



Transparency Report 2025

Building trust through quality and innovation



KPMG Values

KPMG is committed to quality and service excellence in all that we do, helping to bring our best to clients and earning the public's trust through our actions and behaviors both professionally and personally.

Our Values guide our behaviors day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients and all of our stakeholders across the 138 countries and territories that we operate in.



Our Values are:



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.

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In today’s world, where rapid technological advancements are transforming industries and reshaping lives, trust is more important than ever. At KPMG, our stated ambition is to be the most trusted and trustworthy professional services organization. Acting in the public interest and serving the capital markets is the foundation of that ambition. We believe trust is earned by doing the right thing and upholding the highest standards of professional behavior across the global organization.

We recognize that audit and assurance quality is fundamental to building and maintaining this trust. That’s why we are preparing for the future and transforming our approach through continuous innovation, strategic integration of Artificial Intelligence (AI) and an unwavering commitment to quality and professional excellence.

We are proud to be leading the transformation through our global smart audit and assurance platform, KPMG Clara, now enhanced with AI agents and generative AI capabilities. These leading technologies are embedded directly into the audit workflow to support risk assessment, testing procedures and documentation, and will enable more than 95,000 KPMG auditors worldwide to continue to exercise professional judgement and skepticism in high-risk areas. These enhancements mark a significant step in our transformation journey — deepening insights, building trust and reinforcing our commitment to audit quality.

While technology enhances efficiency and precision, KPMG people make the difference and remain at the heart of every audit. Across our global organization, we continue to invest in upskilling our professionals, equipping

them with the tools and training needed to responsibly harness AI and uphold the highest standards of quality and ethics.

Foundational to our transformation, KPMG firms’ robust System of Quality Management (SoQM) is aligned with the International Standard on Quality Management (ISQM 1) and reinforces governance, accountability and consistency across the organization. This globally consistent approach to SoQM is critical for delivering high-quality audit and assurance services that meet regulatory and public expectations.

At KPMG, we are committed to leading boldly, moving swiftly and acting responsibly as we undergo transformation. Our investment in quality is driving advancements for KPMG firms but we know progress requires continuous effort. Looking ahead, the imperative is clear: continue to serve the public interest by delivering audit and assurance services that are transparent, insightful and high quality.

We invite you to read this report that reflects our journey and our vision for a future where audit continues to evolve, driven by innovation, guided by quality and grounded in trust.



Bill Thomas
Global Chairman
and CEO
KPMG International



Scott Flynn
Global Head of Audit
KPMG International

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Audit quality

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

We define “audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality management.

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

A system of quality management as the foundation of quality

Consistent and strong controls within KPMG firms' systems of quality management (SoQM) help reduce quality issues, drive operational efficiencies, and enhance transparency and accountability. We are committed to continually strengthening the consistency and robustness of the SoQM across KPMG firms.

Across the global organization, KPMG firms have strengthened the consistency and robustness of their SoQM to meet the requirements of the International Standard on Quality Management (ISQM) 1, issued by the International Auditing and Assurance Standards Board (IAASB).

KPMG International's global approach to SoQM



Establishes consistent **policies, procedures and controls** designed to respond to **SoQM** risks, supporting KPMG firms' effective SoQM.



Provides KPMG firms with a globally consistent **iterative risk assessment framework** that they have agreed to use in identifying incremental KPMG firm specific quality objectives, risks and controls.



Supports KPMG firms with **guidance, tools and training** to drive consistent and effective firm SoQM operation and annual evaluation.



Includes **monitoring activities** over KPMG firms' SoQM to drive global consistency.



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The globally consistent approach to SoQM is used by all KPMG firms across the global organization to drive the consistency, robustness and accountability of responses to risks within KPMG firms' processes.

KPMG Global Quality Framework

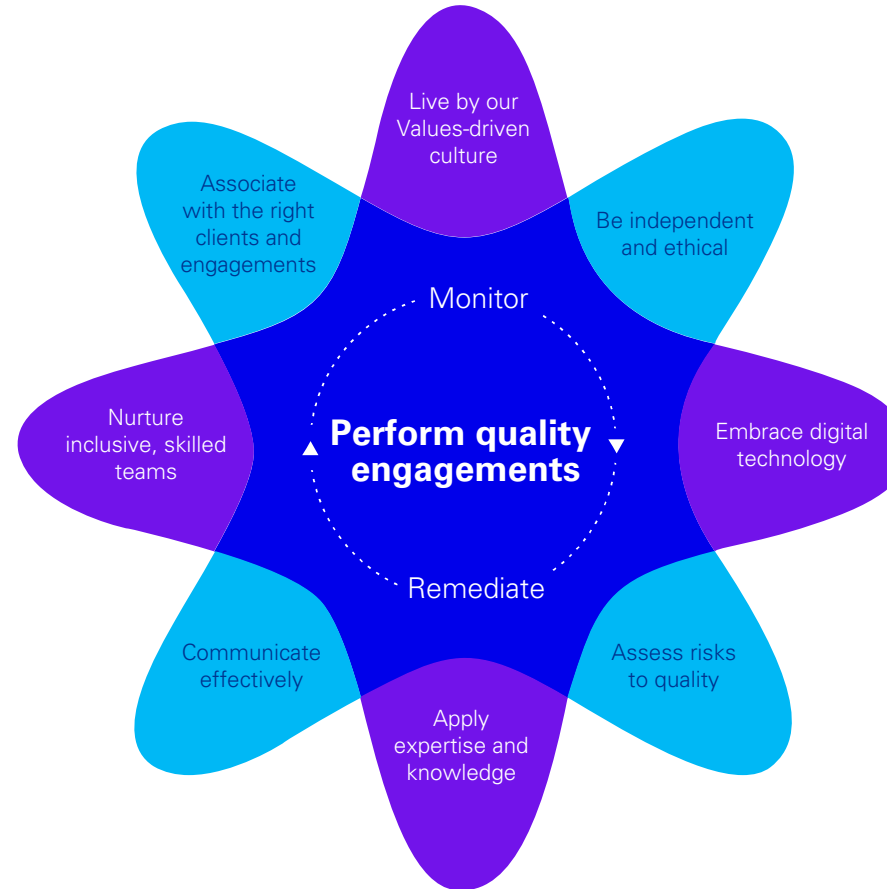
To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contributes to its delivery. The drivers outlined in the framework are the 10 components of the KPMG firms' SoQM.

At the center of the framework is the performance of high-quality engagements, supported by ongoing monitoring and remediation. Driving continual improvement of KPMG firms' SoQM, integrated monitoring and remediation programs help enable firms to identify deficiencies, perform root cause analyses, and implement targeted remediation plans, both at the engagement level and across the broader SoQM.

The following 10 sections of the Transparency Report describe how KPMG firms operate each SoQM component.

While this KPMG International Transparency Report summarizes KPMG's globally consistent approach to audit quality and assurance, it also applies across the organization, as many KPMG quality management procedures and processes are cross-functional and apply equally to other services offered by KPMG firms.

KPMG's Global Quality Framework



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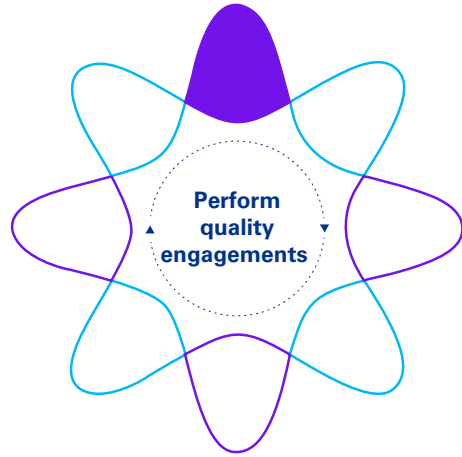
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¹ Throughout this document, "we", "KPMG", "us" and "our" refers to the global organization, to KPMG International Limited ("KPMG International") or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity.

References to "Firm", "KPMG firm", "member firm" and "KPMG member firm" refer to firms which are either: members of KPMG International Limited; sublicensee firms of KPMG International Limited; or entities that are wholly or dominantly owned and controlled by an entity that is a member or a sublicensee. The overall governance structure of KPMG International Limited is provided in the 'Governance and leadership' section of this report.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International Limited or any other member firm vis-à-vis third parties, nor does KPMG International Limited have any such authority to obligate or bind any member firm.



Live by our Values-driven culture

- **Foster the right culture, starting with tone at the top**
- **Define accountabilities, roles and responsibilities related to quality and risk management**
- **Promote robust governance structures**

It's not just what we do at KPMG that matters — we also pay attention to how we do it. The KPMG Values are our core beliefs, guiding and unifying our actions and behaviors. Shared across all personnel and in every country, jurisdiction and territory in which we operate, they are the foundation of KPMG's unique culture.

Foster the right culture, starting with tone at the top

Tone at the top

As a global organization, we recognize that strong and clear leadership from KPMG International is critical to set the tone at the top and provides the blueprint for accountability to all KPMG firms.

KPMG International's leadership, working with regional and KPMG firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. **A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organization of firms that carries out audit, assurance and other professional services on which stakeholders rely.**

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All KPMG firms have agreed to follow a common set of Values, standards and service-quality expectations.

KPMG International’s leadership helps to drive an awareness that everyone in the organization has a responsibility for quality if they are involved in supporting firms’ SoQM, providing audit or assurance services or working on client engagements across tax and advisory.

Clear Values and a strong Code of Conduct

At KPMG, our Values lie at the heart of the way we do things. To do the right thing, the right way, at the right time. They form the foundation of a resilient and ethical culture ready to meet challenges with integrity, so that people in KPMG firms do not lose sight of our principal responsibility to serve the public interest.

We are committed to the highest standards of professional behavior in everything we do. Ethics and integrity are core to who we are at KPMG and within our [Global Code of Conduct](#) (the Code), we outline the responsibilities all KPMG people have to each other, to clients and to the public. It shows how our Values and Purpose inspire our greatest aspirations and guide all of our behaviors and actions. It defines what it means to work at and be part of the KPMG organization, as well as our individual and collective responsibilities.

Everyone at KPMG can expect to be held accountable for their behavior, consistent with the

Code, and is required to confirm their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or is not in compliance with the Code or our Values.

Everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, our policies, professional standards and applicable laws or regulations.

To safeguard this principle of holding each other accountable, each KPMG firm has agreed to establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in relation to, provide feedback on, and notify reportable matters without fear of reprisal in accordance with applicable laws or regulations.

The [KPMG International hotline](#) is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to KPMG International, activities of KPMG firms or KPMG personnel. KPMG International considers how to respond to each report received through the hotline and, where necessary, investigates and takes appropriate action.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code and any person who takes retaliatory action will be subject to their firm’s disciplinary policy.

In addition to the processes outlined above, the Global People Survey provides KPMG International leadership and KPMG firms’ leadership with key insights into how the KPMG Values are being lived. It also provides valuable information on the attitudes of employees and partners regarding quality, leadership and tone at the top.

KPMG’s Global Values Week — Building a values-driven firm of the future

In May of 2025, countries and territories in KPMG’s global organization came together to celebrate Our Values during a week-long series of events. Through the activities, stories and conversations throughout Global Values Week, KPMG people across functions and borders engaged in dialogue around our five Values and the role they play in our everyday work, with a focus on strengthening trust through ethical behavior. This organization-wide celebration was supported by a Values Immersion initiative for KPMG firms that included support of leader-led group sessions focused on living our Values under pressure.

The KPMG multidisciplinary model

The KPMG global organization is at its strongest when its over 276,000 people across 138 countries and territories, aligned behind a common set of values, are working together to provide quality services to some of the most important organizations in the world, from the public sector to finance to healthcare. Regardless of the sector or industry they operate in, KPMG’s

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people leverage multidisciplinary knowledge and experience from across the organization to deliver audit and assurance, tax and consulting services to clients and stakeholders, earning their trust by meeting our commitment to deliver professional excellence. We firmly believe that our multidisciplinary model is the best way to serve clients and is essential to delivering high quality.

Define accountabilities, roles and responsibilities related to quality and risk management

Leadership responsibilities for quality and risk management

KPMG International’s leadership plays a critical role in establishing and driving the quality agenda for the global organization. In respect to audit quality, our Global Head of Audit and Global Head of Audit Quality provide reports to the Global Audit Quality Committee of the Global Board and have responsibility for oversight of audit and assurance quality across the global organization.

Within KPMG International, a number of global steering groups drive the execution of the quality strategy. Each of these global groups have specific areas of focus, and work closely with one another on quality matters, along with global, regional and KPMG firm leadership, to:

- Establish and ensure communication of appropriate audit, assurance, quality and risk management policies.
- Establish and support effective and efficient processes to promote audit and assurance quality.
- Promote and support the implementation of our strategy in KPMG firms’ audit functions, including standards of audit and assurance quality.
- Assess and monitor audit and assurance engagement quality, including issues arising from quality performance and regulatory reviews, and seek to identify best practices to improve audit and assurance quality.

Taking responsibility for audit quality at the KPMG firm level

While KPMG International creates the global framework and policies for audit and assurance quality, individual KPMG firm leadership is responsible for the delivery of that quality within their firm.

Each KPMG firm is responsible for establishing and maintaining a SoQM. Within each KPMG firm, there is a Head of Audit, who has primary responsibility for audit quality and is supported by the firm’s Risk Management Partner (RMP) in monitoring a SoQM.

Promote robust governance structures

The overall governance structure of KPMG International and further details on the KPMG International global leadership groups are provided in the [Governance and leadership](#) section of this report.

Responsibilities of KPMG firms

KPMG firms have agreed to comply with KPMG International’s policies, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability, and being able to adopt global strategies, share resources (incoming and outgoing), service multinational clients, manage risk and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work and commits to a common set of KPMG Values

A firm’s status as a KPMG member firm and its participation in the KPMG organization may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its agreements with KPMG International.

Further detail on KPMG International’s governance structure can be found in the [Governance and leadership](#) section of this report.

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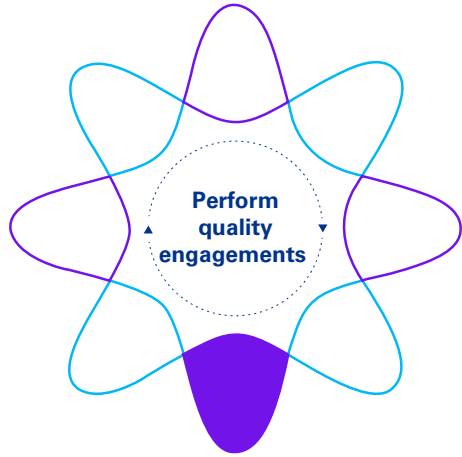
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Apply expertise and knowledge

- **Methodology aligned with professional standards, laws and regulations**
- **Technology-enabled standardized methodology and guidance**
- **Deep technical expertise and knowledge**
- **Quality and risk management policies**

Across the global organization, KPMG is committed to continuing to build on our professionals' technical expertise and knowledge recognizing its fundamental role in delivering quality audit and assurance services.

Methodology aligned with professional standards, laws and regulations

Consistent audit and assurance methodology and tools

The KPMG audit and assurance methodologies, tools and guidance drive a consistent approach to planning, performing and documenting audit and assurance procedures. Key elements include:

- Meeting applicable standards, including standards issued by the International Auditing and Assurance Standards Board (IAASB), the

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Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA), which are supplemented by KPMG firms to comply with additional local auditing standards and regulatory or statutory requirements.

- Identifying risks of material misstatements, and designing and performing procedures to respond to these risks.
- Usage by KPMG audit and assurance professionals to drive consistent interpretation and application of the applicable standards.

KPMG’s audit and assurance methodologies emphasize applying appropriate professional skepticism in the execution of procedures and drive compliance with relevant ethical requirements, including independence. The methodologies continually evolve to reflect new and revised audit and assurance standards and requirements, as well as to keep pace with innovative and technological advances that drive quality and efficiency.

Technology-enabled standardized methodology and guidance

KPMG is redefining the audit and assurance process through the use of leading technology, including AI, to facilitate risk-based and data-informed engagements. This digital strategy is supported by KPMG Clara, a scalable and user-friendly cloud-based platform that facilitates consistent execution across KPMG firms worldwide. KPMG Clara delivers KPMG’s audit and assurance standardized methodologies through data-driven workflows that adhere to relevant audit and assurance standards, and assist KPMG firm engagement teams in meeting the ever-changing landscape of corporate reporting and related audit and assurance requirements.

Driving consistency and quality through the KPMG Delivery Network

The KPMG Delivery Network (KDN) offers additional resources and specialist capacity and capability through global delivery centers to some KPMG firms. Additional capacity was added in 2025 leveraging technology to deliver consistent and standardized procedures and solutions to support some KPMG firms in their audit and assurance engagements.

Deep technical expertise and knowledge

Access to specialists

Specialist experience is an increasingly important part of modern audit and assurance engagements and is a key feature of our multidisciplinary model. KPMG firm engagement teams have access to a network of KPMG specialists to consult — either within their firm or in other KPMG firms. These specialists receive the training they need to help ensure they have the competencies, capabilities and objectivity to appropriately fulfill their role on audit and assurance engagements.

The need for specialists to be assigned to an engagement in areas such as information technology, tax, treasury, actuarial, forensic, valuations and various sustainability topics is considered as part of the engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.



Our commitment to audit and assurance quality by responding to significant external events and conditions

Significant external events and conditions, such as the impacts arising from geopolitical shifts, natural disasters, climate effects and inflationary pressures may give rise to business risks that can have significant implications for financial statements. These potential financial statement implications may include increased complexity, subjectivity and uncertainty when making accounting estimates and key judgments, such as asset impairments, asset valuations and management’s going concern assessment. Guidance is available to assist engagement teams in KPMG firms to respond to the potential impacts arising from significant external events and conditions.

KPMG maintains an online financial reporting resource center that highlights the potential financial statement implications that may arise from significant external events and conditions, as well as an audit quality toolkit that addresses the potential audit and reporting implications. KPMG guidance is updated as new significant accounting, auditing and reporting issues emerge.

Licensing and requirements for IFRS® Accounting Standards and US GAAP engagements

Licensing

All KPMG professionals are required to comply with applicable professional license rules and satisfy the Continuing Professional Development requirements in the jurisdiction where they practice. KPMG International and KPMG firm policies and procedures are designed to facilitate compliance with license requirements. KPMG firms are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework.

Requirements — IFRS Accounting Standards and US GAAP engagements

Specific requirements apply to engagement partners,¹ managers and engagement quality control (EQC) reviewers working on IFRS Accounting Standards engagements in jurisdictions where IFRS Accounting Standards are not the predominant financial reporting framework.

Similar policies apply to engagements performed outside the US to report on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity’s internal control over financial reporting (ICOFR).

These provide that, at a minimum, all engagement partners, managers and, if appointed, the EQC reviewers (and for engagements conducted in accordance with US GAAP and/or US auditing standards engagements, the engagement partner, engagement manager, engagement in-charge and, if appointed, the EQC reviewers) assigned to the engagement have completed relevant training and that, collectively, the engagement team has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

¹ Engagement partner (in the context of the ISAs, defined in ISA 220 (Revised)12) — The partner or other individual, appointed by the firm, who is responsible for the engagement and its performance, and for the auditor’s report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.
Engagement partner (in the context of ISAE 3000 (Revised)13) — The partner or other individual, appointed by the firm, who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.

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ESG Assurance quality

KPMG is committed to fulfilling its public interest role through KPMG firms providing ESG assurance that supports investor confidence and stakeholder trust. In 2025, KPMG continued to enhance its ESG assurance capabilities to meet evolving market developments, including the completion of the first wave of Corporate Sustainability Reporting Directive (CSRD) assurance engagements. Key developments included:



Updated methodology

suitable for providing assurance on all sustainability reporting standards, including CSRD, European Sustainability Reporting Standards (ESRS) and EU Taxonomy disclosure requirements.



Expanded training programs

for KPMG firm engagement teams focused on the latest ISSB and ESRS standards, integrated into the KPMG Clara workflow to help ensure consistency and quality.



Strengthened global expertise

through investments in ESG talent and increased access to subject matter professionals across the KPMG global organization.



Shared insights from the ESG Assurance Maturity Index 2025

, based on a survey of 1,320 senior executives and board members with ESG reporting and assurance knowledge. The findings emphasized the importance of readiness, transparency, and continuous improvement.

Quality and risk management policies

KPMG International has global quality and risk management policies that all KPMG firms have agreed to apply to themselves and their personnel and are consistent with ISQM 1 where applicable.

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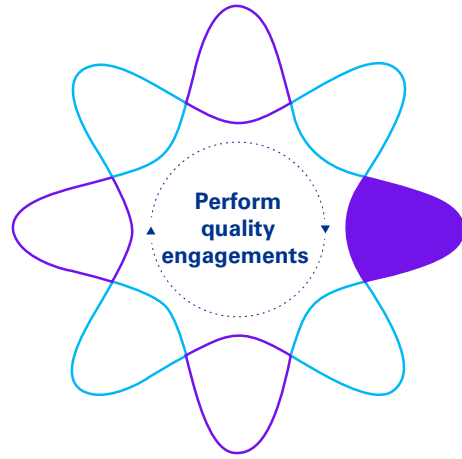
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Embrace digital technology

- **KPMG Clara**
- **Intelligent, standards-driven audit and assurance workflows**
- **AI, data and evolving technologies**

At KPMG, our mission is clear: to lead boldly, move fast and act responsibly as we are anticipating the technologies that can shape our near future and are driving an ambitious innovation agenda. KPMG continues to transform the audit and assurance experience for KPMG professionals and clients. Leading technologies used across the global organization are enhancing audit quality by increasing our ability to identify and respond to the issues that matter.

KPMG Clara

KPMG’s commitment to continuously evolving quality drives our investment in technology and innovation. In 2025, we expanded and accelerated the integration of AI into KPMG Clara, our global smart audit and assurance platform, to help KPMG firms’ auditors respond more effectively to risks and deliver deeper insights.

KPMG Clara serves as the cloud-based digital foundation for globally consistent, high-quality audits that leverage the latest technologies and innovations, such as AI and other emerging technologies.

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Intelligent, standards-driven audit and assurance workflows

As a scalable, intuitive cloud-based platform, KPMG Clara drives globally consistent execution across all KPMG firms. It enables delivery of KPMG’s audit and assurance methodologies through data-enabled workflows, which are aligned with the applicable audit and assurance standards, providing an empowered and seamless experience to auditors.

AI, data and evolving technologies

AI in the audit now and in the future

Building trust in the capital markets is central to KPMG’s public interest role. In 2025, we expanded the use of AI within KPMG Clara to further enhance quality, consistency and responsiveness as part of our forward-thinking, digital-first audit and assurance vision.

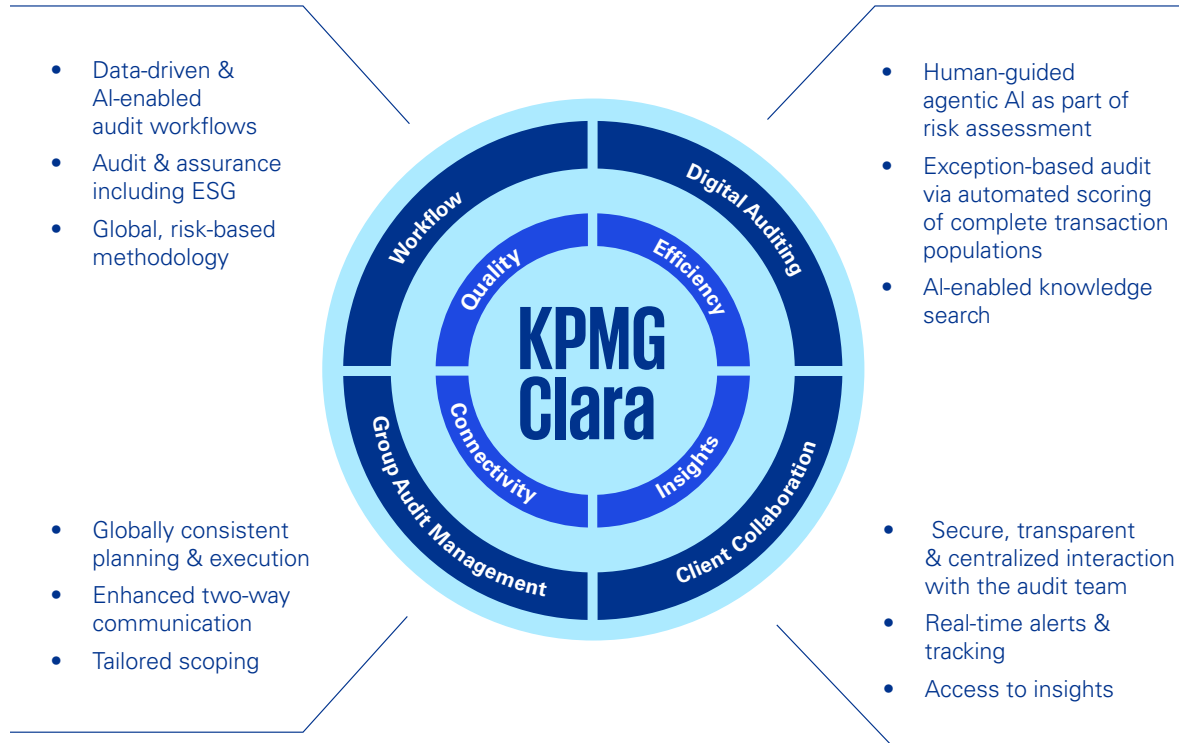
KPMG is continuing the deployment of generative AI and AI agents, which perform audit tasks in concert with human review. AI agents can now assist audit and assurance teams by reviewing engagement documentation, flagging potential fraud risks, and designing and performing substantive testing procedures aligned with KPMG’s methodology. Additionally, through transaction scoring, engagement teams are able to leverage advanced automated algorithms to analyze and risk-score complete (rather than sample) populations of transactions, identifying outliers and areas requiring further investigation.

These enhancements enable over 95,000 auditors globally to focus on high-risk areas, exercise professional judgement and skepticism where it matters most, and strengthen audit quality.

All AI capabilities within KPMG Clara are developed under KPMG’s **Trusted AI framework**, ensuring a human-in-the-loop approach that helps safeguard quality, data integrity, accuracy, reliability, security and ethical standards.

These capabilities are integral to KPMG’s vision of a transformed AI-first, human-centric audit that delivers deeper insights and reinforces trust in the integrity of financial and non-financial information.

Looking ahead, KPMG remains committed to responsibly deploying emerging technologies to support our professionals, enhance audit quality, and meet the evolving needs of the capital markets.



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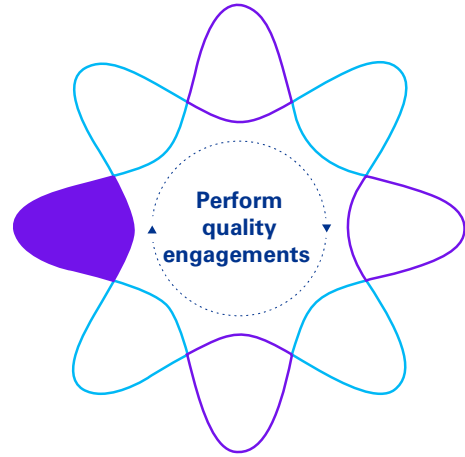
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Nurture inclusive, skilled teams

- **Recruit appropriately qualified individuals who bring diverse skills, perspectives and experiences**
- **Assign an appropriately qualified team**
- **Invest in AI and data-centric skills**
- **Focus learning and development on technical expertise, professional acumen and leadership skill**
- **Recognize quality**

Across the global organization, KPMG people make the real difference and are instrumental in shaping the future of audit and assurance at KPMG. We put quality and integrity at the core of our audit practice. KPMG firms' engagement teams have diverse skills and capabilities to address complex problems.

Recruit appropriately qualified individuals who bring diverse skills, perspectives and experiences

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose to deliver high-quality audit and assurance services. This requires the right recruitment, development, reward, promotion and assignment of professionals.

Recruitment

KPMG has invested in understanding how we can attract the talent we need now and in the future across the organization.

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KPMG International provides KPMG firms with guidance and consultation on sourcing high-quality talent with the necessary skills, experience and qualifications to deliver organizational objectives and with the ability to make a positive contribution to the Values, capabilities and goals of the organization.

Additionally, KPMG firms perform candidate application screening that is based on fair and job-related criteria to help ensure that candidates possess the appropriate skills and experience to perform competently and are suitable and best placed for their roles. KPMG firms also carry out rigorous reference and background checks on prospective partners and employees subject to legal and regulatory requirements.

Inclusion and access to equal opportunity

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, while fostering a sense of belonging, and harnessing the collective power of our different perspectives and experiences to better serve our people, clients and society.

Learn more about the KPMG commitment to have an inclusive culture built on trust in [KPMG International: Our Impact Plan](#).

Health and well-being

Across the organization, we are committed to protecting the health of our people, both physically and mentally, and providing an environment of empathy and support that allows our people to thrive and deliver high-quality work to our clients. 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 — and reach out for support when they need it.

Reward and promotion

KPMG firms have compensation and promotion policies that are informed by market data and are linked to the performance and talent review process. Such policies help audit teams understand what is expected of them, including the audit quality accountabilities outlined in audit role profiles and a mandatory audit quality goal issued globally by KPMG International. The connection between performance and reward is achieved by assessing performance across a peer group to inform reward decisions. Reward decisions are based on the consideration of both personal and individual firm performance.

The extent to which our people feel their performance has been reflected in their reward is measured through the annual Global People Survey, with action plans developed by KPMG firms as required.

The results of performance evaluations inform the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

Assign an appropriately qualified team

A critical driver of quality management is the selection of the engagement team to deliver effective and high-quality audit and assurance services. KPMG firms have agreed to put procedures in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement.

Function heads are responsible for the engagement partner assignment process. Key considerations include engagement partner experience and capacity — based on an annual engagement partner portfolio review — to perform the engagement considering the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

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Audit and assurance engagement partners are responsible for determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the audit or assurance engagement, KPMG policies and procedures, professional standards and applicable legal and regulatory requirements and any changes that may arise during the engagement.

If the right resource is not available within the KPMG firm, each firm has access to a network of highly skilled KPMG professionals from other KPMG firms.

Role profiles to drive quality

Driving a consistent approach to accountability for audit quality, KPMG International issues a set of role profiles to KPMG firms articulating the technical and behavioral competencies, and individual levels of accountability for contributing to audit quality and the SoQM. Reviewed annually to support the focus on continuous improvement, the role profiles provide KPMG firm personnel involved in audit delivery a clear articulation of their role and responsibilities. To connect the role profiles to goal setting, a mandatory audit quality goal is in place for those covered by the role profiles.

Investing in AI and data-centric skills

KPMG is strategically investing in prospective talent by collaborating with leading learning institutions, while also investing in building a future-enabled workforce equipped with the skills needed to thrive in a data-driven, AI-enabled audit environment. KPMG firms are recruiting and training professionals who specialize in software, cloud capabilities and AI and who can bring leading technology capabilities to help drive our digital audit vision.

KPMG firms provide training on a wide range of technologies to help ensure that professionals not only meet the highest professional standards, but are also educated in new technologies. With this approach, KPMG firms are bringing together the right people with the right skills and the right technology to perform quality audits.

Focus learning and development on technical expertise, professional acumen and leadership skills

At KPMG, we are committed to developing a culture of continuous learning — in line with our desire to provide access to learning for a lifetime — where KPMG partners and employees can continually enhance their competencies and skills through functional, ethical and accelerated learning. With a focus on enabling excellence,

this continuous learning culture helps people in KPMG firms make the difference for both clients and themselves.

Commitment to technical excellence and quality service delivery

All KPMG professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and the professional practice department for consultation.

Lifetime learning strategy

Rapid advances in technology have made education and reskilling more important than ever. Providing our people across the organization with opportunities to learn and develop their careers is a key pillar of KPMG’s Global People strategy. Annual training priorities for development and delivery are identified by the audit learning and development groups at the global, regional and, where applicable, KPMG firm level. Minimum learning requirements for audit and assurance professionals in KPMG firms are established annually.

The Audit Career Journey Guide is available to support career mobility within member firms. This proactive resource is intended to enable our people to explore various career options, through traditional and emerging routes, within audit and assurance and related business areas.

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Ongoing mentoring and on-the-job coaching

Learning is not confined to a single approach — rich learning experiences are available when needed through coaching and just-in-time learning, and aligned with job-specific role profiles and learning paths.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for successful careers in audit and assurance, including professional judgment, technical excellence and instinct.

KPMG firms support a continuous learning environment where KPMG partners and employees contribute to building the team capacity, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

Recognize quality

Personal development

KPMG’s approach to performance development, known as ‘Open Performance Development’, is built around the ‘Everyone a Leader’ performance principles, which are supplemented by the global audit technical core competencies to provide a holistic view of expectations for those involved in audit and assurance engagements. The performance development approach includes:

- Audit quality role profiles (including audit quality accountabilities and responsibilities).
- A goal library (including a mandatory audit quality goal applicable to everyone covered by the audit role profiles and additional optional audit quality content).
- Standardized review forms (with provision for audit quality ratings).

Open Performance Development is linked to KPMG’s Values and designed to articulate what is required for success — both individually and collectively. We know that by being clear and consistent about the behaviors and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on quality.

At the same time, KPMG is driving a shift in our performance-driven culture, supported by and enacted through leading technology that allows us to embed audit quality into the assessment of performance and the decisions around reward, as well as drive consistency across the global organization.

Quality and compliance metrics are considered in the overall performance assessment, promotion and remuneration of partners. These evaluations are conducted by performance managers and partners who are able to assess performance.

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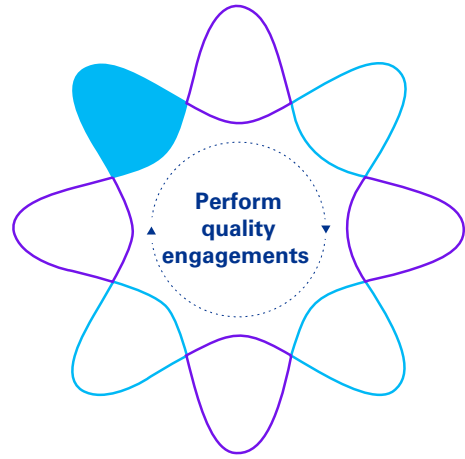
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Associate with the right clients and engagements

- **Global client and engagement acceptance and continuance policies**
- **Accept appropriate clients and engagements**
- **Manage portfolio of clients**

Rigorous global client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

Global client and engagement acceptance and continuance policies

KPMG International's global client and engagement acceptance and continuance policies and processes are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

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KPMG firms evaluate whether to accept or continue a client relationship or perform a specific engagement. KPMG’s client and engagement principles, ACCEPT, aid in the decision-making process as to which clients KPMG firms accept and what work they will do for them. The ACCEPT principles are available to KPMG firms and can support them in identifying,

assessing and managing client and engagement-related risks. ACCEPT enables ethical decision-making and complements our global CARE ethical decision-making framework. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

Each letter of ACCEPT guides KPMG firms to consider:

- A** **All stakeholders are important:**
Could the client (or entity) and/or engagement erode stakeholder trust?

- C** **Conflicts of interest and objectivity:**
Are there any objectivity or independence concerns or any potential conflicts?

- C** **Client (or entity) considerations:**
Do we want to work with them?

- E** **Engagement considerations:**
Can we successfully deliver the product or service?

- P** **Public interest:**
Is the client (or entity) and/or engagement consistent with protecting the public interest?

- T** **Terms and commercial considerations:**
Can we comply with contractual obligations and manage financial outcomes?

Accept appropriate clients and engagements

Client evaluation

KPMG firms’ evaluation of a prospective client includes an assessment of the client’s risk profile and background information on the client, its key management, directors and owners. If necessary, the evaluation includes additional information required to satisfy applicable legal/regulatory requirements.

Engagement evaluation

KPMG firms consider a range of factors when evaluating each prospective engagement including:

- Potential independence and conflict of interest issues.
- Intended purpose and use of engagement deliverables.
- Public perception.
- Whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit and assurance engagement includes an assessment of the competence of the client’s financial management team and the skills, experience and capacity of KPMG firm professionals.

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Where a KPMG firm is providing audit and assurance services for the first time, additional independence evaluation procedures are performed, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit and assurance client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Any potential independence or conflict of interest issues are documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

Continuance process

KPMG firms undertake regular re-evaluations of all audit and assurance clients to identify risks in relation to continuing association and mitigating procedures that need to be put in place.

In addition, clients are required to be re-evaluated when there is an indication that there may be a change to their risk profile.

Withdrawal process

If a KPMG firm comes to a preliminary conclusion that indicates it should withdraw from an engagement or client relationship, it must consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. The firm will also have to consider further communications with those charged with governance and any other appropriate authority as required under its professional obligations.

Manage portfolio of clients

KPMG International and KPMG firms have policies and procedures to enable a KPMG firm to monitor the workload and availability of engagement partners, managers and staff, and personnel to provide sufficient time to complete their responsibilities.

Engagement partners are responsible for determining that members of the engagement team collectively have the appropriate competence and capabilities, including sufficient time, to successfully perform the engagement in accordance with professional standards and regulatory and legal requirements. For more information, see the [Assigning an appropriately qualified team](#) section of this report.

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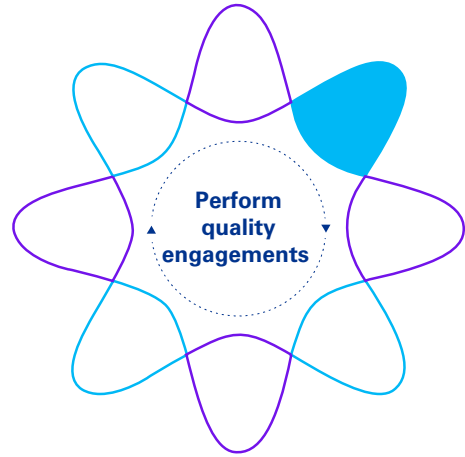
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Be independent and ethical

- **Act with integrity and live our Values**
- **Maintain objectivity, independence and ethical behavior, in line with the Code and policies**
- **Have zero tolerance of bribery and corruption**

Auditor independence is a cornerstone of international professional standards and regulatory requirements.

Act with integrity and live our Values

We know that trust is earned by doing the right thing. At KPMG we are committed to the highest standards of professional behavior throughout the global organization in everything we do. Ethics and integrity are core to who we are. Within the Code, we outline the responsibilities KPMG people have to each other, clients and the public. It shows how our Values inspire our greatest aspirations and guide our behaviors and actions. KPMG firms provide annual training to all partners and employees on the Code, anti-bribery and corruption, and compliance with laws, regulations and professional standards.

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Driving an ethical culture

A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organization of firms that carries out audit, assurance and other professional services on which stakeholders rely. Consistent foundational elements of ethical behavior at KPMG support an ethical culture and strengthen trust. Each KPMG firm has agreed to establish and maintain a foundation for ethical behavior, including monitoring training assessments and adopting and maintaining an ethical decision-making framework.

CARE

Ethical decision-making framework

- Consider**
what is the issue 
- Assess**
options to address the situation 
- Respond**
with decision 
- Evolve**
and reflect 

KPMG’s ethical decision-making framework, CARE (Consider, Assess, Respond, Evolve), is centered on building and reinforcing trust, and supports our Purpose, Values and the Code. A model shared across the organization, CARE helps KPMG people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma, and it also reminds them that they do not have to make these decisions alone.

Maintain objectivity, independence and ethical behavior

KPMG International’s independence policies and procedures incorporate the IESBA Code of Ethics, covering areas such as firm and personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

Policies are supplemented at KPMG firms to help ensure compliance with additional standards issued by national or applicable regulatory bodies.

Each KPMG firm’s Ethics and Independence Partner (EIP) is responsible for communicating and implementing KPMG policies and procedures, and ensuring that any additional local independence policies and procedures, including relevant controls, are established and effectively implemented.

Automated tools identify potential independence and conflict of interest issues and facilitate compliance with these requirements.

KPMG firm compliance with independence requirements is part of the [KPMG Quality & Compliance Evaluation \(KQCE\) program](#).

Personal financial independence

KPMG firms and KPMG personnel are required to be free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm audit and assurance clients (by definition, ‘audit client’ includes its related entities or affiliates), their management, directors and, where required, significant owners. All KPMG partners — irrespective of their firm or function — are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system to assist KPMG professionals in complying with personal independence investment policies. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e. late reporting of an investment acquisition).

KPMG firms monitor partner and manager compliance with this requirement as part of independence compliance audits of their professionals. KPMG International provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG independence policies. This includes sample criteria, including the minimum number of professionals to be audited annually.

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Employment relationships

Any KPMG firm professional providing services to an audit or assurance client is required to notify the KPMG firm's EIP if they intend to enter into employment negotiations with that client. For partners, this extends to any audit client of any KPMG firm that is a public interest entity. Specific prohibitions and, in some instances, cooling off periods, apply to accepting certain roles at audit and assurance clients.

Firm financial independence

KPMG firms are also required to be free from prohibited interests in, and prohibited relationships with, audit clients and their management, directors and, where required, significant owners. KPMG's independence compliance system records direct and material indirect investments in publicly traded entities and funds (or similar investment vehicles) as well as in non-publicly traded entities and funds. This includes investments held in associated pension and employee benefit plans.

KPMG firms' borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold firm assets must also be recorded.

KPMG firms confirm compliance with independence requirements annually as part of their [KQCE program](#).

Business relationships/suppliers

KPMG has policies and procedures in place that are designed to ensure its business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the US Securities and Exchange Commission (SEC).

Business acquisitions, admissions and investments

Any acquisition of, or investment in, a business requires sufficient due diligence procedures to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with KPMG International are required to enable independence and other issues to be addressed when integrating the business into a KPMG firm and the wider global organization.

Independence training and confirmations

All KPMG partners and client-facing professionals, as well as certain other individuals, are required to complete independence training upon joining KPMG and on an annual basis thereafter, and must sign a confirmation of compliance annually.

Non-audit services

KPMG firms have agreed, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

KPMG's mandatory conflicts and independence checking system supports KPMG firm compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees, are required to be entered into the system as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the submission.

Lead audit engagement partners are required to maintain group structures for their public interest entity and certain other audit clients, including their related entities/affiliates. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

KPMG firms are prohibited from evaluating or compensating audit partners on selling non-audit services to their audit clients.

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Fee dependency

KPMG firms are required to monitor total fees from public interest entity audit clients and follow consultation, communication and disclosure requirements should such fees exceed established thresholds.

Avoiding conflicts of interest

All KPMG firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that may have, or may be perceived to have, an impact on a KPMG firm’s ability to be objective or act without bias.

KPMG firms use the mandatory conflicts and independence checking system for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG personnel and KPMG firms are prohibited from offering or accepting inducements, including gifts and hospitality, to or from audit and assurance clients, unless the value is trivial and inconsequential.

Independence breaches

KPMG personnel are required to report an independence breach to their KPMG firm EIP as soon as they become aware of it. Breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements are required to be reported to those charged with governance as soon as possible, except where alternative timing for less significant breaches has been agreed to with those charged with governance.

KPMG firms have a disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations.

Partner rotation and firm rotation

Partner rotation

KPMG firm partners are subject to periodic rotation of their responsibilities for audit clients. Requirements place limits on the number of cumulative years that partners in certain roles may provide audit services to a client, followed by a ‘time-out’ period during which these partners are restricted in the roles they can perform.

Firm rotation

In certain jurisdictions, KPMG firms are only permitted to act as an auditor for a specific audit client for a defined period of time and then are required to end service as the client’s external auditor for a specified period. KPMG firms in these jurisdictions are required to have processes in place to track and manage compliance with audit firm rotation requirements.

Have zero-tolerance approach to bribery and corruption

We have zero tolerance of bribery and corruption.

KPMG people are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

More about KPMG International’s position and policies on anti-bribery and corruption can be found on the [anti-bribery and corruption site](#).

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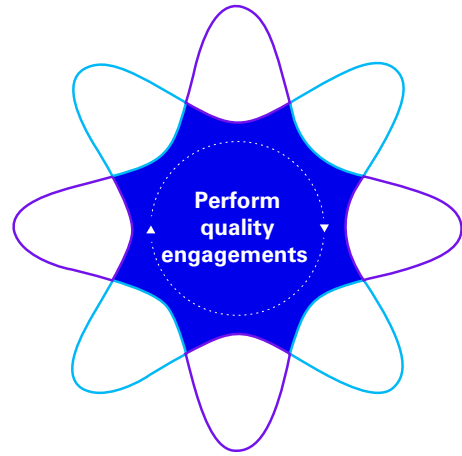
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Perform quality engagements

- **Consult when appropriate**
- **Critically assess audit evidence, using professional judgment and skepticism**
- **Direct, coach, supervise and review**
- **Appropriately support and document conclusions**

How an audit is conducted is as important as the result. Everyone at KPMG is expected to demonstrate behaviors consistent with our Values and follow policies and procedures in the performance of effective and efficient audits.

Consult when appropriate

Encouraging a culture of consultation

KPMG encourages a culture of consultation that supports engagement teams in KPMG firms throughout their decision-making processes and is a fundamental contributor to audit and assurance quality. Across the organization, engagement teams are required to consult within their firm when difficult or contentious matters arise on an engagement.

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To help with this, KPMG firms have established protocols for consultation and documentation of significant matters, including procedures to facilitate the resolution of differences of opinion on engagement issues. In addition, KPMG audit, assurance, reporting and risk management manuals also include specific consultation requirements on certain matters.

Technical consultation and global resources

Technical accounting, auditing and assurance support is available to KPMG firms through a number of subject matter expert global teams.

Global Audit Methodology Group (GAMG)

Develops KPMG’s audit and assurance methodology based on the requirements of the applicable audit and assurance standards of the IAASB, PCAOB and AICPA.

KPMG Global Solutions Group (KGSG)

Develops and deploys global audit and assurance solutions, including new technology and automation innovations.

The GAMG and KGSG teams bring diverse experiences and innovative ways of thinking to further evolve KPMG’s audit and assurance capabilities.

More information about KPMG’s global audit and assurance methodology and technology-based tools is included in the [Embrace digital technology section](#) of this report.

International Standards Group (ISG)

Develops global guidance to promote consistency of interpretation and application of IFRS Accounting Standards, IFRS Sustainability Disclosure Standards and European Sustainability Reporting Standards by KPMG firms, and to promote a consistent response to emerging accounting and audit issues.

PCAOB Standards Group (PSG)

Promotes consistency in the interpretation of PCAOB standards in KPMG firms’ audits of non-US SEC issuers and non-US components of SEC issuers, as defined by SEC regulations.

The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates the delivery of such training.

Professional practice resources

KPMG firms provide consultation support on auditing, assurance and technical accounting matters to their audit professionals.

Critically assess audit evidence using professional judgment and skepticism

On all audits, KPMG firms design and perform audit procedures whose nature, timing and extent are based on and responsive to the assessed risks. All relevant audit evidence obtained during the course of the audit is considered, including contradictory or inconsistent audit evidence.

Each KPMG firm team member needs to exercise professional judgment and maintain professional skepticism throughout the audit engagement. Professional skepticism involves a questioning mindset and remaining alert to contradictory or inconsistencies in audit evidence. Professional judgment encompasses the need to be aware of and alert to biases that may pose threats to sound judgments.

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Direct, coach, supervise and review

Embedding ongoing coaching, supervision and review

At KPMG, we promote a coaching culture as part of enabling KPMG professionals across the global organization to achieve their full potential.

Coaching fundamentals are embedded in the audit training curriculum and we support a continuous learning environment where KPMG partners and professionals contribute to building the team capacity, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

Engagement quality control (EQC)

The EQC review is an important part of KPMG’s approach to quality management. KPMG firms have agreed to appoint an EQC reviewer for each audit engagement, including any related

review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements, including certain assurance engagements, as designated by the RMP or individual firm Head of Audit.

An EQC review is an objective evaluation of the significant judgments made by the engagement team and its related conclusions, performed by the EQC reviewer, and completed on or before the date of the report. The EQC reviewer’s evaluation of significant judgments includes an evaluation of the engagement team’s assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate. The EQC review is completed only after the EQC reviewer is satisfied that all significant matters they raised have been resolved, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters.

Appropriately support and document conclusions

Reporting

Engagement partners form all opinions and conclusions for audit, assurance and review engagements based on the work performed and evidence obtained.

In preparing auditors’ and assurance reports, engagement partners have access to reporting guidance and technical support through consultations with their Department of Professional Practice.

Engagement documentation

KPMG firms have agreed to complete and assemble documentation in accordance with KPMG International policy and applicable auditing and assurance standards. KPMG International policy includes safeguards to protect the confidentiality and integrity of client and KPMG firm information, and limits on the time period permitted to assemble documentation.

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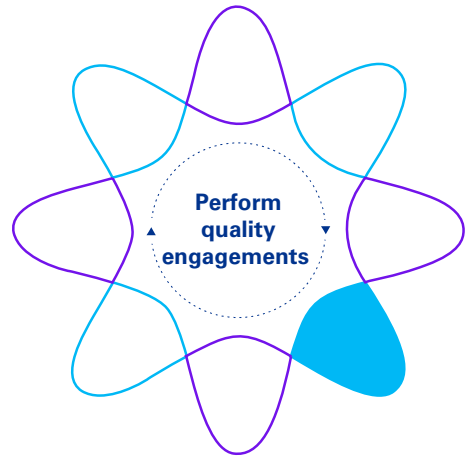
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- Identify and understand risks to quality and implement effective responses**

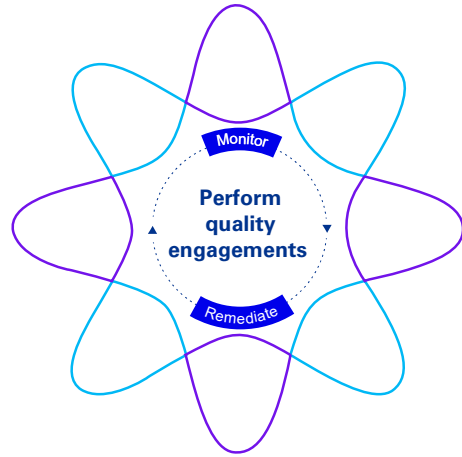
The quality of KPMG audit and assurance services rests on KPMG firms' foundational SoQM, and KPMG's global approach to ISQM 1 emphasizes consistency and robustness of controls within KPMG firms' processes.

Identifying risks to quality and implementing effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, process risk points and controls (responses to those risks) that all KPMG firms agree to implement and operate. In recognition that they are responsible for their SoQM being in compliance with ISQM 1, and any locally applicable standards or regulations, KPMG firms also perform their own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to their firm's facts and circumstances.

The consistent global approach:

- Sets the minimum controls to be implemented within all KPMG firms' SoQM processes in response to globally identified risks to achieving SoQM quality objectives.
- Defines the SoQM methodology used by KPMG firms in their annual SoQM evaluation to demonstrate the SoQM controls are implemented and operating effectively in response to the related risks and in support of achieving the SoQM quality objectives.



Monitor and remediate

- **Rigorously monitor and measure quality**
- **Obtain evaluations and act on stakeholder feedback**
- **Perform root cause analysis, design and implement remedial action plans**

Integrated quality monitoring and compliance programs enable KPMG firms to identify quality deficiencies, perform root cause analysis and develop, implement and report remedial action plans, both in respect of individual audit engagements and the overall SoQM.

Rigorously monitor and measure quality

Commitment to continuous improvement

KPMG commits to continually improving the quality, consistency and efficiency of KPMG firm audits.

The quality monitoring and compliance programs are globally consistent in their approach across all KPMG firms, including the nature of testing and reporting.

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Internal monitoring and compliance programs

KPMG firms have agreed to use quality monitoring and compliance programs developed by KPMG International to identify quality issues, perform root cause analysis and develop remedial action plans, both for individual audits and for their overall SoQM.

The programs evaluate:

- Engagement performance in compliance with the applicable professional standards, applicable laws and regulations, and key KPMG International policies and procedures.
- KPMG firms' compliance with key KPMG International policies and procedures, and the relevance, adequacy and effective operation of key quality management policies and procedures.

Our internal monitoring and compliance programs also contribute to the annual evaluation of KPMG firms' SoQM operating effectiveness. These programs include:

- Audit Quality Performance Reviews (QPR)
- KPMG Quality & Compliance Evaluation (KQCE)
- Global Quality & Compliance Review (GQCR)

All KPMG firms have agreed to participate in these KPMG International-led monitoring programs.

Global Audit Quality Monitoring Group (GAQMG)

The GAQMG identifies issues to help drive audit quality. The group comprises a team of partners, directors and senior managers experienced in performing quality performance reviews of listed and related entity audit engagements. The team also includes partners and professionals with experience in auditing general information technology controls and application controls.

Audit Quality Performance Review (QPR) program

The Audit QPR program assesses engagement-level performance and identifies opportunities to improve engagement quality. The objective is for each engagement partner to be reviewed at least once in a four-year cycle (*three years for engagement partners involved in PCAOB engagements*). A risk-based approach is used by KPMG firms to select engagements for review.

The Audit QPR program is designed by Global Quality & Risk Management. It is the responsibility of KPMG firms to conduct the annual QPR program in accordance with KPMG International QPR instructions, which promote consistency across the organization. Reviews are overseen by an independent experienced lead reviewer from another KPMG firm. QPR results are reported to KPMG International.

Consistent criteria are used to determine engagement ratings and audit practice evaluations, which can then be used to measure improvements in the future.

Audit engagements selected for review are rated as 'Compliant', 'Compliant-Improvement Needed' or 'Not Compliant'.

KPMG Quality & Compliance Evaluation (KQCE) program

The KQCE program encompasses the testing and evaluation requirements of a KPMG firm's SoQM, which are necessary to provide a basis for each KPMG firm's conclusion as to the effectiveness of its SoQM under ISQM 1, and compliance with key quality and risk management policies. KQCE program requirements are completed by all KPMG firms.

The annual KQCE program covers the period from 1 October to 30 September and helps support KPMG firms' conclusions on the operating effectiveness of their SoQM as of 30 September and compliance with key quality and risk management policies in that period.

Global Quality & Compliance Review (GQCR) program

The GQCR program is a KPMG International monitoring program. The objective of the GQCR program is to assess a firm's compliance with selected KPMG International policies, including those related to governance and SoQM.

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Firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of other monitoring programs and people surveys, with each firm subject to a GQCR at least once in a four-year cycle.

The GQCR team comprises partners and managers who are independent of the firm subject to review.

Internal monitoring and compliance program reporting

Results from the global monitoring and compliance programs are disseminated to KPMG firms through written communications, internal training tools and periodic meetings with leadership.

Issues identified through these programs are also emphasized in subsequent monitoring and compliance programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of Audit QPR not-compliant ratings if relevant to their respective cross-border engagements.

Remediation and monitoring

KPMG firms develop remedial action plans to respond to issues identified through the KPMG International monitoring and compliance programs. Progress on action plans is tracked and results are reported, as appropriate, to regional and global leadership.

Obtain, evaluate and act on stakeholder feedback

We recognize that another important contributor to upholding audit quality is to obtain and act upon feedback from key stakeholders.

Regulators

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through IFIAR’s Global Audit Quality Working Group (GAQWG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues.

Every KPMG firm is expected to maintain professional and respectful relationships with applicable regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

Client feedback

Client feedback is also important. KPMG firms proactively seek feedback from clients through in-person conversations and third-party surveys.

Perform root cause analysis and design and implement effective remedial actions

In KPMG firms, an effective SoQM provides the foundation for consistent delivery of quality audit and assurance engagements. A key element of a firm’s SoQM is the Root Cause Analysis (RCA) program that supports firms to effectively remediate quality issues by enabling them to identify and address the underlying causes of these issues. Leveraging inputs from internal monitoring programs, external inspections and other relevant activities, firms identify audit quality issues and perform root cause analysis corresponding to the nature and severity of the issues.

Member firms conduct their RCA program in accordance with the global RCA methodology and guidance.

KPMG firms design and implement remedial actions that respond to the identified root causes of the audit quality issues and subsequently monitor the effectiveness of those actions. KPMG firms report information on their RCA projects, status of the projects and remedial actions taken to KPMG International.

In KPMG firms, the Head of Audit is responsible for audit quality, including supporting the effective remediation of audit quality issues. The RMP monitors the remediation plans’ implementation and completion.

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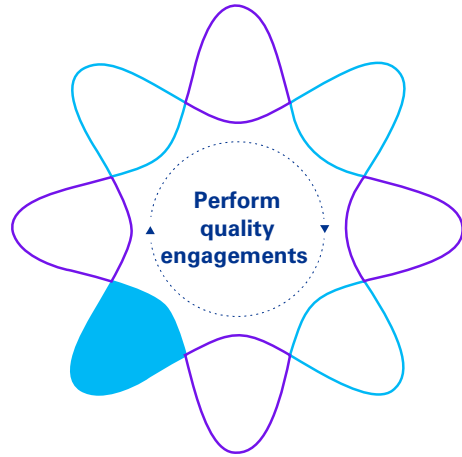
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Communicate effectively

- **Provide insights, and maintain open and honest two-way communications**
- **Conduct and follow up on the Global People Survey**

We recognize that another important contributor to upholding audit and assurance quality is to obtain and promptly act upon feedback from key stakeholders.

Provide insights, and maintain open and honest two-way communications

Communications with those charged with governance

We stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. KPMG firms and professionals achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and, when appropriate, ongoing discussions with management and members of the audit committee.

The role of audit committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

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Global Corporate Reporting Institute

KPMG's Global Corporate Reporting Institute provides information and resources to help board and audit committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial and sustainability reporting frameworks.

Conduct and follow up on the Global People Survey (GPS)

Only with engaged, talented people can KPMG firms deliver audit and assurance engagements in line with our audit quality expectations from the foundation of an effective SoQM. As we strive to continually improve, all KPMG personnel are

invited annually to participate in KPMG's GPS to share their perception on their experience of working at KPMG.

Results can be analyzed by several factors, including functional or geographic area, grade and demographics to provide additional focus for action. Through the GPS, KPMG measures our people's engagement and gains additional insight on what drives engagement.

We also cover areas of focus that are directly relevant to audit quality; the survey includes specific audit quality-related questions that all individuals who participated in an audit, assurance, review or attestation engagement in the previous 12 months are asked to respond to, giving us a particular data set for audit quality-related matters.

The survey also provides KPMG International leadership with key insights into how KPMG Values are being lived. It also provides valuable information on attitudes of employees and partners regarding quality, leadership and tone at the top.

All KPMG firms participate in the survey each year and take appropriate actions to communicate and respond to its findings.

Audit-specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for discussion of appropriate remedial action, if needed. A global GPS action plan for audit is also communicated to KPMG firms annually.

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KPMG International structure and governance

KPMG International

KPMG is a global organization of professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International Limited (“KPMG International”) operate and provide professional services. Each firm is a separate legal entity and together they form the KPMG global organization. “KPMG” is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively.

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms do not, and cannot, operate as a corporate multinational. KPMG member firms are generally locally owned and managed. Each KPMG member firm is responsible for its own obligations and liabilities.

KPMG International – Governance

KPMG International acts as the coordinating entity for the overall benefit of the KPMG organization. It facilitates audit quality across the organization by establishing common policies and procedures to be applied across member firms.

KPMG International’s governance bodies are comprised of the Global Council, the Global Board (including its committees), the Global Management Team and the Global Steering Groups. Further detail on each of these is set out below.

KPMG member firms – Legal structure and relationship with KPMG International

Member firms in the KPMG global organization are members in, or have other legal connections to, KPMG International, an English private company limited by guarantee. KPMG International acts as the coordinating entity for the

overall benefit of the KPMG member firms but does not provide professional services to clients. Professional services to clients are exclusively provided by member firms who remain solely responsible and liable in respect of these services. Our structure is designed to support consistency of service quality and adherence to agreed Values wherever in the world KPMG member firms operate. KPMG member firms have agreed to conduct their operations in compliance with a common set of Values, standards and service quality expectations. Partners and employees within those firms commit to act with integrity at all times.

KPMG firms have agreed to comply with KPMG International’s policies including quality standards governing how they operate and how they provide services to clients. This includes being professionally and financially stable, having an ownership, governance and management structure that ensures continuity, stability and long-term success, and being able to comply with policies issued by KPMG International,



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adopt global strategies, share resources (incoming and outgoing), service multinational clients, manage risk, and deploy global methodologies and tools. KPMG firm Heads of Audit have direct responsibility for audit quality.

Each firm is part of one of three regions (the Americas, ASPAC and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International’s policies and processes within the region. Individual KPMG firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

A firm’s status as a KPMG firm and its participation in the global organization may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its agreements with it.

KPMG International and the KPMG firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No KPMG firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties,

nor does KPMG International or any of its related entities have any such authority to obligate or bind any KPMG firm.

Unless otherwise indicated, references in this document to a ‘firm’, ‘KPMG firm’, ‘member firm’ or ‘member firms’ are references to member firms of KPMG International.

KPMG International governance bodies

As set out above, as at 1 October 2025, 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 member firms.

Among other things, the Global Council elects the Global Chairman and approves the appointment of Global Board members. It includes representation from 47 KPMG firms.

Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board 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 also approves the admittance or termination of KPMG firms to/from the global organization.

It is led by the Global Chairman, Bill Thomas, and includes the Chairman of each of the regions and a number of members who are also member firm Senior Partners. The list of Global Board members is available on the [Leadership page](#) of kpmg.com.

Global Board committees

The Global Board is supported in its oversight and governance responsibilities by several committees, including:

- Executive Committee
- Governance Committee
- Global Quality and Risk Management Committee
- Global Audit Quality Committee

Each of these committees is comprised of Global Board members and reports directly to the Global Board.

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KPMG International structure and governance



Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team (GMT). These responsibilities include developing the global strategy by working together with the Executive Committee, and jointly recommending the global strategy to the Global Board for its approval.

The GMT also supports KPMG firms in their execution of the global strategy and KPMG International policies by member firms. The GMT also oversees the activities of the Global Steering Groups.

The list of GMT members is available on the [Leadership page](#) of kpmg.com.

Global steering groups

There is a Global Steering Group for each key function and infrastructure area, chaired by the relevant member of the Global Management Team (GMT) and, together, they assist the GMT in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the GMT. In particular, the Global Audit Steering Group (GASG) and Global Quality & Risk Management Steering Group (GQ&RMSG) work closely with regional and member firm leadership to:

- Establish and ensure communication of appropriate audit, quality and risk management policies.
- Establish and support effective and efficient risk processes to promote audit quality.
- Promote and support strategy implementation in member firms' audit functions, including standards of audit quality.
- Assess and monitor audit quality issues, including those arising from the SoQM, quality performance and regulatory reviews, and focus on best practices that help reduce audit quality findings.

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Global Audit Steering Group (GASG)

The GASG is responsible for driving the KPMG firms' implementation of KPMG's audit strategy, including standards of audit quality. The GASG works closely with the GQ&RMSG in relation to quality and risk matters related to audit.

The GASG is chaired by the Global Head of Audit, and its other members are the Heads of Audit from the ten largest KPMG firms and includes the Heads of Audit for each of KPMG's three regions (the Americas, EMA and ASPAC). Senior individuals with direct reporting responsibilities to the Global Head of Audit also regularly attend and provide reports to the GASG, as well as several standing invitees from key KPMG firms.

The Global Head of Risk Management, Audit, is a regular attendee.

Global Quality & Risk Management Steering Group (GQ&RMSG)

The GQ&RMSG is chaired by the Global Head of Quality, Risk & Regulatory, and its other members are the Risk Management Partners from the eight largest KPMG firms and the Risk Management Partners for each of the three regions. The Global Head of Audit and the Global Head of Risk Management, Audit, are regular attendees.

The GQ&RMSG is responsible for setting quality and risk management policies and procedures for the global organization and for

providing associated guidance. When exercising its responsibilities, the GQ&RMSG considers, through the QPR, the global KQCE program and GQCR, the following:

- Firm compliance with quality and risk management policies, processes and systems.
- Proactive identification and mitigation of significant risks faced by member firms.
- Performance of member firm professional services to drive and help ensure consistent high-quality work globally.

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Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements.

Aggregated revenues generated by KPMG firms from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements were EUR2.7 billion during the fiscal year ending 30 September 2025. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2025.



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