 3.0 times the minimum wage (for FY22, it ranged from 1.3 to more than 3.0). The range across KPMG firms is mainly driven by regional variations and the difference in ratio between men and women is minimal.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Be independent and ethical Global Code of Conduct

GRI standard	Disclosure	Location
	205-2 Communication and training about anti-corruption policies and procedures	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Be independent and ethical Global Code of Conduct
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance: Acting transparently with accountability and integrity KPMG International Transparency Report: Be independent and ethical Global Code of Conduct
GRI 207: Tax 2019	207-1 Approach to tax	Governance: Cultivating a responsible tax practice Prosperity: Economic contribution
	207-2 Tax governance, control, and risk management	Governance: Cultivating a responsible tax practice Prosperity: Economic contribution
	207-3 Stakeholder engagement and management of concerns related to tax	Governance: Cultivating a responsible tax practice
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Planet: Decarbonization
	302-3 Energy intensity	Planet: Decarbonization
	302-4 Reduction of energy consumption	Planet: Decarbonization
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Planet: Nature and biodiversity During FY21, KPMG conducted a review of 684 of its offices across its network of member firms. The review assessed the number of protected areas and Key Biodiversity Areas (KBAs) within a 5 kilometer radius of operational sites — 68 percent of our sites were determined to meet the protected area criteria and 29 percent the KBAs criteria.
	304-2 Significant impacts of activities, products and services on biodiversity	Planet: Nature and biodiversity
	304-3 Habitats protected or restored	Planet: Nature and biodiversity

GRI standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Planet: Decarbonization
	305-2 Energy indirect (Scope 2) GHG emissions	Planet: Decarbonization
	305-3 Other indirect (Scope 3) GHG emissions	Planet: Decarbonization
	305-4 GHG emissions intensity	Planet: Decarbonization
	305-5 Reduction of GHG emissions	Planet: Decarbonization
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Planet: Decarbonization Planet: Climate risk Governance: Our Supplier Code of Conduct
	308-2 Negative environmental impacts in the supply chain and actions taken	Planet: Decarbonization Planet: Climate risk Governance: Our Supplier Code of Conduct
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Prosperity: Employment
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	KPMG employed more than 26,000 people on a contingent labor basis at 30 September 2023. Benefits available to employees are in line or are above the requirements of local employment laws and regulations.
	401-3 Parental leave	Benefits available to employees are in line or are above the requirements of local employment laws and regulations.
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	KPMG firms comply with local laws and, in many cases, exceed statutory requirements. KPMG firms also adhere to the applicable notice periods based on national laws or local collective agreements.
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	People: Health and well-being KPMG offers a range of health and well-being support for our people across the network.

GRI standard	Disclosure	Location
	403-4 Worker participation, consultation, and communication on occupational health and safety	People: Health and well-being KPMG offers a range of health and well-being support for our people across the network.
	403-5 Worker training on occupational health and safety	People: Health and well-being KPMG offers a range of health and well-being support for our people across the network.
	403-6 Promotion of worker health	People: Health and well-being KPMG offers a range of health and well-being support for our people across the network.
	403-10 Work-related ill health	People: Health and well-being KPMG offers a range of health and well-being support for our people across the network.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People: Learning and development
	404-2 Programs for upgrading employee skills and transition assistance programs	People: Learning and development
	404-3 Percentage of employees receiving regular performance and career development reviews	KPMG International Transparency Report: Nurture diverse skilled teams
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People: Inclusion, diversity and equity
	405-2 Ratio of basic salary and remuneration of women to men	People: Inclusion, diversity and equity
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Governance: Acting transparently with accountability and integrity Governance: Respecting human rights Global Code of Conduct KPMG International Transparency Report: Live our culture and Values

GRI standard	Disclosure	Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	KPMG International and KPMG firms support freedom of association and, where applicable, recognize the right to collective bargaining.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Governance: Respecting human rights Global Code of Conduct
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Governance: Respecting human rights Global Code of Conduct
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Prosperity: Communities
	413-2 Operations with significant actual and potential negative impacts on local communities	Prosperity: Communities
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Governance: Respecting human rights
	414-2 Negative social impacts in the supply chain and actions taken	Governance: Respecting human rights Global Code of Conduct
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance: Purposeful business Global Code of Conduct

Notes and explanations

Acronyms

Term	Description
ACB	Asia Commercial Joint Stock Bank
ACRIF	Africa Climate Risk Insurance Facility
AfDB	African Development Bank
AI	Artificial intelligence
ASPAC	Asia Pacific
B4SI	Business for Sustainable Impact (B4SI)
BEPS	Base Erosion and Profit Shifting
CARE framework	Consider, Assess, Respond, Evolve framework
CDP	Formerly the Carbon Disclosure Project
CEO	Chief Executive Officer
EMA	Europe, Middle East and Africa, including India
ENR	Energy and Natural Resources
ERM	Enterprise Risk Management
ESG	Environmental, social and governance
G20	Group of 20

Term	Description
GDPR	General Data Protection Regulation
GEF	Global Environment Facility
GHG	Greenhouse gas
GMT	The Global Management Team of KPMG International Limited
GPPC	Global Public Policy Committee
GQ&RMSG	Global Quality & Risk Management Steering Group
GRI	Global Reporting Initiative
HBCUs	Historically Black colleges and universities
ICP	Internal Carbon Price
IDE	Inclusion, diversity and equity
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IGP	Industrial Growth Plan
IHF	IT's Her Future
ISQM 1	International Standards on Quality Management

Term	Description
ISSB	International Sustainable Standards Board
KBAT	KPMG BEPS 2.0 Automation Technology
KPI	Key Performance Indicator
LGBTQ+	Lesbian, gay, bisexual, transgender, queer (or sometimes questioning) and others
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PACI	Partnering Against Corruption Initiative
PGS	Purchased Goods and Services
RPA	Robotics Process Automation
SBT	Science-Based Target
SBTi	Science-Based Targets initiative

Term	Description
SEND	Special Educational Needs and Disability
tCO2e/ktCO2e	Tonnes/kilotonnes of carbon dioxide equivalent
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCO GSA	UNESCO Global Skills Academy
UNGC	United Nations Global Compact
WEF IBC	World Economic Forum International Business Council



01 Governance

02 People

03 Planet

04 Prosperity

05 Materiality

06 Indexes and explanations

Glossary

Term	Description
Community investment	Community investment is identified by two guiding principles: (i) it is voluntary, i.e. there is no legal or contractual obligation to contribute; and (ii) it is charitable, i.e. it supports an organization or activity that is recognized as having a clear charitable purpose and/or community benefit.
Contingent labor	Contingent labor includes agency staff, KPMG-dedicated outsourced staff, temporary contractors and interns.
Disadvantaged young people	In the context of our 10by30 community investment goal, we understand that 'disadvantaged' can mean different things in various countries and territories, and may differ depending on the nature of the program or activity. KPMG firms develop their own definition depending on their circumstances, and typical categories include: economic/income; gender; ethnicity and cultural diversity; immigrant/refugee status; LGBTQ+; and disability. Young people are defined as those under 25 years old.
FY19	1 October 2018 to 30 September 2019
FY20	1 October 2019 to 30 September 2020
FY21	1 October 2020 to 30 September 2021
FY22	1 October 2021 to 30 September 2022
FY23	1 October 2022 to 30 September 2023
General volunteering	KPMG partners and employees engaging in general volunteering to support their communities includes activities such as tree-planting, school painting activities, gardening — activities that do not form part of client services provided by member firms to clients.
GHG Protocol	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.
Global Board	The Global Board of KPMG International Limited.
GRI	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.
GRI 3	GRI 3: Material Topics 2021 (GRI 3) is a component of the GRI Universal Standards. It offers guidance to organizations on disclosing the list of material topics; the process for determining these topics; and how the organization manages each topic.

Term	Description
ISSB	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.
KPMG Climate IQ	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.
KPMG firms	Member firms in the KPMG global organization that are members in, or have other legal connections to, KPMG International. Each firm is a separate legal entity and does not, and cannot, operate as a corporate multinational. Professional services to clients are exclusively provided by these firms who remain solely responsible and liable in respect of these services.
KPMG Foundations	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 firm(s) and has a separate structure, including its own administrative and management costs.
KPMG International	KPMG International Limited is an English private company, limited by guarantee, which does not provide services to clients. KPMG International Limited provides services and support to, or for the benefit of, KPMG firms and does not provide professional services directly, or indirectly, to clients. Professional services to clients are exclusively provided by KPMG firms who remain solely responsible and liable in respect of these services.
Pro bono	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).
Reporting KPMG Firms	Reporting KPMG Firms means KPMG firms in 20 large countries and territories, including KPMG 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.
Scope 1: Direct GHG emissions	Direct GHG emissions occur from sources the KPMG member firms own or control, including on-site stationary fuel combustion, fuel combustion in owned/controlled vehicles, and fugitive emissions from leaks in heating, ventilation, and cooling equipment.
Scope 2: Indirect emissions from purchased electricity	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.

Term	Description
Scope 3: Other indirect GHG emissions	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.
Skills-based volunteering	Includes: <ul style="list-style-type: none"> • 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. • Board or trustee appointments, where KPMG firms’ partners and employees frequently serve as board or trustee members of community organizations. • 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.
UN Global Compact	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.
UN Sustainable Development Goals	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: www.UNDP.org
Valuable 500	The Valuable 500 is a global movement aimed at driving recognition of the importance of accessibility and inclusion for individuals with disabilities at the forefront of business leadership agendas.

Notes on basis of preparation

1. Throughout this content, “we”, “KPMG”, “us” and “our” refers to the global organization, to KPMG International Limited (“KPMG International”), or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity.
2. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.
3. The financial information set forth in this document represents combined information of the independent KPMG member firms, affiliated with KPMG International Limited, that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International Limited performs no services for clients nor, concomitantly, generates any client revenue.
4. As of 30 September 2023, KPMG firms operate in 143 countries and territories. All metrics are for the network as a whole unless otherwise stated.
5. Statements or representations about KPMG’s emissions and/or carbon claims have not yet been independently verified. Nonetheless, data supporting the firm’s current methodologies and measurements for relevant emissions and/or carbon claims is set forth in the Planet chapter hereto.
6. Climate change performance data for FY23 has been collected from 75 KPMG firms including Reporting KPMG Firms. Although KPMG International has not obtained third-party verification of the emissions data in this report, a number of the KPMG firms have had their underlying data independently verified. To estimate total emissions on a global basis on the basis of the data collected from the relevant KPMG firms, KPMG International’s methodology for relevant emissions and/or carbon claims is in accordance with 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. For more information please go to the [Planet section](#).

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