



# Our Impact Plan

2026 update





# Making an impact

A message from our Chairman and CEO

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Welcome to this year's *Our Impact Plan* report.

Six years ago, we set out our environmental, social and governance commitments and we continue to report each year on the progress we are making. These commitments remain at the heart of who we are: a global professional services organization committed to making the difference for our people, clients and the communities we serve.

I'm proud of how far we've come against our pillars of People, Planet, Prosperity and Governance. Yet we know there is more to do, particularly as our 2030 targets come into sharper focus.

AI is a major factor that is transforming the way we work and how we serve our clients. Our people have specialized knowledge, judgment, creativity and care, and it's their insight that helps ensure trust and impact in our work. That's why we're investing in comprehensive training and learning pathways to help our people use AI responsibly and deliver even greater value to clients.

We follow a 'human-centric' AI-first philosophy, which means we integrate AI where it adds value, always paired with human judgment, ingenuity and expertise. Trust and ethics are non-negotiable. Our [KPMG Trusted AI framework](#) sets the standard, and I'm proud that several KPMG firms have been among the first

organizations in the world to achieve [ISO 42001 certification](#) for maintaining and continually improving AI management systems.

Our decarbonization journey is well underway: we've already reached a 30 percent carbon reduction against our 2019 baseline and remain on track to hit our 2030 goal of cutting emissions by 50 percent. We're committed to becoming a net-zero business by 2050 and published our first [Summary Climate Transition Plan](#) in 2025. To reach our collective climate goals, we know collaboration across value chains will be key.

We also remain focused on adding value to the communities that need it most. Through our 10by30 program, we've now supported 4.2 million individuals across the world. We're helping young people build AI and digital literacy, and through our work with Microsoft within UNESCO's Global Education Coalition, we aim to upskill half a million teachers in developing economies by the end of the year. This is how we leverage technology and relationships for human-centered impact.

Thank you for taking the time to read this update. The world we live in is complex and fast-moving, but I am optimistic. With the passion of our people, the strength of Our Values and the clarity of our commitments, we're well-positioned to lead — helping clients, communities and society navigate change and build a sustainable future.



# Our FY25 highlights

## People

# 97%

of KPMG colleagues around the world have access to an approved AI tool appropriate for their role, reviewed against the [KPMG Trusted AI framework](#).

More than **320,000 training modules** on digital, data and AI were completed by colleagues across our global organization.

## World Mental Health Day



was recognized for the first time across our global organization, and we established a recommended baseline for health and wellbeing that all KPMG firms are encouraged to adopt.

## Planet

The Global Board endorsed the adoption of a **science-based target to reach net-zero as a business by 2050.**

Our inaugural [Summary Climate Transition Plan](#) was published setting out details of our net-zero journey and milestones.



Nearly **US\$1.3m was donated to WWF.**

This funding supports conservation projects in countries and territories including **Australia, Kenya and Colombia** and a new collaboration with WWF helping to ensure people are placed at the heart of the transition to a net-zero and nature-positive economy.

## Prosperity

Revenue grew by **5.1% to US\$39.8 billion**, contributing US\$2.1 billion in operational taxes that support governmental functions, public benefits and key infrastructure across communities in which we operate.

KPMG International achieved [ISO 42001 certification](#) for our centralized AI platform 'KPMG Workbench' — driving global AI adoption and integration while embedding controls aligned with our **KPMG Trusted AI framework.**

Provided **US\$176 million** of investment to support local communities and reached 1.4 million people through our 10by30 education initiatives.

Committed to empower **500,000** teachers and learners through the AI EmpowerED program in collaboration with **UNESCO and Microsoft.**



## Governance

Launched a **global AI security standard** in an effort to maximize the security of AI and protect against **AI-related cyber risks.**



Established a new **ethical culture advisory group** and launched an ethical culture playbook to share information, resources and guidance relating to ethical behavior and decision-making.

Launched our **sustainable procurement policy** setting out the sustainability guidelines and requirements that apply when third party suppliers contract with KPMG International for goods, services or technology.



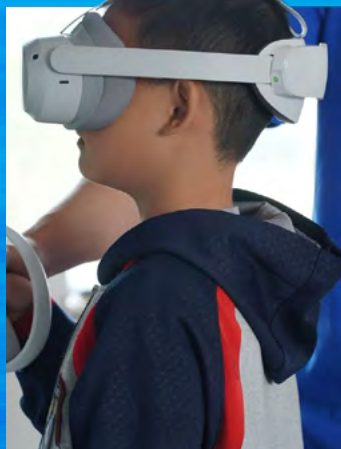
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# Our commitment as a purposeful business

We are committed to shaping positive impacts for our people, clients and society in the countries and territories in which we operate. Our Purpose is to inspire confidence and empower change, and this sets the context for all the work we do. Our Values of Integrity, Excellence, Courage, Together, For Better underpin this purpose, guiding our actions and reinforcing our commitment to the highest standards of professional behavior.

As a network of professional services firms with a global footprint across local communities around the world, we want to make the difference and build a sustainable future — helping solve the toughest challenges and creating long-term value.

We do this by building an inclusive culture that supports our people; by bringing innovative solutions to our clients that help them unlock sustainable growth; by pursuing a clear environmental agenda including a focus to decarbonize our business; and by creating positive social impacts in the communities where we operate.



**At KPMG, we hold ourselves to clear and stretching standards — and through publishing Our Impact Plan report each year, we’re transparent about the progress we are making. It’s where we set out the actions we have taken, and the results we’re achieving across our key pillars of People, Planet, Prosperity and Governance. We have come a long way — but are conscious that there is still more to do.”**

**Jane Lawrie**

Global Head of Corporate Affairs  
KPMG International



# How we make an impact on society

## Our Foundation:



### Our Purpose

Inspire confidence. Empower change.



### Our Values

Integrity, Excellence, Courage, Together, For Better



## Our Impact

### Clients and supply chain

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

### People

- Create an **inclusive culture** where our people come as they are
- Commitment to offer **the skills needed for the future world of work**
- Do **work that matters**
- **Support the communities** we live in

### Society

- Bring together **multi-disciplinary skills** and our **geographic breadth** to help build a more **fair** and **inclusive** future
- **Reflect the communities** we operate in
- Reduce our **impact on the planet** to build a more sustainable and resilient future



# Materiality summary

For many years, materiality assessment has been a cornerstone of KPMG's sustainability strategy, helping ensure we focus on the topics most critical to our stakeholders, our business, and the broader community and planet. The following have been identified as our material topics for FY25.

## Priority category

FY25 material topics

### Key influence

- Ethics, integrity and independence
- High quality client services
- Purpose, culture and Values
- Talent attraction, development and retention

### Resilience builder

- Financial, operational and brand resilience
- Health and wellbeing
- Information protection
- Public policy engagement and regulatory environment
- Technology and innovation, including AI
- Transparency and accountability

### Sustainability anchor

- Climate change and sustainable operations
- Impactful community initiatives
- Inclusion and access to equal opportunity
- Responsible and sustainable supply chain

Read our full FY25 Materiality Assessment.



# People

Supporting and empowering our  
people to thrive in an inclusive culture

Planet  
Prosperity  
Governance



**We want to be a place where talented people of all backgrounds can carry out meaningful work. We invest in skills, learning and the transformative potential of AI, and we foster a culture where people are supported to grow, adapt and contribute their strengths. This is how we continue to build a workplace where excellence can thrive and positive impacts are delivered.”**

**Colm Gorman and Sandra Torchia**  
Global Co-Heads of People  
KPMG International



## Our Commitments

- Develop a continuous learning culture
- Have an inclusive culture built on trust
- Advocate for equal opportunity
- Foster an educated, empathetic workforce
- Protect the health of our people — both physically and mentally — and enable them to be effective and productive



People are the heart of KPMG. It is only through the talent, skills and commitment of our people, working in an inclusive culture where everyone can thrive, that we can be a successful and sustainable organization delivering high quality, innovative solutions to KPMG firms’ clients.

This is a time of rapid transformation, with technology altering the ways in which work is done. We are embracing a human-centric, AI-first mindset — fostering an environment where technology enhances, rather than replaces, the unique strengths of our people. The qualities that define our people — capability, curiosity, and connectivity — are more relevant than ever as we embrace the opportunities of AI.

As the skills needed to deliver the best outcomes for clients and support individual career growth continue to change, we are acting now to position our business and our people for long-term success. We are providing access to industry-leading AI tools, upskilling staff for

the future of AI-enabled work, developing innovative client offerings and digital solutions, and recruiting specialized talent. By the end of 2025, 97 percent of KPMG colleagues around the world had access to an approved AI tool appropriate for their role, which has been reviewed against our [KPMG Trusted AI framework](#).

We are making significant and sustained investments in this area, to empower our people to do high value, rewarding work at all levels and catalyze growth at KPMG. As roles evolve, our people-centered approach helps to ensure that human judgment remains at the heart of oversight and accountability.

We listen closely to our people, through our annual Global People Survey and a range of other feedback and engagement channels. Two areas where we have acted on what we’ve heard in recent years — helping our people manage workloads and supporting staff wellbeing — both saw improvements in this year’s response scores.



# A culture of learning and development

## Our commitment: Develop a continuous learning culture

Rapid advances in technology have made reskilling and upskilling more important than ever, requiring curiosity, adaptability and a commitment to continuous learning. Providing our people with opportunities to learn and develop their careers is a key pillar of Our People agenda.

**US\$1,926 training costs per individual in FY25**

**79 training hours per individual in FY25**

We recognize the importance for professionals to stay on a journey of ongoing development and enhancement of their skills and knowledge. AI literacy and competency is at the front and center of our approach. In the FY25 Global People Survey, 77 percent of our people agreed that we provide a strong learning environment — an encouraging reflection of our commitment to continuous development.

We continue to take a holistic approach to learning, focusing on three dimensions: technical learning (specialist knowledge across Audit, Tax & Legal and Advisory), ethical learning (ethics and values) and accelerator learning (such as sustainability, data, digital, and AI).

While technical and ethical learning remain as important as ever, we are intensifying our focus on accelerator learning around AI. During FY25, an **expanded AI learning program** was launched, bringing together existing learning created for our [KPMG Trusted AI framework](#) and bolstering it with additional modules and hands-on experiences. Supplementing our two core AI training courses — **Trusted AI foundations** and **AI ethics** — the program offers new learning plans and pathways, structured by function, grade and role to make learning truly relevant and practical. This is part of a shift in our emphasis from big, generic training around what AI is (as delivered previously through our initiatives such as 24 hours of AI) to more personalized and targeted training — making support more specific.

In FY25, we also expanded our **Digital and Data Foundations** training program for KPMG’s people. Colleagues around the world invested over **220,000** hours in the program, completing more than **320,000** training modules. Part of this is delivered through PluralSight, a web-based technology learning provider which makes more than 10,000 courses available to KPMG people, catering for all levels from novice to expert. We additionally supported disadvantaged young people in Latin America by providing access to PluralSight AI modules.

## Fostering a culture of continuous learning in sustainability

We are committed to ensuring that every KPMG professional has access to leading sustainability training and resources.

During FY25, KPMG professionals completed over **220,000** learning modules on ESG and sustainability-related topics across all service lines. This included nearly 20,000 professionals who engaged with sustainability learning content for the first time. Over **100** hours of new learning content was made available globally in 2025, helping us to support KPMG firms’ clients in navigating their sustainability challenges and opportunities with confidence.

Through this comprehensive approach, we are not only investing in the expertise of our people but also in the long-term success and resilience of our clients and communities.



## Developing future leaders

We invest time to shape the next generation of leaders to empower them to succeed through the dramatically changing landscape, including AI and digitization, sustainability and climate risk, and social and demographic shifts.

We have a number of high impact global programs designed for emerging and future leaders at different stages of their careers, including:

- Chairman's 75 (for 75 high-potential partners)
- Next Generation Council (for high-performing emerging talent who serve as a sounding board for our current leaders)
- Leaders 2050 (a global cross-sector network for future sustainability leaders inside and outside KPMG)

### Case Study

Truc Le — Global lead for KPMG's 'Leaders 2050'.

*Truc Le from KPMG Australia speaks about her journey from her studies in chemical engineering and genetics to becoming KPMG's new 'Leaders 2050' global lead.*





# Inclusion and access to equal opportunity

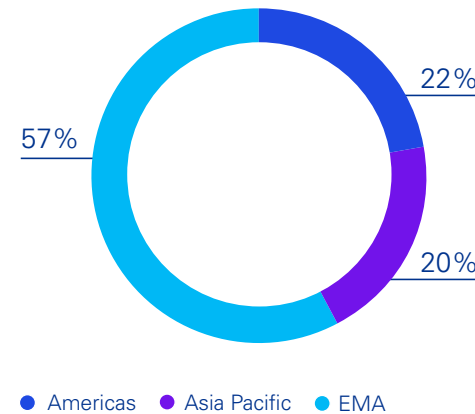
At KPMG, we believe that inclusion strengthens our culture, deepens our impact and helps ensure that every individual can thrive and succeed. This is integral to our Value — Together.

## Our commitment:

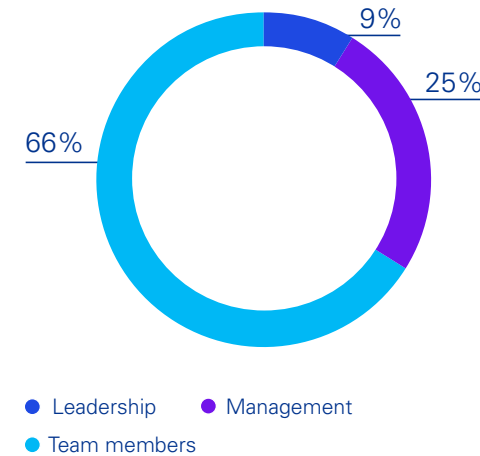
Have an inclusive culture built on trust

KPMG is committed to fostering a culture that welcomes everyone. This commitment has been core to our culture for many years and aligns with our business strategy and Our Values. 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.

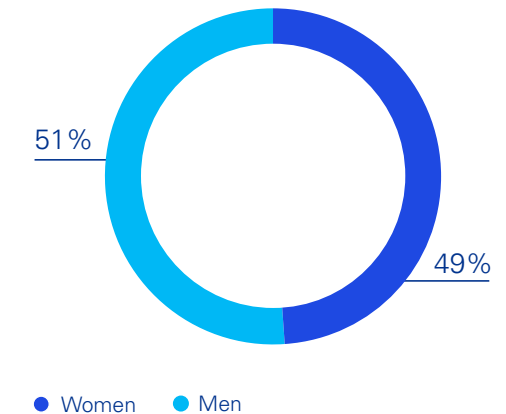
### Headcount by region



### Headcount by level



### Headcount by gender



**Note:** KPMG US data is excluded.



# Inclusion and access to equal opportunity for all

## Our commitment: Advocate for equal opportunity

Inclusion and access to equal opportunity remain a focus for KPMG people across the globe. Through ongoing educational programs, a robust calendar of immersive and inclusive events and increased levels of accountability at global, regional and local levels, KPMG people are together building a culture of equal opportunities and acceptance for all.

We are building a culture where everyone is welcome, recognizing that an inclusive business is a resilient business. Areas of focus include:

### KPMG's women in leadership goal

Our collective ambition has resulted in a strengthened talent pool of women at every level, with 49.3<sup>1</sup> percent of our overall headcount comprised of women. We set a goal to have women in 33 percent of leadership roles by 2025 — including partners and directors across KPMG firms. As at 1 October 2025, representation reached 30.6 percent globally,<sup>2</sup> marking an increase of 4.6 percentage points since our baseline year of 1 October 2020. While we fell short of our 2025 target, our commitment remains strong and we will continue to strive towards reaching our ambition of 33 percent of women in leadership roles. Importantly, this initiative promotes inclusive practices that benefit all employees by embedding fairness, transparency and accountability into our processes — helping to build a more fair and inclusive environment for everyone, regardless of identity or background.

### Global gender pay gap

We are taking steps across our organization to address the gender pay gap.

In FY25, we collected gender pay gap data from 18 of our largest KPMG firms and compared it to the baseline established in FY24<sup>3</sup>. This work is grounded in local reporting requirements, and where such requirements are not in place, KPMG firms can leverage the methodology developed by KPMG International to guide their analysis. Our women in leadership goal supports KPMG's commitment to closing the gender pay gap by addressing one of its structural drivers: leadership representation. The data and momentum generated are helping KPMG firms advance their analysis, while increasing visibility and accountability across our global organization.

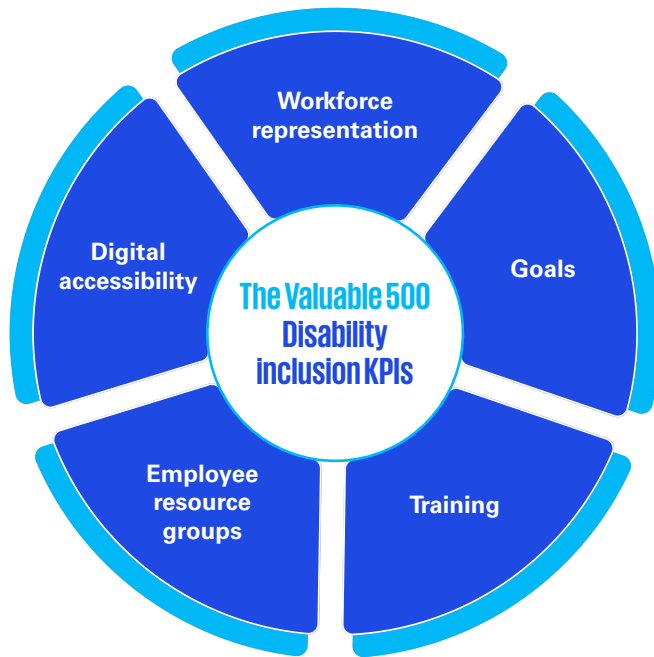
<sup>1</sup> Data represents the KPMG firms who reported FY25 gender data to KPMG International. KPMG US data is not included.

<sup>2</sup> KPMG International's women in leadership goal was set across participating firms based on the cumulative local goals and aspirations. KPMG US is not a participant. As a network of independent firms, the measurement and tracking of women in leadership progress is performed at a local level. Periodically, where possible, and as consistent with local law and regulations, KPMG firms share data with KPMG International which is aggregated to track and report progress across the global organization. Data represents the KPMG firms who reported FY25 gender data to KPMG International, KPMG US data is not included.

<sup>3</sup> Data represents the KPMG firms who reported FY25 gender pay data to KPMG International. KPMG US data is not included.

## Disability inclusion

KPMG International is a signatory of The Valuable 500, a global alliance dedicated to advancing inclusion for the 1.3 billion people living with disabilities worldwide. In FY25, KPMG International advanced its commitment to reporting against The Valuable 500 Disability Inclusion KPIs (refer to the data-book for further details). This includes progress across workforce representation, goals, training, employee resource groups and digital accessibility.



Over the past year, we expanded our disability representation data and enhanced our suite of learning courses, empowering our people with relevant and inclusive learning. We continue to enhance the accessibility of our platforms and programs and embed digital accessibility into our core processes.

### Case Study

Breaking barriers and building bridges for all.

*KPMG Spain receives the 'Bequal Plus' certification recognizing their approach to fostering inclusivity and support for individuals with disabilities.*



## Ethnic and cultural diversity

KPMG is committed to helping further build fair workplaces for all our people regardless of their ethnic and cultural identity. Based on best practice and internal current state analysis carried out over the course of 2024, we know that KPMG firms are at different stages of their ethnic and cultural diversity journeys. This year, we launched the **global ethnic and cultural diversity learning pathway** to deepen our people's understanding of topics such as bias, cultural awareness and inclusive language.

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

A number of KPMG firms have progressed inclusive programs to support increased representation from Indigenous communities — including KPMG Canada's Truth and Reconciliation Action Plan, KPMG Australia's Indigenous Peoples Policy and KPMG New Zealand's Tōmua framework — to address inequality.

## LGBTQ+

KPMG is committed to actions that promote LGBTQ+ awareness. Our Global LGBTQ+ Inclusion Statement presents a unified voice in our support of all our LGBTQ+ colleagues. To advance this, during FY25, KPMG International became a coalition member of **Open For Business**, a charity which advocates for LGBTQ+ rights and economic inclusion, including developing research and reporting aimed at driving systemic change.

Observance of Global Pride across our global organization, supported by the **KPMG Global Pride Network** and our growing number of **Pride partner champions** and senior leaders across many KPMG firms, continues to drive progress and foster a culture where KPMG people feel safe, recognized and heard.

## Promoting allyship and acceptance

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**Our commitment:**  
Foster an educated and empathetic workforce

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

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

Since FY21, we have been bringing our people together in recognition of a wide number of global recognition days and observances, including the International Day for the Elimination of Racial Discrimination, International Day of Persons with Disabilities, International Women's Day and Pride Month.

During FY25, we evolved our suite of global learning programs, empowering our people with relevant and inclusive learning. We introduced additional themes such as empathy, belonging, psychological safety, faith-based inclusion, trauma, AI and digital accessibility. We also brought our community together to share insights into specific areas such as leveraging employee survey data to advance inclusive strategies, gender and ethnicity pay gaps and inclusive talent processes.





# Health and wellbeing

## Our commitment:

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

Professional services can be a fast-paced and demanding environment, so we are creating a culture where people can be open about their wellbeing. KPMG International’s membership of the MindForward Alliance has enabled us to take significant steps to create a recommended baseline around mental wellbeing support which all KPMG firms are encouraged to adopt. We actively seek feedback from our people on the wellbeing support offered and understand that work-life balance and flexibility are central to sustainable working practices and overall wellbeing.

It is widely acknowledged that the fast pace of the modern world can take a toll on people’s physical and mental health. Mental wellness has become a particular area of concern, with rising numbers looking for support.

At KPMG, the wellbeing of our people is a strategic priority and has been an area of significant development during FY25. KPMG firms offer medical and wellbeing programs locally and at a global level by creating an integrated approach based on a common framework. This year, our GPS results showed 69 percent positive sentiment when it comes to wellbeing which is an improvement from the previous year.

KPMG International has created a recommended baseline which all KPMG firms are encouraged to adopt in respect of health and wellbeing. This consists of six core expectations for all KPMG firms, with a further three for Reporting KPMG Firms. These expectations include having a senior level Executive Sponsor for mental wellbeing, providing employees

with access to mental health support, and using data to inform mental wellbeing actions. From FY26, we will monitor progress annually. Reinforcing our commitment to mental wellbeing, we marked **World Mental Health Day (10 October)** for the first time throughout our global organization.

We continue to support KPMG firms and our colleagues throughout our global organization by holding sessions on how to build mental wellness support into local operational culture. Another important aspect of wellbeing is the ability to **work flexibly**. Hybrid working and the ability for individuals to responsibly manage their working patterns remain at the core of KPMG’s approach.

### Case Study

Celebrating World Mental Health Day.

*KPMG Bermuda receives Gold Mindful employer certification from the Bermuda Mental Health Foundation*



**As one of MindForward Alliance’s founding members, KPMG has been part of our journey for over a decade. We’ve worked closely together on a range of initiatives, including most recently their global recommended baseline for mental wellbeing driven by a shared belief that wellbeing really matters for people, for leaders and for long-term success. Their active involvement in our global leadership community shows a genuine commitment to creating healthier, more supportive workplaces, and we’re proud of what we continue to learn and build together.”**

**Alison Unsted**, CEO — MindForward Alliance



# People Planet

Decarbonizing our business and  
building a sustainable future

# Prosperity Governance



**At KPMG, we are committed to progressing the decarbonization of our business and meeting our net-zero goals. We also work side by side with clients to support their efforts — emphasizing the value of robust change management planning while focusing on both the risks and opportunities that it holds.”**

**Gauthier Acket**  
Head of Global ESG  
KPMG International

## Our Commitments

- Becoming a net-zero business by 2050
- Fifty percent decarbonization by 2030 against our 2019 baseline
- One hundred percent renewable electricity by 2030
- Give financial markets, clients and our leaders clear, detailed, high quality information on the impacts of climate change
- Understanding and improving our impact on nature and biodiversity



We believe that climate change is one of the defining issues of our time, creating both risks and opportunities for businesses and society. No single organization or country can solve climate challenges alone, making collaboration and engagement critical.

As a global organization, we are committed to playing our part in the net-zero transition.

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





# Our decarbonization journey is guided by a number of key principles:





# Our decarbonization progress

While we recognize there is more to do, in FY25 we continued to progress our own journey.

## Becoming a net-zero business by 2050

During FY25, a target to reach net-zero as a business by 2050 was endorsed by the Global Board. This means reducing absolute Scope 1, 2 and 3 GHG emissions by 90 percent by 2050 from our FY19 baseline, and neutralizing the remaining 10 percent of emissions through responsible mitigation measures, in line with the 1.5°C pathway.

## More granular measures set against our 2030 target

In order to drive our carbon reduction in two key areas — business travel and purchased goods and services — we have set more detailed travel intensity and supplier engagement ambitions against which to track our progress. This will help enable us to reduce the carbon headcount intensity of our business travel compared to the FY19 baseline, and encourage our suppliers to set their own Science Based Targets (SBT) or credible decarbonization commitments.

## Continuous improvements in data and transparency

During FY25, we conducted a re-baselining assessment of our emissions inventory to enhance data accuracy and transparency. This process aligns with best practice and the requirements of our SBTi-validated near-term targets. As a result, all reported emissions in this report have been refreshed and updated to reflect the latest information.



## Continued progress against our 2030 target

In 2021, we set a near-term Science-Based Target (SBT) to decarbonize our business by 50 percent by 2030 against a 2019 baseline. At the end of FY25, our reduction against the baseline stood at 30 percent.

## Summary Climate Transition Plan and Environment Statement published

During FY25, we published a [Summary Climate Transition Plan](#) that sets out details of our net-zero journey and milestones, while our [Environmental Statement](#) (protocol) confirms our targets and commitments.

## External limited assurance obtained

Grant Thornton UK LLP was appointed to provide independent external limited assurance over the aggregation of selected network-wide environmental metrics, including selected GHG emissions and energy data for FY19 and FY25. Grant Thornton UK LLP was also engaged to provide limited assurance over the Aggregation Process Description and Materiality Process Description. This work was performed in accordance with the assurance standards ISAE 3000 (Revised) and (for Greenhouse Gas related data) ISAE 3410. For more details about the selected environmental metrics, please refer to the assurance statement in Our Impact Plan 2026 update — data book.

# Decarbonizing our operations and supply chain

We have identified a number of critical decarbonization levers which we are implementing across our global organization to help us reach our targets and become a net-zero business. 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**. Further information can be found in KPMG’s [Summary Climate Transition Plan](#).

## Buildings and procurement of renewable electricity

A number of KPMG firms are working on improving energy efficiency in buildings which would allow us to decrease energy consumption across our global organization while helping ensure efficient performance in our operations. This not only aids in reducing our carbon footprint, but also lowers operational expenses and increases resilience to fluctuations in the energy market. Energy and fuel purchasing contributes to KPMG’s Scope 1 and 2 emissions across the global organization. KPMG International is a member of RE100 and has a commitment to obtain 100 percent of its electricity from renewable electricity across our global organization by 2030.

We achieved 83 percent of this target across the global organization by the end of FY25 and continue to work towards bridging the remaining gap.

## Supply chain (purchased goods and services)

KPMG’s supply chain (purchased goods and services) is a major contributor to our Scope 3 emissions, comprising around half of our total carbon emissions. It also includes emissions from all purchased goods, such as software licences and technology services.

To support the governance and management of our sustainable procurement program, we have put in place a **Supplier Code of Conduct** and a **KPMG International sustainable procurement policy**. The **policy** sets out the sustainability guidelines and requirements that apply when third party suppliers contract with KPMG International for goods, services or technology. It underwrites our dedication to embed sustainability and ethical business practices in our supplier engagements.

KPMG firms’ engagement is driven by the **global ESG procurement working group**, which sets KPIs and strategic roadmaps. The working group includes the sustainability leaders from the ten largest KPMG firms.

This year, **supply chain decarbonization e-learning** was developed to enhance KPMG procurement professionals’ understanding of supply chain impacts, their role in supplier engagement and best practices. The training aims to support supplier alignment with KPMG’s carbon reduction commitments.

Leveraging CDP’s supply chain program, and supported by a supplier engagement approach that included a bespoke carbon disclosure questionnaire and a tailored supplier segmentation approach, the KPMG International supplier response rate rose to 82 percent (an increase of 7 percent from FY24).

We continue to engage with suppliers to embed sustainability into their practices, with the long-term goal of sourcing from suppliers that have an SBT or equivalent.



**CDP shares KPMG’s belief that robust, actionable data is the cornerstone for strategic decisions that mitigate risk and drive business resilience. As the financial, operational and social risks of overlooking environmental impacts intensify, KPMG’s commitment to measuring and managing its environmental impacts, and working with its supply chain to do the same, will help us on the path to building a more resilient and sustainable future.”**

**Sherry Madera**  
CEO, CDP



### Sustainable technology and AI

AI-related energy consumption and emissions have become an increasingly important topic, as the expansion of energy-intensive data centers continues to meet growing AI demand. This is an area that we are examining carefully, including engaging with our major technology service providers and alliance partners.

Technology contributes 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. We are addressing our emissions by conducting maturity assessments and baselines for our technology, focusing on our high performance and AI services, and intend to use these to develop a data-led digital carbon reduction strategy.

Over the medium to long-term, we also expect AI to act as a catalyst for the energy transition, helping to innovate new solutions. Sustainable technology and AI may present a strategic opportunity to further improve energy efficiency and to help adopt more sustainable practices across the procurement and life cycle of our technology assets in collaboration with our supply chain.

### Travel

Business travel, including flights, trains, car usage and hotels, is a significant contributor to KPMG’s global emissions under Scope 3 and is a continued challenge for both ourselves and our sector, due to business growth and the importance of face-to-face client time. Travel emissions in FY25 were down by 45 percent compared to baseline year (2019). We also measure travel intensity to better understand and manage the carbon impact of business travel. Travel intensity emissions were down by 58 percent compared to baseline year (2019).

KPMG International has developed guidance on travel-related decarbonization levers including KPMG firms sharing best practice on internal policies, recommended travel distance thresholds for alternative transport modes such as rail. We are members of the Sustainable Aviation Buyer’s Alliance (SABA), and continue to explore the feasibility of Sustainable Aviation Fuel (SAF) as well as investigating emerging travel-related climate technology.

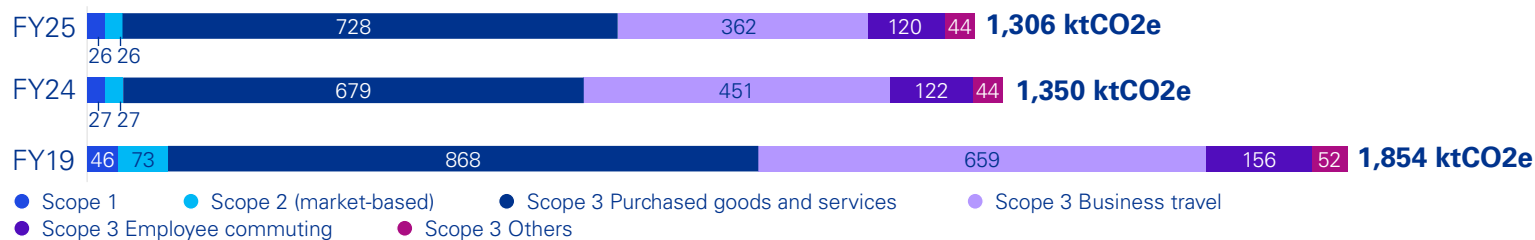
## Our carbon markets journey

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

### Our Internal Carbon Price

We have set an Internal Carbon Price (ICP) on emissions-intensive areas of our business, assigning a financial value to the greenhouse gas emissions caused by our business, to provide an investment budget to support decarbonization initiatives. Investment examples include facilitating electric charging stations, purchasing renewable energy and making our offices more sustainable. The ICP also helps increase our people’s awareness of our carbon footprint and encourages sustainable behavior.

### Greenhouse gas emissions (market-based)



# Supporting our clients on the climate and nature transition

We play 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. This includes:

- **Audit and assurance:** [KPMG Clara](#) includes consideration of sustainability as well as consistent ESG assurance methodologies. KPMG auditors can embed climate considerations into traditional financial audits and provide specific ESG and climate assurance.
- **Advisory:** We are actively 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. Our enhanced sustainability due diligence helps clients ensure that they adequately consider and price climate risks and opportunities into their assessments of deals and transaction opportunities.

- **Tax & Legal:** Our ESG Tax Strategy leverages tax policy to foster sustainable business practices. We help clients 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. Our specialists develop frameworks integrating sustainability into governance, contracts and risk management.

See our [Summary Climate Transition Plan](#) for more details.





# Collaborating and convening to help address climate change

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.

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 inform policy, build capacity, and enable effective transition pathways.

We work with industry leaders through initiatives such as the WEF, WBCSD, RE100, A4S, SMI and the Climate Transition Plan Taskforce to help shape market practices and accelerate decarbonization.

As part of our commitment to an SBTi aligned decarbonization target, we will continue to monitor

developments and help shape the frameworks and infrastructure needed to support commercially viable, sustainable business models globally. We will continue to review how we set targets and update our transition plan accordingly.

## Contributing to the transition

We are supporting the evolution of professional standards across our industry to more deeply embed sustainability in response to growing industry expectations. This includes KPMG professionals joining the technical working group for a proposed update to the **GHG Protocol Corporate Standard** and Scope 3 standard and participating in the international working group developing a new **ISO standard** on net-zero.

One of the key initiatives we have been involved in is the **WEF's Coal to Clean** project. 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.

In November 2025, we collaborated with the WEF to publish research that analyzed ways of facilitating greater levels of **climate finance for emerging economies** — a crucial issue if global decarbonization goals are to be met.

We also continued our participation at the **COP** meeting in Brazil focusing on all aspects of the transition and working to foster industry collaboration, deepen understanding of global issues and champion initiatives aimed at removing barriers to progress.

We also collaborated with the **WBCSD** to help companies incorporate sustainability into their business strategies. This included working with WBCSD during FY25 on a **global circularity protocol**.

### Case Study

Collaborating with the World Business Council for Sustainable Development (WBCSD)

*Embedding financial sustainability into core financial decision making through a value-led approach.*





# Putting people at the heart of the climate and nature transition with WWF

**Our collaboration with WWF** continues to expand, forming a key element of our approach to climate positivity, nature and biodiversity. This year KPMG International formed a new thought leadership collaboration with WWF, combining our collective expertise to produce a roadmap towards a fair transition. This collaboration will gather best practice from around the world to ensure people are placed at the heart of the transition to net-zero.

In FY25 we provided our third consecutive year of grants to support reforestation and nature programs across the East Africa region and Colombia. We also have strong WWF relationships at a local level, with many KPMG firms around the world actively supporting WWF within their own countries and territories including participating in local projects in Australia, China, Germany, Finland and the US.



**Our collaboration with KPMG International is driving impact at scale — restoring forests, supporting communities and protecting biodiversity in key landscapes in Australia, Colombia and Kenya. Now, as we enter a new chapter together, we’re looking at the global picture and how we ensure people and their jobs and livelihoods are at the centre of a net-zero, nature-positive future. We’re excited about the year ahead and the chance to unite WWF’s expertise with KPMG’s global reach to accelerate a fair, inclusive future for all.”**

**Tanya Steele CBE**  
CEO WWF UK

# Consideration of climate-related risks in the financial statement audit

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

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

We continue to support investor efforts to further connect financial and climate-related disclosures. In 2025, we welcomed the publication by the International Auditing and Assurance Standards Board (IAASB) of its International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, in response to stakeholder demand for a specific sustainability assurance standard to address unique challenges and opportunities in assuring sustainability information. Now in the process of being adopted around the world, ISSA 5000 is the new global baseline standard for assurance providers to use to bring further comparability and increased confidence in reported sustainability information.

## Case Study

WWF Koala Friendly Carbon Initiative

*KPMG Australia helps to restore koala habitats while driving climate action with WWF.*





# Climate risk

## Our commitment:

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

KPMG recognizes climate change as a business risk. Like many other global organizations, we are on a journey when it comes to climate change. A key milestone in this journey was the publication of our [Summary Climate Transition Plan](#) in September 2025.

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.

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

## Key insights from our assessment

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

Our primary climate 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 International continues to evolve its governance model to provide appropriate oversight and robust monitoring of these risks and opportunities.





# Nature and biodiversity

## Our commitment:

### Understanding and improving our impact on nature and biodiversity

Nature and biodiversity are foundational for the health of the planet. KPMG International actively participates in the Taskforce on Nature-related Financial Disclosures (TNFD), helping to drive improved transparency on how businesses manage their relationship with nature. Work on our first TNFD-aligned report is underway.

We recognize that we have a responsibility 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 an adopter of the **TNFD**. Work on our first TNFD-aligned report is underway. We have completed an impacts and dependencies assessment and are currently conducting a risks and opportunities analysis to enable us to report in alignment with the TNFD guidance later this year.

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 advance our efforts in this area, aligning with leading practices and helping to ensure our approach to doing business considers our nature-related dependencies, impacts, risks and opportunities.

These efforts include participating in other global initiatives that help advance action and thinking in this space, from contributing to the Nature Positive Initiative, to engaging in WBCSD's Nature Positive workstreams and supporting the work of the Convention on Biological Diversity.

### Case Study

A focus on reforestation

*Advancing environmental stewardship across Colombia, Canada and Kenya.*





# People Planet Prosperity

Creating positive social and economic impacts

# Governance



**As a professional services organization we believe harnessing technology and in particular, AI, can be a powerful driver of opportunity — especially when access and education go hand-in-hand. Through our global collaborations with UNESCO and Microsoft, as well as local relationships through our network of KPMG firms, we're proud to help unlock potential and create pathways for young people around the world."**

**Roisin Murphy**  
Head of Global Sustainability  
KPMG International

## Our Commitments

- Always act with a clear purpose
- Support education and lifelong learning. Economically empower 10 million disadvantaged young people by 2030
- Lead the profession in audit quality
- Drive a responsible tax practice



Our ambition is to be the most trusted and trustworthy professional services organization, delivering sustainable growth to all our stakeholders and helping to create a sustainable future across our communities. It is this vision to be trusted to make the difference that drives us forward and keeps us continually striving to improve.

Our collective goal is for KPMG firms to continue to deliver high quality work that has a positive impact on society in both the near and long-term, in a way that provides rewarding work for our people now and for generations to come.

KPMG prosperity focus reflects our commitment to using our global reach, knowledge, services and investments to help drive prosperity and wellbeing for clients and the communities we operate in. We do this through the tax contributions we make as a global employer, through our investment programs that actively support communities around the world, and through our services to clients (including the way we responsibly leverage AI) that help them build more resilient and sustainable businesses.

## Making an economic contribution as a global organization

We are a leading professional services organization and KPMG firms are employers in over 138 countries and territories, with more than 276,000 people serving clients around the world. As a network, we harness the multi-disciplinary skills of our people across the global network to help drive economic growth and organizational resilience for KPMG, and the clients and communities we serve at scale.



## Economic contribution

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

In FY25, KPMG reported annual globally aggregated revenues on a continued operations basis for KPMG firms of \$39.8 billion for the year ended 30 September 2025 (FY25), marking a 5.1 percent increase in local currency terms and 5.4 percent in US\$ from FY24. This reflects growth across all regions and functions, with the Americas, Asia Pacific, and EMA regions each contributing to the firm’s strong performance.

Reporting KPMG Firms paid a total of US\$2.1 billion in operational taxes in FY25, equal to those paid in FY24.

KPMG firms’ contributions include taxes paid directly, those collected on behalf of governments and those paid directly by partners and employees.

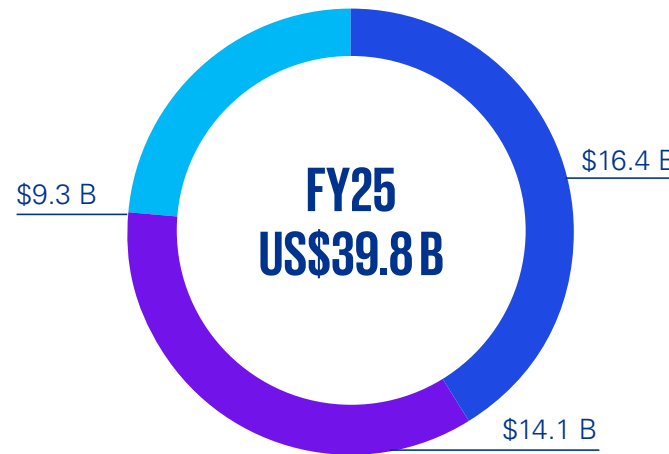
**Tax paid directly (operational taxes): US\$2.1bn**

**Policies and practices about tax:** KPMG International has established policies which apply throughout the global organization to set the standard and expectations for KPMG firms and partner tax affairs. There are also quality and risk management policies in place to help ensure that all tax affairs have been conducted in accordance with relevant local law and regulations, and in alignment with **KPMG firms’ global tax principles**.

We also support our clients to take a responsible approach to tax, as outlined on page 38.

## Revenue by function

Gross revenues US\$ in billions



● Advisory ● Audit ● Tax & Legal

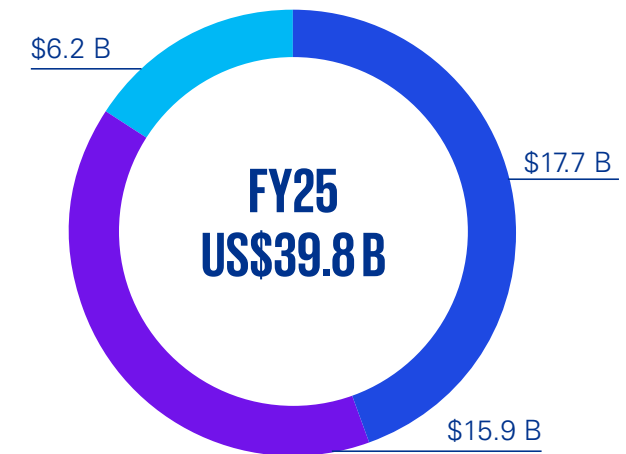
FY25:1 October 2024 — 30 September 2025

### Notes:

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

## Revenue by region

Gross revenues US\$ in billions



● EMA ● Americas ● Asia Pacific

FY25:1 October 2024 — 30 September 2025

EMA - Europe, Middle East and Africa, including India

# Empowering communities, inspiring futures

**Our commitment:**  
Economically empower 10 million disadvantaged young people by 2030

As the rapid pace of change across the globe continues, so do the societal challenges faced by billions of people. To aid in addressing these, we are prioritizing our investment in communities and, across the KPMG organization, enabling our people to collaborate on solutions that positively impact those in need. Our 10by30 program aims to help economically empower 10 million disadvantaged young people by 2030. In the first four years, we've reached 4.2 million young people and educators.

**US\$176 million total community investment in FY25**

## Global focus — local impact

Within our communities, our focus remains on bringing education and opportunity to disadvantaged groups, in particular young people who are navigating a complex and evolving environment. People across the network are passionate about donating their time and skills to support these communities and create a positive impact.

In FY25, KPMG firms continued to invest in their communities. The total community investment in financial value and time contributed in FY25 was **US\$176 million**, an increase of 8 percent from FY24 (US\$163 million).

## Reaching young people through our 10by30 program

We have a target of economically empowering 10 million disadvantaged youth by 2030. Through our combined efforts in FY25, we supported 1.4 million young people and educators, taking the total to 4.2 million since the program began — putting us on track to meet or exceed our goal.

Launched in 2022, the 10by30 program is aligned with the United Nations Sustainable Development Goal 4 (inclusive and equitable quality education and lifelong learning opportunities for all) and supports young people from disadvantaged communities develop the skills they need to succeed in the labor market and be ready for the future of work.

During FY25, we continued to base our efforts around the skills framework created during FY24 in which we focus on

helping young people with three levels of skills — foundational (numeracy and literacy), future ready (digital, cyber, green and AI skills), and employability (skills needed to thrive at work including resilience and teamwork).

We understand that young people may not be able to avail of the opportunities to learn without access to the practical tools. This is why KPMG firms continue to donate significant amounts of essential equipment including learning materials (books and other resources) and equipment/aids (laptops and other devices).



### Case Study

Leveraging technology to support local education initiatives.  
*KPMG programs from China, India, Japan and Brazil.*





**756,000 hours contributed to community investment by KPMG people in FY25**

**4.2m individuals directly reached through 10by30 initiative since its inception (1.4m individuals reached in FY25)**

Case Study

Accelerating youth opportunities through the UNESCO — KPMG France secondment program.



**Cross-sector collaboration to help drive change**

We have continued to devote significant time and resource to our work with **UNESCO** as a founding partner of its **Global Education Coalition (GEC)**.

**Business convening to spotlight skills**

Launched on **World Youth Skills Day 2025**, the **UNESCO Skills Commitment Dashboard** funded by KPMG collates information and shares knowledge about education programs delivered by **Global Skills Academy (GSA) business members**. Capturing the important work already being done and helping drive new initiatives for the future, the dashboard is intended to help boost coordinated action with the goal of ensuring that no young person is left behind. During 2025, KPMG International also became a member of **UNESCO’s Digital Transformation Collaborative (DTC)** working with other member organizations to support digital transformation in education.



**Our collaboration with KPMG illustrates the strength of a public-private partnership. Together, through initiatives like AI EmpowerED and the Skills Commitment Dashboard we are transforming collective commitment and combining our expertise and resources to deliver real opportunities for young people, in support of the UN’s Sustainable Development Goal 4.”**

**Borhene Chakroun**

Director for Policies and Lifelong Learning Systems — UNESCO

## Engaging with educators to harness the opportunities for AI in the classroom

In collaboration with our strategic alliance partner **Microsoft Elevate**, we are proud to support **AI EmpowerED** — a **teacher training** initiative that provides upskilling on digital and AI competencies for teachers and university lecturers in developing economies. By equipping teachers and university lecturers with these critical skills, the program aims to positively impact **half a million teachers and students** by the end of 2026, helping them build stronger digital capabilities for the future.

This **Master Teacher Trainer** program has been launched in Ghana, India, Kenya and Malaysia with further launches planned in Tanzania and Uganda.

## Digital learning for the next generation

Supporting young people, through our programs, with access to the tools and resources they need to build their

technical skills has always been a priority for KPMG. Below are some examples from our programs during FY25.

### AI Advantage

In 2025, KPMG firms have delivered AI skills training to young people, sharing foundational AI knowledge and insights on how AI is changing the world of work. KPMG firms, including those in the Netherlands, Luxembourg, Germany, Sweden and India have rolled out the program, with KPMG volunteers engaging thousands of young people through real-world relatable case studies and activities to bring AI concepts to life and build their understanding and confidence and ultimately lead to better opportunities in the world of work.

#### Case Study

Upskilling communities on artificial intelligence

*Impact across Thailand, India, Ghana, US and Bermuda*



**Access to high quality AI skills training and resources will help prepare educators and institutions to thrive in the digital economy. Through our global Microsoft Elevate commitment we are focused on widening the circle of opportunity by strengthening education systems and proud to partner with UNESCO, Tablet Academy and KPMG to help TVET institutions unlock new opportunities for inclusive learning and career readiness that can help create new pathways for learners to adopt AI responsibly and build meaningful pathways that help learners thrive in the AI economy.”**

**Naria Santa Lucia**

General Manager, Microsoft Elevate



## Cyber awareness — World Cyber Day

Enhancing cyber literacy is a key issue in the digital age, helping protect individuals and organizations from harm.

KPMG International continues to support International Cybersecurity Awareness Month (October) by coordinating **KPMG Global Cyber Day** that aims to help children and young people and all those who support them learn how to protect themselves and others online. This year, our program included a particular focus on digital wellness, with tips and learning on how to avoid or deal with issues such as cyberbullying and inappropriate content.

KPMG firms in more than 60 countries and territories participated in this year’s initiative, with around 150,000 young people reached. This takes the total to **almost 1 million young** people since our involvement with International Cybersecurity Awareness Month began nine years ago.

### Case Study

Global Cyber Day 2025

*Supporting young people across the world to stay safe online*



**Our experience with the volunteers has been excellent. They managed the sessions effectively, sparking curiosity in the children and encouraging thoughtful questions. The feedback from the students after the session was very positive—we hope the message resonated. Many thanks to everyone for the interest, involvement, and enthusiasm put into each session.”**

Education Institution supported by KPMG Spain, Cyber Day in 2025





## IT's Her Future

2025 marked the 10th anniversary of **IT's Her Future**, KPMG's award-winning program driving gender fairness in technology. Over the past decade, the initiative has grown from a UK-based project to a global movement, now active across multiple regions. The program's mission is to further inclusive environments for women in tech, bringing benefits both to colleagues and the wider community by striving to ensure fair representation as AI develops.



## Skills Builder Partnership

KPMG International became a founding partner of **Skills Builder Global** in January 2026, supporting their mission of ensuring young people across the world can develop the essential skills they need to thrive. This collaboration focuses on ensuring that we bring a holistic perspective to providing the future workforce with human-centric business skills required for the world of work. As business continues to embrace AI, it is critical to ensure that essential skills including creativity, problem solving and teamwork are integrated into learning, particularly supporting young people from less advantaged communities to help ensure they have the necessary skills to reach their full potential.



# A human-centric, trust-based approach to AI that empowers KPMG and our clients

At KPMG, we are intentionally and responsibly integrating AI to transform how KPMG firms operate and deliver client services. For our people, AI presents significant opportunities to enhance the way we work and create greater value, while ensuring that human judgment, expertise and ethical decision-making remain central to everything we do. As set out earlier on page 2, we are taking a human-centric approach — as we believe that AI will reach its full potential only when paired with human expertise and ingenuity. Maintaining robust controls that support safe and trusted AI is critically important — and is at the heart of how KPMG builds and deploys its AI capabilities. In FY25, KPMG International appointed a senior leader in the role of Trusted AI Leader, responsible for embedding the [KPMG Trusted AI framework](#) into our AI solutions and guiding KPMG professionals to use AI responsibly and ethically. Our [KPMG Trusted AI framework](#), introduced in 2024 and strengthened in FY25, sets the standard for designing, building, deploying and using AI solutions responsibly and ethically.

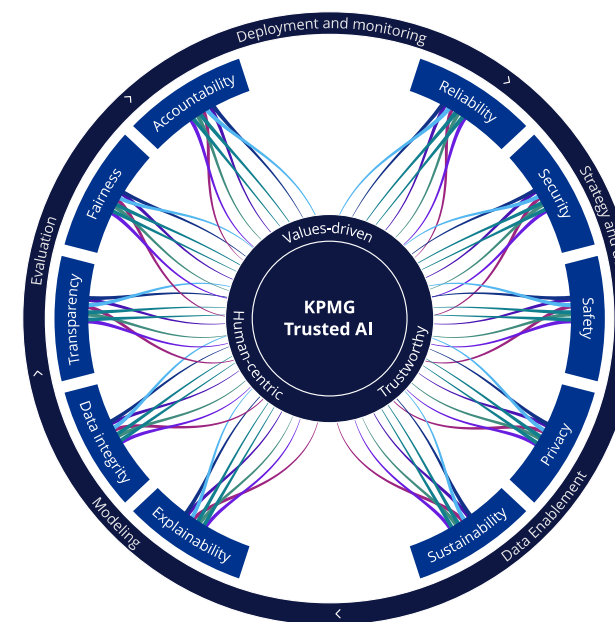
Governance is reinforced through the **Trusted AI council**, established in FY25, which consists of four members of the Global Management Team (GMT), the Global Head of AI and Digital Innovation, and the Trusted AI Leader. The council meets regularly to review progress and drive the global AI strategy forward.

KPMG firms are being recognized for the strength and sophistication of their AI controls. In 2024, KPMG Australia became the first organization globally to achieve ISO 42001 (AI) certification by the British Standards Institution (BSI). The standard specifies the requirements for establishing, implementing, maintaining and continually improving an Artificial Intelligence Management System (AIMS) within organizations. Building on this success, KPMG firms in India, Spain and the US have also achieved this certification.

KPMG International achieved [ISO 42001 certification](#) for **KPMG Workbench** at the end of 2025. This global AI platform is designed to drive AI adoption and integration while embedding controls aligned with the [KPMG Trusted AI framework](#) across KPMG.

KPMG International also achieved ISO 42001 (AI) certification for an internal generative AI tool enabling KPMG professionals to leverage generative AI capabilities without the risks associated with open platforms, reflecting our commitment to responsible innovation and AI use.

In 2025, we strengthened our approach to evaluating AI technologies. We assess AI solutions we develop and technologies we use for alignment with our [KPMG Trusted AI framework](#). During FY25, we also updated our procurement process to seek supplier alignment with our [KPMG Trusted AI framework](#). These actions demonstrate KPMG’s commitment to embedding trust and responsibility into every stage of AI adoption.





# Maintaining the highest quality of audit and assurance

## Our commitment: Lead the profession in audit quality

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

The quality of our audit and assurance engagements is of the highest priority at KPMG. Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands. We are committed across our global organization to serve the entities we audit, stakeholders and the public with the highest professional excellence, ethics and integrity.

We are preparing for the future and transforming our approach through continuous innovation, the strategic integration of AI and an unwavering commitment to quality and professional excellence. We are proud to be leading this transformation through our global smart audit and assurance platform, [KPMG Clara](#).

**Quality management:** 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.

**KPMG Clara:** Our smart audit platform, [KPMG Clara](#) is built upon secure Microsoft technology and provides us with a foundation that we continually build and innovate upon. During FY25, enhancements included the deployment of **AI agents** into the platform to automate tasks and enhance decision-making. In addition, a **financial report analyzer** engine was implemented which provides AI-generated output to assist auditors to complete required disclosure checklists. Embedded directly into the audit workflow, these leading technologies support risk

assessment, testing procedures and documentation, enabling approximately 94,226 KPMG auditors worldwide to continue to exercise professional judgment and skepticism in high-risk areas.

**ESG assurance:** KPMG is committed to fulfilling its public interest role through KPMG firms providing ESG assurance that supports investor confidence and stakeholder trust. In FY25, 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. Following this, we took steps to ensure that learnings were gathered, captured and disseminated — inside and outside the EU — so that we can continue to improve the quality in execution of our assurance services. We also shared insights from our [ESG Assurance Maturity Index 2025](#), based on a survey of 1,320 companies globally which emphasized the importance of readiness, transparency, and continuous improvement.

**Clear on climate:** Our [Clear on climate reporting hub](#) brings together guidance, all in one place, to help organizations reflect climate-related risks and opportunities in their financial reporting. By doing so, businesses can meet the expectations of investors and regulators while ensuring transparency and accountability. The hub supports accurate accounting and disclosures — enabling organizations to tell a connected story.

Learn more about our approach to audit quality and professional excellence in the [KPMG International Transparency Report 2025](#).

# Driving a responsible tax practice

## Our commitment:

### Drive a responsible tax practice

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

We are committed to helping clients take a responsible approach to tax, as enshrined in our Global Tax Principles, embracing transparency and maintaining full compliance with their obligations in the jurisdictions in which they operate. This is a key aspect of being a responsible business and earning the license to operate.

In FY25, key tax-related initiatives included:

**KPMG Digital Gateway:** Our smart global tax platform, [KPMG Digital Gateway](#), is the hub through which tax services are delivered by KPMG firms, helping clients manage, monitor, analyze and report on their tax affairs. During FY25, we embedded new and more powerful AI capabilities into the platform, helping clients get faster and more granular insights into their data, analyze trends, and stay compliant with their obligations.

**Responsible Tax:** Our flagship Responsible Tax Program brings a wide array of stakeholders together to discuss topical tax issues and trends, recognizing that responsible tax extends beyond what companies pay and where, to issues of certainty, predictability and fair balance in rule setting, rule application and rule compliance. We are proud to be able to reach parties from across the spectrum — not only businesses but tax authorities, regulators, NGOs, and think tanks. An important part of the program’s remit is to tackle new and emerging issues including discussions around how AI can best be used in a tax setting, as well as sessions on issues such as wealth taxes and trade tariffs. The program has continued to have a global footprint, with events around the world during FY25 including Latin America and Africa.

**Carbon taxes and incentives:** Authorities are introducing carbon taxation and pricing to incentivize more sustainable trading practices, and supporting clients with this has become a growing focus for many KPMG tax professionals and sustainability experts. The EU’s Carbon Border Adjustment Mechanism (CBAM) entered its operational phase on 1 January 2026, while there is also significant momentum growing in other parts of the world such as Asia, where carbon taxation and emissions trading schemes are spreading. Economies are competing on the incentives side as well as the taxation side — KPMG firms help clients assess the opportunities as well as the risks, supporting them to build a sustainable approach that enhances long-term value.

**Global Minimum Tax:** The OECD’s initiative to set a global minimum rate of taxation on multi-national enterprises (MNEs) started to apply from FY24 across over 60 adopting jurisdictions, with companies facing various local notification and registration processes from FY25. A focus for KPMG here has been to support clients in upgrading their systems to be able to collect the data needed to responsibly comply with the regulations.

**United Nations tax convention:** During the last year, work continued on a UN tax convention on international tax cooperation that could have significant implications for tax authorities and taxpayers. We plan to continue to monitor and engage with developments.



**Tax transparency:** We continue to support clients who are required to publish public country-by-country reporting disclosures in Australia and the EU from this year. KPMG teams work with clients to create the data and governance processes required for this reporting, underpinning good governance, transparency and stakeholder trust.

**Legal services:** Legal advice and compliance is an important component of any sustainability approach. Our legal professionals support clients with directors' liability, sustainability reporting and access to capital and insurance, integrating sustainability into governance and risk management alongside in-house legal teams.

More broadly, requirements for legal services have continued to increase in a complex business landscape and is an area of growth in many KPMG firms.



## Making the difference through Advisory

In a complex and fast-moving environment, we continue to see strong demand from clients for Advisory services that help them achieve sustainable business growth. Numerous clients recognize sustainability as a strategic value driver, with a clear business case for sustainable action.

KPMG firms support clients to optimize their operations across both regulatory-driven transformation (change that is needed to meet compliance requirements such as more granular levels of ESG data capture and reporting) and value-driven transformation (change that can bolster an organization's resilience and performance and thereby enhance profitability, such as greater energy efficiency or supply chain re-engineering).

Technology is a key enabler to driving the sustainability agenda in business operations. Our Advisory practices around the world continue to deliver technology-based solutions, with sustainability and other advisory specialists working closely with digital and AI professionals in KPMG. A key aspect of this is leveraging the sustainability-related solutions available through our [strategic alliances](#) with a wide range of world-leading technology firms that include **Google, Microsoft, Oracle, Salesforce, SAP, ServiceNow, Workday** and more.

## Applying a sustainability lens in our Advisory services

There are many areas where we bring specific, environmental and social sustainability-focused services to KPMG firms' clients:

### **Environmental, social and governance reporting:**

As an increasing number of reporting frameworks emerge, organizations must capture, manage and report a widening array of data, ensuring they have the right processes, controls and governance in place. KPMG firms help their clients use a range of technology tools to do this, while also being able to provide assurance over their processes and reporting, driving increased stakeholder confidence and better strategic decision-making. The **KPMG Global Corporate Reporting Institute** brings together our key resources for financial, sustainability and connected reporting. We are committed to supporting clients in linking sustainability to value through our expertise and multidisciplinary approach, helping them to ensure their businesses continue to be resilient over the long-term.

**Sustainable supply chains:** At a time of proliferating risks and uncertainties, the sustainability and robustness of organizations' supply chains has become a key concern to many. With trade wars and tariffs on the rise, greater supply chain flexibility and agility is also needed to maintain and protect business value. In response, we have bolstered our supply chain advisory capacity around key areas such as fostering transparency as a business asset and value



protection during the energy transition, as well as advising on issues including ethical sourcing and human rights due diligence, sustainable procurement and responsible sourcing analytics, regulatory and disclosure readiness, and change management and stakeholder engagement.

**Social sustainability analytics:** Social and people-based criteria have become key areas of both opportunity and risk for clients. During FY25, we continued to enhance our range of powerful social analytics tools including KPMG Inclusion IQ (to assess progress against workforce development goals), talent 4.0 (analyzing talent processes from a dignity and respect perspective), our human rights due diligence tool, and our forced labor dashboard — further embedding AI analytical capabilities into each of them. With the wellbeing of staff a growing area of focus for organizations, during FY25 we launched a **workplace wellbeing framework** that provides a structured model for clients to assess wellbeing maturity and build a long-term culture of care.

**TISFD collaboration:** KPMG is proud to have become a knowledge partner to the TISFD (Taskforce on Inequality and Social-related Financial Disclosures), giving us the opportunity to input and advise on the development of a framework for reporting on the impacts, dependencies, risks and opportunities related to people. This complements our existing status as adopters of the TNFD (Taskforce for Nature-related Financial Disclosures) — see page 27 for more information on this.





# Responsibly engaging with our stakeholder ecosystem

As a leading professional services organization with over 276,000 people at KPMG firms serving clients in 138 countries and territories, we play a critical role in supporting the functioning of the capital markets in the public interest. We embrace this responsibility by convening and engaging with a broad range of external

stakeholders. These include governments, regulators, investors, analysts, business groups, academics, think tanks, NGOs and other thought leaders.

Our external engagement is an important way for us to drive a positive impact on issues that affect our profession but also more broadly affect people, communities and the planet.

Due to the range of services provided by KPMG firms and the number of sectors KPMG firms work with, we can bring valuable perspectives and promote understanding between disparate stakeholders, acting as trust intermediaries.

We engage with a myriad of parties, including financial and accounting bodies such as the IASB and ISSB, accounting profession leadership committees (the Global Public Policy Committee, the European Contact Group), sustainability organizations (SBTi, RE100, GHG Protocol, CDP, ISO), and other influential organizations such as the OECD, the United Nations, the World Business Council for Sustainable Development (WBCSD), Business 20 (B20), the World Economic Forum (WEF), and B4SI.

See pages 11–13 of the data book for a fuller list of bodies with whom we engage and brief details of some key initiatives with them.

## Spotlight

During FY25, there were three areas of particular importance to our stakeholder engagement activities:

### Engaging on AI board governance

We have facilitated a number of discussions with business representatives, non-executive directors, investors and others on the regulation of AI — believing that regulation should be transparent, risk-based, consistent and interoperable, supporting innovation as well as controlling risks. KPMG International has also launched a collaborative project with INSEAD to develop AI governance principles for board directors and an accompanying implementation guide.

### Engaging on talent

Maintaining a strong pipeline of talented individuals entering the accountancy profession is essential to its long-term health and vitality. We have engaged with bodies including the Global Public Policy Committee (which brings together leaders from the six largest international accounting networks) to explore ways of making entry into the profession accessible and attractive to a diverse pipeline of talent. One result of this was the publication of the Opening Doors Principles by the International Federation of Accountants (IFAC), which sets out six best practice principles to maximize access and quality in a broad-based, innovative and connected profession.

### Engaging with investors

Investors are a key stakeholder group for KPMG given the importance to them of financial statement audits, the usefulness and assurance of sustainability reporting, and the assurance of AI. We engage with investors across multiple forums, in particular as a prime partner of the International Corporate Governance Network (ICGN), as well as through our relationships with investor associations and groups in individual countries and territories.



# People Planet Prosperity Governance

Strong governance frameworks promoting accountability, risk management and ethical standards



**Strong governance and responsible stewardship are critical. They enable us to build business resilience, embrace innovation, and make decisions that deliver lasting value. In all of this, our aim is to make a positive impact for our people, clients and society.”**

**Gary Wingrove**  
Chief Operating Officer  
KPMG International

## Our Commitments

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



At KPMG, we put governance at the heart of our operations, leveraging clearly defined principles that apply across our global organization, including our [Global Code of Conduct](#) (Our Code) and Our Values. These frameworks form the backbone of our policies, processes and decision-making and guide KPMG firms to conduct business in a values-led way, helping KPMG people make ethical decisions in their day-to-day work.

Our governance framework also underpins our approach to sustainability, ensuring that our environmental and

social impacts are considered in everything we do — both in our own operations and in the work KPMG firms deliver for clients. In this way, we can align our financial performance with societal impact.

As part of our commitment to always act with accountability and integrity, we adhere to Quality & Risk Management policies and procedures that are consistent across the globe.





# Our structure and governance

KPMG has strong governance for setting policies to support consistency of service quality, adherence to Our Values and alignment of our strategy with our Purpose. KPMG International acts as the coordinating entity for the overall benefit of the KPMG global organization. It does not provide professional services, directly or indirectly, to clients. Its governance bodies comprise the Global Council, the Global Board (including its committees), the Global Management Team (GMT) and Global Steering Groups. As of 1 October 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 KPMG 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 governing and oversight body of KPMG International. Its key responsibilities include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team and approving policies with which KPMG firms have agreed to comply. It is led by the Global Chairman and includes the Chairperson from each region as well as a number of KPMG firms' Senior Partners.

**Global Management Team (GMT):** The Global Board has delegated certain responsibilities to the GMT. These include working together with the Executive Committee to develop and jointly recommend the global strategy to the Global Board for its approval. The GMT also has oversight of Global Steering Group activity and supports KPMG firms with the execution of the global strategy and alignment with KPMG International policies.

## Our Impact Plan (OIP) governance:

As part of annual Our Impact Plan progress updates, the Global Board reviews KPMG's global sustainability strategy and reporting updates. Oversight of the progress being made towards achieving our commitments as set out in Our Impact Plan is embedded at our Global Board committee level.

The GMT, along with Global Steering Groups, works with the KPMG firms to drive progress against key KPMG International initiatives such as OIP and its related targets.

The Global Head of Corporate Affairs is responsible for and oversees KPMG's Our Impact Plan. They also lead the Global Corporate Affairs Steering Group and report to the Global Board on any significant changes and progress made with respect to the overall KPMG International operational sustainability strategy.

The Global Chief Operating Officer (COO) and Global Head of Clients and Markets play a key role in delivery against climate targets, and lead the COO and Clients and Markets Steering Groups respectively.

With regards to client services, the Head of Global ESG, who leads the ESG working group, coordinates the development of a global approach to ESG client strategy and supports KPMG firms in their implementation of that strategy.

The Head of Global Sustainability leads the Our Impact Plan working group, ensuring alignment and strategic direction across the KPMG global organization. They also have day-to-day responsibility for supporting KPMG member firms in implementing their local operational ESG strategies.

Find out more about our global governance in the [KPMG International Transparency Report 2025](#). For detailed descriptions of the individuals and Board Committees with management responsibility over climate-related risks and opportunities, read our [Climate Risk Report](#).

## Client confidentiality, information security and data privacy

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



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

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

## Cybersecurity and digital trust

The cybersecurity landscape is fast evolving, with emerging technologies, including AI, creating new risks as well as opportunities. To maintain client trust, we recognize the need to continually scan the cyber risk horizon and adapt our approach where necessary, including around AI risks.

Our [KPMG Trusted AI framework](#) helps us do this. Additionally, to meet the ongoing needs of our business, we are evolving our global security standards and proactively maintaining compliance — launching a **global AI security standard** during FY25. This sets out the processes and

technical steps that all members firms must follow in an effort to maximize the security of AI and protect against AI-related cyber risks.

Recognizing the key importance of data privacy and security, we continue to identify and implement enhanced cybersecurity controls to provide an additional level of protection for our data, KPMG firms' clients' data and other key assets. We also continue to actively educate our people on cybersecurity safety protocols, developing their understanding and collectively managing cyber risks.

KPMG's cybersecurity professionals bring technological expertise and deep business knowledge to work with clients in creating a more resilient and trusted digital world.

## How we identify and manage risk

The identification, monitoring and management of risks is a key element of being a resilient business. Within our global organization, every KPMG firm is required to identify, manage and report its risks through a formal **enterprise risk management (ERM)** process. Each KPMG member firms' leadership team is responsible for overseeing both the process and their respective enterprise risks.

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

Our GMT is responsible for the ERM program within KPMG International, including ensuring the effectiveness of mitigating controls. This sits under the oversight of the Global Board's Quality and Risk Management Committee, Executive Committee and any other committee of the Global Board designated by the Executive Committee in respect of a specific risk area. The ERM program utilizes KPMG's internal risk assessment criteria and leverages KPMG's own dynamic risk assessment methodology to identify, connect and prioritize risks based on four dimensions: impact, likelihood, time horizon and connectivity.

Additionally, the global organization has a set of global client and engagement acceptance and continuance policies and processes which are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG's **ACCEPT** principles 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 (see page 48 for further information on this). Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.



## 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 and commercial considerations**

Can we comply with contractual obligations and manage financial outcomes?



# Acting transparently with accountability and integrity

## Our commitments:

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

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

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

Our [Global Code of Conduct](#) (Our Code) outlines the commitments and responsibilities all KPMG people have to each other, clients and the public. We regularly review [Our Code](#) to make sure it continues to be a clear reflection of our principles and expectations. Everyone at KPMG can expect to be held accountable for their behavior, in line with [Our Code](#), and is required to confirm their individual compliance with it.

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

Regular training is provided by KPMG firms to all of their people on a range of topics including the requirements of [Our Code](#) and our anti-corruption policies and procedures. The current training also includes scenarios on topics such as the responsible use of AI, handling confidential information, and ethical behavior in completing learning and assessments.

As signatories to the **UN Global Compact** and the **World Economic Forum's Partnering Against Corruption Initiative (PACI)**, we work against corruption in all its forms, including extortion and bribery. [Our Code](#) clearly states that we do not tolerate illegal or unethical behavior

within KPMG or from clients, suppliers or public officials with whom we work. Bribery and corruption are unethical, even when it might not be considered illegal in particular jurisdictions and situations.

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

## Continuous strengthening of our ethical culture

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

Alongside [Our Code](#) and Our Values, we are taking significant steps to continue to strengthen our ethical culture, built on integrity, professional excellence and a commitment to doing the right thing. In FY25, we established an **ethical culture advisory group**, co-chaired by the Head of Global Ethics and the Head of Global Culture. The group includes cross-functional representation (covering Ethics and Independence, Risk, and People/HR) from the nine largest KPMG firms, as well as an additional representative from each of the three geographical regions. The group meets regularly to explore opportunities to further drive strategy and engagement across the global organization.

Our **CARE framework** (Consider, Assess, Respond, Evolve) helps put ethics at the heart of decision-making by guiding our people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma. Backed by a portfolio of supporting materials and guides, adoption of the framework (or a close equivalent if a process already existed in a member firm) became mandatory during FY25. It is being used across the global organization and is having a positive impact. The **CARE framework** sets the context for ethical decision-making, supported by additional, more specific aids such as the **ACCEPT principles** for client acceptance and continuance discussed on pages 45–46. In addition, an **'ethical culture playbook'** was launched internally during FY25 — a central web-based repository with information, resources and guidance relating to ethical behavior and decision-making that all KPMG personnel around the world can access.

Our [Global Code of Conduct](#), Our Values and policies emphasize the importance of ethical behavior, including the completion of training and assessments. To reinforce this expectation, beginning in FY25, KPMG firms are required to establish and maintain a risk-based program to periodically monitor training assessments to be able to identify potential instances of inappropriate conduct, including training assessment answer sharing. KPMG firms determine the appropriate actions to take, including disciplinary procedures, if inappropriate conduct is identified.

### Speaking up safely

KPMG has mechanisms and channels in place for the reporting of any suspected illegal or unethical acts. Across every KPMG firm, [Our Code](#), policies and procedures set out a clear and accessible process for anyone wanting to report any concerns. We actively encourage a culture of speaking up without fear of reprisal. Resources to support this include tools and guides published on the ethical culture

playbook web pages in FY25 and featured prominently as part of Global Values Week in May, as well as the recently launched 'Speak up, Listen up, Follow up' portal.

As part of our commitment to a speak-up culture, KPMG International provides an independent, confidential hotline. This service is available to our people worldwide, KPMG firms' clients, and other third parties to report concerns related to any activity involving KPMG International, KPMG firms, or their personnel. This global mechanism complements local reporting channels and hotlines offered by individual KPMG firms.

KPMG has a non-retaliation policy in respect of all individuals who make reports in good faith.

**Case Study**

KPMG Global Values Week

*Building trust together.*





# Respecting human rights

## Our commitment: Respect human rights

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

We are committed to respecting human rights as outlined in our [Business and Human Rights Statement](#) which is aligned with the **United Nations Guiding Principles on Business and Human Rights** and builds on our longstanding support for the **UN Global Compact**. We support the protection of human rights, the avoidance of complicity in human rights abuses (including those involving business relationships) and the elimination of all forms of forced, compulsory and child labor. Our [Global Code of Conduct](#) reinforces our human rights commitments.

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

KPMG International recognizes that, through a systematic approach to human rights due diligence, it has an important role to play in preventing any potential harm to people. It extends this to its assessments of modern slavery risks in its suppliers' operations or supply chains, and the KPMG International Supplier Code of Conduct that its suppliers are asked to sign up to.

We take a risk-based approach and stay alert to human rights impacts across our global organization as part of our [Global Quality & Risk Management processes](#).

## Modern slavery in the supply chain

While the professional services industry is not typically considered a high-risk sector for labor-related issues such as slavery and human trafficking, we recognize our supply chain poses a higher risk in certain industries and locations.

Our cross-functional modern slavery working group, which was established in 2022, continues to help ensure consistency and alignment in our approach across the global organization. For the past three years, KPMG International has run a modern slavery program with surveys to track inherent and residual risk in our supply chain through self-assessment. This year, we updated the survey to provide deeper insights into inherent risk indicators, such as operations in high-risk geographies. We also segmented our suppliers based on size and spend, enabling us to tailor engagement strategies according to associated risks and performance indicators, and achieved higher response rates as a result.

To support our priority suppliers, we launched a supplier toolkit providing actionable guidance and best practice examples to mitigate modern slavery risks. In the past year, we have also delivered an interactive modern slavery training session as part of our knowledge sharing for our procurement professionals.

Further information can be found in our [Modern Slavery Statement](#).

### Case Study

KPMG Switzerland

*Navigating the evolving human rights landscape*





## Our Supplier Code of Conduct

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

The adoption of our Supplier Code of Conduct remains a key priority. It is a mandatory policy for all our third-party supplier negotiated agreements, unless suppliers have a substantially similar code of conduct.

The Supplier Code of Conduct specifically references that the KPMG International hotline is open to our suppliers' workforces to report any potential unethical behavior experienced, without any form of retaliation, while engaged in the fulfilment of a KPMG contract.

KPMG International has launched a **sustainable procurement policy** that encourages our suppliers to embrace sustainability standards and practices.

### Supplier risk escalation process

We do not tolerate unethical practices or behaviors from our suppliers and, to reinforce this, KPMG International introduced a formal supplier risk decision framework in FY24.

The framework creates a governance process to escalate any serious supplier-related matter to the GMT. The GMT considers the risks presented and the mitigating steps required, that could include, for example, requesting the

supplier to make changes, limiting the goods or services they provide, or re-assessing the supplier relationship (up to and including termination of the contract).





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