



KPMG: Our Impact Plan

2025 update

KPMG. Make the Difference.

KPMG International | kpmg.com/ourimpactplan



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For more detail about our structure please visit kpmg.com/governance.

Unless otherwise stated “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, South Africa, South Korea, Spain, Switzerland, the UK and the US.

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Our Impact Plan highlights

Governance

Developed our **Trusted AI framework** to guide colleagues and clients on the **safe, responsible and ethical use of AI**.

The **KPMG Responsible Tax program reached its 10th anniversary**, continuing to bring together diverse stakeholders to foster informed dialogue and discussion.

Strengthened our governance by **embedding oversight** of aspects of *Our Impact Plan* at our **Global Board committee level**.

People

Increased representation of women in leadership roles across KPMG firms to **30.4 percent** — up by 4.3 percent from our baseline at 1 October 2020.¹

Rolled out an **engagement management lifecycle initiative** in our Audit practice, implementing a disciplined process to spread workload more evenly across the year to **improve work-life balance**.

Over **150,000 hours invested in the Digital and Data Foundations training program** — completing more than **210,000** training modules. **57,000 colleagues participated in virtual '24 hours of AI' events globally**.

Planet

Reduced emissions against our FY19 baseline year by **41 percent** on our journey to net-zero.

Achieved **85 percent renewable electricity** across our global organization, with KPMG Board firms having achieved 100 percent renewable electricity.

Invested more than **US\$1 million** in **WWF projects** in FY24 across the KPMG member firm network.

Prosperity

Contributed US\$2.1 billion in operational taxes (US\$2 billion in FY23) that support governmental functions, public benefits and key infrastructure in the communities where we operate.

Provided **US\$163 million** of investment to support local communities, up 10 percent from FY23, and contributed more than 707,000 hours through volunteering and pro bono work.

Since inception we have reached **2.8m disadvantaged young people** through our 10by30 education initiatives.

¹ KPMG International's women in leadership goal was set across participating firms based on the cumulative local goals and aspirations. KPMG US is not a participant. As a network of independent firms, the measurement and tracking of women in leadership progress is performed at a local level. Periodically, where possible, KPMG firms share data with KPMG International which is aggregated to track and report progress across the global organization. Data represents the KPMG firms who reported FY24 gender data to KPMG International, KPMG US data is not included.

A message from our Global Chairman and CEO: Making the difference

Welcome to KPMG's *Our Impact Plan* report, which outlines our progress toward meeting our environmental, social and governance goals and commitments.

As we stand at the mid-point of the decade, there is real focus on our commitments with a 2030 target date, including the UN's Sustainable Development Goals. Given the dynamic environment we are operating in, meeting these goals requires robust but flexible action plans which place the long-term, sustainable growth of our business at their core.

I am pleased to report that KPMG's progress continues to be encouraging — even if there remains more to do. We are focusing on those areas that are most material to our business. We are also helping clients achieve their sustainability and social responsibility goals in real, actionable and pragmatic ways that drive growth across the wider economy.

We continue to collaborate with our alliance partners, leveraging the growing power of technology including generative AI and machine learning.

Our industry-leading Trusted AI framework creates a model to help ensure the ethical and responsible use of AI, including the consideration of the environmental footprint of AI.

As ever, I am grateful for the passion and commitment of KPMG colleagues across our global organization who embrace Our Values and act with purpose. When our talented people bring their diverse skills and capabilities together in our multidisciplinary model, powerful change happens. Their great work enhances the attractiveness of our organization and the wider profession and helps build a sustainable firm that is better for our clients, our people and society.

I trust you will find this update helpful as we strive to drive meaningful change and make the world a more sustainable place.

Bill Thomas

Global Chairman and CEO
KPMG International



How we make an impact

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

- Impact through the **services we provide**
- Offer insights and analysis to help inform the **decision making of clients**
- **Sustainable, ethical** and **fair** practices

People

- 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

- Bring together **multi-disciplinary skills** and our **geographic breadth** to help build a more **fair** and **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

Inspire confidence.
Empower change.



Our Values

Integrity, Excellence, Courage,
Together, For Better

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

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Access previous years' reporting.



Governance

Our Purpose and Values guide everything we do.

Danica Corbin
KPMG Islands Group



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



As a leading professional services organization with over 275,000 people at firms serving clients in more than 140 countries and territories, we have a significant responsibility to help shape positive impacts wherever we do business — and for this, strong systems of governance are essential.

At KPMG, we put governance at the heart of our operations, creating the framework for the purposeful business we aspire to be. We define being a purposeful business as leading on quality and responsible approaches to business conduct, acting with accountability and integrity in the public interest, and respecting human rights. Our governance framework also helps us address sustainability, ensuring that our sustainability impacts are being considered in everything we do, both in our own

operations and in the work we undertake for clients. In this way, we can align our financial and societal performance. Sustainability runs through our activities — reinforced by our [Global Code of Conduct](#) (Our Code) which calls on us all to play an active role. We also factor wider ESG risks into our risk management frameworks and help clients consider these too.

As part of our commitment to always acting with accountability and integrity, we hold ourselves to a set of globally consistent Quality & Risk Management policies and procedures. These are designed to help our people deliver maximum value to clients and wider society by enhancing quality, managing risk, and ensuring compliance with laws, regulations and professional standards.

“We are committed to meeting the goals set out in Our Impact Plan — we know that meeting our aims will not be easy and there is much more to do. But having a clear plan helps us move forward to build a more sustainable, resilient and prosperous future for our people, our clients and society.”

Jane Lawrie

Global Head of Corporate Affairs
KPMG International

Purposeful business

Our commitment:

Always act with a clear purpose

We are committed to acting with a clear purpose: to inspire confidence and empower change. Our collective goal is for KPMG firms to continue to deliver the highest quality work that has a positive impact on society in both the near and long-term, in an inclusive and profitable model that provides rewarding work for our people now and for generations to come. Our ambition is to be the most trusted and trustworthy professional services organization, delivering sustainable growth to all our stakeholders and helping to create a sustainable future across our communities. It is this vision that drives us forward and keeps us continually striving to improve.



Our Purpose is to inspire confidence and empower change, and this sets the context for all of the work we do; while Our Values guide our actions and reinforce our commitment to the highest standards of professional behavior.

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.

People

We are a people business.

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

Clients

We build trust and confidence in business and the capital markets.

Our clients seek our expertise to overcome the challenges ahead and to grow sustainably. We help safeguard the integrity of financial reporting and the capital markets.

Society

We have a responsibility to build a sustainable future.

Society demands a fairer, more equitable, future that doesn't come at such a significant cost to its people and our planet.

Our Values make us what we are

Our Values are the cornerstone of who we are at KPMG. They guide our day-to-day behaviors, our decision-making and the way that we work together. Across the 140+ countries and territories KPMG firms operate in, they create a common identity and shared principles, embedded across the entire employee experience. They inform our business processes and our stakeholder interactions.



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.



People of KPMG (written and filmed):
Danica Corbin, KPMG Islands Group



Our structure and governance

KPMG has strong governance for setting policies to support consistency of service quality, adherence to Our Values and alignment of our strategy with our Purpose. KPMG International 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. As of 1 October 2024, the [KPMG International Governance Bodies](#) and their functions are as follows:

Global Council: The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among KPMG firms. Among other things, the Global Council elects the Global Chairman and approves the appointment of Global Board members. It includes representation from 56 KPMG firms.

Global Board: The [Global Board](#) is the principal governing and oversight body of KPMG International. Its key responsibilities include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team and approving policies with which KPMG firms have agreed to comply. It is led by the Global Chairman and includes the Chairperson from each region as well as a number of KPMG firm's Senior Partners. Find out more about our

global governance in the [KPMG International Transparency Report 2024](#). For detailed descriptions of the 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. The GMT also has oversight of Global Steering Groups activity and supports KPMG firms with the execution of the global strategy and alignment with KPMG International policies.

Our Impact Plan (OIP)/Sustainability governance

As part of annual Our Impact Plan progress updates, the Global Board reviews KPMG's global climate strategy every year, in addition to broader sustainability reporting updates. The Global Board has ultimate responsibility and oversight of environmental issues for KPMG International.

The GMT, along with Global Steering Groups, work with KPMG firms to drive progress against key KPMG International initiatives such as Our Impact Plan and its related targets.

The Global Head of Corporate Affairs, who reports directly to the Global Chairman and CEO, is the GMT member with stewardship of KPMG's Our Impact Plan. They also lead the Global Corporate Affairs Steering Group and report to the Global Board on any significant changes to and progress made with respect to the overall KPMG sustainability strategy. The Global Head of Corporate Affairs is supported by GMT colleagues including the Global Chief Operating Officer, Global Head of People and Chief Digital Officer in operationalizing our commitments. The Chief Financial Officer also supports with the collection and reporting of data.

With regards to client services, KPMG International's Head of Global ESG coordinates the development of a global approach to ESG client strategy and supports KPMG firms with implementation.

Climate Governance: Climate governance mirrors the OIP/Sustainability Governance above. The GMT works with its Steering Groups and KPMG firms to drive climate-related commitments and progress, and the Global Head of Corporate Affairs, is the GMT member with stewardship of KPMG's OIP (including in relation to climate change), reporting to the Global Board on any significant change in the strategy. Additionally, KPMG International's Global Chief Operating Officer is involved in the delivery against climate targets and leads the COO Steering Group to drive change.

The GMT's efforts in driving sustainability have the following key areas of focus:



Developing the global strategy:

Together with the Executive Committee of the Global Board, the GMT oversees the development of the global strategy which includes our clients and markets strategy and integrates climate considerations and sustainability more broadly into our firms' service offerings; and where appropriate, the alignment of investments across the KPMG global organization.



Developing the KPMG Our Impact Plan:

This outlines KPMG's operational strategic environmental, social and governance strategies (including in relation to climate change).



Considering and where appropriate recommending targets, metrics or ambitions:

This is to support our progress in achieving our climate and broader sustainability commitments.



Monitoring progress toward Our Impact Plan commitments:

Reviewing KPMG's annual *Our Impact Plan* report, which includes KPMG's decarbonization and climate risk reporting.



Risk oversight:

Quarterly reviews of enterprise-level risks, including the environmental, social and governance agenda and those other enterprise risks where business priorities and climate intersect.



Budgets and forecasting:

Reviewing budgets and forecasts, including elements related to ESG/sustainability client services and other climate-related activity.

Client confidentiality, information security and data privacy

The KPMG global organization emphasizes the importance of maintaining client confidentiality through a variety of mechanisms, including our [Global Code of Conduct](#). We have policies in place on information security, confidentiality, personal information and data privacy. In addition, mandatory annual training on confidentiality, information protection and data privacy requirements is provided to all KPMG people.

The KPMG global organization has a legal framework that provides for safeguards in relation to the processing of personal data in a manner consistent with all 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.

In instances where parts of the KPMG global organization work with third parties, the terms and conditions of the contracts include appropriate controls, including those to protect the confidentiality of information and help ensure the processing of personal data occurs in a manner consistent with all applicable laws and regulations.

Cybersecurity and digital trust

To maintain the trust of KPMG firms' clients, we recognize the need to continually look over the cyber risk horizon and adapt our approach where needed. This includes addressing the opportunities and risks associated with emerging technologies such as generative AI. Our [Trusted AI framework](#), which guides colleagues and clients on the safe, responsible and ethical use of AI, helps us do this. To meet the ongoing needs of our business, we're evolving our global security standards and proactively maintaining compliance, while continuing to actively educate our people on cybersecurity safety protocols and developing their understanding of collectively managing cyber risks. We continue to identify and implement enhanced cyber security controls to provide an additional level of protection for our data, KPMG firms' clients' data and other key assets.

KPMG's cybersecurity professionals have a variety of backgrounds and experience, including digital

transformation, IT, regulatory and forensics, helping teams to take a broad and holistic view. Together, they work to deliver services that help clients become more secure and resilient, including in managed cyber 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.

In a fast-moving landscape, cyber threats continue to grow in volume and sophistication. KPMG teams bring technological expertise and deep business knowledge to work with clients in creating a more resilient and trusted digital world.

Case Study

Enhancing risk-based decision-making, KPMG Lower Gulf



The KPMG global organization has a legal framework that provides for safeguards in relation to the processing of personal data in a manner consistent with all laws and regulations and for the protection of privacy and the fundamental rights and freedoms of individuals.



Stakeholder engagement — building trust, promoting sustainable approaches

KPMG is actively involved in convening and engaging business leaders, government and other stakeholders to drive a positive impact on people and the planet in a way that is appropriate and in line with Our Code.

By engaging with key policy makers and stakeholders (such as investors, directors, analysts, business associations, NGOs, academics and other thought

leaders), we aim to listen to and understand key influencers to ensure KPMG is making decisions that align with Our Values and in a way that benefits our people, our clients and society.

Global or cross-border bodies and initiatives with which we engage include:

- **Financial and sustainability reporting** — KPMG International engages with bodies involved in standard-setting processes around the world,

including those focused on financial reporting, such as the International Accounting Standards Board (IASB); and sustainability reporting, such as the International Sustainability Standards Board (ISSB), the European Financial Reporting Advisory Group (EFRAG) and the Global Reporting Initiative (GRI).

In 2024, KPMG International published its first Climate Risk Report that is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework (which has now been integrated into the ISSB) and became a Task Force on Nature-related Financial Disclosures (TNFD) adopter.

- **Sustainability initiatives** - KPMG International is a signatory and participant of the UN Global Compact and is a member of the Science Based Targets initiative (SBTi) and Race to Zero. KPMG International is also a member of RE100 and is committed to achieving 100 percent renewable electricity across our global organization by 2030, and actively engages with the GHG Protocol, which plays an important role in developing frameworks for climate-related disclosures.
- **United Nations** — KPMG engages with the United Nations system in various ways. KPMG member firms are service providers to a variety of United Nations system organizations, supporting projects both at their corporate headquarters and programmatically in-country. As a signatory to the UN Global Compact, KPMG International has shown

KPMG's commitment to meet its fundamental responsibilities across human rights, labor, environment and anti-corruption. We partner with United Nations Educational, Scientific and Cultural Organization (UNESCO) on their Global Skills Academy and are a member of UNESCO's Global Education Coalition. KPMG worked with the United Nations Office for Disaster Risk Reduction (UNDRR) to create a guide for mobilizing private finance for adaptation and resilience, and KPMG's Global Lead Director on Nature & Biodiversity sits on the UN Decade for Ecosystem Restoration Advisory Board. We also continue to align our strategic impact programs with the UN Sustainable Development Goals (SDGs), and to align our Human Rights Statement with the UN Guiding Principles on Business and Human Rights.

- **WBCSD** — KPMG International is a longstanding member of the World Business Council for Sustainable Development (WBCSD). We are involved in a wide range of its projects including those that support the decarbonization agenda, the transition to a circular economy, nature action, corporate performance and accountability, and the tackling of inequality. We were a founding member of the WBCSD's new Center for Decarbonization Demand Acceleration and, in 2024, co-published a report on the business case for sustainability.

- **WEF** — KPMG International actively engages with the World Economic Forum (WEF), recognizing the role it plays in bringing global leaders together, putting issues on the global stage and championing public-private cooperation to build solutions for a more sustainable future. KPMG is a participant in the WEF's Stakeholder Capitalism project which focuses on promoting systemic change to build an effective and efficient global corporate reporting ecosystem. At the 2025 World Economic Forum in Davos, KPMG International, in collaboration with the World Economic Forum, launched the [Blueprint for Intelligent Economies](#) that creates a detailed and comprehensive framework with ten missions for accelerating national growth, investment and inclusivity through AI. We are also supporting its Baukultur Alliance focused on urban decarbonization, as well as its work to advance the clean energy transition, and its work towards the creation of a global plastics treaty. Further details of these projects can be found on page 48.

At the 2025 World Economic Forum in Davos, KPMG International, in partnership with the World Economic Forum, launched the Blueprint for Intelligent Economies that creates a detailed and comprehensive framework with ten missions for accelerating national growth, investment and inclusivity through AI.

We continue to engage with those sustainability (reporting) standards bodies that support environmental initiatives and collaboration, (in compliance with professional standards, laws and regulations) in support of our Beyond Value Chain Mitigation (BVCM) approach.

KPMG International is an active member of the **Global Public Policy Committee** (GPPC), which brings together leaders from the six largest 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 the CEOs of their member networks, such as the enhancement of quality in auditing and corporate reporting.

In addition, KPMG International is an active member of the **European Contact Group** (ECG), which also consists of representatives from the six largest international accounting networks, whose public interest mission is to contribute constructively to European legislation and policy debates to maintain confidence in the profession and in the large networks in Europe.

How we identify and manage risk

Identifying, monitoring and managing risks is a key element of being a resilient business. Within our global organization, every KPMG firm is required to identify, manage and report its risks through a formal Enterprise Risk Management (ERM) process, and each KPMG firms' leadership team is responsible for overseeing the process and adhering to it.

The results of KPMG firms' ERM processes are reported annually to the KPMG International ERM team, which then aggregates and analyzes the information and shares insights and any risk exposures from across the KPMG global organization back to the firms.

Our Global Management Team is responsible for the ERM Program within KPMG International, including ensuring the effectiveness of mitigating controls. This sits under the oversight of the Global Board's Quality, Risk Management and Reputation Committee, Executive Committee and any other committee of the Global Board designated by the Executive Committee in respect of a specific risk area. Using KPMG's internal risk assessment criteria, the ERM Program also leverages KPMG's own Dynamic Risk Assessment methodology to identify, connect and visualize risks across four dimensions: impact, likelihood, time horizon and connectivity.

In addition, the global organization has a set of client and engagement acceptance and continuance policies and processes which are designed to help KPMG firms identify and evaluate potential risks, including relevant ESG risks, before 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, with additional approvals being required where client/engagement acceptance or continuance decisions are deemed to pose significant risks.

Read more in our [KPMG International Transparency Report 2024](#) and in our [Climate Risk Report](#).



Committed to high quality audit and assurance

Our commitment:

Lead the profession in audit quality

KPMG is committed to fulfilling our public interest role in providing quality audit and assurance services that benefit investors and other stakeholders. We believe the same level of professionalism, quality, consistency and trust should apply to sustainability reporting as it does to financial reporting.



The quality of our audit and assurance engagements remains a top priority at KPMG, with an ongoing and firm commitment across the global organization to serve the entities that we audit, stakeholders and the public with the highest professional excellence, ethics and integrity.

We know that we must continue to earn the trust of stakeholders in all the work that we do. We maintain a relentless focus on quality by pursuing operational excellence, underpinned by our commitment to continuous improvement and innovation. Through the ongoing integration of innovative and transformative technologies, we are empowering KPMG firms' auditors to offer deeper insights, fresh perspectives and improved audit and assurance quality to the entities they audit.

Our audit platform — KPMG Clara: KPMG firms continue to drive sustainable quality, using globally consistent audit and ESG assurance methodologies that are embedded into our state-of-the art, cloud-based audit platform — KPMG Clara. This multi-billion-dollar investment has been deployed across the organization and incorporates AI technologies, such as an internal AI chat domain, which is a prompt-based tool that provides auditors with immediate access to knowledge libraries and resources pertinent to their tasks. KPMG Clara empowers approximately 95,000 auditors across KPMG firms to deliver quality audits with deeper insights through powerful analytical capabilities applied to extensive datasets.

Quality Management: Aligned with regulatory requirements, KPMG firms operate a consistent and robust System of Quality Management (SoQM), enabling stronger

accountability, and greater transparency. Committed to continuous improvement, KPMG firms use quality monitoring and compliance programs to identify issues, perform root cause analysis and remediate quality issues.

ESG Assurance: Another significant focus this year has been on ESG Assurance — furthering our deep-rooted belief that the sustainability information companies produce should be assured with the same level of rigor, quality, consistency and trust that is applied to financial statement information. A key element of our assurance responsibilities over the last year has been with respect of the EU's Corporate Sustainability Reporting Directive (CSRD) which the largest reporting entities with a presence in the region have had to apply. We have worked on a significant number of engagements involving KPMG professionals to assure companies' information disclosed under the CSRD.

We are committed to continuously evolving our quality approach to keep at the forefront of how audits are performed, harnessing next generation AI-driven technology, and combining it with deep local and global multidisciplinary knowledge so that it is enabled by technology, powered by people.

Learn more about our approach to audit quality and professional excellence in the [KPMG International Transparency Report 2024](#).

Case Study

Multidisciplinary expertise makes the difference, KPMG France



Leading 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 support tax transparency and help KPMG firms support clients in meeting their current and future compliance obligations.



We are committed to helping clients take a responsible approach to tax, underpinned by transparency and full compliance with their obligations in the jurisdictions in which they operate. This has become an important topic both commercially and from a wider social perspective, with a growing number of stakeholders keen to ensure that businesses pay their fair share of tax. Additionally, with sustainability high on the agenda, we are devoting increasing time and resources to advising clients on aspects such as carbon taxation and pricing. With carbon-related regulations and mechanisms beginning to come into effect, this is a fast-evolving area and a key mechanism for creating the low-carbon world that governments, tax authorities and stakeholders are striving to facilitate.

In FY24, our tax initiatives included the following:

Following our Global Tax Principles: We continue to follow our Global Tax Principles, as the guide to operating a responsible tax practice. The principles, which are consistent with Our Values, inform both our advice to clients and our relationships with governments, tax authorities and the broader community.

Responsible Tax Program: In 2024, the KPMG Responsible Tax Program reached its tenth anniversary. Instituted to give KPMG a public voice in the debate and bring together diverse stakeholders, we are proud to have used our convening power to foster informed dialogue and discussion through the program. We recognize that there remains more to do, particularly as the world evolves

and societal issues such as climate change and inequality become more pressing.

Tax Morale: Another program of events that KPMG has held concerns the notion of ‘tax morale’ — a term from the Organization for Economic Co-operation and Development (OECD) that relates to low levels of trust between businesses and tax authorities in many regions of the world. KPMG firms held tax morale roundtable events in both Latin America and Africa during FY24.

United Nations Tax Convention: One of the biggest tax developments in 2024 was an increased level of activity from the UN on the global tax stage — passing a General Assembly resolution and forming an Ad Hoc Committee to draft terms of reference for a UN tax convention on international tax cooperation. We recognize the importance of engaging with such a potentially significant project and were the only organization among the major global accounting organizations to submit a response to the UN’s consultation. We look forward to continuing to engage and contribute as the initiative progresses.

Leveraging technology: Our global platform [KPMG Digital Gateway](#), powered by Microsoft Azure, helps clients manage, monitor, analyze and report on tax data and information, as well as the expanding amount of required ESG-related tax information. The platform includes a growing range of AI-enabled capabilities that increase the analytical power at clients’ fingertips, turning data into value.

Global Minimum Tax: KPMG firms continue to advise clients around the world on the OECD’s Base Erosion and Profit Shifting (BEPS) 2.0 measures, which will change how multinational organizations navigate and comply with their tax obligations. For example, during 2024 a significant number of countries and territories signed up to the OECD’s Pillar 2 Subject to Tax Rule that will allow jurisdictions to raise effective tax rates to a minimum of 9 percent if it currently falls below that figure. The KPMG BEPS 2.0 Automation Technology (KBAT) platform has been integrated into the KPMG Digital Gateway to help clients manage the complex data collection, accounting disclosure and compliance requirements by having information all in one place.

Tax transparency: This is another area where much has taken place over the last year, including the go-live of mandatory country-by-country reporting requirements, largely based on the GRI standards, in both Australia and the EU. KPMG teams work together with clients to create the data and governance processes required for this reporting — as well as other voluntary reporting

requirements elsewhere in the world — underpinning good governance, transparency and stakeholder trust.

Legal services:² Legal advice and compliance is an important component of any sustainability approach. Issues such as directors’ liability, sustainability reporting requirements and access to capital and insurance continue to require the support and counsel of our legal professionals, working closely with in-house legal teams to ensure a joined-up approach in the evolving landscape of sustainability.

Carbon pricing and incentives: As the energy transition progresses, there is a growing focus on carbon taxation and pricing measures — with the EU’s Carbon Border Adjustment Mechanism (CBAM) already in a transitional phase before becoming fully effective from 2026. KPMG professionals are working with clients to help ensure that they are ready for regulations such as CBAM and understand the likely effects. We have also fostered wider understanding and debate on the issue of carbon pricing through numerous client discussions, webinars and events.



² Legal services may not be offered to SEC registrant audit clients or where otherwise prohibited by law.

Advisory with purpose

Many KPMG firms' Advisory services contain a strong sustainability component, helping clients build sustainability and other ESG-related considerations into the change and transformation projects they undertake.

Technology is one key enabler through which sustainability obligations and goals can be met — and our Advisory practices around the world continue to deliver technology-based solutions that help clients achieve their goals, enhancing the long-term value of their businesses.

Notable areas of focus have included:

Environmental, social and governance reporting:

This is a fast-moving and complex area with an increasing number of reporting frameworks emerging, requiring organizations to capture, manage and report their data and impacts. At the same time, investors and stakeholders expect companies' annual reports to provide clear and connected financial, sustainability and strategic information. KPMG firms help their clients use a range of technology tools to do this, while also being able to provide assurance over their processes and reporting, increasing stakeholder confidence and trust. The KPMG Global Corporate Reporting Institute brings together our key resources for financial reporting, ESG

reporting, and connected reporting, delivering the latest news, as well as our insights and guidance.

Clear on climate: We have launched a [Clear on climate reporting hub](#) that provides guidance, all in one place, to help organizations be clear on climate in their financial reporting by appropriately reflecting the risks and opportunities facing the business thereby meeting the needs of investors and regulators. By including a digital guide on emissions and green schemes, the hub facilitates a connected approach to reporting and helps organizations present a coherent and joined-up picture. The hub helps organizations to be clear about what they need to report — and then achieve clarity in their reporting of it.

Social sustainability analytics: KPMG has developed a number of technology-based tools that help clients analyze their data and evaluate performance against social and people-based criteria. This includes an Inclusion IQ tool through which organizations can assess their progress against their workforce development goals; a Talent 4.0 platform that enables organizations to analyze their talent processes from a dignity and respect perspective across areas such as recruitment, onboarding and retention; a human rights due diligence tool; and a forced labor

dashboard to monitor transactions with potential forced labor links. During FY25, we will be introducing new AI-based capabilities into the platforms designed to provide an even richer and more powerful analysis.

Analyst recognitions: KPMG firms have been validated as a 'market leader' through multiple separate independent analyst reviews across several aspects of ESG advisory services. This includes being a Global Leader in ESG social consulting capabilities (ALM Intelligence), a Worldwide Leader in ESG program management services (IDC), and a Global Leader in climate consulting (Verdantix).

We continue to invest in advisory services that leverage the latest technology including the power of AI to analyze large datasets and turn data into insights and value for our clients. As sustainability, climate risk and societal equality become ever more pressing issues, we recognize that the value we can deliver through these services and solutions has never been more important.

Case Study

Supporting clients with robust sustainability reporting processes, KPMG Germany



Case Study

Powering the future towards green energy, KPMG Czech Republic



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, clients and the public. In line with the Global Code of Conduct, we strongly support a speak-up culture and set out a clear process for advice on, or the reporting of, illegal or unethical behavior. The KPMG CARE framework (Consider, Assess, Respond, Evolve) helps our people practice and build confidence in making ethical decisions.



We are committed to the highest standards of professional behavior in everything we do.

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

Our Code shows how Our Values and Purpose can inspire our strategy and guide our behaviors and actions. It defines what it means to work at, and be part of, the global KPMG organization, as well as our individual and collective responsibilities. We regularly review Our Code to make sure it continues to be a clear reflection of these principles and expectations. Everyone at KPMG can expect to be held accountable for their behavior, in line with Our Code, and is required to confirm their compliance with it.

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

Regular training is provided by KPMG firms to partners and employees on a range of topics including the requirements of Our Code and our anti-corruption policies and procedures. The training emphasizes the importance of making

ethical decisions even when under pressure, and speaking up to ask questions, respectfully challenge, and raise concerns when uncertain or something does not seem right. The current training also includes scenarios on topics such as the responsible use of AI, handling confidential information, and ethical behavior in completing learning and assessments.

As signatories to the UN Global Compact and the World Economic Forum's Partnering Against Corruption Initiative (PACI), we work against corruption in all its forms, including extortion and bribery. Our Code clearly states that we do not 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 particular jurisdictions.

There are processes in places across all KPMG firms to assess prospective clients, third parties and suppliers in relation to bribery and corruption. It is also mandatory for KPMG firms to annually assess their bribery and corruption environment and establish and maintain processes to monitor, manage and control how their staff and their agents interact with government entities and officials to ensure compliance with applicable laws and regulations, and maintain public trust. Find out more about [our position on bribery and corruption](#).

We are committed to the continuous strengthening of our ethical culture

We take any incidents that are inconsistent with Our Values or contrary to Our Code very seriously. When KPMG firms, or individuals within them, fail to meet the high standards we set ourselves, or those set by the organizations that regulate us, we take remedial steps, such as looking at our policies and controls and leveraging technology to minimize the likelihood of recurrence. KPMG firms are committed to taking appropriate actions to address incidents that are inconsistent with Our Code. This is a clear expectation that applies across the global organization.

We recognize that the trust of clients and the public is crucial for our future growth and success — and that this trust is built on integrity, professional excellence and societal impact. Our Code, Values and ethical culture are designed to ensure we achieve those standards.

Ensuring ethics is at the heart of decision-making has been strengthened by the introduction of our CARE framework (Consider, Assess, Respond, Evolve). The CARE framework helps guide our people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma. Backed by a portfolio of supporting materials and guides, the framework is now being used across KPMG and is having a positive impact.

Our Code of Conduct, Our Values and policies emphasize the importance of ethical behavior, including the completion of training and assessments. To reinforce

this expectation, KPMG firms establish and maintain a risk-based program to periodically monitor training assessments to be able to identify potential instances of inappropriate conduct, including training assessment answer sharing. KPMG firms determine the appropriate actions to take, including disciplinary procedures, if inappropriate conduct is identified.

Speaking up safely

KPMG has extensive mechanisms and channels in place for the reporting of any suspected illegal or unethical acts. Across every KPMG firm, Our Code, policies and procedures set out a clear and accessible process for

anyone seeking advice or wanting to report any concerns. We actively encourage a culture of speaking up without fear of reprisal. We expressly manage against any retaliatory behavior when our people report ethical issues, breaches or suspected breaches in good faith.

As part of this speak-up culture, KPMG International has its own independent hotline, where our people around the world, KPMG firms’ clients and other third parties can confidentially report any concerns they have relating to any activity by KPMG International, KPMG firms or KPMG people. This is in addition to other local mechanisms and hotlines available within KPMG firms.

Integrity training completion

By region

	Americas	Asia Pacific	EMA	Total
FY24 completion rate	100%	100%	100%	100%
FY23 completion rate	100%	100%	100%	100%

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” 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 Nations 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.



Together with our objective to be a leader in the global economy, KPMG aims to act as a role model for the business community, including through our collective ethical conduct and respect of human rights.

We are committed to respecting human rights as outlined in our [Business and Human Rights Statement](#) which is aligned with the United Nations Guiding Principles on Business and Human Rights and builds on our longstanding support for the UN Global Compact. We support the protection of human rights, the avoidance of complicity in human rights abuses (including those involving business relationships) and the elimination of 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, through a systematic approach to human rights due diligence, we have an important role to play in preventing any potential harm to people. We extend this to our assessments of modern slavery risks in our suppliers' operations or supply chains, and the KPMG International Supplier Code of Conduct that its suppliers are asked to sign up to.

We stay alert to 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 any human rights issues. Such reports are taken seriously, with appropriate action taken as required.

People
of KPMG

Evie Burton,
KPMG Netherlands



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.

Over the last year, KPMG International has introduced risk categories (low, medium or high) to assess suppliers based on an annual self-assessment outreach survey which has been running for three years.

We have introduced a refined risk scoring mechanism that incorporates specific KPIs to evaluate high-risk suppliers on whether they have established appropriate human rights and anti-modern slavery policies, implemented appropriate human rights due diligence controls, and made anonymous grievance mechanisms available for staff and external stakeholders to report any human rights concerns. These KPIs allow us to benchmark and monitor supplier performance year on year.

To support suppliers, KPMG International provides feedback where needed on the self-assessment responses and has developed tailored supplier materials to provide further guidance, which will be implemented during FY25 as part of our comprehensive supplier engagement plan. This plan includes targeted communication strategies for distinct supplier groups and one-on-one engagements with priority suppliers. Alongside this, we have undertaken



bespoke modern slavery training sessions for our procurement professionals and in-house legal team at KPMG International. We have also worked with an external modern slavery focused organization to deliver additional tailored training and awareness courses to our procurement professionals.

Our cross-functional Modern Slavery Working Group, which was established in 2022, continues to ensure

consistency and alignment in our approach across the global organization. Further information can be found in our [Modern Slavery Statement 2024](#).

Case Study

Cloud solution for Modern Slavery issues and ESG Compliance, KPMG Australia



Our Supplier Code of Conduct

In the past year, we have continued to advance our commitment to ethical business practices and sustainability principles through the enhanced KPMG International Supplier Code of Conduct. This Code remains pivotal in guiding our suppliers to meet the highest standards of ethical conduct, human rights, inclusion, and environmental stewardship.

Significant progress has been made in suppliers adopting the Supplier Code of Conduct. The Code is incorporated as a standard policy in all of KPMG International's procurement-negotiated third-party supplier agreements, unless suppliers have their own substantially similar codes of conduct. KPMG International's commercial contracting and procurement professionals have also received training on the importance of the Supplier Code of Conduct. We have established clear contracting guidance and a consistent approach to review and approve exceptions. We review the Supplier Code of Conduct regularly to ensure continued alignment to our own commitments.

The Supplier Code of Conduct specifically references 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 fulfilment of a KPMG contract.

Sustainable Procurement Practices

Over the last year, KPMG International has developed a policy around sustainable practices that will serve as an important foundation to enforce our expectations of suppliers to meet and support Our Impact Plan goals and commitments. The policy sets out the guidelines and requirements that apply when contracting with third party suppliers for goods, services or technology and aims to govern sourcing decisions, supplier selection and contracting in line with our business resilience ambitions.

As an example, it is envisaged that the policy will require those KPMG International suppliers with a strategic business impact to meet decarbonization requirements including measuring carbon emissions, committing to a validated carbon reduction target (Science-Based Target or similar), and disclosing their carbon footprint data to KPMG International upon request.

The Code is incorporated as a standard policy in all of KPMG International's procurement-negotiated third-party supplier agreements, unless suppliers have their own substantially similar codes of conduct. KPMG International's commercial contracting and procurement professionals have also received training on the importance of the Supplier Code of Conduct.

Supplier risk escalation framework

We do not tolerate unethical practices or behaviors from our suppliers. To reinforce this, over the past year we have taken the further step of establishing a formal supplier risk decision framework.

The framework considers multiple risk dimensions and provides a structured escalation pathway in situations where supplier behavior or ways of working appears contrary to Our Values, or where a supplier risk, which could include matters of supplier integrity, modern slavery or climate risk, has a potentially significant impact on our business.

The framework creates a governance process to escalate the matter to the Global Management Team (GMT). The GMT will consider the risks presented and the mitigating steps required, that could include, for example, requesting the supplier to make changes, limiting the goods or services they provide, or re-assessing the supplier relationship (up to and including termination of the contract).

People

Building a culture that is
caring, inclusive, Purpose-led
and Values-driven

Rafay Khan
KPMG Canada



Our commitments

Inclusion and access to equal opportunity

- 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



Our talented people are at the heart of KPMG. We are fundamentally a people business, and it is through them that we make the difference to each other, clients and society.

We recognize that this can only happen through the creation of a culture that is inclusive, diverse, rewarding and supportive. This sets the context in which our people can pursue meaningful and impactful work that helps them develop their skills and expertise and build fulfilling long-term careers. This also enhances the attractiveness of our profession, which is key to ensuring that we continue to attract the talent needed for our work in supporting clients, the capital markets and the public interest.

At the same time, we are conscious that there are many pressures facing our people from today's fast moving and

increasingly complex world. Mental health and well-being have become widely recognized issues. Uncertainty and the pace of change can erode people's sense of personal security and psychological safety.

Accordingly, we have focused more than ever on anchoring an approach that puts the individual at the very heart of our strategy, allowing them to thrive. Our Values guide the five pillars of our Employee Value Proposition:

- Do work that matters
- Come as you are
- Thrive with us
- Learn for a lifetime
- Make your mark

We recognize that this can only happen through the creation of a culture that is inclusive, diverse, rewarding and supportive. This sets the context in which our people can pursue meaningful and impactful work that helps them develop their skills and expertise and build fulfilling long-term careers.

Maintaining a truly supportive, people-centered culture requires that we continually evolve and respond as conditions change. We listen to our people by giving everyone an opportunity to share their views in our annual Global People Survey and targeted pulse surveys in addition to KPMG firm- specific listening and engagement activities. Through this, we monitor year-on-year progress and identify areas where we need to take action.

Harnessing AI to further strengthen our skills-based organization

This past year has seen a rapid acceleration in the adoption of generative AI tools across our organization. Our human-centric approach means we are embracing AI technologies that can help to empower and augment human capabilities. This is not about automating our workforce — but how we can empower our colleagues and use technologies to either improve productivity, quality or experience.

We continue to build a skills-based organization, equipping our people with powerful AI tools and the knowledge of how to use them, as well as deploying the underpinning AI technologies that can enable these tools to seamlessly and positively operate within our technology ecosystem. To support this, we are working to drive the adoption of AI tools using our organization’s best-practice change management processes which prioritize supporting our people as they adopt the new tools and adapt their ways of working.

We strive to make KPMG the best place to work that it can be, where the full capabilities of everyone who works for us are maximized, for the benefit of clients, our people and society.



Inclusion and access to equal opportunity

Our commitment:

Have an inclusive culture built on trust

KPMG is committed to fostering a culture that welcomes everyone. This commitment has been core to our culture for many years and aligns with Our Values and business strategy. Across the world we will continue to reflect the diverse communities we work within, whilst fostering a sense of belonging, and harnessing the collective power of our different perspectives and experiences to better serve our people, clients and society. We've made progress with our global approach, yet we know there is more work to be done and seek to expand the measurement and impact of our programs. Progressing towards our KPMG International goal to have women in 33 percent of leadership roles, applying across the firms who participate, by 2025 (which includes KPMG firm partners and directors) (the "KPMG's Women in Leadership Goal³"), gender equality is a strategic priority, and we are working to identify more opportunities across the global organization.



At KPMG, creating a culture that welcomes everyone is core to our business, helping us to build teams that offer diverse views and reflect the world we live in. It leads to better decision-making, drives greater creativity and innovation, and encourages us to live Our Values and do what is right. This approach is enshrined in our Value — **Together**. It is something we remain focused on, aware of the expectations from our people, clients and society that the businesses of today truly embrace inclusion and fairness for all.

³ KPMG International's women in leadership goal was set across participating firms based on the cumulative local goals and aspirations KPMG US is not a participant. As a network of independent firms, the measurement and tracking of women in leadership progress is performed at a local level. Periodically, where possible, KPMG firms share data with KPMG International which is aggregated to track and report progress across the global organization. Data represents the KPMG firms who reported FY24 gender data to KPMG International, KPMG US data is not included.

Measuring and tracking our progress

We consistently measure our progress and work with participating KPMG firms, to expand the collection and curation of our global people data, with a focus on the qualitative and quantitative impact of our work.

Our Global People Survey is one of the key sources of data. The number of KPMG firms that include self-identification questions into their local surveys, is increasing annually which allows us to better understand our people's lived experiences and perceptions and integrate them into our strategies.

The 2024 Global People Survey showed that we have maintained an 80 percent favorable view of our approach, a significant result in what is an often divisive societal and geopolitical landscape. However, we recognize that there is still work to be done to ensure that our people have a consistent, positive experience across the network.

FY24 people overview across all KPMG firms

By region

Americas	62,121
Asia Pacific	56,154
EMA	157,013
Total	275,288

EMA = Europe, Middle East and Africa, including India

Headcount reported is based on partners and staff employed by KPMG firms as of 30 September 2024.

FY24: 1 October 2023–30 September 2024

By role

Partner	13,410
Directors	12,303
Leadership (partners and directors)	25,713
Other employees	249,575
Total	275,288

Headcount reported is based on partners and staff employed by KPMG firms as of 30 September 2024.

FY24: 1 October 2023–30 September 2024

The representation of women at KPMG as at 30 September 2024 was 49.6 percent. In addition, women in leadership (partners and directors) increased to 30.4 percent across our global organization, as of 1 October 2024.⁴

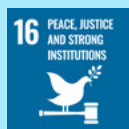
⁴ KPMG International's women in leadership goal was set across participating firms based on the cumulative local goals and aspirations. KPMG US is not a participant. As a network of independent firms, the measurement and tracking of women in leadership progress is performed at a local level. Periodically, where possible, KPMG firms share data with KPMG International which is aggregated to track and report progress across the global organization. Data represents the KPMG firms who reported FY24 gender data to KPMG International, KPMG US data is not included.

Our commitment to inclusion and access to equal opportunity

Our commitment:

Advocate for equal opportunity

Inclusion and access to equal opportunity remain 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 equal opportunities and acceptance for all.



Equal opportunity continues to be a mainstay of our People agenda. KPMG firms embrace an inclusive culture that champions equality for all and actively promotes social mobility, supports neurodiversity and creates an environment where everyone can thrive.

Gender equality: Women in Leadership Goal

Our collective ambition has driven progress in promoting fair representation across the network, resulting in a strengthened talent pool of women at every level with 49.6 percent⁵ of our overall headcount comprised of women. KPMG's Women in Leadership Goal is to have women in 33 percent of leadership roles by 2025 (which includes KPMG firm's partners and directors). Representation has increased to 30.4 percent across our

global organization, as of 1 October 2024.⁶ Our number of women at senior manager level has also increased, giving us a robust future pipeline and enhancing our succession planning. KPMG International's Women in Leadership Goal was set across participating firms based on the cumulative local goals and aspirations. As a network of independent firms, the measurement and tracking of women in leadership progress is performed at a local level. Periodically, where possible, KPMG firms share data with KPMG International which is aggregated to track and report progress across the global organization.

This focus has fostered transparency and accountability around hiring, development and retention practices and seven KPMG firms have already surpassed their local 2025 goals.

⁵ Data represents the KPMG firms who reported FY24 gender data to KPMG International, KPMG US data is not included.

⁶ Progress towards the Women in Leadership Goal is presented to 1 October of the following financial year. KPMG US is not a participant. This more accurately reflects our position and progress as it includes promotions agreed in the financial year but not effective until 1 October of the following year. Data represents the KPMG firms who reported FY24 gender data to KPMG International, KPMG US data is not included.

Women in leadership

	Target — by 2025	FY24 (1 Oct 2024)	FY23 (1 Oct 2023)	FY22 (1 Oct 2022)	FY21 (1 Oct 2021)	FY20 (1 Oct 2020)
Percentage of women in leadership roles (i.e., as partners and directors) ¹	33.0%	30.4% ²	29.4%	28.2%	27.0%	26.1%

Notes:

1. Our progress in women in leadership is reported as of October 1st of the following financial year. This approach aims to enhance the accuracy of our data collection, capturing promotions agreed upon during the financial year but not effective until October 1st, thus providing a more comprehensive reflection of our women in leadership position and progress.
2. KPMG International's Women in Leadership Goal was set across participating firms based on the cumulative local goals and aspirations of the KPMG firms. KPMG US is not a participant. As a network of independent firms, the measurement and tracking of gender leadership progress is performed at a local level. Periodically, where permissible, KPMG firms share data with KPMG International which is aggregated to track and report progress across the global organization. Data represents the KPMG firms who reported FY24 gender data to KPMG International, KPMG US data is not included.

For the third year running, the Global Management Team of KPMG International continues to be comprised of 50 percent women (as of 1 October 2024). These senior leaders are responsible for developing the collective global strategy with the Executive Committee of the Global Board and driving alignment across our KPMG firms.

Global gender pay gap: Measuring pay gap is an indicator of our progress in equal representation. It also provides a framework to help understand why pay gaps exist and what can be done about them.

In FY24, KPMG's commitment to closing the global gender pay gap was discussed at the Global Board as an accountability measure, establishing a baseline year from which we will now track and measure progress. Our ambition is to close the gender pay gap and the actions we are taking across the global organization are important steps toward achieving it.

Disability inclusion: We are committed to ensuring that everyone has the tools and resources to succeed at KPMG. KPMG International is a signatory to the Valuable 500, a global alliance of over 500 partners and companies working to end disability exclusion. In line with our public commitment, we conducted a current state analysis of our disability inclusion efforts across our global organization. This year, we collaborated with global technology stakeholders to better understand the current landscape and barriers to making digital applications more accessible and identified the opportunities that would have the greatest impact for local KPMG firms.

As we work toward our commitment to report against Valuable 500's disability inclusion KPIs in FY25, subject matter experts are supporting a number of KPMG firms in driving progress in digital accessibility and in collecting expanded demographic data. Within a number of larger KPMG firms, disability has been defined and they are measuring and reporting their representation of persons with disabilities. Within these firms,⁷ representation ranges from 2–7 percent.



People of KPMG (written and filmed):
Rafay Khan, KPMG Canada



Case Study

Committing to the inclusion of people with disabilities, KPMG Spain



LGBTQ+: KPMG is committed to actions that promote LGBTQ+ awareness. Our Global LGBTQ+ Inclusion Statement sets the tone for our entire organization and presents a unified voice in our support of all our LGBTQ+ colleagues. All KPMG firms commit to a common set of values underpinned by this global approach.

In addition to a Global Pride Network, we have a growing number of Pride Partner Champions and senior leaders across many KPMG firms who drive progress and help KPMG people to feel safe, recognized and heard.

Ethnic and cultural diversity: KPMG is committed to helping further build equitable and just workplaces for all our people regardless of their ethnic and cultural identity.

Based on best practice and internal current state analysis carried out over the course of 2024, we know that KPMG firms are at different stages of their ethnic and cultural diversity journeys. They continue to work to support their people and enhance diversity in their

teams through improved talent processes, anti-racism policies and the building of networks and employee resource groups that support all impacted and intersectional groups.

Representation goals have been set by a number of KPMG firms including those in Australia, Canada, and the UK. Ethnicity pay gaps have also been published by firms including KPMG UK and KPMG New Zealand. A number of KPMG firms have progressed inclusive programs to support increased representation from Indigenous communities, including KPMG Canada's Truth and Reconciliation Action Plan, KPMG Australia's Indigenous Peoples Policy and KPMG New Zealand's Tōmua framework to address inequality.

In FY25, we aim to build further on this progress by developing an ethnic and cultural diversity learning pathway, with a focus on intercultural competency building and education.

Representation goals have been set by a number of KPMG firms including those in Australia, Canada, and the UK. Ethnicity pay gaps have also been published by firms including KPMG UK and KPMG New Zealand.

⁷ Australia, Canada, UK

Building understanding, allyship and acceptance

Our commitment:

Foster an educated, empathetic workforce

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



Through our global learning programs, we build allyship, listen to our people and educate ourselves on the different perspectives and lived experiences of others.

Since FY21, we have been bringing our people together in recognition of a wide number of global recognition days including the International Day for the Elimination

of Racial Discrimination, International Day of Persons with Disabilities, International Women's Day and Pride Month.

In April 2024, KPMG International led a virtual Global Inclusion, Diversity and Equity Super Summit, bringing KPMG colleagues from around the world together to participate in a landmark event under the banner of **'Engage. Educate. Empower.'**

The event was an opportunity to elevate the lived experiences of our people, engage in open conversations with leaders and learn from a variety of subject matter experts. The Summit was not only a catalyst for meaningful conversations but also served as a mechanism to share practical resources for actionable change. It established best practice

in terms of accessibility and inclusion for other KPMG events around the world, including live sign language interpreters, audio descriptions, self-descriptions and pronouns.

We enhanced our Inclusive Talent Process Guide by holding a Global Inclusion Diversity and Equity Talent Masterclass Series for firms working to further educate and breakdown systemic barriers where they arise.

Additionally, a number of local events were held providing detailed insights into specific areas such as: Cultural Diversity and First Nation initiatives; Collaborating with Employee Resource Groups; Gender Equality and Women's Empowerment; and Disability Inclusion and Accessibility.

The summit made an impact on our people:

82%

said they felt more educated on the lived experiences of people from our communities.

80%

said they felt better equipped to be an effective ally.

15%

of attendees at the leadership level (Partners or Directors) — an increase from **9 percent** from our summits in the previous year.

Engage. Educate. Empower: Global Inclusion, Diversity and Equity Super Summit feedback from our people:

"... [The event was] valuable and sets KPMG apart from other firms I have worked at. Please keep it up. Also, **as the parent of two neurodiverse children it gives me hope for their future.**"

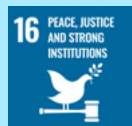
"...this summit demonstrates the **respect that our firm has for its employees** and their stories and personal choices."

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. Throughout our global organization, we are taking strong steps to remove any stigma attached to discussions around 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 are central to sustainable working practices and overall well-being.



Positive physical and mental well-being are key to the quality of everyone's life, enabling people to perform better in whatever they do. As a result, this area remains one of our most important people-related strategic priorities. We are working to provide the support, resources and flexibility our people need to manage what can at times be a demanding workload. By doing this, we help to ensure that we continue to attract and retain the best talent and make KPMG a great place to build a career. By extension, this also helps promote the attractiveness of the profession and the professional services sector overall. We want our people to feel able to be open about how they are doing — and seek support or advice if they need it.

KPMG firms offer medical and well-being programs locally, but KPMG International has also taken steps to prioritize mental well-being at a global level by creating an integrated approach based on a common framework. As employers, KPMG firms are committed to their responsibility to be part of the solution to the mental health crisis and to support their employees to reach their full potential.

KPMG International's membership of the MindForward Alliance helps to remove some of the stigma around talking about mental health in the workplace. Leveraging MindForward's Thriving at Work framework, we conducted a survey among Reporting KPMG Firms to understand which aspects of the framework and its recommended best practices they are currently

meeting — and where any gaps may exist. This can help us to produce further guidance to KPMG firms on implementing good practice, which we plan to do in FY25, together with a recommended baseline with which all KPMG firms should align.

Improving well-being measurement and insights

Workload pressures have had a significant bearing on our people's well-being, and we are tackling this in a number of ways, including linking operational and people considerations, and monitoring them to make sure they are aligned.

In addition, we have rolled out an *engagement management lifecycle* initiative in our Audit practice to implement a disciplined process to spread workload more evenly across the year, reducing the spike of 'busy season' and significantly reducing the amounts of overtime worked. This initiative, when implemented, has shown to improve audit quality and assists our audit and assurance professionals to manage their workload and improve work-life balance.

Flexible working models

The ability to work flexibly under a hybrid model has become an important factor for a significant proportion of working people — including many staff at KPMG. Our recent Global People Survey showed that flexibility and work-life balance remain important considerations.

As the pandemic recedes into the past, growing numbers of employers have strengthened their requirements for staff to be physically present in the office, with a mandated number of days per week becoming common. The number of days mandated has also been increasing.

Hybrid working and the ability for individuals to responsibly manage their working patterns remain at the core of KPMG's approach. We believe that our people should be able to work where they are most productive, so they continue to deliver excellence for clients. KPMG firms around the world have varying needs and approaches based on local conditions and client priorities. They have adopted a variety of hybrid models, which may include a recommended number of in-office days.

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 our approach continues to be positive, with 81 percent of participants in our 2024 Global People Survey agreeing with the statement 'I can work where I am most effective to meet client, business and team needs.' This is an encouraging sign that we are making strong progress in supporting staff to thrive and be at their best.

Supporting people through life events

From parental leave to caring responsibilities, or helping with bereavement to managing menopause, KPMG firms continue to create and implement innovative programs targeting specific needs. Some notable examples include:



KPMG UK has a five-year partnership with the University of Cambridge aimed at better understanding how the world of work is changing, starting with employees' mental well-being. Cambridge researchers will assess the effectiveness of the mental well-being initiatives the firm currently offers and explore how new measures can be developed and evaluated to meet employees' future needs.



At KPMG Germany, all employees have access to a broad range of in-house and external support services. These include opportunities to talk in confidence to in-house coaches and on-call doctors as well as life coaching and social counselling through external providers.



KPMG Brazil has a multidisciplinary health and safety team made up of a consultant physician, occupational health physician, an occupational health professional, a social worker, a nursing technician and two safety technicians.



KPMG Spain has invested in its internal employee "KTeam" platform, creating an award-winning one-stop shop for all health and well-being support and activity.



KPMG Canada offers a firm-funded mental health benefit, covering insurance premiums for access to mental health professionals, including psychologists, social workers and family/relationship therapists.

Meanwhile, firms also raise awareness and understanding of health and well-being issues through organized events. For example, KPMG Global Services in India hosted a well-being week, featuring external expert speakers including from the Indian film industry talking about their inspiring life journeys, and a range of engagement and participation activities. Over 6,000 colleagues took part with very positive feedback received.

In addition, there are a wide range of employee-led communities and networks such as the KPMG UK Grief Network — a community that acknowledges the common and ongoing challenges of managing bereavement and grief in the workplace. Members of the group meet to share, discuss and offer support.

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 multidisciplinary model.



We support a culture of continuous learning and development, enabling our people to grow their skills, pursue rewarding careers and deliver quality and innovation to clients. This in turn supports wider business growth and value creation in the capital markets. Our employee value proposition commitment is 'learn for a lifetime', recognizing that ongoing learning is foundational to helping our people achieve excellence through all the changing stages of their careers and personal development.

In particular, the rapid integration of generative AI into our workflows, services and client solutions means that we need to further support our people to become increasingly fluent in using these technologies. Fluency in AI technologies has become key to delivering outcomes that make the difference for clients.

Our approach to learning encompasses three main dimensions:

- **Technical learning** that creates globally relevant subject matter specialization in KPMG's service areas of Audit, Tax & Legal and Advisory.
- **Ethical learning** that enables our people to act ethically and uphold the Values by which we operate.
- **Accelerator learning** that keeps our people at the forefront of new or emerging areas such as sustainability, data and digital literacy, including AI.

In Audit, the KPMG Clara workflow has AI capabilities embedded within it meaning that audit professionals must be familiar and confident with AI; in Tax & Legal, our Digital Gateway similarly incorporates AI; while in Advisory, multiple services and solutions depend on AI-powered analytics, methodologies and automations. The training delivered takes account of these crossovers and reflects the day-to-day needs of our professionals as they carry out their roles.

Building digital and AI skills

Given the critical importance of digital and AI skills, we have built a wide range of technology learning pathways that create a consistent framework and provide accessible content to support upskilling, career mobility and innovation across KPMG firms.

In FY24, as AI and digital-related service delivery continued to develop at pace, we expanded our Digital and Data Foundations training program for KPMG's people. Colleagues around the world invested over 150,000 hours in the program, completing more than 210,000 training modules.

This year, we expanded our work with PluralSight, a web-based technology learning provider, increasing the number of available technology-focused courses from 200 to more than 10,000. Courses cater to all levels, from novice through to expert.

We have created a learning pathway specifically for KPMG's Trusted AI framework that promotes the ethical and safe use of AI, running three highly interactive '24 hours of AI' global learning events beginning in January 2024, open to everyone across all KPMG firms. These are described in more detail on page 58.

Driving sustainability expertise

We have an extensive program of training on sustainability-related topics and issues including ESG assurance. We have been particularly focused on delivering training modules to support the many audit and assurance professionals working on ESG reporting engagements. This training is supplemented by our ESG assurance methodologies, by support and guidance materials directly accessible through the KPMG Clara workflow in which the work is carried out.

During FY24, over 200,000 modules of ESG learning were completed.

A coaching culture

Adopting a coaching strategy helps us develop well-rounded leaders who can bring out the best in their colleagues and support their personal and professional growth — encouraging curiosity, empathy, engagement, inclusion and wellness in their teams.

Our Coaching Community of Practice, open to all KPMG employees, continues to grow, with workstreams dedicated to building coaching skills, increasing access to coaches, supporting people to obtain coaching certificates, and enabling the exploration of the latest trends in coaching technology. The initiative also provides senior leaders with access to an executive coach.

In the spirit of coaching and shared development, our Global Growth Academy is open to all colleagues around the world, with over 36,000 colleagues participating in FY24. This consists of live interactive 1-hour sessions in which leaders from KPMG firms share their knowledge and learning to help build confidence and growth skills for all. With every personal commitment made and fulfilled following each session, KPMG will plant a tree in a developing community through our collaboration with Trees For The Future.

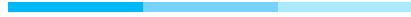
Our community of Learning and Development professionals

We have continued to invest in our network of Learning and Development professionals around the world, all of whom are vital to facilitating the delivery of training and upskilling on the ground. Through frequent communication, updates and knowledge sharing sessions, we foster a sense of collaboration and community.

We have strengthened the resources available to them including the Training Assessment Framework that guides them through considerations relating to governance, processes, technology and reporting to ensure that training and learning materials developed support our efforts to promote ethical behavior.

We have also launched a Learning Technology Ecosystem (LTE) portal — a one-stop shop through which learning and development can be deployed to professionals across KPMG firms. Accompanying this, a Communities of Practice initiative was launched to promote awareness of the LTE to Learning and Development teams, provide the opportunity to solicit feedback, and update the network on forthcoming enhancements and future plans.

Adopting a coaching strategy helps us develop well-rounded leaders who can bring out the best in their colleagues and support their personal and professional growth — encouraging curiosity, empathy, engagement, inclusion and wellness in their teams.



Developing future leaders

We want to develop and give a voice to the next generation of leaders — something that is becoming increasingly critical given the dynamic nature of our world around climate, AI and other disruptive forces. We have several global programs designed for emerging and future leaders at different stages of their careers:

Chairman’s 75: This program builds capability and community among a cohort of high-potential partners, promoting a KPMG mindset that is ‘global, regional, local’ and equipping them to be the next generation of leaders, ready to tackle global issues. Among the most recent cohort that started the program in August 2024, 40 percent of participants are female, up from 28 percent in 2022.

One Young World: This impactful event brings young change makers together to be inspired by political, business and humanitarian leaders. In 2024, KPMG sent 45 delegates from 11 KPMG firms to inspire and educate the next generation of leaders and to consider how they can harness their collective skills, experiences and networks to help tackle some of the biggest challenges facing the world today.

Next Generation Council: Representing the next generation of leaders with views on how to build the ‘firm of the future’, members are selected from a group of high performing under 35s from Reporting KPMG Firms, across all service lines. They serve as a critical sounding board for our current leaders to share their strategic priorities for the financial year. In FY24, the group influenced several key strategic programs for KPMG. They also provided perspectives on KPMG’s ESG materiality assessment and shared their views on responsible use of AI.

Training cost and hours per individual

	FY24		FY23	
	US\$	Hours	US\$	Hours
Continuous professional education	1,436	68	1,385	67
Professional designation training	460	15		
Total training costs/hours per individual	1,896	83		

Notes:

1. Based on data collected from the Reporting KPMG Firms.
2. As part of our continuous efforts to strengthen our ESG data reporting, we have updated its scope for FY24 to include both continuous professional education and professional designation training, such as training to become a certified public or chartered accountant. Our FY23 training numbers only include continuous professional education training data.
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” for further details.

Leaders 2050: A global cross-sector network for future leaders inside and outside KPMG, Leaders 2050 has committee representatives in 34 KPMG firms. They help drive changes within our own organization, as well as with client organizations and within their respective communities to support inclusive climate action. In 2024, Leaders 2050 was involved in major conferences such as COP29, Climate Week New York and One Young World. The group also published the results of a global survey on climate on KPMG International’s website, highlighting the perspectives of young people

to enable companies and individuals in the planning of their long-term goals.

People of KPMG

Pernette van Braam Houckgeest, KPMG Germany

People of KPMG

Farouk Karreem, KPMG Saudi Arabia

Planet

Reducing our environmental
impact and building a
sustainable and resilient future

Suzanne Kuiper
KPMG Netherlands



Our commitments

Decarbonization

- Becoming a net-zero business

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



At KPMG, our ambition is to contribute responsibly to supporting the transition to net-zero. We can do this through the way we run our own business, through the work that KPMG people do with clients and other organizations around us, and how we work with our suppliers.

Without decarbonization, the climate crisis cannot be averted or reasonably contained. That is why we are committed to decarbonizing our business. To support this, we have set a near-term science-based target (SBT) to decarbonize by 50 percent across all scopes by 2030, throughout the global organization, compared to our FY19 baseline. We are making progress against this target, and it will be the first major milestone on our longer-term journey to ultimately become net-zero.

We play an important role in facilitating the wider transition journey — supporting our clients with their own climate, decarbonization and nature efforts, whether that's through advisory work on sustainability solutions, assurance over ESG reporting as it is presented in financial statements, or helping organizations to better understand climate-related risks and opportunities.

“The climate emergency remains very real, with more extreme climate events impacting communities around the world, while biodiversity and natural habitats are also under threat. This increases our determination to map out a clear path to net-zero. Recognizing the potential to both protect value and create it, we are committed more than ever to embracing sustainable operating models and working practices — and helping others in their journey to do the same.”

John McCalla-Leacy

Head of Global ESG
KPMG International

The road to decarbonization

Our commitment:

Becoming a net-zero business

Decarbonization is critical to curbing the harmful effects of climate change and drives our approved Science Based Target (SBT) efforts to decarbonize by 50 percent across all scopes by 2030.

Overall, we are making progress as we've seen a 41 percent reduction in market-based 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.

Like many organizations we are looking beyond 2030 to set an appropriate long-term 2050 decarbonization and net-zero target.

This year, we are undertaking carbon re-baselining, in line with Science Based Target initiative (SBTi) requirements.



Our decarbonization journey

Navigating emissions reduction poses challenges for many organizations including ours, as we strive to reduce our environmental impact while driving sustainable business growth. We remain dedicated to internal decarbonization efforts to reach our climate targets, aiming to halve our global emissions by 2030 compared to our FY19 baseline.

Following the GHG Protocol, we calculate our emissions in two categories: location-based emissions and market-based emissions. In FY24, we observed a 22 percent decrease in our total location-based emissions compared to the previous year, whereas our total market-based emissions dropped by 23 percent. This results in a 39 percent decrease in location-based emissions and a 41 percent decrease in market-based emissions compared to our FY19 baseline.

Placing a price on carbon (Internal Carbon Price)

Through setting an Internal Carbon Price (ICP) on emissions-intensive areas of our business, we are applying a self-imposed cost on the carbon we are responsible for producing. The ICP incentivizes change while allocating additional resources to support the decarbonization transition. The ICP effectively brings the cost of the environmental damage we cause through greenhouse gas emissions back to us as an organization.

KPMG International and Reporting KPMG Firms have implemented ICPs against scope 1, scope 2 and scope 3 (business travel) emissions, where this mechanism will have its greatest impact. The global floor price we have adopted is USD 15 per tonne of emissions. However, KPMG International and a number of member firms have gone beyond this significantly, in line with local decarbonization strategies.

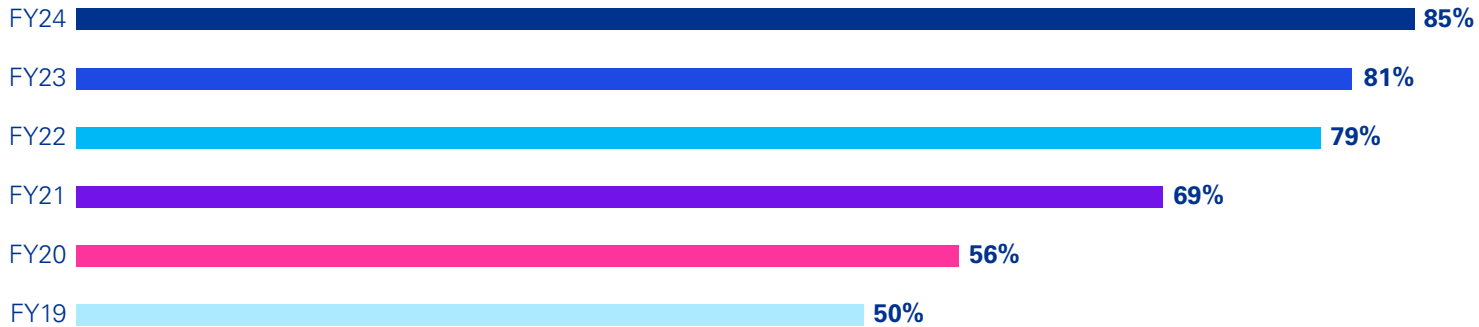
A number of member firms have utilized their ICPs to support direct decarbonization initiatives, such as energy efficiency measures in buildings, and wider supporting investments such as in emissions data management technology. Additionally, KPMG International and some member firms support various projects in a Beyond Value Chain Mitigation capacity, for example supporting nature restoration projects contributing towards societal net-zero.

Renewable electricity

KPMG is a member of the RE100 initiative and is committed to achieving 100 percent renewable electricity across our global organization by 2030. In FY24, from a market-based perspective our emissions from purchased electricity (scope 2) decreased by 31 percent compared to the prior year, as member firms continue to transition to renewable energy. In total, we achieved 85 percent renewable electricity across our global organization.

Additionally, the rise of AI use across the globe will demand more energy. With KPMG’s focus on the responsible use of AI across our own organization as well as within our portfolio of client solutions, we are exploring how we can positively manage its environmental impacts so that it can be deployed and scaled in a responsible and sustainable way.

Renewable electricity



The trend toward sourcing 100 percent renewable electricity across our global organization by 2030 has continued.

	FY24	FY23	FY22	FY21	FY20	FY19 (base year)
Purchased electricity (GWh)	243	235	234	236	272	282
Renewable electricity (GWh)	206	188	184	163	151	140
Renewable electricity (%)	85%	81%	79%	69%	56%	50%
Electricity per individual (MWh per individual)	0.89	0.87	0.94	1.03	1.22	1.31

Note:

1. The MWh of electricity per individual is calculated using average total partner and employee headcount.

Gas and direct energy generation

Direct energy production emissions (e.g. use of natural gas) have been reduced through energy efficiency initiatives implemented by member firms, such as more efficient boilers and water heaters.

Cars

Emissions from company cars decreased by 10 percent in FY24 compared to FY23. This improvement primarily reflects the continued transition from traditional fuel-powered vehicles to electric vehicles as they become more prevalent and available across many markets. Additionally, car sharing is also widely prioritized and promoted across many of our member firms.

Travel

Due to the nature of our work, travel and face-to-face meetings with clients are essential — a key part of bringing value to the organizations we work with. This, combined with growth in our business volumes, means that business travel continues to be a challenge for us, as it is for the entire professional services sector. Overall, we experienced a 20 percent increase in business travel emissions in FY24 compared to FY23, however business travel emissions remain below the FY19 baseline.

Rail travel is prioritized where practical and, in some cases, mandated over air. This year we have seen a significant

38 percent increase in rail travel. Some examples include KPMG China who have identified green routes where journeys of less than five hours are taken by rail, not plane, and KPMG UK where rail travel is mandated on certain journeys such as between London, Paris and Brussels.

Moving forward, we will continue to collaborate across the network to refine our climate strategies and action plans aimed at balancing our approach to business travel with our business needs and client expectations.

We have developed a **Sustainable Travel Approach** based around the following key areas:

Digital first: Reducing the amount that KPMG people travel is currently the most effective way of reducing our travel-related carbon footprint across the global organization. Many KPMG firms have implemented policies to travel smarter and reduce business travel, where feasible following a 'digital first' approach to

reduce the amount of travel through better utilization of technology. In particular, the digital first approach applies to internal meetings.

Travel impact management: Where travel is necessary, we aim to reduce carbon impacts. Examples of measures from across KPMG firms include:

- **Travel policies:** Guidance and mandates on travel options are in place, based on factors such as flight distances and the identification of green travel routes, with senior sign-off required before travel is booked.
- **Awareness:** When KPMG colleagues select flights, they can see the carbon emissions of that flight alongside the cost so they can make a smarter environmental choice.
- **Carbon target:** At KPMG International, a carbon target per function has been introduced, setting an allowable carbon footprint per year in line with its decarbonization strategy.

Due to the nature of our work, travel and face-to-face meetings with clients are essential — a key part of bringing value to the organizations we work with. This, combined with growth in our business volumes, means that business travel continues to be a challenge for us, as it is for the entire professional services sector.

Working with our suppliers

A significant proportion of KPMG's carbon emissions across the global organization comes from Purchased Goods and Services (PGS). This means that engagement and collaboration with our suppliers is a key element of our transition approach to reducing our carbon impacts.

Building on the foundation of our previous supply chain decarbonization plans, a key focus during FY24 was to move beyond data collection to obtaining actionable insights to make better sustainability choices. We have refined our supplier engagement strategies, developing tailored communication plans for distinct supplier groups to ensure our messaging is both relevant and actionable, and driving more effective engagement with suppliers.

This year at KPMG International, we:

- We are developing a draft Sustainable Supply Chain Strategy, outlining an initial roadmap for achieving decarbonization, which includes specific supplier decarbonization requirements, set out in a new KPMG International ESG Procurement Policy, that we intend to enforce in the coming years (as detailed on page 25).
- Established a reporting dashboard, also available for member firms, that gives our procurement teams an actionable overview of their suppliers' progress. This tool is crucial in tracking and enhancing supplier performance, while also identifying areas for further improvement.

- Developed an extensive decarbonization training program tailored specifically for procurement and sourcing teams. As part of a pilot phase, the program has been successfully delivered to the procurement and sourcing teams across the 10 Reporting KPMG Firms within our ESG Procurement Working Group. The insights gained will inform the development of a dedicated eLearning module, which will be made available more widely across the KPMG network.

Forecasting

As part of our monitoring and management, each year we undertake decarbonization forecasting which is subject to the scrutiny of the KPMG International Global Board.

Harnessing technology

Enhancing management information (MI) is critical to improving organizational decision-making. For decarbonization, a key focus area has been on improving the granularity and timeliness of data and reporting in material emission areas such as air travel and supply chain, to better inform the management of related emissions. We have leveraged a range of technology solutions and analytical tools, including enhanced AI capabilities, to improve the management of climate data collected from KPMG firms, with Microsoft Sustainability Manager as the hub for all our aggregated greenhouse gas accounting and reporting. This has supported the integration of climate-related considerations more deeply into decision-making processes and business planning.

As a network of firms, the measurement, tracking and forecasting of individual KPMG firm contributions is critical to achieving alignment around our collective strategic decarbonization ambition and target. To support this, in FY24 we focused on enhancing decarbonization planning at individual KPMG firm and collective levels, modelling likely decarbonization trajectories up to 2030 and refreshing supporting roadmaps.

Next steps

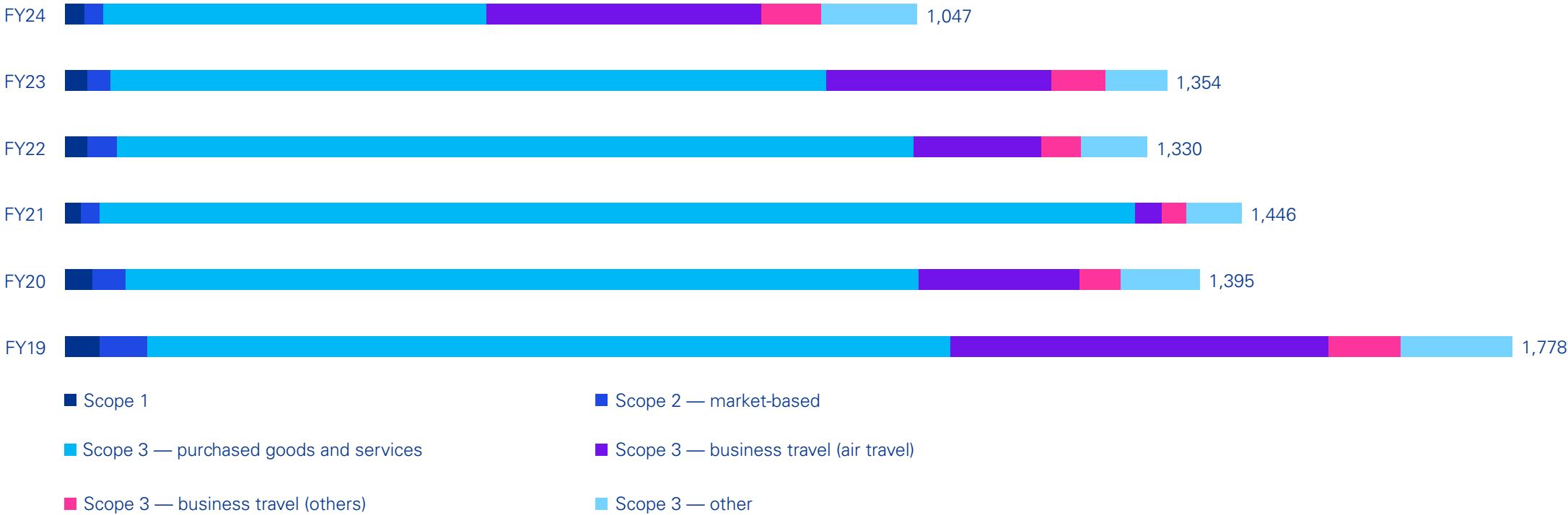
In line with the Science Based Targets initiative (SBTi) requirement for signatories to complete a carbon re-baselining every five years. In FY25 we are reviewing our greenhouse gas (GHG) accounting methodology and historical data, taking into account the learnings gained since our FY19 baseline year, while also assessing our progress against our SBT and wider climate transition strategy. By doing this, we can obtain a more accurate picture of where we currently stand and what we need to do to stay on track with our goals as well as looking to set a long-term target. This will also give us the best possible basis for refining our transition approach if necessary.

Case Study

Leading the Charge on Climate Change Solutions at COP29, multiple KPMG firms



Total market-based carbon emissions (ktCO2e)



ktCO₂e

	FY24	FY23	FY22	FY21	FY20	FY19 (base year)
Total emissions (location-based)	1,117	1,438	1,383	1,508	1,459	1,834
Total emissions (market-based)	1,047	1,354	1,330	1,446	1,395	1,778
By category and source						
Scope 1	24	28	28	19	34	42
Scope 2 — location-based	92	112	89	86	104	115
Scope 2 — market-based	23	28	36	24	40	59
Scope 3 — purchased goods and services	471	879	979	1,272	975	986
Scope 3 — business travel (air travel)	338	277	157	33	197	465
Scope 3 — business travel (other)	74	67	49	30	52	89
Scope 3 — other	117	75	81	68	97	137
Intensity of emissions						
tCO₂e per individual (market-based)	3.83	5.02	5.35	6.30	6.24	8.23
tCO₂e per US\$1 million revenue (market-based)	27	37	38	45	48	60

Notes:

1. Climate change performance data for FY24 reflects the data of 74 KPMG firms including the Reporting KPMG Firms. This data representing over 90 percent of the network by headcount has been used to estimate total emissions across the global organization.
2. The air travel emissions above are calculated inclusive of radiative forcing (RF). If the effect of RF is excluded, the non-RF air travel emissions for FY24 are approximately 178,000 tCO₂e. This compares to 146,000 tCO₂e for FY23 and 245,000 tCO₂e for FY19.
3. The tCO₂e per individual is calculated using average total partner and employee headcount.
4. The tCO₂e per US\$1 million revenue is based on the aggregated gross revenues globally.
5. In FY24, 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. The methodology for calculating PGS emissions incorporates allocated emissions from suppliers (specific to KPMG) based on CDP data where it is 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.
6. Due to annual fluctuations in available spend-based emissions factors, there was an artificial deflation in the PGS movement in FY24. We intend to address this issue as part of the data re-baselining work planned for FY25.
7. Under the Greenhouse Gas (GHG) Protocol, location-based and market-based emissions are two methods of accounting for GHG emissions from electricity use. Location-based emissions reflect the average emissions intensity of the electricity grid in the geographic area where the energy is consumed. On the other hand, market-based emissions reflect the emissions associated with the specific electricity products that an organization has purposefully chosen through contractual arrangement, including Energy Attribute Certificates (EACs). EACs are instruments that represent the environmental attributes of electricity generated from renewable sources. Organizations can purchase EACs to claim the use of renewable electricity and thereby reduce their market-based emissions.
8. Refer to the "Indexes and explanations" for further details.

Climate governance

For details of our approach to climate governance refer to page 12 of our 2024 [Climate Risk Report](#).

Case Study

Rony Bou Chebl,
KPMG Netherlands

Collaborating, convening and contributing to address climate change, nature and biodiversity

Climate change is a collective challenge, with engagement, dialogue and collaboration between government, business, finance providers and wider society being essential to limit its impact and ensure a just transition to a low-carbon economy. Across KPMG, we are fully committed to playing an active role as KPMG firms support their clients on their decarbonization journeys. We can do this both through providing services that help clients further their transitions, and through participating in major climate-related conferences and events, using our convening power to bring stakeholders together, and publishing research and insights that inform thinking and action.

During FY24 and into FY25, key initiatives have included:

Working with the World Economic Forum

- **Circular Industry Solutions for a Global Plastics Treaty.** Plastics pollution is recognized as a key environmental issue, with plastics prevalent in many of our clients' product supply chains. Solutions are urgently needed. We collaborated with the WEF's Global Plastic Action Partnership team on a new report that outlines key insights from existing circular industry solutions and its enabling policy environments, in the journey towards creating a future global plastics treaty.
- **Coal to Renewables transition.** KPMG is supporting the WEF on the Coal to Renewables transition initiative. This is a global initiative led by coal producers and investors (public, private and philanthropic) with the objective of advancing a clean energy transition from coal power generation through early retirement to its replacement with renewable energy in a just and sustainable manner. The project involves the provision of a Fellow for a 12-month period to the WEF. The fellowship aims to develop innovative financing products designed to unlock private financing for coal retirement projects.



People of KPMG (written and filmed):
Suzanne Kuiper, KPMG Netherlands



Working with the UNDRR

- **Financing roadmap.** Working with the United Nations Office for Disaster Risk Reduction (UNDRR) and Standard Chartered, a KPMG team helped launch The Guide for Adaptation and Resilience Finance. The guide sets out — for the first time — eligible financeable activities and guidance on what constitutes adaptation and resilience investment, alongside a practical roadmap for financing and investment opportunities. The guide was developed with support from 20+ leading financial institutions, multilateral development banks and NGOs.

Collaborating with WWF

- Our collaboration with WWF is an important element of our approach to climate positivity, nature and biodiversity. We have expanded our engagement and investment, with more than US\$1 million invested in WWF projects in FY24. Many KPMG firms around the world actively support WWF within their own countries and territories including participating in local projects in Germany, China and Australia.

COP29

- **Contributing to the debate.** At COP29, a team from multiple KPMG firms participated in events including sessions focused on accelerating the energy transition, the importance of transition finance for emerging markets, the challenges around climate transition plans, and how corporates can make robust green commitments. KPMG is also committed to providing ongoing support for the United Nations Development Program to help align national climate policies with corporate transition plans.

CDP engagement

- KPMG International has been a member of CDP for over a decade, initially as a discloser and more recently utilizing their supply chain program to better engage our suppliers.

Supporting aviation industry innovation

- Organizations can contribute to the decarbonization of the wider aviation industry through collaboration initiatives. KPMG International together with several local firms, is working to identify the most impactful

ways we can play a role in aviation decarbonization, beyond just the direct impact of our operations. As one of the largest professional services networks we recognize that we have a leadership role to play in supporting and contributing to sector dialogues and helping to develop and design future solutions. KPMG International is a member of industry coalitions, including recently joining the **Sustainable Aviation Buyer's Alliance (SABA)**. We are also undertaking research by a joint team of KPMG aviation and sustainability experts to investigate the future of aviation technologies and sustainable travel, to ensure we can continue to positively contribute to the debate and future thinking. This is a service the ESG aviation team also provides to the aviation industry and our clients.

Consideration of climate-related risks in the financial statement audit

Audits play an important role in supporting the net-zero transition, as financial statements that include robust, accurate and relevant climate-related disclosures are important to fostering increased market confidence and trust.

In our role as auditors, KPMG supports the transition to a net-zero global economy by planning and performing financial statement audits (including where they relate to climate-related matters) in accordance with professional standards. 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.

We will continue to support investor efforts to further connect financial and climate related disclosures. For example, we welcome the recent publication by the International Auditing and Assurance Standards Board (IAASB) of its International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, in response to stakeholder demand for a specific sustainability assurance standard to address unique challenges and opportunities in assuring sustainability information. ISSA 5000 is the new global baseline standard for assurance providers to use to bring further comparability and increased confidence in reported sustainability information.

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 business risk. Like many other global organizations, we are on a journey when it comes to climate change. A key milestone in this journey was the publication of our first Climate Risk Report in 2024. Our reporting is aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



As well as understanding our own impact on climate change, we also recognize that climate change will have an impact on us as a global organization. In 2024, we published our first Climate Risk Report, aligned to the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD), detailing both risks and opportunities across our value chain. This, alongside our decarbonization work, will underpin the

global organization's transition journey. For details on our approach to climate risk, opportunities and scenario analysis, refer to our [2024 Climate Risk Report](#).

People
of KPMG

Charlotte Reboul,
KPMG Islands Group



Nature and biodiversity

Our commitment:

Understanding and improving our impact on nature and biodiversity

With nature positivity and biodiversity foundational for the health of the planet, we conducted an assessment across our global organization to better understand our nature-related impacts which is now helping to set our future direction. 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. Work on our first TNFD-aligned report is underway.



The ongoing health of our planet depends on nature and biodiversity. As a network of professional services firms with a global footprint, we recognize we have a role to play in managing our own impacts on the natural world around us.

KPMG has a multi-disciplined community of nature and biodiversity practitioners who meet regularly to share insights and discuss challenges. KPMG was also an active participant at the United Nations Biodiversity Conference (CBD COP16) that was held in Colombia in 2024. KPMG International has also been an active contributor to the Science Based Targets for Land, the WBCSD's Nature work, as well as to the development of the Nature Positive Initiative metrics. KPMG's Global Director for Nature and Biodiversity is also a member of the UN Decade for Ecosystem Restoration Advisory Board.

KPMG International is a supporter of the Taskforce on Nature-related Financial Disclosures (TNFD), a framework that integrates nature considerations into business management, promoting transparent disclosure and reporting on the risks, impacts, dependencies and opportunities. We also played a role in the development of this framework.

Nature impacts and dependencies assessment

To begin our internal TNFD journey, we conducted a nature-related impacts and dependencies assessment between FY23 and FY24. This highlighted areas where, as a global organization, we could better focus our efforts on managing our impact within our value chain. From this, we are developing a roadmap for ongoing improvement.

The assessment covered 11 of the Reporting KPMG Firms chosen for the biodiversity present within their regions and territories and alignment to our previous climate risk work. These were Australia, Brazil, Canada, China, France, Germany, India, Japan, South Africa, United Kingdom and United States.

Key focus areas for this work were as follows:

Location analysis: We completed a location analysis encompassing 684 KPMG offices and designated data centers from across the network. The sites were evaluated using nature datasets including protected areas, key biodiversity areas (KBAs), threatened species, areas of high-water stress risk, and Indigenous and community lands.

Using a variety of specialized tools, the location analysis uncovered a variety of key findings which will support informed decision making, helping us integrate nature considerations, mitigate risks and align our strategies with global sustainability goals.

Impact and dependencies analysis: As with climate impact, our nature impact and dependencies analysis included both our direct operations and our upstream and downstream value chain, with our upstream value chain referring to services or products that we buy or consume from other organizations, and downstream referring to organizations that are served by KPMG firms. Our analysis took a risk-based approach to focus on the activities which are most relevant to KPMG operations, suppliers and client sectors in terms of potential impacts and dependencies.

The findings from both areas help guide our ongoing approach to managing our nature-related impacts and better integration of nature considerations into our business. In FY25, we will continue to implement the recommendations outlined by the TNFD, working towards our first disclosure in FY26 where we plan to publish the results of our impact and dependencies analysis, alongside the other required disclosures.

People
of KPMG

Sarah Nelson,
KPMG International



Prosperity

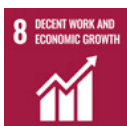
Creating positive economic and social impacts

Julia Bain
KPMG Australia



Our commitments

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



KPMG embraces the goal of using our global reach, knowledge, services and investments to contribute to the economic and social well-being of the world's population.

As a network, we harness the multidisciplinary skills of our people from across the globe to help drive economic growth and organizational resilience for KPMG, and the clients and communities we serve. We are a significant global employer and are responsible payers

of all applicable taxes. We use the reach of our global network to create innovative solutions that drive social impact at scale.

Within our communities, our focus remains on bringing education and opportunity to disadvantaged populations — driving change that empowers individuals to achieve more. Our people support communities and charitable causes through volunteering and pro bono work, which has a powerful impact on society. Our responsible economic contribution underpins this and creates the context for carrying out meaningful and impactful work.

Employment

Headcount across the firms in the global organization increased by 1 percent during FY24 to over 275,000, with targeted hiring in specialized areas including Tax and Technology.

KPMG firms hired more than 24,000 graduates, representing more than 41 percent of the total new hires throughout the global organization.

We were proud that our commitment to being a leading global employer was recognized when we were named one of the World's Best Companies of 2024 by Time, recognizing our collective commitment to talent, learning and development and the well-being of colleagues.

“Our ambition is to create positive outcomes for the clients KPMG firms serve and the communities we operate in, supporting and generating growth. Key to this is our commitment to innovation to unlock new and better ways of doing things and fully harness the value and power of technology. Our ongoing investments in our people, technology and sustainability position us strongly for future growth - and help us make a positive and significant contribution to communities around the world.”

Gary Wingrove

Chief Operating Officer,
KPMG International

FY24 New hires by level and region

Total	
Total new hires	59,713
By level	
Leadership	1,084 1.8%
Management	6,175 10.3%
Team members	52,454 87.8%
By region	
Americas	11,657 19.5%
Asia Pacific	11,641 19.5%
EMA	36,415 61.0%

Notes:

1. New hires by level by region based on KPMG partners and employees for the relevant financial years ended 30 September, excluding contingent labor.
2. Include direct external hires and hires by acquisition.
3. Refer to the “Indexes and explanations” for further details.

⁸ The financial information reported represents combined information of the independent KPMG member firms that perform professional services for clients, affiliated with KPMG International Limited. The information is combined here solely for presentation purposes. KPMG International Limited performs no services for clients nor, concomitantly, generates any client revenue.

Economic contribution

We aim to make the difference in the countries and territories in which we operate by stimulating growth in a responsible and sustainable way. Generating sustainable revenues helps us promote collective prosperity, enabling KPMG firms to grow even during times of economic and geopolitical uncertainty and strengthening our ability to also support our communities.

In FY24, KPMG reported annual aggregated global revenues of US\$38.4 billion⁸ — an increase of 5.1 percent in local currency from FY23 (5.4 percent in US\$). The revenues for Audit services grew by 6 percent, Advisory services by 2 percent, and Tax & Legal services by 10 percent. In FY24, as part of our Collective Strategy and achieving our ambition of building an organization of the future, over US\$1.7 billion was invested across the KPMG network with a focus on the key areas of Technology and AI, Talent and ESG.

Our approach to tax disclosures

We take a responsible approach to tax, with robust governance and policies in place and a continued commitment to transparency. KPMG firms generate and pay all applicable taxes in the countries and territories in which they operate. Generating and paying taxes is a key aspect of how we continue to make meaningful contributions to the communities where KPMG firms operate — supporting government functions, public benefits and key infrastructure such as health systems, education and transport networks.



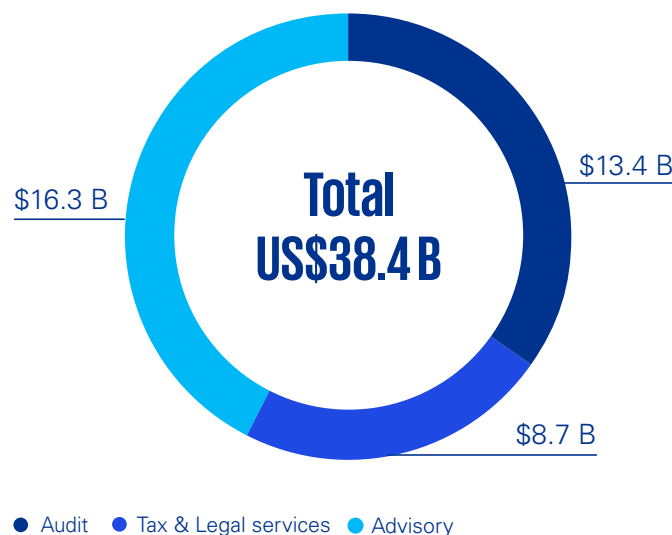
KPMG's economic contributions include:

- **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 FY24, Reporting KPMG Firms paid a total of US\$2.1 billion in operational taxes (US\$2 billion in FY23), which included employer payroll and social security 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 FY24 of US\$38.4 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 policies 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.

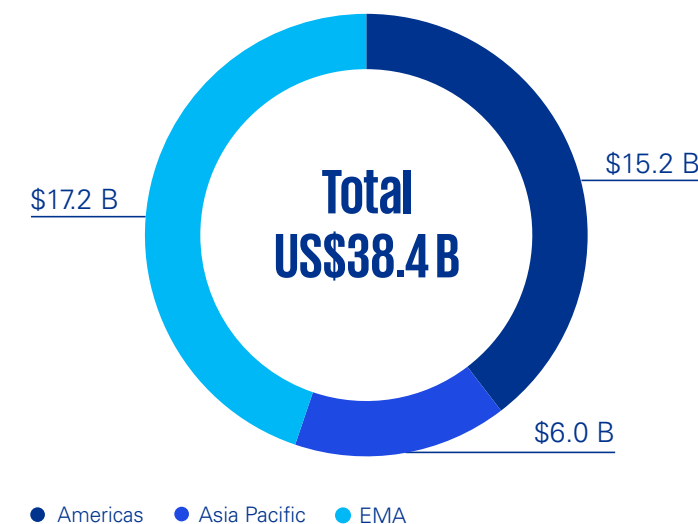
Gross revenue by function (FY24)



Notes:

1. Gross revenue data presented for the relevant financial years ended 30 September for all 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" for further details.

Gross revenue by region (FY24)



Operational taxes paid

	FY24 US\$ billions	FY23 US\$ billions	FY22 US\$ billions
Employer payroll taxes	1.8	1.7	1.7
Non-creditable sales tax	0.2	0.2	0.2
Other taxes	0.1	0.1	0.1
Total	2.1	2.0	2.0

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” for further details.

We have a deep and ongoing commitment to developing AI and technology-driven capabilities and solutions across the global organization. We do this through our own internal development and innovation, and by working together with our global alliances and ecosystems. These include leading technology, data and services companies, such as Google Cloud, Microsoft, Oracle, Salesforce, SAP, ServiceNow, and Workday.

Innovation

An important way of helping to bring economic benefits to our own organization, clients and the communities in which we operate is through the deployment of innovative technologies that drive digital transformation enabling us to work smarter, faster and more effectively.

Alliances with leading technology innovators

We have a deep and ongoing commitment to developing AI and technology-driven capabilities and solutions across the global organization. We do this through our own internal development and innovation, and by working together with our global alliances and ecosystems. These include leading technology, data and services companies, such as Google Cloud, Microsoft, Oracle, Salesforce, SAP, ServiceNow, and Workday.

Our multi-billion-dollar, five-year commitment to Microsoft’s AI and cloud services, beginning in FY23, is central to our approach. Microsoft technologies are the backbone of our principal platforms across Audit, Tax & Legal and Advisory. KPMG Clara and the KPMG Digital Gateway are both hosted in the Microsoft Azure cloud environment, and both also incorporate Microsoft (and other) AI tooling and applications.

KPMG is a major license holder of Microsoft 365 Copilot with over 57,000 users from across the globe taking advantage of this leading generative AI tool to enhance their day-to-day productivity.

After concluding the KPMG audit relationship with SAP in early FY24, 40 KPMG firms have signed SAP Partner Edge agreements to leverage the power of the SAP ecosystem for client transformation engagements.

KPMG US has strengthened its alliance with Google Cloud by investing US\$100 million in the KPMG US Google Cloud practice to advance generative AI, data analytics and cybersecurity solutions to clients. This builds on the creation of a Google Cloud Center of Excellence (CoE) in April 2024 to centrally align product development, industry expertise and technical resources for clients.

Our Trusted AI framework

We place absolute primacy on AI solutions, tools and capabilities that are trusted and safe. For that reason, we have developed the [KPMG Trusted AI framework](#) which establishes the model for designing, building, deploying and using AI solutions in a responsible and ethical way. A Trusted AI learning pathway, specifically designed for everyone across the global organization to understand and use the framework, was launched in November 2024.

In October 2024, KPMG Australia became the first organization globally to achieve ISO 42001 (AI)

certification by the British Standards Institution (BSI). This is a new international standard that specifies requirements for establishing, implementing, maintaining and continually improving an Artificial Intelligence Management System (AIMS) within organizations. The certification process involved a detailed audit of how KPMG Australia approached AI, from governance to project management to embedding Trusted AI practices in the way that the firm's staff work.

We continue to progress our work to move all of KPMG International's AI tools and applications to one centralized cloud-based Microsoft-enabled platform, Workbench, which aims to maximize our quality, safety and consistency controls, in line with the Trusted AI ethos. The project is now well-advanced, and we expect implementation to take place during FY25.

24 hours of AI

KPMG has an extensive range of global and local learning programs dedicated to AI. Since January 2024, we have run three virtual '24 hours of AI' events (each one consisting of 24 sessions across 24 hours) that were joined by a total of over 57,000 colleagues from around the world. The highly interactive and dynamic

learning environment gave participants the opportunity to learn about the latest KPMG global AI tools, be upskilled on KPMG's principles for responsible use of AI as outlined in the Trusted AI framework and take part in hands-on workshop sessions with a number of AI 'super users' who were able to share their practical tips and advice.

Democratizing the benefits of AI

A critical part of our responsible approach to AI innovation is to ensure that AI can benefit as wide a population as possible, not just corporations or organizations with the largest budgets or pool of resources.

With this in mind, KPMG firms are involved in a number of projects to help non-commercial sectors utilize and implement AI solutions — such as KPMG US whose KPMG AI Impact Initiative is designed to help non-profit organizations enhance their operations through AI, as well as to help equip the future workforce with AI skills.

Case Study

Bringing AI Technology to non-profit organizations, KPMG US



Additionally, KPMG recognizes that the most complex and expensive AI capabilities may not necessarily be the right choice for everyone. There is considerable market focus on the Large Language Models (LLMs) that power the best-known generative AI applications — but KPMG firms are also advising many clients on ensuring they are right-sizing their requirements including the use of Small Language Models (SLMs) when appropriate. These utilize smaller datasets and require less computing power, therefore being less expensive to create and maintain. SLMs also consume less energy, helping organizations to meet their sustainability ambitions and targets more easily.

WEF Global AI Blueprint for Governments

At KPMG, we are committed to helping drive safe and trusted AI approaches at the governmental level. At the 2025 World Economic Forum in Davos, KPMG International, in collaboration with the World Economic Forum, launched the [Blueprint for Intelligent Economies](#). The blueprint creates a detailed and comprehensive framework that provides ten missions for accelerating national growth, investment and inclusivity through AI. It gives governments the opportunity to lead the way in shaping new models for their national economy and help ensure that no one is left behind. We look forward to supporting this initiative and promoting its adoption.



Communities

Our commitments

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

As the rapid pace of change across the globe continues, so do the societal challenges faced by billions of people. To aid in addressing these, we are prioritizing our investment in communities and, across the KPMG organization, enabling 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 three years, we've impacted 2.8 million youth. Through our global collaboration with UNESCO and local relationships through our KPMG firms, we've been able to implement programs around the world that drive education, employment and entrepreneurship across underserved communities. We realize the scale of these societal issues and, looking forward, plan to accelerate our impact, powered by the dedication and desire of our people.



Our Values of **'Together'** and **'For Better'** naturally lead us to take an active role in supporting our communities, leveraging the skills and experience of our people to drive positive change. We recognize that by thinking globally and acting locally, KPMG people across the world can make a powerful difference.

In particular, we want to play a significant role in helping and supporting disadvantaged communities. We can have the most meaningful impact when we direct our charitable and non-profit support toward organizations and initiatives that both meet a compelling community need and connect with issues that resonate with our people, such as education (numeracy, literacy) and work-ready skills that young people need. KPMG firms use the immense and varied talents of their people to positively impact those at a disadvantage and bring our collective voice to support those who are marginalized.

In FY24, KPMG firms continued to invest in their communities through sponsorships, donations,

fundraising, volunteering, pro bono work and other activities. The total community investment in financial value and time contributed in FY24 was US\$163million, an increase since FY22 but a decrease on last year.

This reduction is primarily attributed to challenging and uncertain economic environments in some key locations across the network.

Despite these challenges, we are delighted that our 10by30 community programs in FY24 reached over 1.2 million people across the world marking an increase of 18 percent compared to FY23. This growth has been made possible by the development of more targeted programs and campaigns, alongside improvements in data collection.

Case Study

KPMG's annual volunteering days:
KPMG Finland, KPMG Mexico and
KPMG Taiwan



Community investment value and hours

Value	FY24 US\$ millions	FY23 US\$ millions	FY22 US\$ millions
Cash contributions from KPMG firms, partners, and people	103	110	92
Pro bono and volunteering	44	48	36
Pro bono engagements	12	14	10
Volunteering	32	34	26
Other (including management costs)	16	23	20
Total community investment value	163	181	148
Community investment hours	No. of hours '000		
Pro bono engagements	82	90	69
Volunteering	626	716	549
Total community investment hours	707	806	618
Individuals reached	No. of individuals '000		
Total individuals reached	1,288	1,090	509

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" for further details.

10by30: helping 10 million disadvantaged young people

10by30 is our flagship community investment program, to support education and skills which is aligned with the United Nations Sustainable Development Goal 4. Launched in 2022, it champions the aim of supporting



10 million disadvantaged young people by 2030, actively supporting them to develop the skills they need to succeed in the labor market and be ready for the future of work. To date, we have reached 2.8 million youth putting us on track to meet or exceed our 2030 goal.

The program includes local activities undertaken by KPMG firms for maximum impact in their own countries and territories.

Talented people are at the heart of our profession. We believe that education and skills are critical foundations to support young people to reach their full potential. For that reason, and to help us improve and define the global impact of our 10by30 approach, in FY24 we developed a skills framework to focus 10by30 activities, based on three levels:

- **Foundational skills.** The building blocks of economic empowerment — numeracy and literacy — that underpin young people's entry into the labor market.
- **Future Ready skills.** The skills that young people will need to take on the jobs of the future including digital, cyber, green and AI skills.
- **Employability skills.** Essential skills that enable young people to thrive at work. We help achieve this by inviting young people to visit our local offices to see the world of work in action, which helps them understand the work environment and think about what skills they might need such as resilience and aiming high.

In addition, we are conscious that there are many barriers that prevent disadvantaged young people from getting ahead, including systemic barriers such as poor nutrition, poor education systems, or a lack of mental health support, and practical barriers such as shortages of learning materials and aids (books, laptops, internet access). Recognizing this, removing barriers has become another key element of the program with many KPMG firms donating equipment such as laptops and books, alongside their skills-related support.

In FY24, KPMG International became a member of Business for Sustainable Impact (B4SI). We continue to align to their best practice framework for community investment reporting, ensuring rigor and integrity in what and how we report.



People of KPMG (written and filmed):
Julia Bain, KPMG Australia



Case Study

Empowering disadvantaged students to be leaders of the future, KPMG France



Case Study

Developing future leaders through volunteerism and mentorship, KPMG India



Spotlight on Future-ready skills — Cyber, AI and Technology

This year, KPMG International once again coordinated **KPMG Cyber Day** to coincide with International Cyber Security Awareness Month, raising awareness of online safety, cyber security and AI, with a particular focus on reaching young people — many from disadvantaged communities. With under 18's making up 33 percent of internet users, our program is aimed at reaching students, teachers and parents through interactive classroom sessions both in person and online. 66 KPMG firms participated in delivering sessions to more than 75,000 students around the world.

An additional KPMG program helping to drive social and community impact is **IT's Her Future** (IHF). This expansive initiative consists of a range of activities focused on helping girls and women from diverse, underserved communities to acquire the IT, technical and other essential skills required to help them find employment. Many KPMG firms around the world are involved in IHF activities in their countries and territories.

In 2024, KPMG International also launched **AI Advantage**, a KPMG-developed AI educational program and toolkit that is being delivered to young people by KPMG firm volunteers. The condensed program is designed to share foundational AI knowledge and

insights on how AI is changing the world of work and to ensure that young people can be better prepared.

Our work with UNESCO

In 2020 KPMG became a founding partner of the UNESCO Global Education Coalition (GEC), which brings together parties to act as a collective catalyst to facilitate inclusive learning opportunities for children and youth — building on a shared commitment towards the United Nations SDG4.

As part of this effort, KPMG is contributing to globally scale the UNESCO **Global Skills Academy (GSA)** which provides access to training opportunities to help increase employability and resilience in today's dynamic labor market.

During FY24 our contribution included providing funding for research into youth education skills commitments made globally by the GSA supporters, harnessing our convening capabilities to bring business, NGOs and civil society together to share best practice and priorities moving forward. In FY25 we are building on this collaboration to launch the UNESCO Skills Commitment Dashboard and contribute to the Skills Commitment Framework. KPMG France also continued to provide a full time secondee to UNESCO in support of their work on the Global Skills Academy.

KPMG firms have also supported a GSA project in South America that aims to provide 1,000 places for young people in four countries (Argentina, Brazil, Colombia and Mexico) to receive free AI learning from the training provider PluralSight. The courses offered can help participants to understand how AI will likely impact the world of work and how AI skills could help them find employment. The program is targeted at vulnerable youth aged 18+ with a commitment that half of the places will be given to young women.

In FY25 we will collaborate with UNESCO, Microsoft and Tablet Academy to provide AI and digital competency training opportunities to teachers - building their capacity to upskill the next generation of young people.

Ukrainian UNESCO secondments — education capacity building

The two-year secondment of two professionals from KPMG Ukraine to establish a UNESCO office focused on supporting the continuity of the education system in the country. Their work included looking at ways of ensuring the resilience of the Ukrainian education system and how it can be maintained and rebuilt. A report capturing the key learnings and insights of their work has recently been published, available [here](#).

Materiality

Understanding the material topics relevant to our business and stakeholders



Our approach to materiality

As a global organization, we are committed to building a better KPMG. One way we're doing that is through our annual materiality assessment. Through this, we consider our actual and potential positive and negative impacts across the topics that inform Our Impact Plan to focus our attention and resources where we can make the largest impact. Our materiality assessment is a key input to defining our ESG strategy and guiding our reporting.

This is our second year of reporting with reference to the Global Reporting Initiative (GRI) and we have once again used the methodology of GRI 3 to help shape our approach to our materiality assessment. 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	<p>Gathered data about KPMG International and our global organization:</p> <ul style="list-style-type: none"> • Who we are, including Our Values. • What we do. • Who are our clients? • How we create value and impact.
2. Identify actual and potential impacts	<ul style="list-style-type: none"> • Identified the ways in which KPMG International and our global organization impacts the economy, the environment and society. • Determined whether the impacts are positive or negative, and actual or potential.
3. Assess the significance of the impacts	<ul style="list-style-type: none"> • 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 of identified impacts.
4. Prioritize the most significant aspects for strategic focus and reporting	<ul style="list-style-type: none"> • Identified the highest priority impacts through calibration with identified stakeholders and shared the results with relevant Our Impact leaders.

Engaging with our stakeholders is a key aspect of Our Impact Plan approach. The diverse opinions and insights of different stakeholder groups are very valuable to us, covering all aspects of our business and our geographical footprint, including:

Stakeholder group	Details of input sought
C-suite — clients and potential clients	<ul style="list-style-type: none"> Data from independent trust research conducted annually (May-September) in eight key markets (Australia, Canada, China, France, Germany, Japan, the UK and the US).
Other external stakeholders	<ul style="list-style-type: none"> Data from independent trust research conducted annually (May-September), including industry and trade associations, academics, non-governmental organizations and advocacy groups, multilateral organizations, business analysts and investors, and the informed public.
Our People	<ul style="list-style-type: none"> Data from the Employee Engagement Index, Employee Trust Drivers from our Global People Survey and input from the KPMGI Next Generation Council. Interviews with key stakeholders from KPMG International and KPMG firms were conducted to gain insights into key and emerging topics. A materiality survey was distributed to selected KPMG member firms and KPMG International colleagues. The results were validated through follow-up interviews and further calibrated with input from key stakeholders.
Management	<ul style="list-style-type: none"> 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. A technical forum roundtable was then held with ESG leaders from KPMG firms and KPMG International to review and validate our material results.
Peers	<ul style="list-style-type: none"> Review of the topics considered material by KPMG firms and their key competitors.
Regulators and standard setters	<ul style="list-style-type: none"> Review of the guidance available from the WEF IBC stakeholder capital metrics, GRI, ISSB and the ESRS standards (the reporting standards used to meet the requirements of the EU's CSRD). The latter includes recognizing that some KPMG firms are required to complete a double materiality assessment (including from a financial risk and opportunity perspective as well as from an impact perspective) under the CSRD.

Summary of materiality assessment results: While the majority of the material topics from FY23 continue to be relevant for FY24, we have focused on 14 material topics which are further categorized into three priority buckets aligned with our strategy and business for FY24. Additionally, we have made some slight adjustments to some topic names to enhance clarity and better align with our core focus.

Key Influences

Ethics, integrity and independence

High-quality client services

Purpose, culture and Values

Talent attraction, development and retention

Resilience Builder

Financial, operational and brand resilience

Health and well-being

Information protection

Public policy engagement

Technology, innovation and AI

Transparency and accountability

Sustainability Anchor

Climate change and sustainable operations

Impactful community initiatives

Inclusion and access to equal opportunity

Responsible supply chain

Notes:

1. Topics within the Key Influences category shape priorities for our business, including the development of the OIP and ESG client strategies, and how we can optimize our impact.
2. Topics within the Resilience Builder category play a crucial role in guiding us towards achieving long-term sustainability for the global organization by equipping us with essential resources and capability to navigate challenges.
3. Topics within the Sustainability Anchor category serve as foundational elements for building a sustainable and inclusive business by fostering a social license to operate and promoting environmental stewardship across the global organization.

Changes in material sustainability topics from previous assessment

We have also refined our material topics for the Planet pillar, combining Climate Change and Sustainable Operations into a single topic to reflect feedback from our stakeholders. This reflects how we are dedicating our efforts to a combination of internal decarbonization and driving sustainable practices across our value chain, both of which are vital for a professional services firm.

Within these topics, some aspects were identified as being of increased, and increasing, relevance. In particular, artificial intelligence (AI) is of rising significance across all areas including the need to drive a responsible and ethical approach to AI, the need to keep pace with innovation (and help clients do so), the carbon footprint associated with AI usage, and the impact on our people in terms of how they work and the skills they need. We have therefore increased our focus on the material relevance of AI across all the pillars of Our Impact Plan.

A further identified area of rising significance is well-being, with increasing expectations of well-being support mechanisms and resources from current and prospective employees. This has assumed a higher profile within the People pillar.

Other areas of growing significance are an increase in mandatory ESG reporting requirements (such as the EU's CSRD) and higher expectations from clients in their supplier codes of conduct around the ESG standards that suppliers and service providers will be required to meet (an area where KPMG International and KPMG firms are also raising their requirements of their supplier base).

At KPMG International, we're 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). Several KPMG firms have started aligning their reporting with the EU's CSRD, and we will consider whether these requirements would be relevant for KPMG International's reporting in the upcoming years. Furthermore, 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 material topics

Key Influences

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](#)

High-quality client services: We have a fundamental commitment to build trust and deliver high-quality services in the public interest. 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](#)

Purpose, culture and Values: We're guided 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, tackle challenges and pursue their passion for doing work that matters.

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

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 — in particular, AI-related skills and training with an emphasis on the responsible and ethical use of AI as embedded in our Trusted AI framework.

- [Inclusion and access to equal opportunity](#)
- [Health and well-being](#)
- [Learning and development](#)
- [Employment](#)

Resilience Builder

Financial, operational and brand resilience: Through a diverse and multidisciplinary 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](#)

Health and well-being: To create opportunities for themselves and others, our people should be at their best, both physically and mentally. We are working to provide our people with the support, resources and flexibility they need to thrive and manage what can at times be a demanding workload. This includes well-being programs and a range of new and emerging initiatives to help our people manage their work-life balance.

- [Health and well-being](#)

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](#)

Stakeholder engagement: KPMG engages with a wide range of stakeholders, participating in policy discussions with the aim of promoting meaningful change that allows business, government and society to prosper together.

- [Purposeful business: Stakeholder engagement — building trust, promoting sustainable approaches](#)

Technology, innovation and AI: Our continual investment in technology and innovation, including AI, 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 and increasingly AI-influenced world.

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

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](#)

Sustainability Anchor

Climate change and sustainable operations: We're committed to driving a culture of sustainable practices and operations 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](#)
- [Nature and biodiversity](#)

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.

- [Communities](#)

Inclusion and access to equal opportunity: Unique experiences and perspectives enhance our global organization and help create the drive for a fairer society that includes everyone. We're committed to embedding and improving our inclusivity approaches — 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 and access to equal opportunity](#)
- [Employment](#)

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 key locations across the globe. We have an ongoing program to drive a more responsible and sustainable supply chain that includes: increasing our engagement with suppliers and providing updated resources and materials to support them in responsible sourcing and practices; refining and bolstering our scoring assessments of suppliers in relation to modern slavery; working on the development of a new ESG Procurement Policy that will set out clear sustainability-related expectations and standards that we require of our suppliers; collaborating across geographies to share best practice and drive consistency; and leveraging the knowledge and expertise of our own subject matter experts, 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](#)

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