



Summary Climate Transition Plan

kpmg.com/ourimpactplan



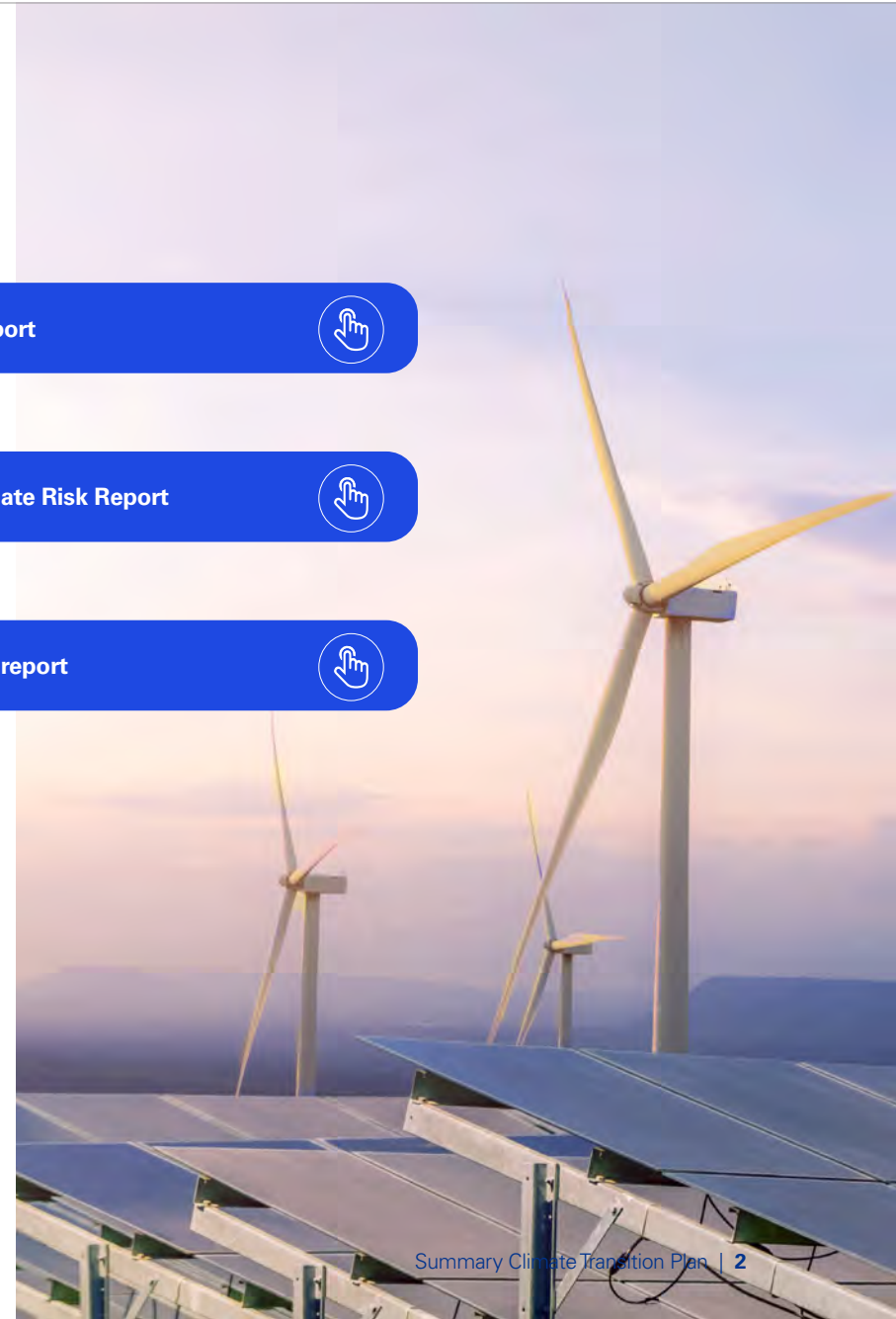
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[Latest OIP report](#) 

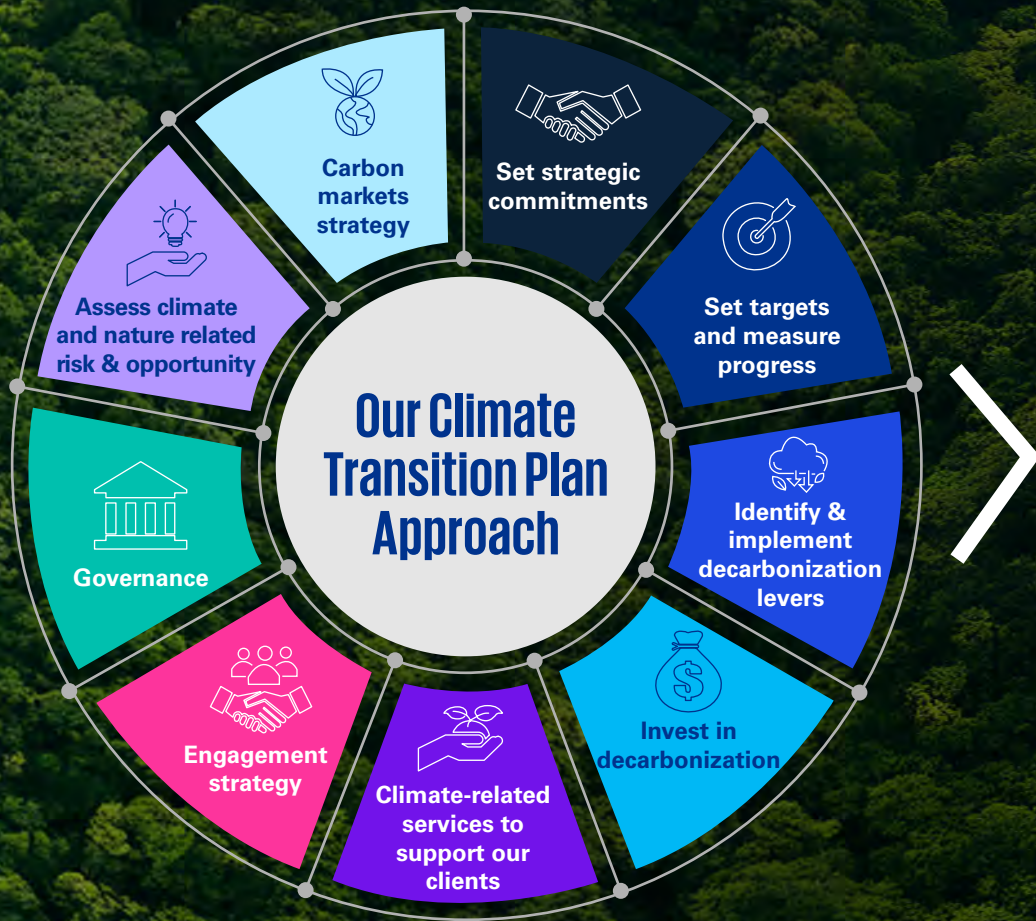
[Previous Climate Risk Report](#) 

[Transparency report](#) 

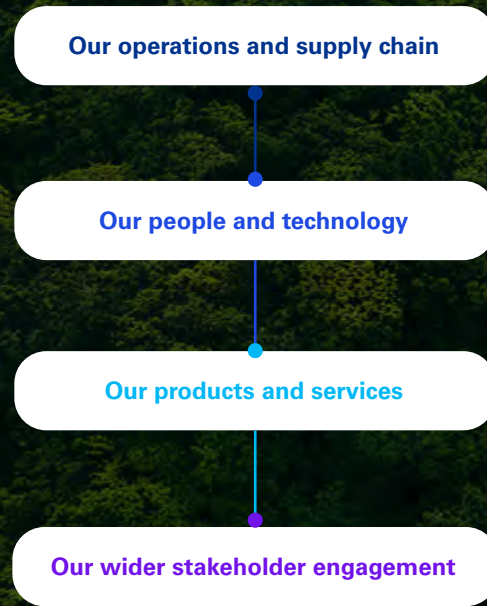


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Executive summary



Impact across our value chain



We believe that climate change is both a business risk and opportunity for organizations. No single organization or country can solve climate challenges alone, making collaboration and engagement critical. At KPMG, our first priority is to focus on our own emissions profile — assessing where we have the greatest control, where we need to work with others in areas where we can engage, and where we should monitor and improve areas in which we have limited direct influence.

Throughout this content, “we”, “KPMG”, “us” and “our” refers to the global organization, to KPMG International Limited (“KPMG International”), or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients.

Net zero within the broader complex landscape

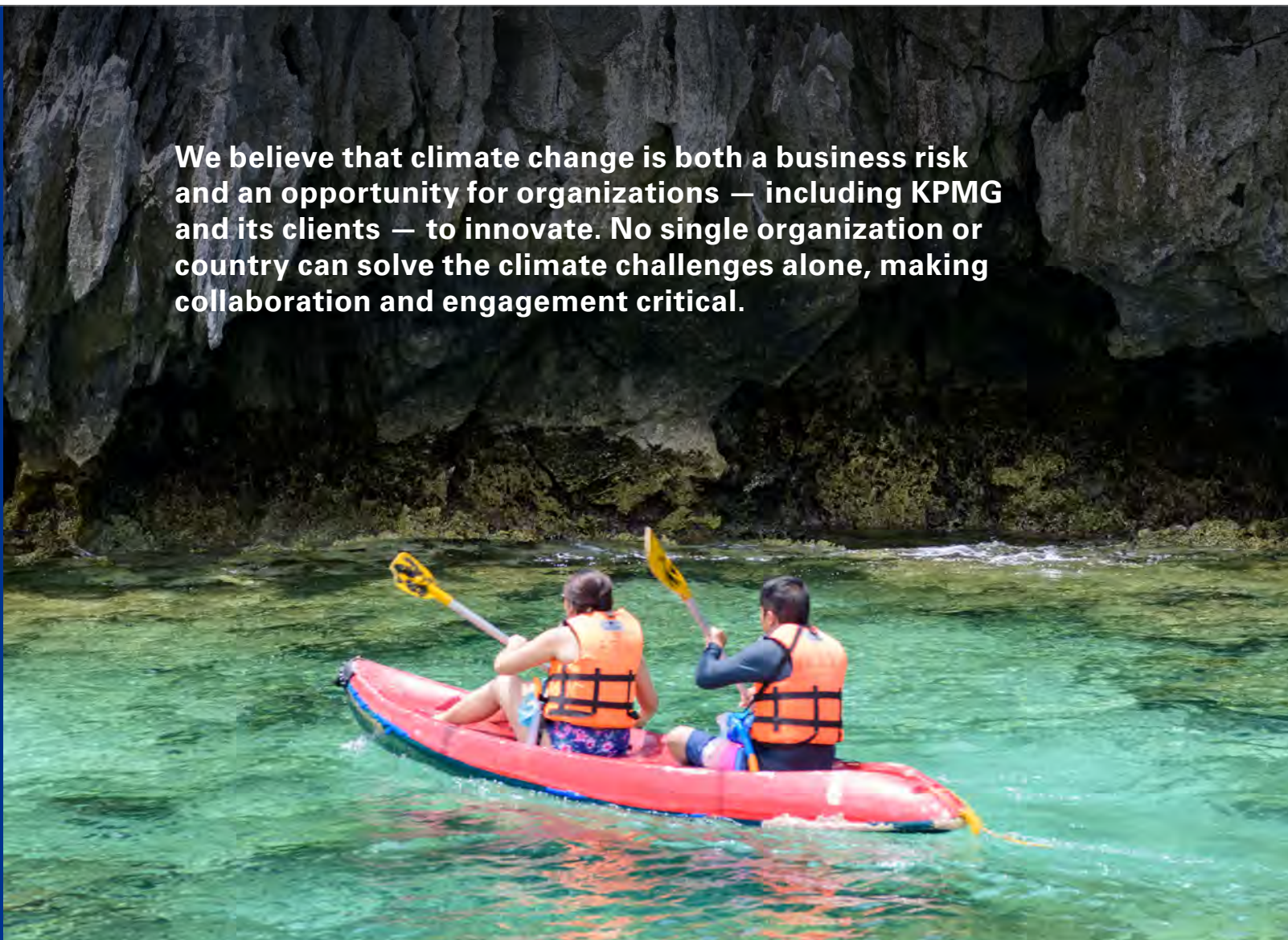
Climate change, AI advancement, geopolitical uncertainty and economic volatility are complex and interconnected forces.

It's within this context that tackling the world's climate problems remains critical to building a resilient global economy.

What we believe

We believe that climate change is both a business risk and an opportunity for organizations — including the KPMG global organization and KPMG firms' clients — to innovate. No single organization or country can solve the climate challenges alone, making collaboration and engagement critical. At KPMG, our first priority is to focus on our own emissions profile — assessing where we have the greatest control, where we need to work with others in areas where we can engage and where we should monitor and improve areas in which we have limited direct influence. We also recognize that in our role as auditors and as advisors to organizations around the world, as well as a global organization that support the public and the community where we operate, we have an important responsibility regarding how we drive the change needed to deliver on a low carbon economy.

We believe that climate change is both a business risk and an opportunity for organizations — including KPMG and its clients — to innovate. No single organization or country can solve the climate challenges alone, making collaboration and engagement critical.



10 things you need to know about our Climate Transition Plan

■ We believe climate change is one of the defining challenges of our time.

It presents both risks and opportunities for business and society. We are committed to playing our part in the global transition.

■ Our ambition is to become a net zero business by 2050, an action needed for organizations to pivot towards a 1.5 degree world.

We are making good progress in reducing our emissions by 50 percent by 2030, in line with our near-term Science-Based Target, and are in the process of validating our long-term 2050 Science-Based Target. We will continue to review and refine our approach to align with the latest climate science and reporting guidance available.

■ We focus on where we can have the greatest impact.

Our plan targets four key pillars: operations and supply chain, our products and services, people and technology and stakeholder engagement.

■ We are decarbonizing the areas we control within our own operations.

From energy efficiency in our buildings to transitioning to renewable electricity and reducing business travel emissions, we are taking action across our global network in the areas we have the greatest control over.



■ **We are engaging with our supply chain.**

We are working with suppliers to reduce emissions from purchased goods and services, embedding sustainability into procurement decisions and supplier engagement.

■ **We are investing in our people and technology to support the economy-wide transition.**

Through training, leadership development, and digital tools — including AI — we are equipping our people to lead on climate and sustainability.

■ **We are embedding sustainability into our services.**

From audit and assurance to tax, legal and advisory, we are integrating climate considerations into the services KPMG firms provide to clients around the world.

■ **We are aligning with global standards.**

Our plan is structured in line with the Transition Plan Taskforce (TPT) framework and supports the goals of the Paris Agreement and other global sustainability frameworks. It contains key performance indicators that are tracked regularly to measure progress on climate transition.

■ **We are helping to drive broader change.**

We engage with clients, suppliers, governments and civil society to help shape the wider transition. This includes convening stakeholders and aligning our engagement with our transition objectives.

■ **We are committed to continuous improvement.**

Our plan will continue to evolve and align with developing reporting standards. Our next steps include re-validating our Science-Based Targets, refreshing our climate risk and opportunity assessments, advancing our carbon markets strategy, further work on our approach to nature and biodiversity, and setting out our priorities for the year ahead.

We've committed to setting an SBTI-aligned net zero target for 2050, in line with current market standards. We'll continue to monitor developments and help shape the frameworks and infrastructure needed to support commercially viable, sustainable business models globally. As best practices evolve and develop, we'll continue to review how we set targets and update our transition plan accordingly.

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Our decarbonization

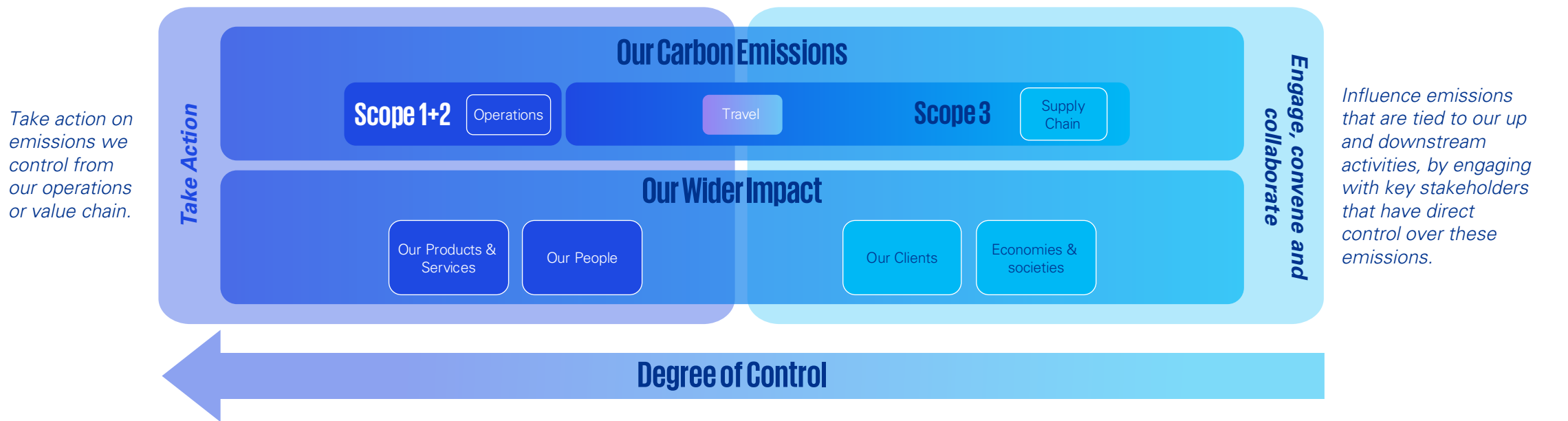
control framework

Aligned with the TPT framework, our decarbonization journey covers both our direct operations and the broader areas we can influence through collaboration. We are focused on driving impact across our value chain. A critical first step is assessing the level of control we have, both over our own emissions and our wider contributions to the global ambition of a lower carbon society. This is the lens that we have applied to our approach.

Scope 1 emissions are direct greenhouse gas emissions that occur from sources the KPMG member firms own or control, including on-site stationary fuel combustion, fuel combustion in owned/controlled vehicles, and fugitive emissions from leaks in heating, ventilation, and cooling equipment.

Scope 2 emissions are indirect greenhouse gas emissions from purchased electricity, steam, heat or cooling which arise from the generation of power by a third party that is consumed by a KPMG firm.

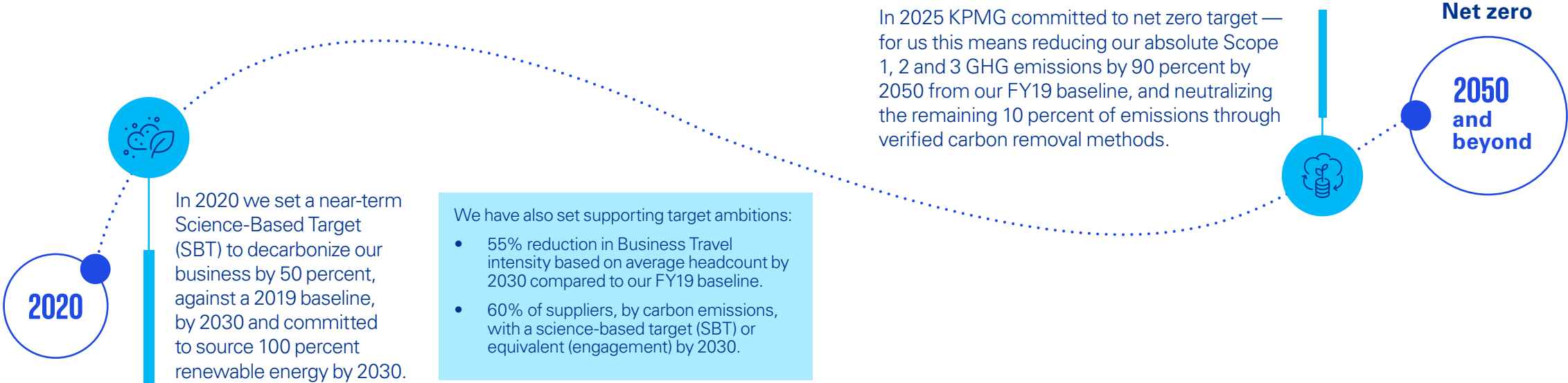
Scope 3 emissions are upstream greenhouse gas emissions that include business activities that are relevant to a KPMG firm’s climate impact but are not under the direct control of a KPMG firm, such as: supply chain; air travel; business travel in personal vehicles; rail travel and energy used in common areas of multi-tenant buildings (e.g. elevators, lobbies); and employee commuting. Downstream Scope 3 emissions would be the carbon impact of our client services. We do not currently estimate these, as there is no established methodology for professional services.



Our journey to net zero

Our decarbonization targets

Our path forward is focused on decarbonization and its impact across our value chain — our operations and supply chain, our products and services, people and technology and wider stakeholder engagement. Looking beyond our 2030 target, KPMG is committed to becoming a net zero business by 2050.



Target re-validation — in line with SBT Initiative expectations, we are working to re-validate our near-term target and re-baseline our data.

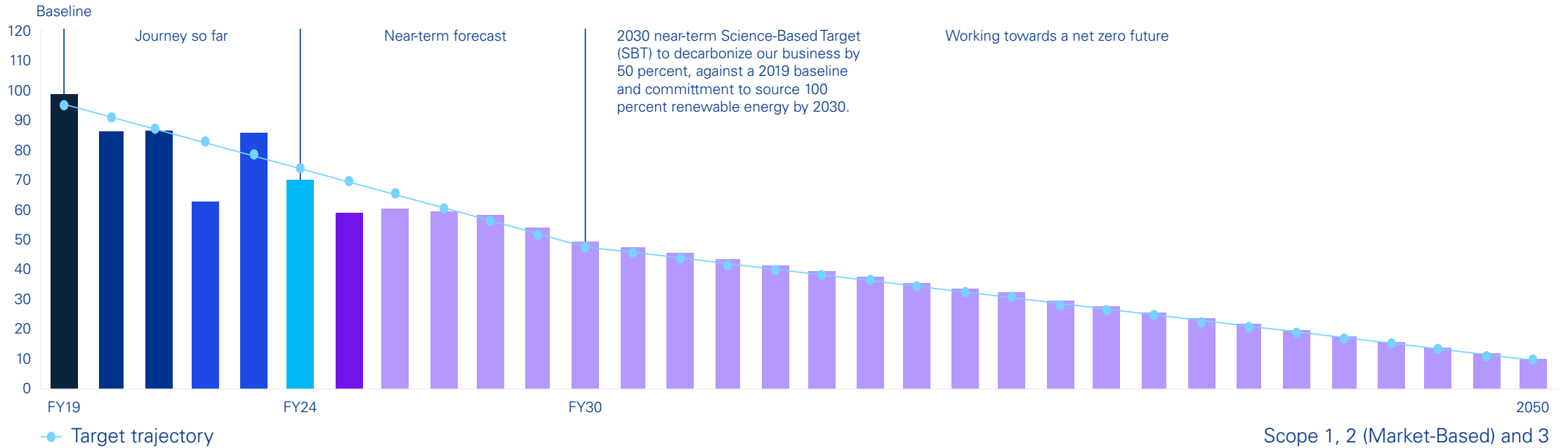
The journey ahead — recognizing this is an ongoing journey, we will continue to iterate this (our first) Climate Transition Plan in line with emerging regulations and market expectations, and expect to be refreshing our analysis on a regular basis.

We've committed to setting an SBTI-aligned net zero target for 2050, in line with current market standards. We'll continue to monitor developments and help shape the frameworks and infrastructure needed to support commercially viable, sustainable business models globally. As best practices evolve and develop, we'll continue to review how we set targets and update our transition plan accordingly.

Our journey to net zero

Since 2008 KPMG has been pursuing ways to reduce our environmental impact while delivering quality services to clients.

% carbon footprint



FY19

- Baseline year for our near-term SBT

2021

- Set 1.5°C aligned SBT to decarbonize across all scopes by 50 percent compared to the FY19 baseline
- Set a target to source 100 percent renewable energy by 2030

2022

- Established an Internal Carbon Price

2024

- Published our first Climate Risk Report in line with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD)

2025

- Published our first Summary Climate Transition Plan
- Revalidating our near-term SBT and setting a long term net zero target

2026-2050

Drive our decarbonization focusing on the levers that can make the greatest impact

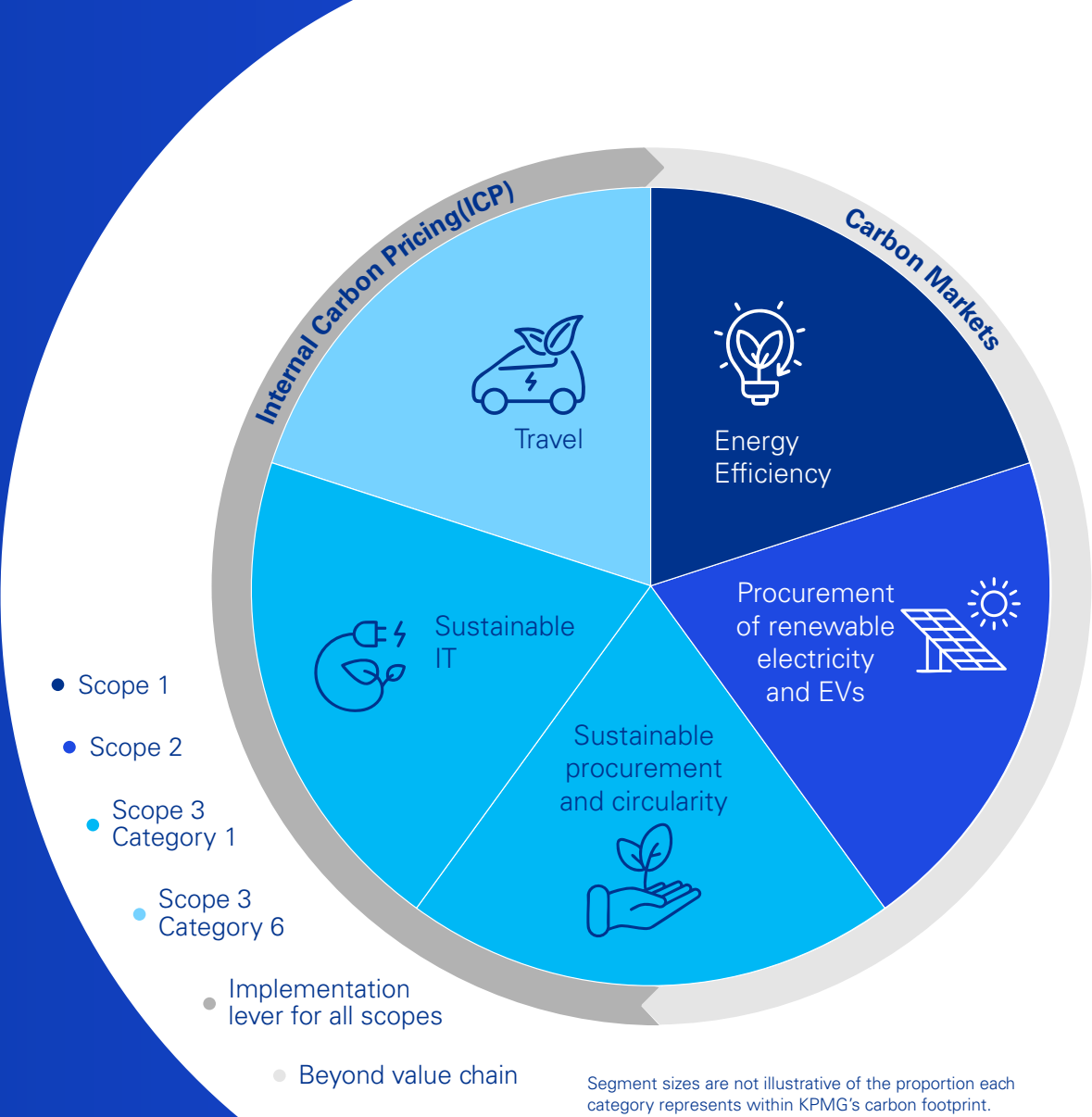
- Sustainable energy (including IT) strategy
- Sustainable property and office approach
- Sustainable business travel
- Engaging our purchasing of goods and services providers

Supported by

- Continued monitoring of standards and best practice and ways to enhance our decarbonization levers
- Investing in our decarbonization
- Activating our carbon markets strategy

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Our approach to decarbonizing our operations and supply chain



We have identified a number of critical decarbonization levers which we are implementing across the network to help us reach our targets and become net zero. These are a combination of areas we can directly control (Scope 1 and 2 emissions such as energy usage) and areas where we can influence (Scope 3 emissions such as business travel and our supply chain). We look at these through the lens of our decarbonization control framework.

Energy efficiency for buildings

Improving our energy efficiency allows us to decrease energy consumption while ensuring efficient performance in our operations, which not only reduces our carbon footprint, but also lowers operational expenses and increases resilience to fluctuations in the energy market. Emissions from air conditioning, lighting and appliances typically fall under Scope 1 (stationary combustion) and Scope 2 (purchased electricity). Furthermore, energy efficiency aids in meeting changing regulatory requirements and aligns with stakeholders' expectations for credible climate action.

KPMG has developed guidance on identifying, prioritizing, and implementing impactful energy-saving measures and embedding energy efficiency into our building operations where possible.

Network example

KPMG China designed a green low-carbon office in Shanghai, 'KAMPUS'. With a focus on reducing environmental impact, the building is LEED GOLD certified, and integrates principles of green living and low-carbon practices into the design and layout, optimizing the use of energy, land, water and materials. The furniture selection also aligns with a low-carbon ethos, favoring durable, mobile and flexible furniture options. Energy efficiency has been addressed through intelligent lighting control linked to light-sensitive curtain control systems; CO₂ monitoring linked to the building ventilation system; photovoltaic power generation; and other energy-efficient measures aimed at curbing electricity consumption. Class I water-saving appliances and direct water dispensers have also been installed to reduce water consumption.



Procurement of renewable electricity

Energy and fuel purchasing contribute to KPMG’s Scope 1 and 2 emissions across the global organization. As part of RE100, KPMG International has pledged to obtain 100 percent of its electricity from renewable electricity across our global organization by 2030. We have already achieved 85 percent of this target across the global organization by the end of FY24 and continue to work towards bridging the remaining gap. In addition to reducing our own emissions, this supports broader decarbonization efforts by reducing dependence on fossil fuels. It also aligns with stakeholder expectations to support a low-carbon economy.

Network example

KPMG Netherlands plan to achieve 100 percent renewable energy use by 2030, this includes tightening requirements for the owners of office buildings when renewing contracts, mandating either renewable energy certificates or Guarantees of Origin to ensure sustainably sourced energy, and requiring higher energy-label standards.

KPMG India has procured 100 percent renewable electricity through accredited renewable energy certificates (I-RECs) from small hydro and solar projects. KPMG India’s sustainability initiatives include investing in compressed natural gas captive/back-up power generation at select offices, installing sun-protected films on windows and scheduling lighting levels.

Sustainable procurement: Purchased goods and services (PG&S)

KPMG’s supply chain for its purchased goods and services is a major contributor to our Scope 3 emissions, which includes emissions from all purchased goods, such as IT equipment and technology services. This lever targets the reduction of emissions through procurement choices, spend management, and supplier engagement. We consider it one of the most impactful levers available, influencing a wide range of emissions across the value chain. In addition to our Supplier Code of Conduct, ESG Procurement Strategy, and Sustainable Procurement

Policy, we have developed guidance to support emission reductions from PG&S through supplier engagement, sustainable procurement, and circularity. Member firms engagement is driven by the KPMG International ESG Procurement Working Group, which sets KPIs, manages strategic roadmaps and supporting tools, and leads responses to the CDP Supply Chain survey to promote transparency and accountability. In addition, Sustainable Supply Chain training has been developed to support procurement professionals work with our suppliers regarding decarbonization.

Network example

KPMG Australia proactively engages with its supply chain to monitor suppliers’ decarbonization performance and has significantly increased the percentage of suppliers that have set Science Based Targets (SBT) or equivalent carbon reduction targets (on track to be 80 percent by spend the end of 2025). This is part of KPMG Australia’s efforts to ensure that the goods and services procured are delivered by organizations aligned to their ambitions. Procurement Agreements were updated to include ESG obligations that include clauses to encourage suppliers to implement Science Based Targets, set waste, packaging or circularity targets, and comply with KPMG Australia’s new Zero Deforestation Policy.

KPMG Canada committed to e-waste circularity some years ago and has a long-standing relationship with vendors who purchase KPMG IT equipment — laptops, network infrastructure, etc — at the end of their KPMG life. However, the firm identified a need for a greater emphasis on the end-of-life treatment of KPMG computer peripherals — including mice, keyboards and headsets — notably those in smaller offices. In FY24, an e-waste program dedicated to addressing KPMG IT peripherals was launched in collaboration with the regional Green Champions Network, local sustainability committee teams, and with guidance from the IT team. The plan includes identifying e-waste recycling vendors for offices that do not have access to e-waste recycling through their landlord, and developing guidance and reference materials for local teams to ensure that IT peripherals are donated or recycled moving forward.

Sustainable IT

Information technology hardware, usage and services contribute to KPMG’s emissions profile, accounting for a portion of Purchased Goods and Services Scope 3 emissions as well as a share of Scope 1 and 2 emissions. Sustainable IT offers a strategic opportunity to improve energy efficiency and adopt more sustainable procurement and lifecycle practices, particularly including circularity. Addressing emissions from related IT purchases, usage and services aligns with growing expectations for digital sustainability, responsible technology use and a circular economy. KPMG is assessing the emissions impact of its information technology and a transition to sustainable IT through a baseline maturity and IT emissions assessment, digital carbon reduction strategy and planning, and governance. The aim is to provide guidance to help member firms manage emissions from IT usage and procurement. We are engaging with suppliers to embed sustainability into their practices, with the long-term goal of sourcing from suppliers that have a SBT or equivalent.

Network example

KPMG UK partnered with a third-party vendor and performed an end-to-end assessment across information, communication and technology, defining KPMG UK’s carbon impact position, developing a Digital Carbon Reduction Plan and a multi-year decarbonization strategy, with 25 percent emission reductions mapped in years 1 & 2, aligned to KPMG UK’s SBTi-based net zero goals.

Travel

Business travel, including flights, trains, car usage, and hotels, is a significant contributor to KPMG’s global emissions under Scope 3. Travel is a key lever to addressing these emissions by influencing business travel behavior and purchasing decisions. In addition to environmental benefits, travel can lead to cost savings, depending on member firm-specific implementation. We have developed guidance on travel-related decarbonization levers — updating internal policies, exploring the regional feasibility of sustainable aviation fuel, and investigating the applicability of local emerging travel-related climate technology. These levers were assessed on cost, impact, effort and alignment with SBTi.

Network example

KPMG Netherlands aims to reduce air travel emissions by 40 percent by 2030, using video conferencing as the default option for meetings is encouraged via policy, reserving travel only for situations where it is necessary and serves a clear business purpose. Key actions include mandatory travel by train rather than by plane for journeys up to 600 km or eight hours’ travel time. Starting in 2024, NL’s Internal Carbon Price (ICP) is charged to the relevant department or team in accordance with the “polluter pays” principle. This means that cost centers will be charged extra (internal) costs based on the emissions from flights booked on that cost center. These actions will remain in place until the 2030 emission reduction target is met.

4 Our carbon markets journey

Carbon markets will be an important part of our climate transition and meeting our net zero target. We are committed to defining our carbon markets strategy and underlying principles to credibly remove our residual emissions. Just like our decarbonization strategy, we apply high standards aligned to the most updated carbon markets guidance.

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Our investment strategy to enable the transition



We are engaging with global partners to advance our work and thinking on climate action. This includes a global partnership with

WWF.



Our dedicated Planet, Procurement and Reporting teams

We have a KPMG International Our Impact Plan (OIP) team, which develops our ESG strategy and drives network engagement to implement our decarbonization strategy. Dedicated resources in member firms around the world ensure the implementation of decarbonization levers, the monitoring of progress throughout at the member firm level, and the achievement of our targets. On the procurement side, our Global ESG Procurement Working Group drives strategic alignment and supports supplier decarbonization through shared tools and training across the network. In order to progress on our collective commitments, we have resources in member firms, which are responsible for actioning on decarbonization efforts, along with driving sustainability within our operations.



Global investment in our people

We are channelling global investment funding into innovative and market leading propositions and delivery for our clients. We have a dedicated global subject-matter expert team who support our member firms with client proposals and delivery on emerging topics across climate, decarbonization, circularity and nature.



Our Internal Carbon Price

We have set an Internal Carbon Price (ICP), which means that we assign a financial value to the greenhouse gas emissions caused by our business activities, producing an investment budget to support decarbonization initiatives. Examples include facilitating electric charging stations, purchasing green energy and making our offices more sustainable. The ICP also helps increase our people's awareness of our carbon footprint and encourages sustainable behavior. The ICP is under annual revision to accurately reflect the monetary value on emissions at an amount incentivized to change behavior and ensure climate is integrated into our decision-making process.



Partnerships

We are engaging with global partners to advance our work and thinking on climate action. This includes a KPMG International partnership with WWF.

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Our services

We work with thousands of clients across the governmental, public and private sector around the world. KPMG plays an important role in facilitating progress towards societal net zero, helping organizations of all types to drive their climate transition efforts. We are integrating sustainability considerations into the core products and services that we provide, with metrics and targets to track progress.



Audit and Assurance

KPMG’s digital platform Clara AI has been deployed across the organization, enhancing audit processes through advanced analytics and automation. This includes consideration of sustainability as well as consistent ESG assurance methodologies. Through Clara, KPMG auditors can embed climate considerations into traditional financial audits and provide specific ESG and climate assurance, helping businesses align their strategies with global sustainability standards.

Advisory

As clients navigate the evolving sustainability and ESG landscape, KPMG professionals guide them by identifying value creation and protection opportunities across their business and value chains. We are dynamically embedding sustainability as a strategic value driver, helping clients see and prove the business case for sustainable action. This includes supporting them on the deep transformation that is also required — of business models, capabilities and skills — to reach net zero goals and maintain regulatory compliance. We help drive clients’ end-to-end transformations, embedding sustainability across the business and future-proofing value.

With climate transition set to create multiple business opportunities as well as risks, we are also rolling out an enhanced sustainability due diligence practice. This helps ensure that clients adequately consider and price climate risks and opportunities into their assessments of deals and transaction opportunities.

Tax and Legal

Our ESG Tax Strategy leverages tax policy to foster sustainable business practices. As appropriate, KPMG firms work with clients to ensure they adopt a responsible and transparent approach to meeting their tax obligations. Additionally, we help them navigate and respond to emerging ESG-related tax developments — such as carbon pricing and environmental taxation — enabling them to stay ahead of regulatory change and align with broader sustainability goals.

In the legal domain, Sustainable Compliance embeds sustainability into legal advisory services. We guide clients through ESG regulations, helping ensure compliance and readiness to seize sustainability opportunities. Our specialists develop frameworks integrating sustainability into governance, contracts and risk management.

Our ACCEPT framework

Each letter of ACCEPT guides us to consider:



All stakeholders are important:

Could the client (or entity) and/or engagement erode stakeholder trust?



Conflicts of interest and objectivity:

Are there any objectivity or Independence concerns or any potential conflicts?



Client (or entity) considerations:

Do we want to work with them?



Engagement considerations:

Can we successfully deliver the product or service?



Public interest:

Is the client (or entity) and/or engagement consistent with protecting the public interest?



Terms & commercial considerations:

Can we comply with contractual obligations and manage financial outcomes?

Launched in 2025, the ACCEPT framework is a set of principles to assist engagement teams with identifying, assessing and managing client and engagement-related risks.

The ACCEPT principles were developed to aid in the decision-making process on which clients we accept and what work we will do for them. ACCEPT helps ensure that we’re thinking about the right things when making these decisions and that we’re acting in line with our Values, and our Purpose.

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Our people investment and technology strategy

Our people are key, both to our own decarbonization through their day-to-day actions and to the transition journeys of our clients as they deliver services and advice to them. Shifting the mindset of our people and supporting them with the tools and training they need — including, increasingly, AI-enabled solutions — is therefore an important part of our transition plan.

Multidisciplinary model

We believe we are at our best when we bring people together with multiple and diverse skillsets and specialisms in the service of clients. Bringing together multidisciplinary skills as well as our geographic breadth helps build a more balanced picture that supports clients to consider sustainability issues and solutions.

Sustainability talent attraction and retention

We are committed to attracting, hiring and retaining top sustainable talent, investing in senior experts to expand our ESG business and integrate ESG principles across all service lines to increase the attractiveness of the profession. Our experts are actively involved across our ESG initiatives, ensuring that our ESG strategies are innovative and impactful.

Talent development

We offer comprehensive training on sustainability topics, including ESG assurance, tailored for audit and assurance professionals involved in ESG reporting. This training is enhanced by our ESG assurance methodologies and accessible support materials via the KPMG Clara workflow. Meanwhile, dedicated Centres of Excellence (e.g. Decarbonization, Infrastructure, Nature, Circularity, etc.), bring deep technical expertise and insight across the network, enabling us to respond to complex client needs and to upskill colleagues, while focusing on fostering innovation and implementing best practices.

Internal and external ESG training and learning

Over 100 training resources are available to all our employees on ESG, climate risk and transition, delivered in collaboration with leading institutions such as Cambridge Judge Business School, New York University and European Business School. In FY24, over 200,000 ESG learning modules were completed. We also work with leading organizations including the World Business Council for Sustainable Development to provide external training. This includes the WBCSD Young Professionals Programme, LEAP and others.

Technology and AI

Fluency in AI-related technologies and tools has become key to delivering outcomes that make the difference for clients, including sustainability. To that end, we are investing significantly in digital and AI-related learning, providing accessible content to support upskilling and innovation at KPMG. We have expanded our Digital and Data Foundations learning program, with KPMG people spending over 150,000 hours and completing over 210,000 training modules during FY24.

Further, KPMG’s Trusted AI Framework promotes the ethical and safe use of AI, helping ensure that AI solutions are designed, built and deployed in a responsible way. Applying the framework means we can help clients develop approaches that safeguard sustainability. We have run extensive training for KPMG people across the network, with a Trusted AI learning pathway specifically developed.

Future leadership development

Our leadership development program, Leaders 2050, is a next generation initiative bringing together young people from both inside and outside KPMG, and from a range of sectors, committed to the climate transition.

8 Our stakeholder engagement strategy

We recognize that there is a powerful role we can play, collaborating, convening and contributing to initiatives and thinking designed to propel the collective effort to combat climate change and build a more sustainable world, aligned with the goals of the Paris Agreement.



Shaping the market through our engagement strategy

Engagement with value chain

We drive Scope 3 emission reductions by engaging with suppliers and enhancing our sustainable procurement strategy.

Case study

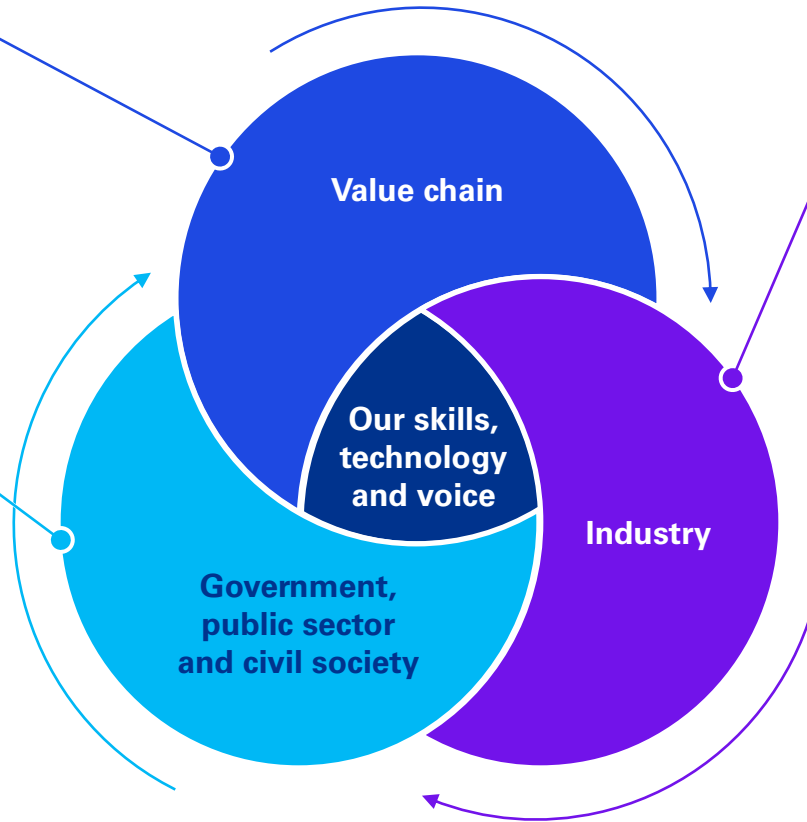
KPMG developed a supplier segmentation model to identify and engage with high impact suppliers and are creating a sustainable procurement guidance to support engagement with suppliers and the revision of procurement policies.

Engagement with government, public sector and civil society

We work with governments, public sector, and civil society to support system-wide decarbonization, leveraging our expertise in climate strategy, sustainability reporting and more to help shape policy, build capacity, and enable effective transition pathways.

Case study

KPMG is leading in driving the World Economic Forums transition initiative on Coal to Renewables. This collaboration aims to harness the expertise and resources of diverse financial players to fund the early retirement and repurposing of coal-fired power plants.



Engagement with industry

We work with industry leaders through initiatives such as the WBCSD, RE100, and Responsible AI to help shape market practices and accelerate decarbonization. At the same time, we are evolving our own professional standards to embed sustainability in response to growing industry expectations.

As part of our commitment to an SBTi aligned net zero target, we'll continue to monitor developments and help shape the frameworks and infrastructure needed to support commercially viable, sustainable business models globally. Through this engagement, we'll continue to review how we set targets and update our transition plan accordingly.

Case study

KPMG collaborates with the World Business Council for Sustainable Development (WBCSD) to help companies incorporate sustainability into their business strategies.

9

Climate governance

Our approach to climate governance

The Global Board has delegated certain responsibilities to the Global Management Team (GMT) and the GMT works with the KPMG member firms to drive progress against key KPMG International initiatives such as OIP and therefore climate-related targets.

The Global Board has ultimate responsibility and oversight of environmental issues (including climate change) for KPMG International. To ensure that our governance provides appropriate oversight of progress made towards achieving our commitments as set out in our Impact Plan, relevant Board committee and Global Board discussions take place.

The **Global COO and Global Head of Clients and Markets** play a key role in achieving climate targets and they lead the **COO and Clients and Markets Steering Groups respectively** to promote change.

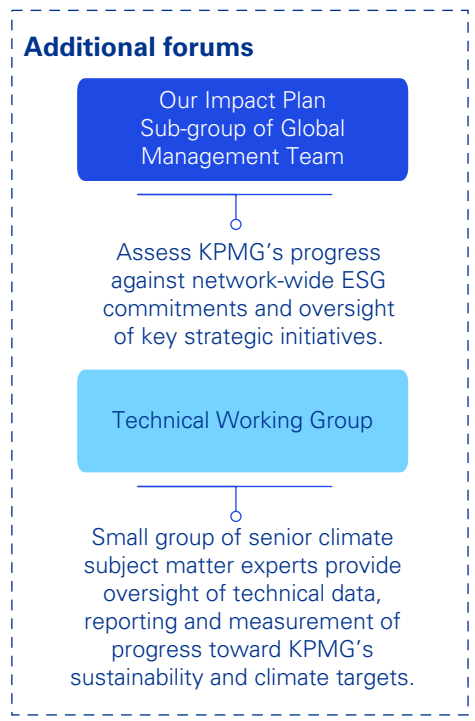
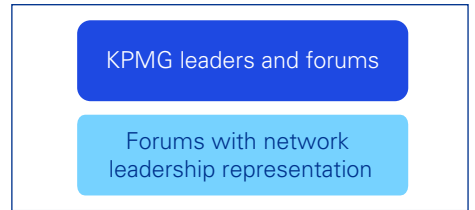
The **Global Head of Corporate Affairs** is responsible for and oversees KPMG's Our Impact Plan and chairs the **Global Corporate Affairs Steering Group**. They report major changes and progress regarding their environmental responsibilities directly to the CEO.



The **Global Head of ESG**, who leads the **ESG Working Group**, is responsible for assisting in the development and operationalizing of KPMG's global ESG client strategy.

The **Head of Global Sustainability** leads the **Our Impact Plan Working Group** to develop KPMG International's ESG strategy (including the climate priorities) as part of the OIP. They are also responsible on a day-to-day basis for supporting KPMG member firms in implementing their local operational ESG strategies.

Further details on KPMG's approach to governance can be found on [kpmg.com](https://www.kpmg.com) and in the [2025 Our Impact Plan Update](#).



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Our key climate risks and opportunities

Climate change presents clear risks, on multiple levels. These are generally well understood — not only threats to human lives and livelihoods, natural ecosystems and species, and health and wellbeing, but also to economic, social and cultural assets, and to investments, supply chain and infrastructure, business models and services provision.

At the same time, however, the transition to a low-carbon economy needed to combat climate change presents opportunities as capital is diverted from carbon-intensive activities to low-carbon alternatives. Understanding where and when these opportunities will emerge — and how KPMG can support clients to secure them — is critical to long-term success.

We therefore believe it is essential for KPMG to build a detailed understanding of our climate risks and opportunities (CRO) profile across our whole value chain. We are committed to publishing disclosures relating to our CRO, the work we're doing to address them and our ambitions for the future.

Our approach to climate risks and opportunities assessment

As part of our first step on this journey, we completed physical and transitional risk and scenario assessments in 2022-2023 and plan to refresh these ahead of the next reporting cycle. Further, we have assessed our disclosure against best practice, including the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and ISSB standards. We recognize that we are currently making good progress but that there is still work to do.

KPMG assesses climate risks over short, medium and long-term horizons, defined as 0–1 year, 2–3 years, and 4–10 years, respectively, as part of KPMG International’s Enterprise Risk Management (ERM) program.

Our methodology incorporates diverse climate scenarios to evaluate both transition and physical risks, in alignment with the TCFD and Taskforce on Nature-Related Financial Disclosures (TNFD) frameworks. For physical risks, we consider warming pathways of 1.5°C, 2.5°C, and 5°C (RCP 2.6, RCP 4.5, and RCP 8.5). For transition risks and opportunities, we focus on 1.5°C and 4°C scenarios.

This process includes engaging stakeholders and quantifying impacts across KPMG’s operations to ensure a thorough assessment.

Key insights from our assessment

KPMG’s evaluation of climate-related risks and opportunities has highlighted **seven major climate risks** and **four related**.

Our primary material risks encompass: physical risk to our operations, transitional risk to our operations, transitional risk associated with client sectors contracting or failing, reputational risk, failure to decarbonize our business, including our supply chain, and regulatory risk. We mitigate these through our portfolio-based and multidisciplinary business model, being greatly diversified globally and sectorally. We upskill our people on an ongoing basis to ensure they are at the leading edge of professional and advisory practices.

We measure, monitor and manage climate risk as part of our wider ESG risk, which we define as a failure to understand, prepare for and take action to mitigate

potential risks across the ESG agenda that could erode our license to operate or negatively impact our brand.

Our primary material opportunities are to protect and enhance value for clients in response to physical climate risk, strengthen trust by leading on climate and sustainability, boost revenue and increase financial resilience.

KPMG has implemented governance systems to continuously monitor these risks and opportunities.

More details about the identified risks, impacts, and mitigation strategies can be found in the Appendix and our [Climate Risk report](#).



Our approach to nature and biodiversity



We recognize that we have a duty to manage our impacts on the natural world around us, minimizing nature loss and protecting biodiversity. Along with decarbonization, these aspects are key to the long-term health of the planet. We and all organizations have a role to play in the transition toward a nature-positive economy.

In FY24 KPMG International became a TNFD adopter. We have completed an impacts and dependencies assessment and are currently completing further analysis to enable us to report in alignment with the TNFD guidance in 2026. The impacts and dependencies analysis covered 11 KPMG member firms were 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. Work included both location analysis (684 KPMG offices and designated data centers) and impact and dependencies analysis (direct operations and upstream/downstream value chain).

Our commitment to become a net zero business includes supporting the journey toward a nature-positive future through KPMG firms’ work with clients and in our operations. We will continue to develop our thinking and align to leading practices as an adopter of the TNFD, to help ensure our approach to business considers our nature-related dependencies, impacts, risks and opportunities.

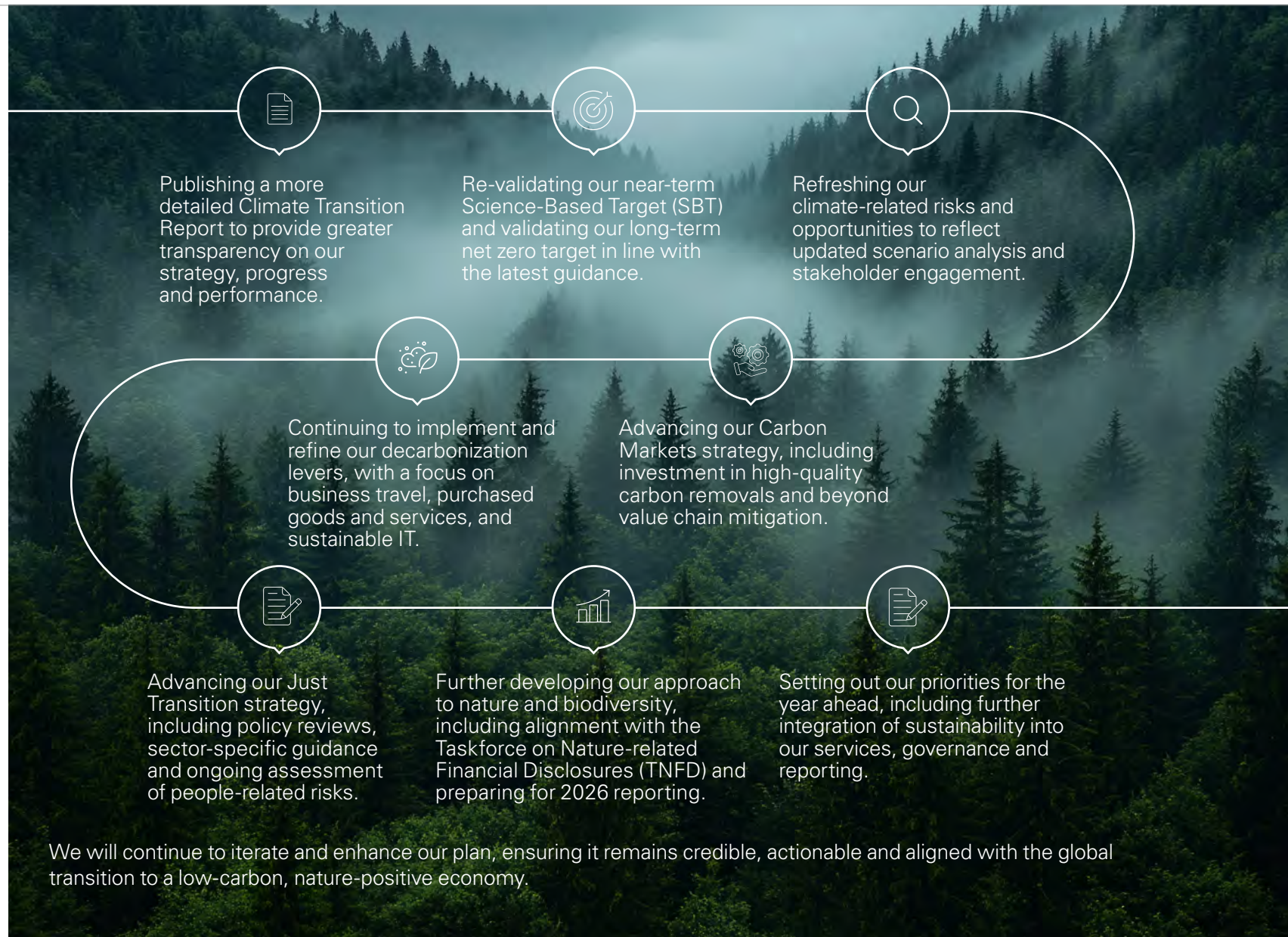
Network example

KPMG provides funding to two WWF conservation projects from its Internal Carbon Price budget: Colombia Project — securing conservation outcomes that benefit marginalized communities in forested landscapes. To date, over 50 conservation agreements have been strengthened throughout the mosaic of forest and farming communities that enhance the ecological connectivity of the region. East Africa Project — Trillion Trees — supporting the Reforest Fund to enable communities and conservationists to deliver high quality forest restoration that provides benefits to people, nature and climate, such as employment and livelihood opportunities, and increased access to vital natural resources.

12 Our next steps

As we continue with our transition journey, we are focused on deepening our impact, strengthening our accountability, and aligning with the latest global standards. We recognize that this is an evolving process — and we are committed to continuous improvement.

Key elements of our next phase include:



Continuing to implement and refine our decarbonization levers, with a focus on business travel, purchased goods and services, and sustainable IT.

Advancing our Just Transition strategy, including policy reviews, sector-specific guidance and ongoing assessment of people-related risks.

Further developing our approach to nature and biodiversity, including alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) and preparing for 2026 reporting.

Setting out our priorities for the year ahead, including further integration of sustainability into our services, governance and reporting.

We will continue to iterate and enhance our plan, ensuring it remains credible, actionable and aligned with the global transition to a low-carbon, nature-positive economy.

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Designed by Evalueserve | Publication name: Summary Climate Transition Plan | Publication number: 140122-G | Publication date: September 2025