



Supplier Code of Conduct

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1. Preamble



As a firm, we act not only in an economic environment, but also a social one. Taking responsibility for a sustainable future is a key concern for KPMG. In this regard, upholding human rights and protecting the environment represent central elements of our corporate responsibility. This is based on our values, which apply worldwide. Our values are the foundations of our corporate culture, defining our day-to-day actions and shaping our obligations for personal and professional conduct.

Complying with social and ecological standards is part of our sustainability strategy. We also expect our suppliers to comply with these standards.

2. Scope and coverage

The following requirements regarding corporate governance, human rights and working conditions, as well as environmental protection, apply to all KPMG supplier relationships. For supply chains, which concern all products and services, the German Supply Chain Act [Lieferkettensorgfaltspflichtengesetz: LkSG], which binds KPMG and its subsidiaries^(a), must be observed in particular. This includes all stages in Germany and abroad that are necessary to manufacture products and provide services. It covers the actions of a company within its own business area, as well as the actions of its direct and indirect suppliers.

Thus, KPMG provides its suppliers with its Supplier Code of Conduct aiming to promote a common understanding of how these principles are to be implemented in day-to-day business.

Suppliers must comply with these principles. KPMG expects its suppliers to integrate all applicable aspects of the Supplier Code of Conduct into their risk management systems.



Note: (a) KPMG Bayerische Treuhandgesellschaft, KPMG IT Service GmbH and KPMG Cert GmbH Umweltgutachterorganisation.

3. Corporate governance

Integrity is vital for a sustainable and fruitful relationship with all our stakeholders. We expect our suppliers to:

3.1. Comply with all prevailing legal regulations and provisions

... act with integrity and always endeavour to maintain the highest possible standards in their ethical practices, and comply in each country with the applicable internal policies and any legal and tax requirements.

ensure a high level of confidentiality in protecting, collecting and handling confidential and personal data. For KPMG, the protection of personal data is a valuable asset, and so we endeavour to ensure that all applicable data protection laws are observed. We are fundamentally guided by the European General Data Protection Regulation (GDPR) and the German Federal Data Protection Act [Bundesdatenschutzgesetz: BDSG].

3.2. Avoid conflicts of interest and unlawful practices

... avoid conflicts of interest and not get involved in illegal or unethical practices. This includes corruption, bribery, embezzlement or misappropriation. It must be ensured that no bribe money, impermissible donations or other impermissible payments or benefits are offered or accepted. Moreover, competition must involve fair means and remain within the framework of legal requirements.

3.3. Observe data protection obligations

... take the highest possible security precautions and



4. Human rights and working conditions

Our corporate policies are driven by internationally recognised human rights and our respect for the dignity of every individual. We especially expect our suppliers to:

4.1. Show zero tolerance for slavery and human trafficking

... not tolerate any form of forced or compulsory labour. This includes all work or services demanded of a person under threat of punishment and which they have not freely accepted to do.

4.2. Prohibit child labour and protect young employees

... prohibit the employment of children below the age at which compulsory schooling ends under the law of the place of employment. In this regard, the age of employment should not be less than 15 years. (Does not apply if complying with the International Labour Organization).

4.3. Eliminate discrimination and pay appropriate wages

... treat employees fairly and not discriminate on the basis of national and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief. Unequal treatment especially includes the payment of unequal remuneration for work of equal value. Withholding an appropriate wage – determined according to the regulations of the place of employment (at least the established minimum wage) – is prohibited.

4.4. Ensure health and safety in the workplace

... ensure a safe work environment, promote employee health in the workplace and guarantee compliance with safety standards. Suitable measures must be taken to ensure protection against chemical, physical or mechanical hazards in the workplace. Furthermore, measures must be taken to prevent physical or mental fatigue, such as suitable work organisation with regard to working hours and rest periods. Above all, employees must be fully trained and instructed in their work.



5. Environmental protection

Consideration for environmental protection is an important part of our business practice. We are committed to conducting our activities with due care for the environment (i.e. in accordance with the precautionary principle) and expect our suppliers to:



5.1. Minimise hazardous substances and the use of scarce raw materials

... prohibit (especially) the use of mercury in manufacturing processes (production, use, treatment of waste). Furthermore, the production and use of chemicals listed under the Stockholm Convention are prohibited. Especially from a sustainability perspective, the consumption of scarce raw materials must be minimised in order to protect these resources.

5.2. Reduce negative environmental effects and pollutant emissions

... reduce the impact that their production plans, manufacturing processes and services have on the environment and reduce pollutant emissions while carefully handling the generated waste according to legal requirements and prohibiting harmful soil changes, water pollution, air pollution, noise emissions or excessive water consumption.

5.3. Support environmentally friendly technologies and protect the soil

... support and promote the development and use of green technologies in their corporate governance. Furthermore, the unlawful taking of land, forests and waters as well as their acquisition, development or other use is prohibited where such use secures a community's livelihood.

6. Our obligations and commitments

We as a firm are rising to the challenges of our time – by implementing measures that will lead to sustainable changes throughout the entirety of our own organisation. Our guiding principles highlight these measures. We support and encourage our clients to successfully bring about these changes together.



6.1. Our Impact Plan

Our Impact Plan outlines the ways in which KPMG is making an effective contribution to sustainable development in society across all of its member firms. We see four fields of action as essential: Planet, People, Prosperity and Governance. The annual Sustainability Report by KPMG in Germany presents the specific measures we are taking to fulfil our voluntary commitment in these fields of action.

6.2. UN Global Compact

KPMG International signed the Global Compact in 2002.

The Ten Principles of the Global Compact on Human Rights, Labour, Environment and Anti-Corruption are an integral part of KPMG's values, which guide our corporate culture and our commitment to the highest standards of personnel management and corporate governance.

6.3. Sustainable Development Goals

Our commitment to the 17 Sustainable Development Goals of the United Nations and the principles of the UN Global Compact form the basis of KPMG International's Impact Plan.

6.4. Science Based Targets initiative

Together with the other member firms of the global KPMG organisation, we have joined the Science Based Targets initiative (SBTi) and committed to reducing our greenhouse gas emissions by 50 percent by 2030^(a). SBTi advocates making science-based targets to reduce carbon emissions a standard of corporate practice.

Note: (a) Absolute emissions reduction for Scope 1, 2 and 3; base year 2019

7. Obligations of the supplier



The supplier is required to comply with the human rights and environmental expectations set out in the Supplier Code of Conduct and to address these along the supply chain to the extent necessary through appropriate communication and commitments to its own suppliers.

The supplier shall ensure that its employees are also aware of the expectations contained in the Supplier Code of Conduct and that they comply with them.

KPMG is entitled to adapt the Supplier Code of Conduct and the human rights and environmental expectations contained therein to its suppliers if a new risk assessment under the LkSG obligations makes this necessary.

If required based on risk criteria and legal requirements, suppliers have the opportunity to participate in training and further education measures offered by KPMG.

8. Review of compliance with requirements and sanctions

Suppliers grant KPMG the right to evaluate and monitor compliance with these principles. KPMG will inform suppliers of the identified human rights or environmental risks on which the review is based. Such a review may be carried out in particular based on self-disclosure, responses to questionnaires and potentially for proof of relevant existing certifications. KPMG and the supplier shall agree in advance on the nature and scope of the measures that may be performed either by KPMG or a qualified third party.

KPMG expects in a trusting relationship with its suppliers that they inform KPMG of any violations of the principles contained in the KPMG Supplier Code of Conduct.

KPMG reserves the right to request that the supplier take remedial action or cooperate in such action. If a supplier does not comply with the principles of this Supplier Code of Conduct, or if a supplier fails to cooperate in remedial action and a grace period has expired, KPMG reserves the right to suspend the contract or, after a grace period has ended without results, to terminate the contract.



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9. Reporting violations

Suppliers must promote and provide communication channels for their employees without them fearing retaliation. Employees can use these channels to submit concerns or complaints or report possible unlawful acts that have occurred as a result of commercial activities in their own work environment or that of another supplier. Reports must be treated confidentially and can be submitted anonymously where permitted by law. Suppliers are required to carry out investigations based on the reports and, if necessary, take appropriate measures.

If other communication channels prove ineffective,

suppliers and their employees have the option of reporting unlawful and unethical acts via the whistleblowing hotline set up by KPMG: Whistleblowing Hotline – KPMG Germany (home.kpmg)



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