



# U.S. Impact Plan<sub>2023</sub>



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# A letter from our Chair and CEO

Our commitments to our people, clients, communities, and capital markets have always been guided by our Values: Integrity, Excellence, Courage, Together, and For Better.



We believe that how we grow matters—that **how** we do business is just as important as **what** we do. As we celebrated our 125th anniversary in the U.S. last year, we strengthened our commitments to environmental, social, and governance (ESG) principles.

In this year's U.S. Impact Plan, I am proud to demonstrate the strength of our commitments to progress in the areas of people, planet, and prosperity through transparency around our culture, sustainable practices, and the governance principles guiding our work.

In addition to the trust and transparency that guide our work, our dedication to diversity, equity, and inclusion (DEI) is steadfast. It's a testament to the fact that our entire business is based on our people—their passion, skills, and commitment to excellence and integrity. We bring our Values to bear through Accelerate 2025, our strategy rooted in growing and supporting a diverse workforce and inclusive work environment.

We set bold aspirations when we launched Accelerate 2025 in 2020, knowing that five years is not long enough to accomplish all that we intend to do to ensure a diverse and inclusive workforce. Currently, at our midpoint to Accelerate 2025, we are not yet halfway toward our goal to increase our Black and Latinx workforce by 50%—which is why we're leaning in and deepening our investments and commitments. For example, our board of directors is holding executive leadership accountable for our DEI efforts and aspirations. As a core component of

our governance, this type of accountability drives us to acknowledge and strategize around each commitment we present in this report and across our work.

As we tackle some of the most pressing challenges facing our people, planet, and prosperity, we continue to lean on our multidisciplinary business model. This has enabled our commitment to ESG, where we leverage cross-functional investments to scale, hire, and train our professionals to meet the rigor of climate reporting disclosures with the support of automation, technology, and data-driven insights. Other firms may find their dedication to ESG commitments tested by a changing labor market—but not KPMG. With the support of our model, we are all in.

To demonstrate our commitments and progress, I am pleased to introduce the 2023 U.S. Impact Plan. Whether we are diversifying our workforce through intentional recruitment, neutralizing our carbon emissions, or serving our own clients on their ESG journeys, it is our responsibility to enable a more equitable, sustainable society and to communicate this with you, our stakeholders, over the course of this 2023 U.S. Impact Plan.

Thank you for being a part of our ESG journey.

A stylized, handwritten signature in white ink, appearing to read 'Paul Knopp', set against a dark blue background.

Paul Knopp (he/him/his)  
Chair and CEO,  
KPMG U.S.



## A letter from our **Deputy Chair and COO**

Our commitment to ESG principles is embedded in our business and culture, and supported by our materiality assessment. Our professionals come to KPMG with a desire to work among colleagues across disciplines, bringing creative solutions to clients' complex problems, with a grounding in our Values.

How we do things—how we bring our culture of integrity to every action, how we create relationships and prioritize governance, and how we integrate our deep insights and experience—matters. It's what sets us apart from our competitors and helps us deliver exceptional client services. Accordingly, where we've established commitments reflects our firm's most material topics. This way, we are able to meaningfully target our efforts toward the most critical areas of our work and create the greatest impact for our people, planet, and prosperity.

We're in the business of helping all our professionals grow through a relationship built on trust. That means investing in our ethics and compliance programs and governance practices, and bringing people together through a culture founded in integrity. It also means creating an environment of support for our people, being transparent in our progress against Accelerate 2025, and offering benefits that support our people's personal and professional journeys—including physical, mental, and financial health.

Amid the shifting landscape of climate change and digital transformation, we bring this foundation of trust to our commitments to the planet and prosperity. From developing a real estate strategy that hinges on flexibility and sustainability, to investing in economic empowerment, health equity, and education across the communities where we live and work, our actions align with our purpose to inspire confidence and empower change. And underlying each of these relationships and engagements is our dedication to principles of governance—every commitment strengthened by and founded upon trust, ethics, and integrity.

Laura Newinski (she/her/hers)  
Deputy Chair and  
Chief Operating Officer,  
KPMG U.S.

# About this report

At KPMG, we know that investing in our people, planet, prosperity, and principles of governance is fundamental to how we grow as a business and to our role as stewards of the capital markets. We integrate ESG principles into our business model, and this report reflects our dedication to accountability and transparency with the same rigor we apply to our everyday operations.

We conducted our first comprehensive ESG materiality assessment in 2021, with the knowledge that the topics that matter most to our internal and external stakeholders and operations can shift readily in response to changing market conditions. We plan to conduct full materiality assessments every three to four years, with strategic interim assessments conducted every year in between. The results of our first interim materiality refresh informed the strategic thinking in this 2023 Impact Plan.

The development of this report is subject to the direction and oversight of the ESG Impact Plan Steering Committee, a cross-functional committee

of KPMG LLP leaders dedicated to KPMG LLP's ongoing commitment to our people, environment, community impact, and principles of governance. Data in this report has been prepared with reference to World Economic Forum (WEF) International Business Council (IBC) Stakeholder Capitalism core metrics and includes details from our [2023 Audit Quality Report](#). In addition to the reporting on our key categories of people, planet, prosperity, and principles of governance, an [appendix](#) is available to provide data updates to last year's Impact Plan. Information in this report covers the activities of KPMG LLP ("KPMG" henceforth) for the fiscal year from October 1, 2021 to September 30, 2022, unless indicated otherwise. This report complements KPMG International's (KPMGI) [Our Impact Plan](#).

Building on our efforts in 2022, we have progressed our Impact Plan this year to serve as an expanded source of information. Stakeholders can go beyond this document to access our methodology readout, hear from our leaders, and find the latest updates at our [ESG digital hub](#).

## Areas of material impact for KPMG

The list below displays the issues deemed material by our materiality assessment, grouped by reporting pillar. Bolded topics were deemed a top priority due to their importance to core stakeholders and the business and were used to guide our reporting.

### People

- **Diversity, equity, & inclusion**
- **Talent attraction, development, & retention**
- **Employee health & well-being**
- Education
- Labor practices
- Workplace environment
- Employee benefits
- Compensation

### Planet

- **Climate change & emissions**
- Environmental sustainability
- Ecological impact

### Prosperity

- Digital innovation
- Business model resilience
- Economic performance
- Societal impact
- Corporate citizenship
- Client satisfaction

### Principles of Governance

- **Ethical culture & independence**
- **Regulatory excellence**
- **Data security**
- Board & management conduct
- Transparency & disclosure
- ESG risk management
- Quality service delivery







# People

How we grow matters.



Our professionals are the driving force behind the high-quality services we provide for our clients and the capital markets. They come to and stay at KPMG because how we do things sets us apart, creating a unique culture grounded in trust and our Values of Integrity, Excellence, Courage, Together, and For Better.

For our people to grow, we know a diverse learning culture matters. KPMG invests in our people's professional growth by offering a multidisciplinary model that unlocks new opportunities across our Advisory, Audit, Tax, and Business Process Group (BPG) functions, creates innovative solutions for our clients, and promotes a more expansive and equitable workplace experience.

We support our people through their life journeys, and not only through the lens of their experience as a KPMG employee. This year, we focused on enhancing support for our people's physical, mental, and financial well-being, recognizing the difficulty of the last few years and the range of experiences our people have at work and in their lives.



# Accelerate 2025, our five-year strategy rooted in the vision of a more diverse workforce and inclusive work environment, is one critical component of our culture.

Accelerate 2025 creates layers of accountability, transparency, and aspirational goal-setting through three pillars: getting here, succeeding here, and leading here.

## Our Accelerate 2025 aspirations include:

# 50%

partner and managing director (MD) representation from underrepresented groups,\* including doubling our Black representation

# 50%

increase in our Black and Latinx workforce

# Significant

increase in representation from underrepresented groups in client and firmwide leadership roles

Our Accelerate 2025 aspirations build on the foundation of our Values and culture, and we are proud to report progress against each benchmark. We view 2025 not as an end date, but as a key milestone in this first part of our journey. Beyond Accelerate 2025, our efforts will continue. We commit to the broad, long-term work of making KPMG and our communities more equitable.

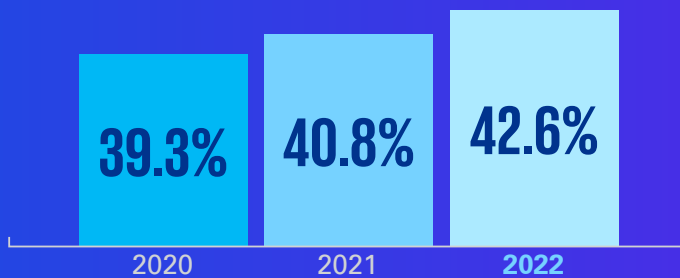
\*At KPMG, underrepresented groups (URG) are defined as groups that have been historically underrepresented and make up a smaller percentage of the KPMG workforce compared with the external population, including people of color, women, LGBTQ+ individuals, people with disabilities, and military service members.



# Progress against Accelerate 2025 aspiration

# 50% partner and MD representation from underrepresented groups...

Partner and MD — Underrepresented groups representation



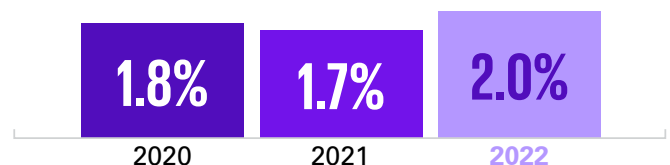
As we approach our Accelerate 2025 midpoint, we are continuing to make progress toward our partner and MD representation and working to increase the pace of our outcomes. Our combined partner and MD representation from underrepresented groups is 42.6% as of fiscal year end (FYE) 2022—a nearly 3 percentage point increase since FYE 2020. Today, more than 50% of new U.S. partners from our 2023 promotion class are from underrepresented groups and our newly promoted MD class reflects the largest representation at our firm of people of color, and particularly women of color and Asian professionals.

To reach our goal, we continue to prepare future partners and MDs, establish diverse interview panels and candidate slates, and support our people as they self-identify.

## ...including doubling our Black representation.

We've also seen growth in the number of Black partners and MDs at our firm. At FYE 2022, KPMG had 2.0% Black partners and MDs. Our Accelerate 2025 goal is to have 3.6% Black partners and MDs at FYE 2025, and we commit to the work we must do to meet this goal.

Partner and MD — Black representation

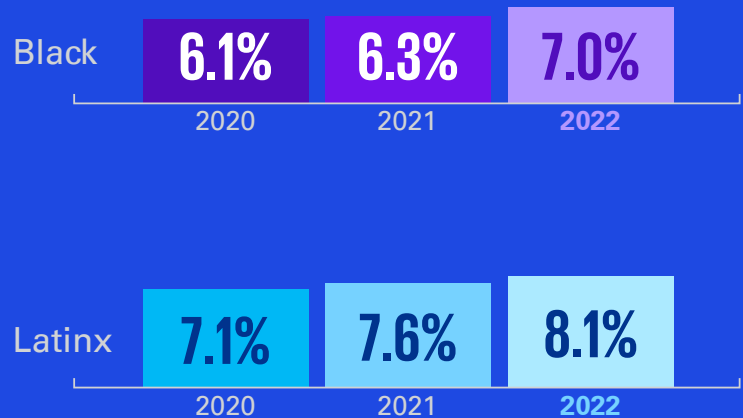


# Progress against Accelerate 2025 aspiration

To enable progress toward our goal of a 50% increase in our Black and Latinx workforce, we've expanded our network of historically Black colleges and universities (HBCUs) and Hispanic-serving Institutions (HSIs) to assist in recruitment. With our goal of at least 9.3% Black and 10.7% Latinx workforce representation by 2025, we know our efforts must go further than our pipeline. Our retention efforts include credentialing work experiences, an ecosystem of support from people managers and mentors, inclusive and culture-focused learning and development, and Business Resource Group (BRG) engagement.

# 50% increase in our Black and Latinx workforce

## Workforce – Black and Latinx representation



# Progress against Accelerate 2025 aspiration

We are prioritizing transparency and open communication around critical roles at the firm. We leverage a robust succession planning process that helps ensure the readiness of our people through sponsorship, credentialing opportunities, and more. Developing potential successors to critical roles across the firm is one way for us to plan ahead and navigate short-term change, but it's also an opportunity to make sure our learning and development efforts are equitable and inclusive, supporting the growth of all professionals at our firm.

# Significant increase in firmwide representation from underrepresented groups in client and firmwide leadership roles.



# Who we are

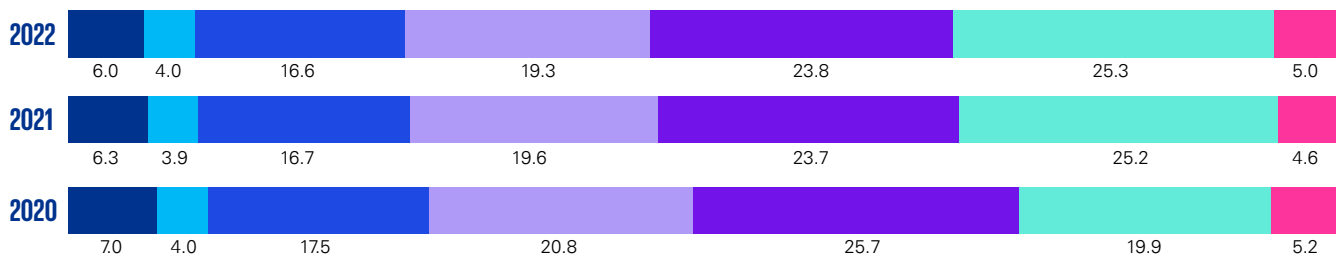
## Headcount



## Our people by employee category

● Partner ● Managing director ● Senior manager/director ● Manager ● Senior associate ● Associate ● Administrative professional

Employee category by %

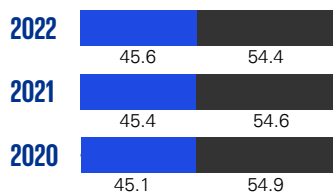


Increasing our awareness for the spectrum of gender identities aligns with our culture of bringing our holistic selves to work. We recognize and respect that our professionals represent those whose gender corresponds with their sex assigned at birth as well as those who have voluntarily shared their identities as nonbinary, intersex, transgender, and additional self-described gender terms, and we know these identities can be fluid and evolve over time. As our Self ID expands in 2023, we commit to demonstrating the expansiveness of gender through our metrics.\*

## Firmwide

● Women ● Men ● American Indian/ Alaska Native ● Asian ● Black ● Hispanic/ Latinx ● Native Hawaiian/ Pacific Islander ● Two or more races ● White ● Unknown

Gender by %



Race/ethnicity by %

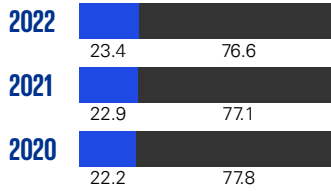


\*Self ID allows our people to voluntarily share information about the many aspects of their lives that contribute to their own unique identity. A key part of our Accelerate 2025 strategy, Self ID is an opportunity for our people to articulate their identity and what's important in how they show up every day. Our expansion of Self ID took place in FY 2023, outside of the designated FY 2022 reporting time period.

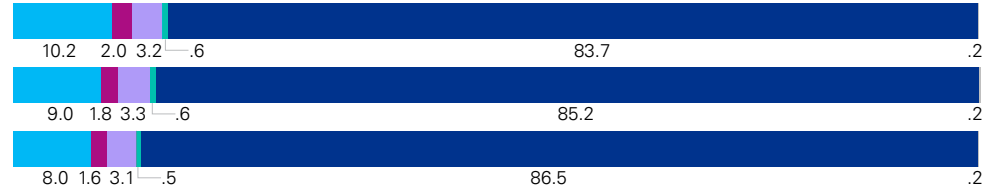
● Women ● Men ● American Indian/ Alaska Native ● Asian ● Black ● Hispanic/ Latinx ● Native Hawaiian/ Pacific Islander ● Two or more races ● White ● Unknown

## Partner

Gender by %

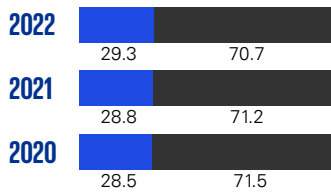


Race/ethnicity by %



## Managing director

Gender by %

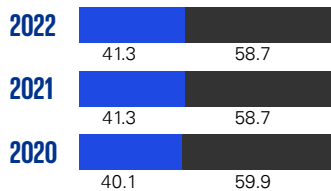


Race/ethnicity by %



## Senior manager/director

Gender by %

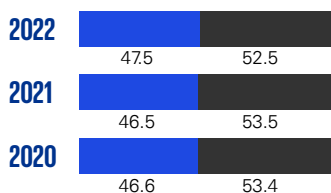


Race/ethnicity by %

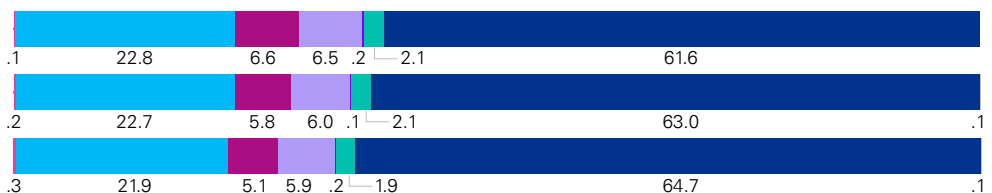


## Manager

Gender by %



Race/ethnicity by %

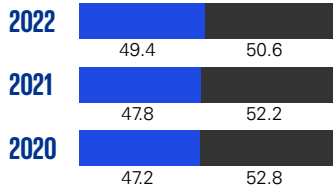


Unless otherwise noted on the charts, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and employees whose race/ethnicity is Unknown make up <0.1%.

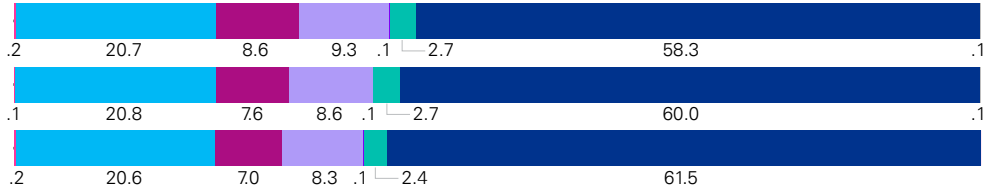


## Senior associate

Gender by %

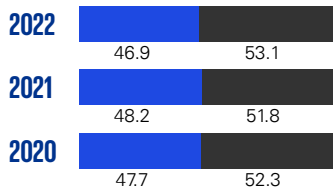


Race/ethnicity by %

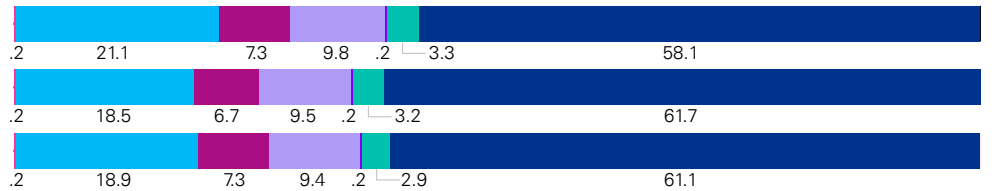


## Associate

Gender by %

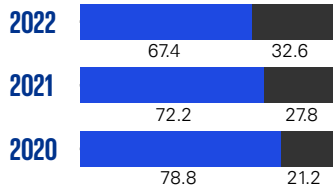


Race/ethnicity by %

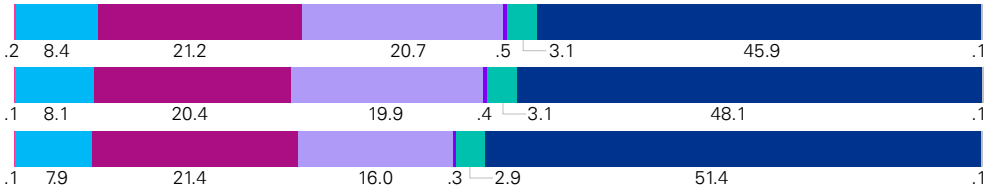


## Administrative professional

Gender by %



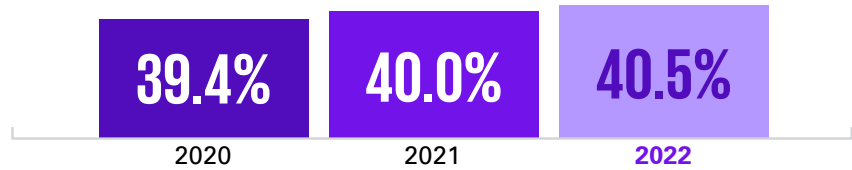
Race/ethnicity by %



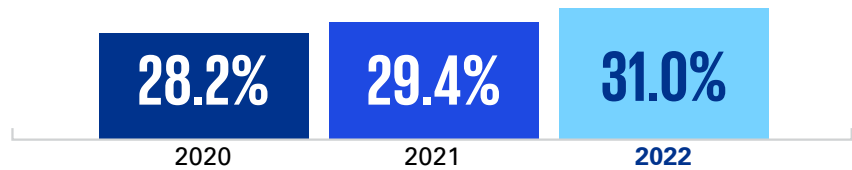
Unless otherwise noted on the charts, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and employees whose race/ethnicity is Unknown make up <0.1%.

# Manager roles and above

## Women in manager roles and above

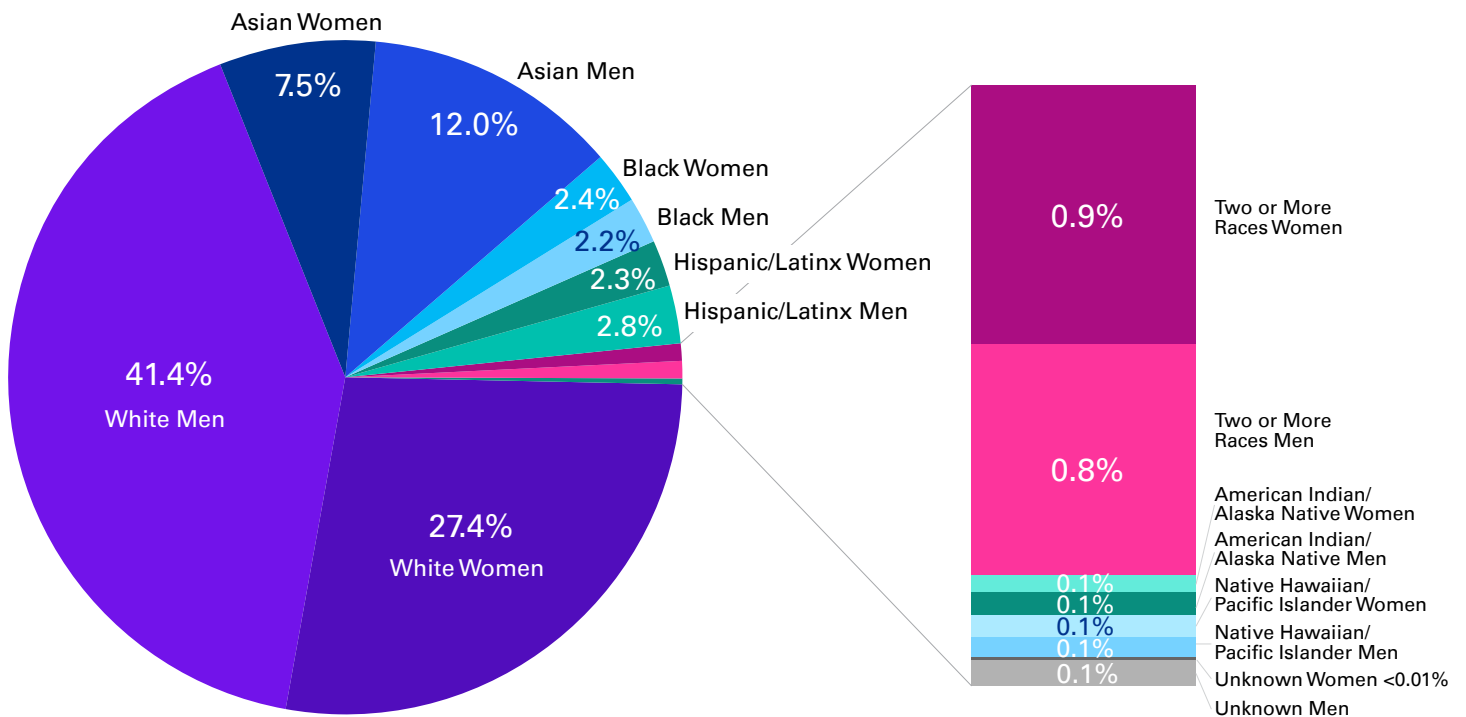


## People of color in manager roles and above



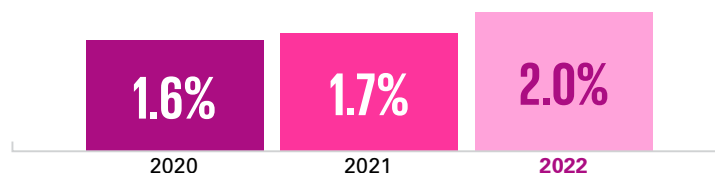
# Manager roles and above

Gender/Race cross-sections by % (e.g., Asian men, Asian women, Black men, Black women, Hispanic/Latinx men, Hispanic/Latinx women, etc.)

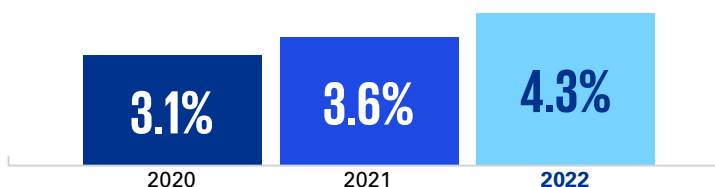




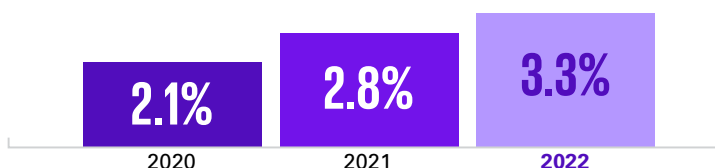
## LGBTQ+



## Military service



## People with disabilities



## Total Self ID for FY 2022

	LGBTQ+	Military service	People with disabilities
Partner	1.4%	2.3%	1.3%
Managing director	1.7%	3.0%	2.0%
Senior manager/ director	2.1%	3.3%	2.6%
Manager	2.1%	4.3%	3.6%
Senior associate	2.1%	5.0%	2.9%
Associate	2.1%	4.7%	4.1%
Administrative professional	2.4%	5.2%	6.2%

Read our Equal Employment Opportunity and Affirmative Action statement [here](#).

Self ID allows our people to voluntarily share information about the many aspects of their lives that contribute to their own unique identity. A key part of our Accelerate 2025 strategy, Self ID is an opportunity for our people to articulate their identity and what's important in how they show up every day. Our expansion of Self ID took place in FY 2023, outside of the designated FY 2022 reporting time period.

# Supplier diversity

We ask that our suppliers commit to the KPMG Values and Code of Conduct, which includes committing to making positive, sustainable change in our communities and society. In line with KPMG's Global Code of Conduct, and our U.S. Code of Conduct, we expect all our suppliers to respect internationally recognized human rights and the principles concerning fundamental rights and labor standards.

We build relationships with suppliers that reflect the diversity of our market, clients, and communities, with a strategy designed to elevate businesses that are qualified and certified as minority-owned, women-owned, disability-owned, veteran-owned, service-disabled-veteran-owned, and lesbian/gay/bisexual/transgender-owned enterprises. Our purchasing decisions have economic impacts as well as social ones, and we understand the benefits of including diverse businesses in our strategic sourcing process.

Learn more about how we are working with our suppliers to create a more sustainable supply chain [here](#).

## Percentage spend with small/diverse businesses:

**25.4%**

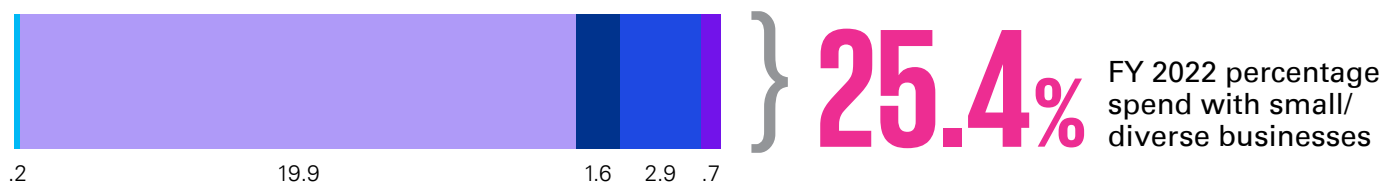
— a 35% increase since FY 2020 (18.8%).

**30%**

Our goal is to have of our reportable spend with diverse suppliers by FYE 2025.

## Supplier diversity

● LGBTBE ● Minority-owned ● Veteran-owned ● Women-owned ● Other<sup>1</sup>



Percentage of supplier diversity spend is the total spend with small and diverse suppliers (following DiversityInc criteria), including Tier 1 and Tier 2 spend, divided by addressable firm spend. Non-addressable spend, such as taxes and intercompany payments, is excluded.

<sup>1</sup>Other includes Disability-Owned Enterprises, Disadvantaged Business Enterprises, and [HUBZone](#) Eligible Enterprises.

Our Accelerate 2025 aspirations are intertwined with the core components of our DEI strategy to create a more inclusive and equitable workplace:



**GETTING HERE,  
SUCCEEDING HERE,  
& LEADING  
HERE.**

# 1 GETTING HERE

Our support for our people begins with the earliest stages of their KPMG journey through talent attraction, early career pipeline investment, and a best-in-class onboarding experience for new joiners.

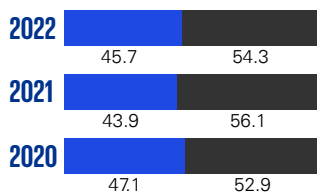
This year, we saw a 36% increase in the number of Black candidates, and a 35% increase in the number of Latinx candidates, interviewed for manager positions and above. In addition to our dedication to diverse interview slates, our collaborations with HBCUs and HSIs helped us bring more hires from diverse backgrounds through the door in 2022 compared to 2021. In 2022, 48.5% of our new hires were from underrepresented racial/ethnic groups and 45.7% were women.\*

## New hires

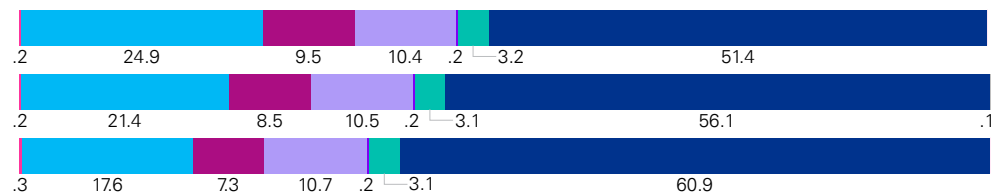
### TOTAL

● Women ● Men ● American Indian/ Alaska Native ● Asian ● Black ● Hispanic/ Latinx ● Native Hawaiian/ Pacific Islander ● Two or more races ● White ● Unknown

Gender by %



Race/ethnicity by %

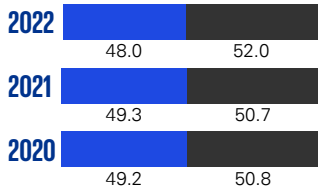


\*Statistics on new hires reflect KPMG hires in the calendar years 2020–2022 to better align with varying school calendars and graduation dates.

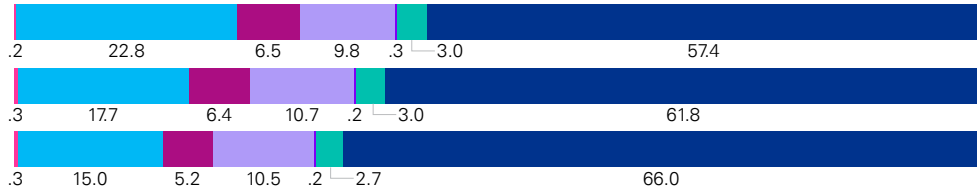


## Interns

Gender by %

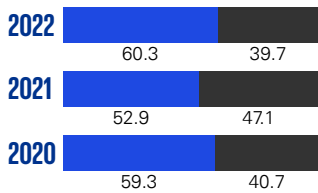


Race/ethnicity by %

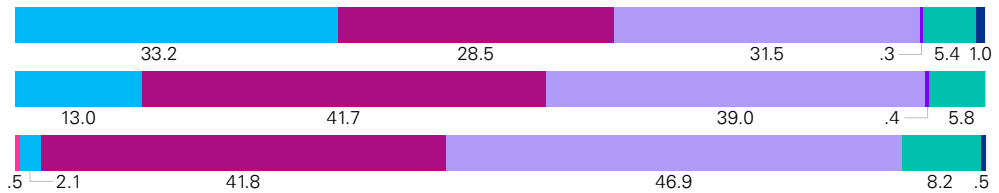


## Embark interns

Gender by %

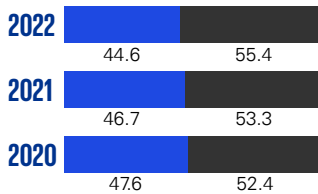


Race/ethnicity by %



## University hires

Gender by %

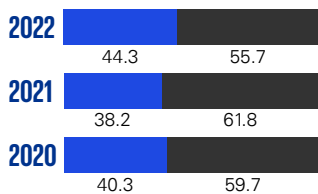


Race/ethnicity by %

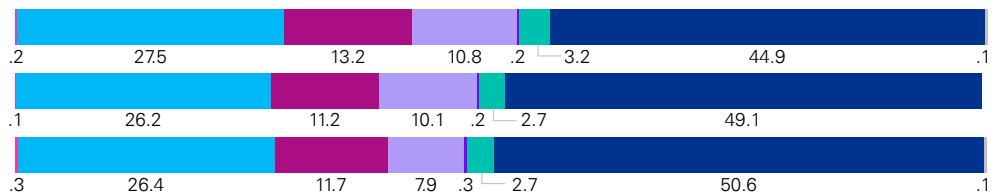


## Experienced hires

Gender by %



Race/ethnicity by %



Statistics in these tables reflect KPMG's hires in the calendar years 2020–2022 to better align with varying school calendars and graduation dates.

In addition to our commitment to expanding the diversity of our full-time professionals, our innovative internship, career development, and education programs help prepare candidates even earlier in their careers:

**Our Master of Accounting with Data and Analytics (MADA) program** combines learning, funding, and work experience to support upskilling for the increasingly digital accounting profession. In FY 2022, KPMG expanded the program to seven new schools, four of which are HBCUs, and the firm also plans on expanding the program's relationship with HSIs and Tribal Colleges and Universities. Beginning in 2023, our new **Tax Scholarship Program** will complement MADA, providing support to students from traditionally underrepresented backgrounds as they pursue their master's degree in Accountancy/Taxation prior to joining KPMGTax.

**Our Rise Leadership Conference** provides 150 high-performing first- and second-year college students who identify as a person of color, veteran, person with disability, LGBTQ+ individual, or first-generation college student, with networking and learning, scholarships, and career opportunities. Since 2020, 412 students have been supported through Rise.

**Our Embark Scholars program** hosted 300 interns in FY 2022, our largest cohort yet. This highly competitive, eight-week paid internship provides college students from underrepresented groups with mentorship and coaching through rotations across Advisory, Audit, and Tax, culminating in the presentation of a formal capstone project at KPMG Lakehouse. This year, our commitments to our people and planet aligned in our Embark scholars' capstone projects, where they were challenged to create an advanced, cost-effective solution that helps an economy, industry, community, or organization achieve carbon neutrality.

## KPMG Lakehouse

Additional learning and development opportunities are offered at **KPMG Lakehouse** in Lake Nona, Florida. KPMG Lakehouse is our cultural home and a state-of-the-art learning and innovation center. Our people are our greatest strength, and KPMG Lakehouse offers our professionals space to connect with one another and grow in their career. At KPMG Lakehouse, our people invest time in their professional development, spark innovation, foster new relationships, learn from one another, focus on their health and well-being, and witness firsthand our Values in action.

In 2022, we hosted more than 1,700 students at Lakehouse for our **National Intern Training**, which emphasizes technical, cross-functional, and essential-skills training and community service. Similarly, more than 1,600 new and experienced hires attended **Launch @ Lakehouse**, which welcomes new hires across all levels to the firm.

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# 2

## SUCCESSING HERE

We are strongest when our people have agency in their careers and can bring their expertise and passion to all that they do. That's why we provide support for growth and development, upskilling, and flexibility in every individual's KPMG journey. Our vision of an inclusive environment that provides equitable access to advancement for everyone hinges on providing our people with choices—from career mobility support to hybrid work—to help them maximize their potential.

Our multidisciplinary model brings our people in touch with new disciplines by enabling Advisory, Audit, and Tax specialists to come together to solve complex problems for our clients—defying traditional silos and exposing our people to broad experiences and skill sets. Our **Career Mobility Program** helps our people find the pathway that best reflects their vision, goals, experience, and passion.





The **Career Mobility Program** is a confidential internal resource designed to help our people identify, navigate, and secure new career opportunities within the firm. Over the past three years, more than 3,000 professionals have engaged in rotational opportunities or switched roles across functions at KPMG. Virtual internal career fairs complement the program, building awareness and reiterating our support for internal career moves.

Opportunities like these are a cornerstone of our multidisciplinary model. Career mobility at KPMG helps our people build careers they're proud of while leveraging the extensive learning and development opportunities at our firm. Most professionals (87%) engaging with these programs say that there is a positive impact on their perception of KPMG.



**Becky Mann**  
(she/her/hers)  
Partner,  
Internal Audit  
**KPMG U.S.**

**Becky Mann** had dreamed of becoming partner since she joined KPMG, but with her responsibilities outside the workplace, she wasn't sure it would happen. Raising four kids while her husband served our country through four military deployments, Becky strove to pave her own career path at KPMG as a woman, caregiver, and Army spouse. After beginning her KPMG journey with Advisory, Becky transitioned through different functions of the firm with the support of cross-functional mentors. Her 23-year KPMG career spans Risk Consulting, Strategic Investments, Alliances, Global Risk Innovation, and finally Internal Audit, where Becky now serves as partner.



“KPMG became my support system—my family,” she says. “KPMG has been the constant throughout so many different stages in my life, and I’m grateful to be in the position where I can support my team members as they navigate their own journeys.”



We crafted our hybrid strategy, **Flex with Purpose**, through an intentional DEI lens to enable collaboration, innovation, excellence, and personal development. We know every employee juggles different responsibilities and has unique considerations about their workplace and way of working. Flex with Purpose helps teams account for these variables and more by grounding hybrid work in intention and equity.

## What this looks like



Our employees meet in the office or online, integrating inclusive technology practices across their teams and client interactions. Short-term changes to our real estate, such as enhanced hoteling, give our people more say in where they work when they are in the office. The new setups facilitate collaboration, connection, and professional development. Our longer-term workplace strategy provides more collaboration space, “neighborhoods” of work areas aligned with functional or industry-specific space needs, technology upgrades, and more.

By grounding our hybrid strategy in intentionality and continual listening and adapting to feedback, we’re creating processes that meet the needs of our people as well as our business. Currently, 83% of partners and employees report that they have a meaningful say in where they work.

## How it's working



## How we support



In addition to providing leader toolkits and employee guides customized by function and level, we have curated learning and development resources to help hybrid teams navigate the new landscape and develop skills to help our people grow, thrive, and succeed. These include courses on working and leading in a hybrid environment and a 90-minute workshop for our people managers on how to support hybrid teams. We have also enhanced our desktop and in-office technology to facilitate more inclusive practices for our hybrid teams.

Our people demonstrate that a greater abundance of resources, agency, and skills development makes a career at KPMG rewarding. Our voluntary turnover rate in FY 2022 was 16.8%, nearly three percentage points lower than FY 2021.

These investments in our culture and resources keep our people coming back. Since 2020, more than 1,000 people have “boomeranged” back to KPMG. Rehires have increased year-over-year, including from underrepresented backgrounds: Asian professionals represent nearly 20% of all boomerangs since 2020, with Black and Latinx professionals representing 8% and 7% respectively. Women account for 43% of boomerangs during this time. The firm has also rehired professionals who self-identify as veterans (6.5%), people with disabilities (5.5%), LGBTQ+ individuals (2.6%), and caregivers (2.1%).



**Joni Johnson-Powe**  
(she/her/hers)  
Partner, Tax  
KPMG U.S.

“You get a sense of belonging at KPMG that is hard to replicate elsewhere,” says **Joni Johnson-Powe**, a Tax partner and rehire in Denver. “There is a great environment and culture that fosters togetherness, and I have been really encouraged by a lot of the firm’s initiatives, including Accelerate 2025.”



# Learning and development

Learning and development help our people gain new skills, progress in their careers, and continue delivering quality services to our clients.

When it comes to ESG, we work with leading institutions such as New York University Stern Center for Sustainable Business and University of Cambridge Judge Business School to develop enhanced education for ESG, upskilling our people and sharpening our ESG capabilities. From October 2021 to September 2022, our people engaged in 33,000+ learning and development hours devoted to ESG topics, including ESG data, DEI, operationalizing sustainability, and ESG materiality. New courses this year included our ESG Acumen training series and SEC Climate Ruling bootcamps.





# FY 2022 training statistics

Average hours of training for all employees, and average hours by level

<b>Firmwide average</b>	<b>42</b>
Partner	57
Managing director	46
Senior manager/director	39
Managers	34
Senior associate	40
Associate	51
Administrative professionals	23

Average expenditure per full-time employee

Average training and development expenditure per full-time employee

**\$4,300+**

Total hours of DEI and ESG training

Our people devoted

**93,000+**

hours to DEI learning. This is nearly double the DEI learning hours of FY 2021, and likely the result of increased communication about new course offerings, more specialized DEI learnings at the request of engagement teams, and a greater embedding of DEI into our culture.

Our people spent

**33,000+**

hours training on ESG. In addition, 750 KPMG professionals completed NYU Executive Sustainability Certification.

## Compensation

A culture of inclusion and equity hinges on tangible policies, and pay equity is a cornerstone of this accountability.

We base compensation on a combination of factors, including skills, performance, job responsibilities, level of experience, and geographic and market considerations. We annually benchmark salaries to inform salary ranges, consider competitive developments, and promote equitable compensation. This commitment is reflected in our membership in the Gender and Diversity KPI Alliance, with the goal of advancing women and underrepresented groups in the workplace and promoting pay equity.



# 3

## LEADING HERE

One of the most tangible ways that our people are supported in their work at KPMG and their lives beyond this firm is through our resources and benefits. Our commitments to an inclusive and equitable culture are explicitly grounded in our investments toward the physical, mental, and financial well-being of our people. Our Total Rewards package helps our people care for themselves and their loved ones, while our BRGs bring community into our workspace and our more expansive Self ID helps inform how we can adapt our benefits offerings to better serve our people.

### Caring for our people

In addition to the mechanisms we implemented during the pandemic, we added even more benefits in FY 2022 to create a Total Rewards package that helps our people thrive.

Our adjustments to benefits reflected a historic investment in our people through:

- An unprecedented reduction in employee healthcare premiums by 10%, with no change in benefit levels. We also launched Thrive@KPMG: programs, activities, and resources to support well-being, celebrate success, strengthen connections, and foster our collective sense of community
- Replacement of our KPMG 401(k) match and pension programs with an automatic firm-funded contribution within the 401(k) plan equal to 6–8% of Compliance Assurance Process (CAP) eligible W-2 pay, without any requirement to make personal contributions
- Increased parental leave to 12 weeks of paid parental leave to bond with a newborn, newly adopted, or new foster child, regardless of primary caregiver status
- Three additional weeks of paid caregiver leave, separate from PTO
- Two new caregiver concierge programs to help our professionals navigate a wide range of needs
- A nearly \$160 million investment in our people with salary adjustments for KPMG professionals in addition to the annual salary review process

## Mental well-being support

Resources for Living, our firm's employee assistance program (EAP), is available to all our professionals regardless of medical plan, and to all members of their households regardless of relationship. Free and confidential counseling sessions, as well as web-based and mobile apps to support mindfulness and meditation, are some of the many tools that support the individual well-being of everyone in our firm. After expanding the program during the pandemic and hosting events to increase awareness and normalize the subject of mental well-being, our firmwide utilization of the EAP increased—evidence that our people are familiar with the resource and feel safe in seeking these services without any professional repercussions. Our EAP complements trainings on mental well-being for all our people, such as our Mental Health Matters course and guides on psychological safety.



A note from

## Sandy Torchia

(she/her/hers)

Vice Chair, Talent & Culture  
KPMG U.S.



Our people are a top priority. To continue to attract, develop, and retain the very best talent, we are committed to fostering a culture where we can all grow. Our benefits are a critical component of this culture, creating a type of accountability to our people that puts words into action.

DEI underlies all our programs around recruiting, developing, and retaining talent, and our Career Mobility Program helps assist our people in pursuing the career that fits them best. In tandem, our enhanced benefits meaningfully support our people's health and well-being; in FY 2022, we increased caregiver support and parental leave and expanded our EAP. New trainings help support our people's psychological safety and advance skills, access, and equity for all of our learners. With this type of support, our people are better able to drive lasting positive change for themselves, clients, communities, and the capital markets.

So much of what makes KPMG a special place is the way we live our Values of Together, For Better to care for ourselves and one another. Our 2022 enhancements to our Total Rewards do exactly that.

*Sandy*

In 2022, Seramount recognized KPMG for the 26th year, naming KPMG to its 2022 100 Best Companies in recognition of our commitment to forward-thinking workplace programs in women's advancement, parental leave, childcare assistance, mentorship, and flexibility. KPMG was also named one of the Best Companies for Dads for the fourth consecutive year. In addition, the Dave Thomas Foundation for Adoption recognized KPMG as one of its 100 Best Adoption-Friendly Workplaces in the U.S. for the 16th year in a row.

Read more about our Awards & Recognition [here](#).

These commitments to our people are intertwined with our FY 2023 expansion of **Self ID**, our firmwide survey that expands on initial categories of race/ethnicity, gender, military status, and disability, to help ensure we have a fuller picture of the diversity and intersectionality of our people across the spectrum of identity. Helping us better understand, support, and meet the needs of our people, Self ID allows our professionals to voluntarily share information about the many aspects of their lives that contribute to their own unique identity.



## A note from **Elena Richards**

(she/her/hers)  
Chief Diversity, Equity,  
and Inclusion Officer  
**KPMG U.S.**



Every person at our firm brings a range of converging identities into the workplace. As a woman of color and working parent, I know what it's like to look for camaraderie, support, and understanding in the workplace. I also know that we each carry identities that don't always find their way into workplace surveys and yet still shape our experiences of the world. For me—as a Caribbean-American, person of faith, and first-generation college student—these are equally as important.

It's this acknowledgment of and appreciation for our wide identities that led us to enhance our Self ID efforts. We are spotlighting intersectionality to explore new benefits and create communities that support our people throughout their diverse experiences. We have expanded categories in race/ethnicity, gender identity, military service, and nonapparent disabilities, and we have introduced new opportunities for our people to share caregiver status, first-generation identification, and faith and/or belief systems. In addition to helping us see, understand, and offer support to our people, Self ID also creates real transparency around our Accelerate 2025 progress.

Look to our Military Spouse Tax Benefit, launching in 2023, as one example of how Self ID influences benefits. Built from a collaboration between our Veterans BRG, Total Rewards, and Global Mobility, the Military Spouse Tax Benefit is a new tax consultation program for military service members and military spouses. Those at the firm who have self-identified as an active-duty military spouse or as an active service member in the Reserves or National Guard mobilized in 2022 are eligible for complimentary consultation and assistance with tax filings. This is just one example of what Self ID can help us uncover—in addition to other benefits like enhanced backup care options, gender-affirming care, and adoption and foster services.

We support our people's life journeys—through their personal *and* professional lives. Together, we're fostering a workplace where all our people have access to meaningful benefits, communities, and career development opportunities that help them reach their full potential. When we truly see and understand one another, we can better advocate for and meet our people's needs with a tailored experience.

# Supporting our people's physical, emotional, and financial well-being

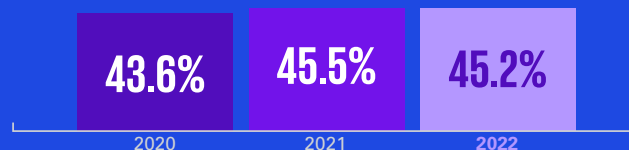
opens the door to seeing them succeed in new ways, and this year's diverse promotion class reflects our inclusive culture.

Over two-thirds of our 2023 promotion class are from underrepresented groups. More than half of new U.S. partners are from underrepresented groups and our newly promoted MD class contains some of the largest representation ever at our firm for people of color, and especially women of color and Asian professionals.

## Promotions for people of color in manager roles and above



## Promotions for women in manager roles and above

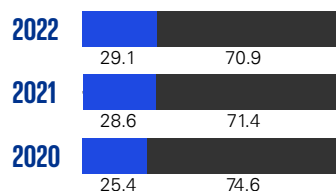


## Promotions by level

● Women ● Men ● American Indian/ Alaska Native ● Asian ● Black ● Hispanic/ Latinx ● Native Hawaiian/ Pacific Islander ● Two or more races ● White ● Unknown

### Partner

Gender by %



Race/ethnicity by %

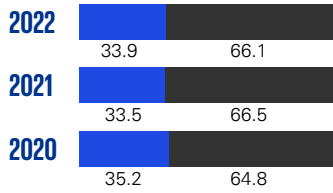


Unless otherwise noted on the charts, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and employees whose race/ethnicity is Unknown make up <0.1%.

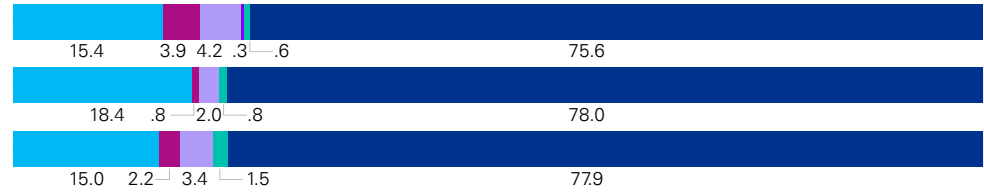


## Managing director

Gender by %

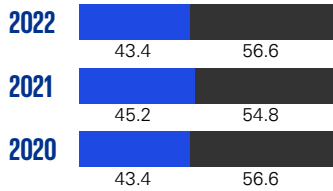


Race/ethnicity by %



## Senior manager/director

Gender by %

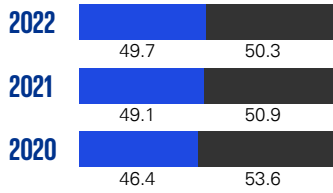


Race/ethnicity by %



## Manager

Gender by %

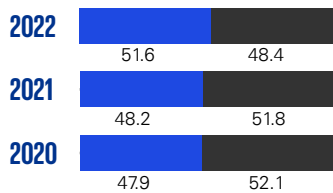


Race/ethnicity by %



## Senior associate

Gender by %



Race/ethnicity by %

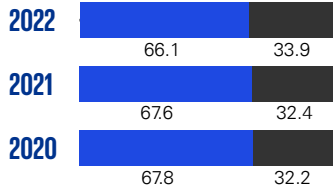


Unless otherwise noted on the charts, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and employees whose race/ethnicity is Unknown make up <0.1%.

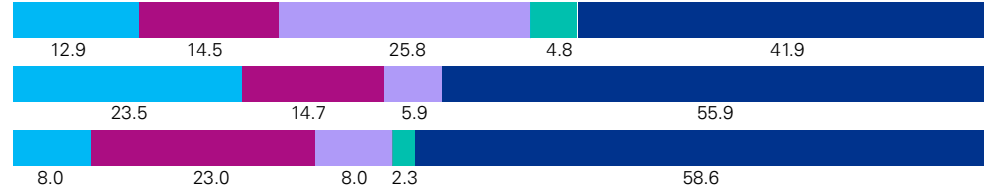
● Women  
 ● Men  
 ● American Indian/ Alaska Native  
 ● Asian  
 ● Black  
 ● Hispanic/ Latinx  
 ● Native Hawaiian/ Pacific Islander  
 ● Two or more races  
 ● White  
 ● Unknown

## Associate

Gender by %

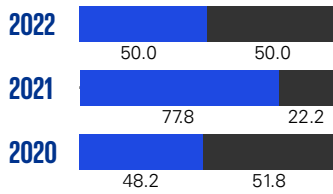


Race/ethnicity by %

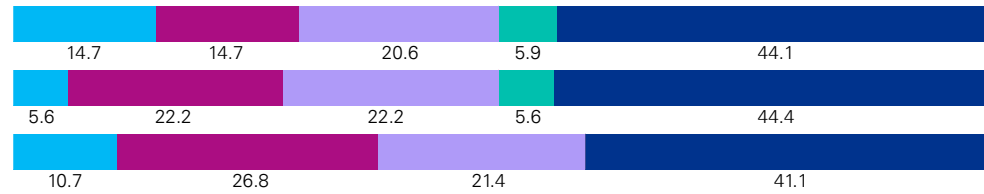


## Administrative professional

Gender by %



Race/ethnicity by %



# Our Business Resource Groups

provide another point of connection for our people, increasing access to mentorship, community spaces, and ally networks.

Since 2020, participation in our BRGs has grown 38%. These cross-functional, multigenerational associations of partners and employees provide a safe and supportive space for our people to feel seen and heard—including through BRG mentorship circles. These networks are some of the firm's greatest listening channels, creating feedback loops and new communities where we can learn more about the unique needs of our people and brainstorm how to further help each person at our firm thrive.

Abilities in Motion

African Ancestry

Asian Pacific Islander

KPMG Network of Women

pride@kpmg

Somos KPMG

Veterans

Our Abilities in Motion (AIM) BRG, working closely with Annette Rosta, our new accessibility leader, fosters a sense of belonging for our people and builds more accessible environments to help all our people thrive.

“KPMG and AIM have made me feel accepted, and I have become more confident in being accepted for who I am,” says Associate Director, Data Operations **Tina Bonanno**. “Honestly, this is the first workplace where I have felt like my difference would not be looked at as a disadvantage.”



**Tina Bonanno**  
(she/her/hers)  
Associate Director,  
Data Operations  
KPMG U.S.







**Sarah Berry**  
(she/her/hers)  
Senior Associate,  
Advisory  
KPMG U.S.

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Our pride@kpmg BRG helps our people find, build, and support one another through community. “Because of pride@kpmg, I have gained a real queer community in and out of work,” says Senior Associate, Advisory **Sarah Berry**, a co-chair of the Seattle pride@kpmg chapter. “I’ve also learned how much impact you can make by showing up and being your full self.”



## Our BRGs also bring their support for our people to our clients and communities. In FY 2022:

- Our Somos BRG and KPMG Family for Literacy provided 20,000 Spanish-language books to organizations serving English Language Learner students nationwide.
- Our Veterans BRG and KPMG Community Impact supported the That Others May Live Foundation and FourBlock, organizations aiding military personnel, veterans, and their families through knowledge- and skill-sharing.
- Our African Ancestry BRG sponsored conversations about health equity and underserved communities through a panel discussion with the American Heart Association, American Cancer Society, and National Multiple Sclerosis Society.



An aerial photograph of a blue high-speed train traveling along a track that curves through a dense, lush green forest. The train is moving away from the viewer towards a tunnel entrance in the distance. The surrounding landscape is filled with tall trees, and the sky is clear and blue.

# Planet

A more sustainable future matters.



Trust is built on actions, not just words, and our concrete steps reflect each of our commitments to the planet. Through deep insight and experience, we have been able to weather a changing global landscape.

While our carbon footprint numbers fundamentally shifted in 2020, calling the year a success would mask the reasons why we saw such a dramatic change: the pandemic-related move to remote work. Now, our path forward integrates hybrid work with sustainable long-term practices to create a more agile approach with the support of our myriad disciplines and capabilities.

Our path toward a sustainable future is empowered by new tools, partners, and knowledge. Our technological innovation, cross-functional investments in ESG training, and guidance for clients, all enhanced by our multidisciplinary model, help us implement vital changes and drive positive impacts for the

environment. Through certain of our alliances, including those with Microsoft, Salesforce, ServiceNow, Workiva, Unqork, and Context Labs, we leverage new tools and solutions to drive data-based insights and track progress for our clients in their ESG endeavors.

These tools also help us shape our own sustainability journey, which includes optimizing our real estate footprint through hybrid work arrangements and sustainably designing our upcoming offices at Two Manhattan West. We also provide decision-making support for our people's own carbon footprints and have started to collect telework emissions data, helping us bring our commitments to life across our firm.

## Commitments:

- Achieve net-zero carbon emissions by 2030 along with a **50%** reduction of direct and indirect greenhouse gas (GHG) emissions
- Continue to source **100%** renewable energy for all operations
- Factor the cost of carbon into business decisions, including tools to track and reduce emissions for each client engagement

Our two-pronged approach to sustainability includes broader firmwide efforts and individualized ones, such as equipping our people with the tools and insights to champion sustainability in their professional and personal lives. Looking ahead, as we see our way of work shift to a longer-term hybrid model, we are increasing our focus on the environmental impacts of our Scope 3 emissions, supply chain management, and real estate footprint.

# Our carbon footprint

		FY 2019	FY 2020	FY 2021	FY 2022
Scope 1 GHG emissions	tCO <sub>2</sub> e	6,759	4,687	3,449	3,531
Scope 2 GHG emissions (location-based)	tCO <sub>2</sub> e	17,629	20,249	13,680	13,349
Scope 3 GHG emissions	tCO <sub>2</sub> e	758,215	647,544	854,697	825,243
<b>Carbon emissions reported</b>	tCO <sub>2</sub> e	<b>782,600</b>	<b>672,480</b>	<b>871,826</b>	<b>842,123</b>
<b>Scope 1 and 2 carbon emissions per individual*</b>	tCO <sub>2</sub> e	<b>0.7</b>	<b>0.7</b>	<b>0.5</b>	<b>0.5</b>

\*This represents the reported Scope 1 and 2 carbon emissions per individual at KPMG using the average headcount from the first and last day of the fiscal year (October 1–September 30).

Per GHG Protocol Corporate Standard, reductions are calculated by comparing changes in actual emission inventory over time relative to our base year, 2019.

Statements or representations about KPMG LLP's emissions and/or carbon claims have not yet been independently verified. Nonetheless, data supporting the firm's current methodologies and measurements for relevant emissions and/or carbon claims is set forth in the appendices hereto.

## Achieve net-zero carbon emissions by 2030...

We are committed to achieving net-zero carbon emissions by 2030. Our approach is clear: We are working to decarbonize our operations through technological deployment, better monitoring and measurement, updated travel policies, and factoring the cost of carbon into business decisions.

Data is essential to assessing our carbon footprint and adapting our climate strategy. With the support of the Salesforce Net Zero Cloud, we've enhanced our ability to measure and analyze our own carbon emissions data. We also apply sustainability considerations in our supply chain management and procurement practices. We continue to refine our purchased goods and services carbon accounting and work with KPMGI to address emissions for top global suppliers.

# ...along with a **50%** reduction of direct and indirect greenhouse gas emissions.

In 2020, KPMGI committed to a science-based target aligned with a 1.5°C trajectory. The KPMGI carbon-reduction target was validated by the Science Based Targets initiative in 2021, committing the global network, including the U.S. firm, to reduce emissions by 50% by 2030.

While we achieved our 50% emissions reduction commitment for business travel in 2021, we also know that this reduction was due to the drop in travel during the global pandemic. Historically, travel has contributed to a significant share of firmwide emissions. As we navigate our hybrid work environment, we're leaning on what we've learned about being effective and productive from the past three years. We continue to carefully assess our travel approach, alongside our optimized real estate footprint and technology, to empower our people and clients to make more sustainable choices.

# Continue to source **100%** renewable energy for all operations.

In 2016, we committed to sourcing 100% renewable energy by 2020. For four years, we met this goal by procuring 100% of our energy from renewable sources through the purchase of green, e-certified renewable energy certificates. As we move forward, we are accelerating efforts to generate renewable energy on-site, in combination with plans to enter into a power purchase agreement.



## KPMG ESG

KPMG ESG is our holistic solution for clients throughout the stages of their ESG transformation, supporting sustainable innovation across their business and helping them gain a competitive edge. We are advancing our ESG solutions, with a focus on training and expanding our workforce, harnessing data, accelerating the development of new technologies, and driving action through partnerships, alliances, and insights.



# Deep insight and experience matter.

In both our internal efforts and our client services, our approach is defined by three target areas: data and reporting, decarbonization and climate, and ESG transformation.

Our internal efforts align with the same detailed assessment and benchmarking processes we lead our clients through. Our decarbonization pathway services guide our clients through assessment and information gathering, risk and opportunity identification, strategic response planning and transformation, and progress measurement and reporting. Through our close collaboration with Context Labs, we leverage blockchain solutions to measure and validate methane emissions with advanced sensor technologies, drones, and satellites. Similarly, we leverage data from Floodlight to more efficiently measure greenhouse gas emissions.

## Factoring the cost of carbon into business decisions.

Beyond our efforts at the firmwide level to decarbonize operations, additional tools, such as our Engagement Emissions Calculator and MyCarbon Dashboard, help our people champion sustainability on an individual level.

- Our **Engagement Emissions Calculator** helps engagement teams model the environmental impact of their client engagements by calculating their carbon footprint and highlighting the emission consequences for specific types of travel or activity. Our engagement teams use this tool to explore how they can reduce greenhouse gases while driving down costs for clients and internal operations.
- The **MyCarbon Dashboard** helps our people understand their personal carbon footprint from expensed business travels, providing benchmarking against others' travel in the same role and encouraging lower-emissions alternatives when available.

## We also strive toward a sustainable supply chain.

Hundreds of millions of dollars cycle from KPMG through our supply chain across multiple industries. As a result, our procurement teams are integral to our journey toward a sustainable future.

- **Operationalizing a sustainable supply chain:** Our goal is to drive sustainable procurement practices that support our proposed ambition. We have established a procurement working group with representatives across our procurement function to leverage leading practices, share experience and define standards. We ask our suppliers to commit to the U.S. firm Values and Code of Conduct, including committing to making positive, sustainable change in our communities and society. We use these commitments to manage supplier oversight and engagement.
- **Impact on emissions:** Our greenhouse gas emissions from Scope 3 purchased goods and services continue to be our most significant source of emissions. To progress toward a low-carbon supply chain, we engage our suppliers, collect data, and work together to help reduce their emissions.
- **Next steps:** KPMGI engages with the CDP Supply Chain program and has invited more than 500 key global suppliers to disclose their carbon footprint data through CDP. The U.S. firm has followed suit in making this disclosure a priority, encouraging increased supplier participation and collaborating with suppliers to identify opportunities to reduce the carbon impact of our supply chain.

# Internal carbon price

Stewardship of the environment matters, and we go beyond words to take clear and concrete steps toward our commitments. We piloted our internal carbon price (ICP) in 2020 and, at the beginning of FY 2022, we became the first of the Big Four accounting firms to formalize our ICP, using the price to operationalize sustainable behavior, fund our green investments, and account for our carbon impact. We apply our price on carbon to Scope 1 and 2 emissions, as well as Scope 3 emissions associated with business travel.



- In FY 2022, we set our ICP at \$12 per metric ton of CO<sub>2</sub>e, and we have since increased it to \$15. **Designed to fund investments that decarbonize our operations**, the ICP will be used to initiate construction on solar energy installations, fund energy efficiency projects, and invest in nature and biodiversity.
- In line with our commitment to factor the cost of carbon into business decisions, **we charge a carbon fee proportional to the emissions of each airline ticket booked**, which is in turn allocated to the business group responsible for the travel emissions.

# Optimized real estate footprint

**Flex with Purpose** has guided a fundamental shift in our decarbonization strategy for the past two years. Ultimately, this strategy has promoted a reduction in travel by allowing people to work from different locations if feasible. In turn, we've seen a 24% reduction in emissions from electricity usage since 2019.



In 2022, as our offices nationwide shifted into a hoteling model, we announced our lease uniting our three Manhattan locations into a single headquarters at Two Manhattan West in Hudson Yards, opening for our professionals in 2025. In line with our ESG commitments, the innovative and sustainably designed building is expected to receive LEED Gold certification.

We embedded ESG principles throughout our search and decision-making process. In our search, we analyzed employee commutes and chose a location that would reduce commuting distances and encourage public transportation use for many. The building will be equipped with green cleaning, fixtures to reduce water consumption, a complete storm draining system to reduce stormwater runoff, and composting.

We are continuing to invest in on-site renewable energy usage to meet our decarbonization commitment. In 2023, we will also install solar panels at Lakehouse, supplementing the solar installation we already own and operate on our Montvale, New Jersey campus.



# From our offices to our communities

As extreme weather events become more common, we bring our Values and skillsets to our communities. Our strategy for environmental sustainability goes beyond our own operations, supply chain, and clients. Extreme weather events can exacerbate historical inequities, and we know our investments in our communities yield great impact.



This year, we joined the **Alliance for a Just Energy Transformation** as a founding member, aiming to improve public-private collaborations that drive sustainable energy. KPMG professionals will help developing and emerging countries have critical conversations about just energy implementation, and assist in creating detailed reporting of metrics, toolkits and guidelines for sustainable economic activities, energy plans at regional and national levels, and educational plans for workforce enablement.

This year also marks the 10th anniversary of our ongoing collaboration with the **Arbor Day Foundation**, the largest member nonprofit organization dedicated to planting trees. We've planted trees on behalf of clients and for every new hire for the past decade, now totaling over 125,000 trees planted through this effort. We also collaborate with the National Audubon Society and support the Sierra Club Foundation, Ocean Conservancy, 2041 Foundation, Climate Initiative, Recycling Partnership, and more to protect our planet's natural and biological diversity and limit nature loss.





Our **Living Green Network** brings our people together through local chapters across the U.S. to reduce our firm’s environmental impact and support grassroots sustainability efforts. “Our culture is aligned to our Values and who we are as a firm, and I think that Living Green is a component of that,” says **Eileen Silva-Tetlow**, manager of Corporate Sustainability. “It demonstrates how we contribute to our communities and planet in a meaningful way.”



**Eileen Silva-Tetlow**  
(she/her/hers)  
Manager,  
Corporate  
Sustainability  
**KPMG U.S.**

The frequency and consequences of extreme weather events have myriad impacts on communities, including the exacerbation of existing social inequities. The KPMG U.S. Foundation dedicated 16% (or \$2.4 million) of its gifts this year to relief and resilience, which includes environmental grants that reflect the same focus areas as our commitments to the planet: Biodiversity, decarbonization, renewable energy, responsible consumption, and climate action.



**GRID Alternatives** is the nation’s largest nonprofit solar installer, with the vision of a rapid, equitable transition to a world powered by renewable energy. Our funding supports community-powered solutions, including making no-cost solar installation for low-income communities and connecting low-income households with electric vehicle programs.

In compliance with WEF metrics, which require reporting on nature loss and freshwater availability, we have conducted an analysis of biodiversity and freshwater near KPMG offices. According to our most recent analysis from FY 2021, 53 of our offices (72% of our real estate) are in the vicinity of key biodiversity areas and 32 offices (55% of our real estate) are near water-stressed areas.



# Prosperity

Stewardship and caring matters.



Stewardship and caring matter. At KPMG, we believe deeply that the work we do should provide long-term benefits to our communities and our world. Through community connection, involvement, and impact, we bring our people's skills and experience to some of the most pressing challenges facing communities.

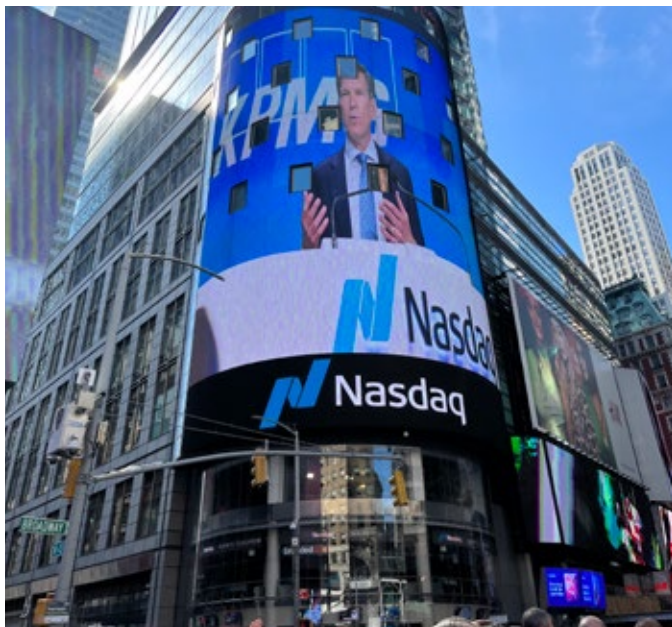
Because we see our commitment to prosperity as an extension of our business operations, we bring the same culture of trust, integrity, and transparency to every program through KPMG and the KPMG U.S. Foundation.

## Commitments:

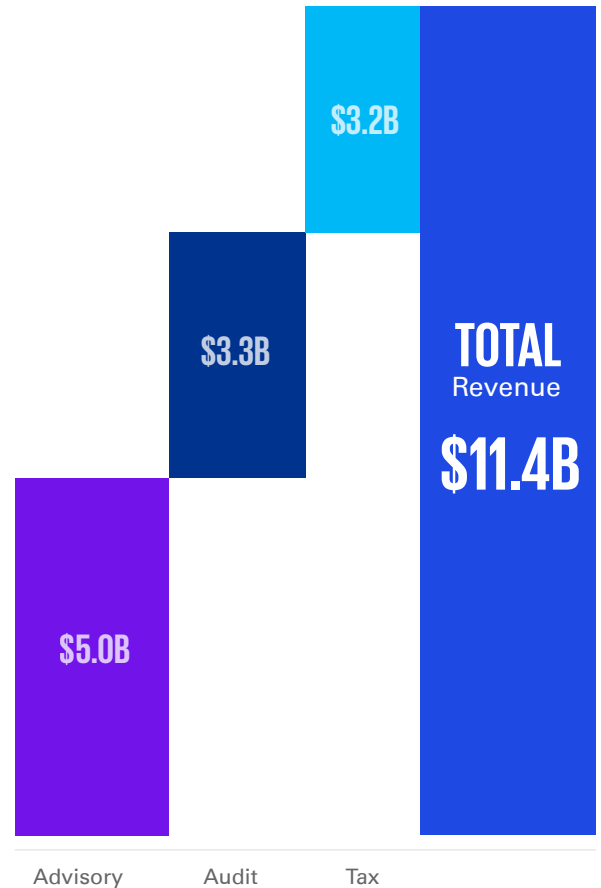
- Mobilize our resources, including the unique skills of our people and our **\$125 million aggregate commitment over five years** from KPMG and the KPMG U.S. Foundation, to support organizations, programs, and initiatives that advance equity and access among underrepresented groups in our communities
- **Act with urgency, purpose, and stewardship** to better serve our communities, such as the thousands of hours of service and nearly \$1.9 million contributed to the markets where we operate on our Community Impact Day
- Contribute to KPMGI's commitment to **economically empower 10 million disadvantaged young people by 2030** through education, employment, and entrepreneurship

# KPMG contributions to the U.S. economy

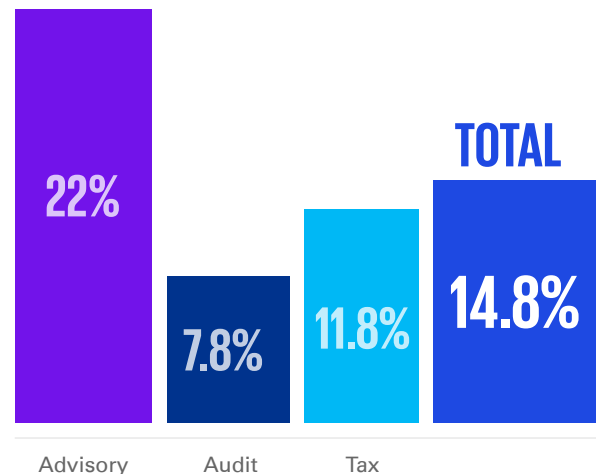
As a professional services firm, we drive job growth, support our people and local communities, and contribute to the strength of the capital markets.



## Revenue by service line



## Annual growth percentage by service line



This data reflects a reclassification of Advisory Technology to Audit Technology, which was not reflected in last year's Impact Report.



# KPMG U.S. Foundation: Investing in our communities

The KPMG U.S. Foundation is a nonprofit entity that functions as the charitable arm of KPMG. The Foundation's four pillars of education, equity, community, and relief and resilience guide our strategy toward philanthropic investments.

In 2022, in honor of our 125th anniversary as a firm, KPMG and the KPMG U.S. Foundation committed a **total of \$125 million to be allocated over five years** to support organizations, programs, and initiatives that advance equity and access among underrepresented groups in education, healthcare, and economic opportunity. As part of this commitment, we announced a new collaboration with Lift Orlando and provided a \$1 million gift to drive revitalization in the West Lakes, Florida community with a focus on increasing access to healthcare and wellness services in an area that has long been underserved.

## 2022 Year in Review:

# \$15.4M

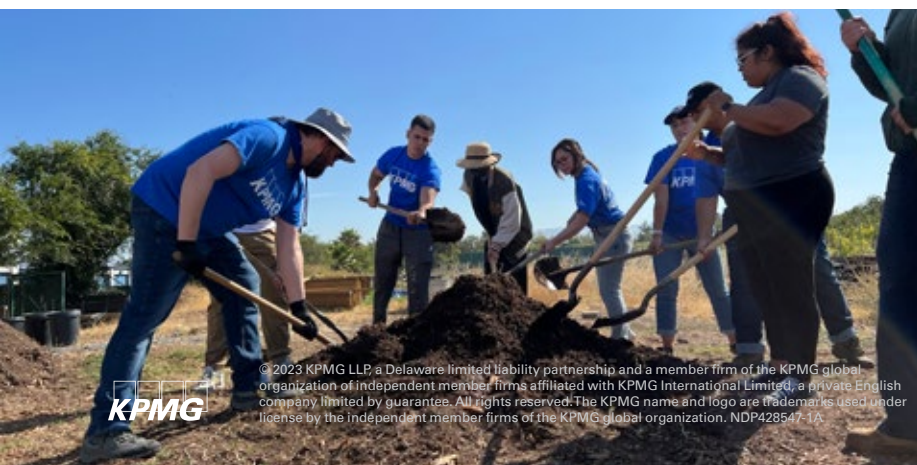
in funds to organizations in support of the KPMG U.S. Foundation's mission and vision of a world underscored by equity and access to opportunity, including \$1.9 million in funding towards equity, inclusion, and access to health and wellness

# \$54,000

in grants awarded through our Employee Relief Fund

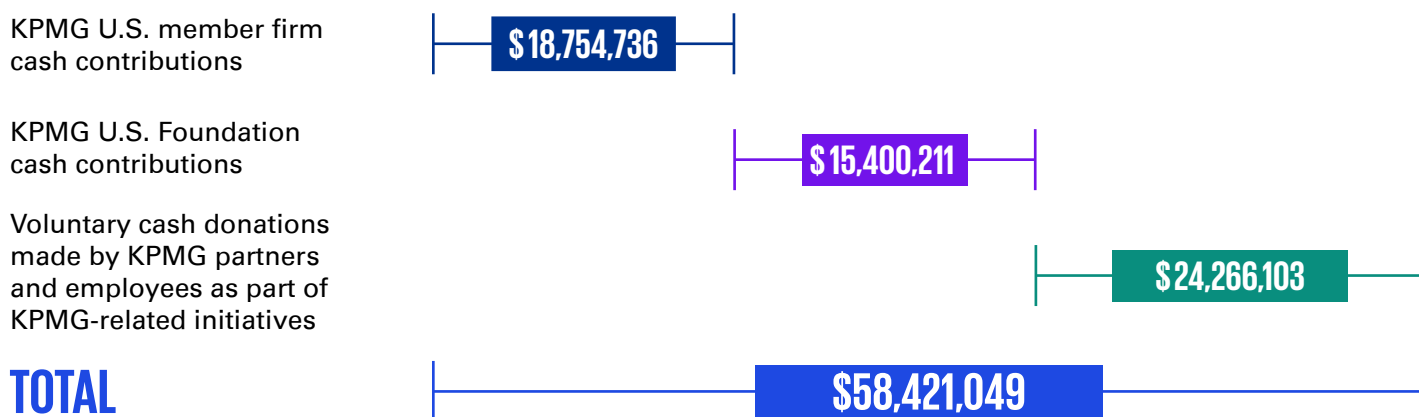
# \$2.2M

raised from the KPMG U.S. Foundation, as well as KPMG LLP partner and employee donations to help communities through four natural disasters

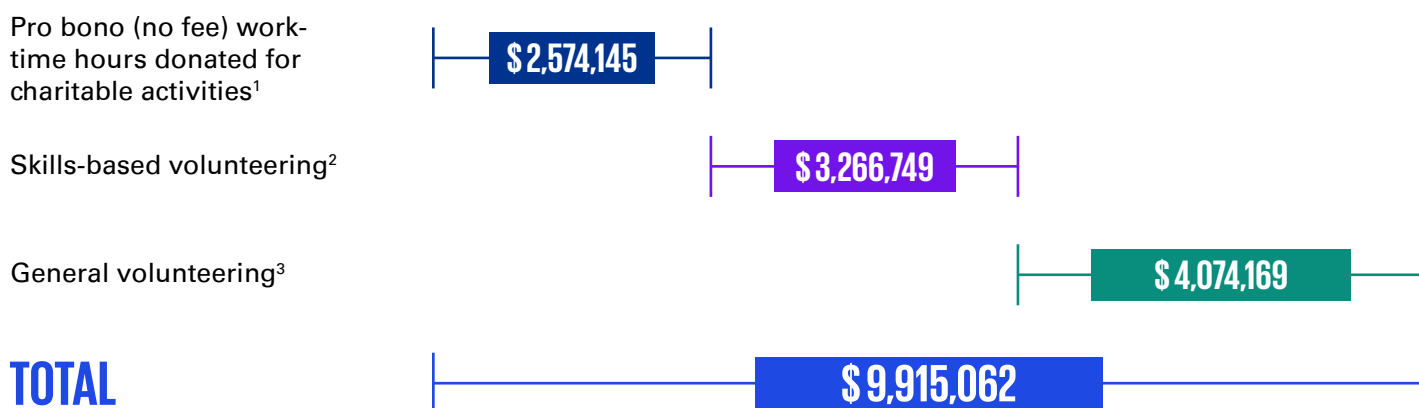


# Overview of community investment, volunteer activity, and pro bono services

## Community investment:



## Volunteer activity and pro bono services:\*



<sup>1</sup>This was calculated by applying the average standard KPMG bill rate per hour to the hours of engagement.

<sup>2</sup>This was calculated by applying an average internal cost per service per hour to the number of hours recorded.

<sup>3</sup>This was calculated by applying the value of volunteer time defined by Independent Sector to the number of hours recorded.

\*Hours recorded are self-reported.

Components are rounded and may not equal the total.

# Education

Advancing skills, access, and equity through lifelong learning is integral to our identity at KPMG as a leading professional services firm that delivers quality work. This commitment spans college and career readiness programs, upskilling and reskilling for quality jobs, education enrichment for underrepresented groups, and support for educators.



## Education programs

**Reaching New Heights** is a new grant and matching gift program launched by KPMG U.S. Foundation that promotes access and equity in higher education, increases awareness of pipeline diversity at institutions, and creates opportunities for collaboration between KPMG professionals and educators within our communities. Five institutions were selected in 2022 to each receive a \$25,000 grant to fund a new or existing diversity program and participate in a 2:1 match up to \$500,000 in eligible donations by KPMG professionals, partners, and retired partners.

**Urban Schools Human Capital Academy** is a national nonprofit organization that works to address the unique human capital needs of urban school districts, building the capacity of staff to recruit, deploy, and retain highly effective teachers and principals, especially Black and Latinx, making sure students of color have effective teachers. Our funding drives this process in five school systems, identifying gaps in teacher effectiveness and creating and implementing frameworks for teacher support and evaluation.

**Boys & Girls Clubs of America** helps young people reach their full potential as productive, caring, and responsible members of society through education, arts, health and wellness, and more. Our funding supports workforce readiness programs, moving the needle on economic empowerment by widening the talent pipeline and driving diversity across industries.



# Equity

Equity and inclusion are cornerstones of KPMG culture that guide our engagements from clients to communities. Through the KPMG U.S. Foundation, we fund organizations and projects focusing on equity for individuals with disabilities, economic empowerment, health equity, and mental health.

The KPMG U.S. Foundation supports Outsmarting Implicit Bias, a project at Harvard University that provides science-based, accessible education about implicit bias to individuals and institutions at no cost. Our funding supports the development of resources through content input, and we utilize completed resources in our firm trainings.

In addition, the U.S. firm's pro bono engagement with Data Citizens with Purpose empowers nonprofit organizations to tackle social, inclusion, diversity, and environmental issues by leveraging our professionals' experience and technology. The engagement deepens our people's understanding of data and analytics and artificial intelligence while providing nonprofits with actionable insights including measurable impact and guidance on where to focus volunteers and donors.

## Our stewardship and care for prosperity is present in our client engagements.

When Morehouse School of Medicine (MSM), a predominantly Black medical school, won a \$40 million grant to convey COVID-19 information to historically underserved communities, they trusted KPMG to design and deliver on strategy. Through examinations of demographic data, KPMG and MSM exposed discrepancies in health care access between neighborhoods and developed insights on food insecurities, attitudes toward government intervention, and internet accessibility. To bridge the access gap, KPMG and MSM created a "digital front door" — an access point for previously underserved communities to gain healthcare assistance.

"We're applying advanced technologies and data and analytics to target traditionally underserved populations and pair them with the services and support that they need," says **Dr. Todd Ellis**, Partner, Health and Government Solutions. "By centering trust throughout this engagement, we're able to help those who need care access it with confidence and ease."



**Dr. Todd Ellis**  
(he/him/his)  
Partner, Health and  
Government Solutions  
**KPMG U.S.**

## Our internal commitments to support individuals from underrepresented backgrounds extend externally.

As a premier sponsor of this year's Oracle CloudWorld 2022, and the title sponsor of the Diversity and Inclusion track at the conference, KPMG hosted a roundtable on accessible workplaces for neurodiverse talent. Our commitment to inclusion and accessibility is demonstrated through intentional workplace design in locations such as our Ignition Center in Atlanta. [By widening our perspective](#) on the range of neurodiversity, we can be more inclusive in our culture and practices.

In recruitment, this lens helps us expand our talent pipeline and methods of recruiting. We bring this same perspective to rethinking traditional business norms that might create barriers to success in the workplace for a variety of experiences and intersections.

# Community

We build long-term relationships with our communities, and we are dedicated to giving back in the places where our people live and work. We are passionate about driving societal progress, focusing on improving opportunities and access for historically marginalized communities. The past three years have placed a spotlight on the importance of equity across society, and as a firm, we direct our community investments to address systemic challenges.



# 183,271

total volunteer hours donated for charitable purposes in FY 2022

## Community Impact Day

In addition to the firm's work to promote the health and sustainability of our communities, employees across KPMG offices supported their local communities through Community Impact Day in 2022. On August 2, in celebration of our firm's 125th anniversary, over 22,000 of our people came together to honor the firm's longstanding legacy and support more than 450 nonprofits in our communities.

Last year, one of our commitments was to return our community engagement activity to pre-pandemic levels. As part of this, we had planned to invest thousands of hours and \$1.25 million into the markets where we operate on Community Impact Day. We exceeded our goal, contributing nearly \$1.9 million through local market giving and volunteer support.

We know our people take their volunteering seriously:

- 93% of participants feel that it's important to work for an organization that prioritizes community impact.
- 98% had a meaningful experience through our Community Impact Day.

## By the numbers:

# 70,000

books donated

# 2,900

trees planted

# 328,000

pounds of food donated/  
sorted/prepared

# 330

pints of  
blood given

# 14,000

hygiene kits donated  
and distributed

# Nonprofit board service

Our nonprofit board service program connects our professionals with opportunities to grow while serving our communities and adhering to our firm's rigorous independence standards. This program is one of the key ways our governance body has a tangible impact on society while supporting our employees' learning and development.

## 2022 highlights:

**1,376** partners and employees served on nonprofit boards

**1,790** nonprofit boards supported

**26,300** hours of self-reported service

Our Community Impact collaboration with BoardSource takes our commitment to board service beyond KPMG. The program trains and places professionals from underrepresented backgrounds onto boards, building skills and competencies and serving our communities.



"Championing accessibility is something I do every day in my role at KPMG working with our document processing and graphics teams. But my commitments go beyond this: I am heavily involved with Special Olympics, a sports organization for people with intellectual disabilities. For my state's Special Olympics program, I serve as a board member, secretary of the executive committee, and chair of the development committee while helping organize local events. My experience with Special Olympics is one of the most fulfilling of my life, and I have KPMG to thank for it. I feel lucky to work for a firm that really walks the talk and gives me so many opportunities to put what I stand for into practice."



**Briana Haines** (she/her/hers)  
Manager, Administrative & Office Experience, Document Processing  
KPMG U.S.



# Relief and resilience

Being there for our people and communities matters, especially in difficult times.

Through our collaboration with GlobalGiving, we contributed more than \$2.2 million in KPMG U.S. Foundation and KPMG partner, retired partner, and employee donations in FY 2022 to help communities in need. Our disaster and humanitarian relief giving included more than \$1.06 million in KPMG U.S. Foundation funding and more than \$500,000 in donations from our people toward the Ukraine Crisis Relief Fund, \$100,000 in Pakistan Flood Relief, and \$50,000 in Hurricane Fiona Relief.

The KPMG U.S. Foundation also launched the Employee Relief Fund in FY 2022 to support KPMG employees and their families during times of unexpected financial difficulty. The Foundation contributed \$125,000 to the Employee Relief Fund, providing qualifying employees with grants to assist with the consequences of serious illness, death, or natural disaster.





# Principles of Governance

How we do things matters.



How we do things as a firm matters. This includes how we conduct ourselves and our business, how we meet the needs of our clients, how we protect the capital markets, and how our multidisciplinary model brings our quality service delivery to bear.

Integrity is at the core of everything we do, including how we conduct our business and create trusted relationships with our clients. We know trust is earned by doing the right thing, and we're committed to the highest standards of personal and professional behavior in everything we do.

Our deep commitment to independence and objectivity means that we bring our culture of integrity to all our functions, teams, and engagements. Our governance structure is critical to achieving our ESG commitments, unlocking value, mitigating risks, building stakeholder trust, and developing our people. We're proud to have leading governance protocols consistent with our role in serving the public interest.

## Commitments:

- **Set the bar for ethics and integrity in professional services** by fostering a culture where all our people behave ethically and feel empowered to speak up without hesitation to address difficult situations, hold one another accountable, and help ensure we constantly improve
- Continue to **enhance our governance model** centered on integrity
- **Lead the profession** in audit quality

**Our governance principles create trust in our processes and accountability in our actions.** We ground everything we do in ethics, independence, and objectivity. This is what makes it possible for us to achieve our purpose to inspire confidence, empower change, and above all, act with integrity.





# The Board

The KPMG U.S. Board of Directors, one of two principal governing bodies of KPMG, is responsible for the policies of the firm, oversight of the firm's management, and succession planning for the firm's chair and deputy chair. The KPMG U.S. Management Committee is responsible for managing the day-to-day operations of the firm and implementing firm policies. Its work includes understanding material ESG risks and opportunities for the firm and ensuring any related actions are taken by the firm.

## Board and Management Committee statistics:

### Board membership:

**15** Member directors  
(including the chair  
and deputy chair)

**3** Independent directors  
Linda Addison,  
Roel Campos, and  
Janet Wolfenbarger

### Board of Directors (18 members):

We aim for our leadership to represent our employees and the people we serve.

**50%** Members from  
underrepresented  
groups

**33%** Women

**17%** People of color

### Management Committee:

**50%** Members from  
underrepresented  
groups

**50%** Women

**20%** People of color

Our board is composed of member directors and independent directors, elected to staggered five-year terms. Board members have a diverse set of skills, spanning business, organizational strategy, financial competencies, leadership ability, regulatory experience, risk management, data and cybersecurity knowledge, and ESG experience, including DEI. Directors are required to adhere to our firm's rigorous independence standards.

# Managing risk

As stewards of the capital markets, effective risk management and quality control are critical. We use rigorous frameworks to sustain high quality and integrity standards; meet legal, regulatory, and professional requirements and market standards; and protect the brand and reputation of KPMG. Our robust due diligence process assesses potential clients, contractors, and suppliers to identify and mitigate risks.

Our ethical culture emphasizes personal responsibility for integrity across the firm and at all levels. For our partners in particular, our Partner Experience Program (PEP) helps ensure a shared mindset across firm leadership about community, accountability, and shaping the future. Launched in 2022, PEP is a multiyear journey designed by partners, for partners, and focuses on trust, growth, and people through the lens of partners as owners, operators, and stewards.

Through the **five lines of responsibility**, we enact a total-firm approach to recognizing risk:

- Day-to-day management of risk, guided by our frontline professionals
- Policy-setting, oversight, and risk insight, determined by risk management, legal, regulatory and compliance teams, and more stakeholders
- Independent assurance, led by Internal Audit
- Risk appetite and mindset, set by our executive leadership
- Governance and oversight, conducted by our board of directors

As we transitioned to our hybrid model, our focus on risk management transformed in parallel. Firmwide, we have increased our focus on data protection, cybersecurity, information security, privacy, and confidentiality protections and management. Our firm's information security framework is aligned with a number of authoritative sources and industry standards (including the ISO 27001, National Institute of Standards and Technology, and AICPA Code of Professional Conduct) that cover technical, physical, and administrative security, logical access, confidentiality, incident management, business continuity management, system development, and compliance.

The framework is built on comprehensive firmwide information protection policies and supplemented by playbooks, procedures, and reference guides to secure the firm's IT resources and protect confidential information entrusted to us by our clients. Other important elements of the framework include mandatory annual training for all firm personnel, a holistic incident response program, and accountability for firm personnel to help ensure compliance with the framework. In addition, the firm adheres to strict standards for its collection and use of personal information to comply with applicable data privacy laws.

# Ethics and compliance

How we align our Values and prepare to meet our clients' needs matters. Our culture and everyday actions demonstrate our dedication to ethical behavior.

In FY 2022, we focused on helping our people feel empowered to speak up through ethical leadership, increasing risk mitigation measures, providing expanded innovative and research-based learning opportunities, deepening partnerships with our business functions, and upgrading systems, processes, and controls.

The cornerstone of these resources is our **ethics training program**, which requires all professionals to complete 12 hours of Ethics and Integrity training annually, choosing from a robust, research-based curriculum.

Every partner and employee is trained on the firm's Code of Conduct when first hired and annually thereafter, confirming in writing that they have read and understand the Code, and agree to comply with its letter and spirit, including the firm's Values, shared responsibilities, global commitments, and promises.

To further embed our culture of ethical leadership, we provide our partners and employees with tools, courses, and everyday tips for ethical decision-making. The firm's Ethical Decision-Making Tool offers a thoughtful and easy-to-follow framework to guide our employees to do the right thing in the right way, always. The tool is woven into many courses, including the firm's required Code of Conduct trainings.

In 2022, the firm also launched a required course on psychological safety, exploring how all professionals can build psychologically safe teams and foster a speak-up culture.

Our ethical framework is integral to our public policy engagements. With respect to public policy, we take positions that are consistent with our purpose and Values, and that are material to the accounting profession, our workforce, and relevant stakeholders. An important element of our policy activities is engagement with nonprofit groups and trade associations such as the Business Roundtable, U.S. Chamber of Commerce, and Center for Audit Quality.



# Our resources



## Ethics and Compliance Resource

**Portal:** Accessible to all our people, the portal includes a multitude of materials that reinforce our Ethics and Integrity trainings, with deep libraries of tools, reference materials, and links to useful information.



**U.S. Code of Conduct:** Closely aligned with the KPMG Global Code of Conduct, the U.S. firm's [Code of Conduct](#) helps everyone in the firm uphold the highest standards of professionalism and ethical behavior. We regularly review and update our Code and add new content based on the firm's business, market conditions, and relevant technological advancements.



**Ethics & Compliance Hotline:** The firm's [Ethics & Compliance Hotline](#) is available 24x7 and is hosted by a third party that is separate from our own KPMG channels. It enables any employee or partner to make a report, anonymously if they so choose, via the web or phone.



**Speaking Up Portal:** Through podcasts about real-life examples of the power of speaking up and additional lessons exemplifying our Values-based priorities, the Speaking Up Portal provides comprehensive resources to strengthen our people's voices and empower them to speak up to uphold firm values. The Portal also provides an educational series on the process for raising concerns and investigations.

In addition to required coursework, our people explore courses that upskill and emphasize DEI, integrity, and personal accountability.

## Top 10 optional firmwide courses in 2022:

- Your Role in Creating an Inclusive Culture
- Radical Candor
- Diversity, Equity & Inclusion: Seeking Stories That Look Beyond Bias (TEDTalk)
- Exploring the Value of Ethical Culture (Global Business Ethics Survey Series)
- Unconscious Bias
- Tech Ethics: Avoiding Unintended Consequences
- Communication with Teams
- Pressure in the Accounting Profession (Global Business Ethics Survey Series)
- Confronting Racial and Ethnic Bias: A Global Proactive Approach
- Becoming an Inclusive Leader

Through integrated governance, our combination of policies, practices, trainings, and oversight ensure that our culture reflects our purpose and Values. Supporting ethical decision-making is critical to our responsibilities as stewards of the capital markets.

# The KPMG way to quality service delivery: Our multidisciplinary model

**How we do things creates a different experience.** In addition to our principles of governance highlighting accountability and integrity, KPMG is differentiated by our multidisciplinary operating model. Our people have access to greater career mobility and opportunities across functions, and our united capabilities drive value for our clients.

Through our design, we are able to scale and offer innovative services to our clients while our cross-functional investments enable more creative, interdisciplinary solutions. Our ESG solutions are one example of how our model leverages investments to facilitate innovation and growth. In anticipation of heightened demand for climate related disclosures, KPMG was able to plan and scale accordingly, including hiring new talent and training our existing professionals. We were also able to invest in our ESG capabilities across functions to meet market demand.

Investments in integrated solutions and our breadth of disciplines, industries, and capabilities define our client engagements. Our model also creates opportunities for deeper investment in next-generation technologies such as artificial intelligence, data and analytics, automation, blockchain, and more.

All of these investments are supported by cross-discipline collaboration. We bring the range of our people's diverse experience and expertise to our client engagements, in turn unlocking innovative

uses of technology—from artificial intelligence to the metaverse—to deliver consistently high-quality services to our clients.

We see this across all functions:

- When we provide insights into a digital customer strategy, supply chain transformation, or back office optimization, we also help clients understand the tax implications of supply chain changes.
- Tools such as our Tax Opportunity Analyzer, built alongside KPMG Ignition, can help us predict what's around the corner for clients and sectors, informing our own offerings and how we can further guide our clients across functions.
- When our Advisory practice developed Chain Fusion®, our new advanced analytics solution that brings together blockchain and traditional data sources, our Audit practice implemented the tool to support our work with cryptocurrency-invested businesses.

As we expand our audit capabilities, including tech assurance and ESG, this shared technology and knowledge helps our clients meet the expectations of stakeholders and serves the public interest. Further, our nonaudit experience provides insights to guard against fraud, bribery and corruption, and cyber events, as well as informing engagement with environmental standards and tax transparency. This combination of skills and multidisciplinary investments create united capabilities that differentiate us from our competitors.

# Audit quality

Leading-edge technologies help us leverage data and automation to provide quality, compliant audits. As a result, our auditors are constantly upskilling to become NextGen Auditors.

Our client engagements leverage modern data and analytics capabilities, activating more advanced and differentiated processes throughout the audit. In parallel, through the Engagement Management Lifecycle, our engagement teams across Audit and Tech Assurance are transforming our systems, guiding teams toward leading practices to standardize controls, leverage technologies, and measure progress.

Tools like KPMG Clara, our global smart audit platform, gather and assess data to deliver a more refined risk-based audit, regardless of where a particular company might be in its technology journey. In alignment with Public Company Accounting Oversight Board and American Institute of Certified Public Accountants standards, we bring technology and methodology together to provide solutions that fit the particular business, team, and capital market.

For more on our audit quality, read our report [here](#).





Reaching regulatory excellence:

# ESG reporting standards

Establishing a universal set of ESG reporting metrics and recommended disclosures is key to transparent governance and creating alignment across corporations, investors, and stakeholders in material ESG commitments.

KPMG International helped build the WEF IBC Stakeholder Capitalism metrics. These standards are based on a set of universal, material, and widely accepted ESG metrics to foster transparent ESG governance, greater cooperation and alignment, and progress toward a systemic solution.

As a global network, we play an active role in the Task Force on Climate-related Financial Disclosures and Taskforce on Nature-related Financial Disclosures. We are also working alongside the profession to support the work of the International Sustainability Standards Board as it develops and publishes ESG reporting standards. We are committed to helping our clients navigate the evolving ESG reporting landscape and adhering to these leading practices in our own organization.



# DEI and quality client engagement

As we strive toward a more equitable and inclusive workplace, our commitments are reflected across client engagements. Our analytics help our clients locate potential gaps, determine sentiments of people managers, and blueprint the path toward increased representation of employees from underrepresented backgrounds.

Through new frameworks such as our Global Diversity and Equity Inclusion Benchmark and KPMG Canada's Inclusion 2.0 framework, we can assess and score our clients' progress against their DEI goals through a consistent, repeatable system. This helps our teams and clients implement a top-down and bottom-up approach, empowering leadership to communicate transparently and employees to consistently implement programs enabling greater equity in the workplace.

Our focus on intersectionality also extends to engagements across our functions, assisting clients around health equity, housing and fair lending, responsible finance, and more. We support clients in implementing robust supplier diversity programs, responsibly applying technology, and creating ethical, equitable opportunities across private and public sectors. And just as we pride ourselves on our BRGs and the ways they empower our people, we also help our clients create their own mechanisms of support.







# Looking forward

**As we reflect on all that we've accomplished this year,** we're proud of how we've helped our people and our communities grow as well as how we've continued to invest in a more sustainable future. All of this work rests on the foundation of strong governance principles—our culture of integrity and excellence, and our people who put culture into action.

**Looking ahead,** we must put even more of ourselves into our commitments and our role as steward of the capital markets. We continue to strive toward our Accelerate 2025 aspirations, knowing that our progress is integral to paving the path toward a more equitable and expansive future. While we've taken historic steps through our enhanced benefits, we continue to learn from one another—from how we Self ID to how we come together in moments that matter—to build greater systems of support.

**How we do things sets us apart from our competitors.** Through our Values-driven culture, trust, and transparency, we're creating a differentiated experience for our people, our clients, and our communities. And while there is much work to do, we know we have the deep experience and skills to create a more equitable, sustainable future—Together, For Better.



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[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



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