



# Impact Report

**Delivering on  
our purpose**





**KPMG**

# Introduction

# INTRODUCTION

## MESSAGE FROM our Managing Partner

This past year has proved to be like no other. There will forever be a distinction, a clear line that separates life before COVID-19 and after COVID-19. We have learned how to work and how to live differently, leading us to reflect on the why of many long-standing practices. Most importantly, this pandemic has been an opportunity to reassess priorities, reaffirm values and grow together as a firm, and as a community.

As the new executive committee settles in and gets to work, we shift our focus to innovation. We want our people to end each day asking themselves, how could I be better tomorrow than I was today? This desire for daily improvement weaves its way into all aspects of life at KPMG, but especially within our commitment to the planet and to our people.



Prior to the pandemic, the effects of climate change were loud and clear, the message being, the time to act is now. And as countries went into lockdown, and the pace of life slowed, the planet had a moment to breathe. We watched as air quality improved, bodies of water cleared, and nature reigned free. Here at KPMG we commit to doing our part for the health of the planet, that is why we are committing ourselves to be a net-zero carbon organization by 2030 with a first milestone of carbon neutrality by 2021. This is just one of many efforts we will make to find ways to always be better tomorrow, for the sake of our planet.

We find this motivation to be better from our people. KPMG would be nowhere without the people behind those four bold letters. Every day we are inspired by the creativity, courage and compassion of our people, and amidst a global pandemic, their dedication has exceeded all expectations. Our people deserve to thrive in an environment that supports their wellbeing and welcomes the challenging conversations that need to be had. The health of our people is a top priority, and we aim to nurture the wellbeing of all staff. From diversity, equality and mental health initiatives, we once again ask ourselves, how can we support our people better tomorrow, than we did today.

This will always be a work in progress, and we will continue to find ways that enrich our community and the environment.

**David Capocci**, Managing Partner

# INTRODUCTION

## MESSAGE FROM our Head of Corporate Citizenship

Our citizenship strategy is centered around our values. Its objective is to strengthen our contribution to markets and communities while driving cultural change and improving our environmental impact. This is why we aim to contribute positively to international initiatives such as the Paris Climate Agreement and the United Nations Sustainable Development Goals, as well as align with the ambitious targets set through our global KPMG network.

We prioritize education for our people, our clients and our community. Through our agile learning and coaching environment, we accelerate careers and prepare our people to meet business, client and staff goals. Through our expertise, we ensure our clients are ready for sustainable growth and equipped to overcome market forces. Through our community engagement, we help drive quality processes and share relative information and recommendations to ensure that the greatest impact is delivered.

This report is structured around the principles of Governance, Planet, People and Prosperity, in parallel with the universal reporting metrics developed by the World Economic Forum in collaboration with KPMG and the other Big Four firms.

As we believe that reliable, balanced and honest communication is more important now than ever before, we decided to share this report with you even though it is not in full compliance with all reporting standards. It is closely aligned with the vision of our new leadership team: the pursuit of a more sustainable, responsible and inclusive future.

To select the preliminary topics for the report, we performed a stakeholders' mapping exercise and referred to the International Business Council's sustainable valuation creation metrics. This year, and as a starting point, we decided to focus on the engagement of our internal stakeholders through our global people survey, and hold discussions with employee representation groups to choose the most relevant topics to address in this report. Our objective is to progressively enlarge the scope of our stakeholders engaged to refine our analysis and the content of our report.

Our next reporting ambition is to include a more comprehensive scope of stakeholder and business needs, in addition to more robust annual disclosure coverage in line with GRI standards. We currently participate in the KPMG International global reporting process aligned to the applicable standards.

**Anne-Sophie Minaldo**, Partner, Head of Corporate Citizenship





# Principles of Governance

# PRINCIPLES OF GOVERNANCE

## INTEGRITY TO REPORT on our performance

**Our overall ambition is to be the most trusted and trustworthy professional services firm.**

**To achieve that, we must maintain and further increase the trust our clients, our people and wider society have in our ability to provide excellence in everything we do.**

Tone at the top means that our leadership acts with ethics and integrity, delivers quality, and communicates openly and transparently its commitments to clients, stakeholders and society at large. These commitments not only aim to establish public trust, but are embedded in our core guiding principles as well as in several areas including:

- Culture, Values and Code of Conduct - clearly stated and demonstrated in the way we work
- A strategy with quality at its heart
- Expectations of standards and behaviors set by leadership
- Governance structures and clear lines of responsibility for quality (i.e. skilled and experienced people in the right positions to influence and oversee the quality agenda; KPMG's Global Quality & Risk Management Manual which applies to all KPMG partners and employees).



### OUR PROGRESS

The key governance bodies for KPMG Luxembourg are the Executive Committee and the Supervisory Board. For the financial year ended 30 September 2020, women made up 16% of our Executive and Supervisory Boards.

Given that KPMG is a partnership and that partners are executive-level company decision-makers and are leading teams, it is worth reporting that 23% of our partners are women.

Women represent 36% of our management group, while Eurostat, the statistical office of the European Union, reports that the share of women in managerial occupations in Luxembourg is 23%.

This promising group of women constitutes our talented pool for future executives, and we are committed to supporting equality in all decisions we take (specifically when onboarding them in our Emerging Leaders Program at the Partner Behavior Readiness Center (PBRC)).

# PRINCIPLES OF GOVERNANCE

## PROMOTING a culture of trust

**At KPMG Luxembourg, we promote a culture in which consultation is encouraged and recognized as a strength.**

We want to ensure that our people feel comfortable asking questions, feel supported in raising concerns, and trust that those concerns will be investigated fairly. Most recently, we have strengthened our Speak Up culture through an internal campaign to encourage staff to “speak up”; empowering them through detailed guidance on navigating difficult conversations and reinforcing the mechanisms through which they can speak up on various issues.

After a powerful movement swept the world, calling for action against racism and discrimination, over 17,000 KPMG colleagues participated in a 72-hour firm-wide listening and collaboration session (open to all) to listen to the experiences of our Black colleagues, and generate meaningful and actionable ideas on how we can improve. The live session, “Courageous Conversations”, generated around 19,000 comments on 571 topics.

KPMG will use this information to report and shape the solutions that make KPMG more inclusive for all.

“Everyone here at KPMG is responsible for creating an environment where openness is rewarded, and trust thrives. What I am talking about is an environment of psychological safety that supports our people to speak up with their ideas and concerns.” - **Donna Lee Bauer**, Head of Ethics and Integrity, KPMG Luxembourg.





**KPMG**

People

# PEOPLE

## WE HAVE THE COURAGE to drive cultural change

**The workforce of the future is inclusive. Our people are our most important asset and they are what drives our business success. If we want to accelerate innovation, we need to represent the many different people that make up our workforce and empower diversity in decision-making. With over 70 different nationalities, we have many cultures under one roof, and together we strive for a culture of inclusion.**

The inherent and acquired diversity of our people and our speak-up culture unlocks innovation. It not only creates an environment where “outside the box” ideas are heard, but also fuels the entrepreneurial mindset that adds value to our clients.



### OUR PROGRESS

Being honest and clear about our inclusion and diversity challenges drives our agenda. Even though much progress has been made globally for gender equality, we recognize the need to do more.

**At KPMG Luxembourg, we are 58% men and 42% women.**

Although the proportion of women in the firm has slightly increased in the last year, we still face a challenge in onboarding and promoting a more gender diverse workforce at senior-level positions.



### OUR VISION

KPMG Luxembourg has created a dedicated task force for Inclusion and Diversity which keeps track of key metrics (through our maturity model tool) and ensures we address all areas of diversity, inclusion and belonging. Prioritizing areas where key data reflects a need for improvement, we are participating in the **Ministry of Equality’s “Actions Positives” program**: a deep-dive into the topic of gender equality. An improvement plan will be announced in early 2021.



# PEOPLE

## SKILLS for the future

**The world of work is changing...The market forces we have seen over the past 10 years and, most recently, during the pandemic, have completely revolutionized the way we work and will continue to do so moving forward. This requires companies to invest heavily in their people to ensure they acquire the skills needed to stay ahead and succeed both personally and professionally, in addition to being able to better serve their clients.**

KPMG recognizes that it cannot succeed without investing in the recruitment and development of a highly skilled, talented and diverse workforce.

Starting with the onboarding experience, our people are immersed in KPMG's culture of values and entrepreneurial drive with access to an abundance of tools to accelerate their careers. Our people benefit from their experiences at KPMG for the lifetime of their professional lives, carrying a high standard of quality and industry expertise wherever their paths lead them.



### INVESTING IN TRAINING

AV. TRAINING HOURS	F	M	ALL
PARTNER	93	69	76
DIRECTOR	56	79	72
SENIOR MANAGER	63	67	66
MANAGER	81	90	86
ASSISTANT MANAGER	56	69	63
SENIOR	52	77	65
JUNIOR	69	73	71
ALL	64	75	71

**We will be encouraging more training on relevant skills to support qualifications for those less represented to obtain senior-level positions.**

We embrace innovative and agile learning methods by applying a blended approach: traditional classroom training combined with digital learning programs. Due to COVID-19, our learning programs are now 100% virtual. Training is focused on technical knowledge and people skills so that we can offer the latest education relevant for each career path. We also provide support for those looking to acquire a professional qualification or enroll in a language course - whatever skills they need to succeed and adapt in Luxembourg.

We work continuously on people skills development, tailoring our milestones programs for staff who work their way through every level of the firm. For example, our Partner Behavior Readiness Center prepares our partners for inclusive leadership and relevance in the workforce of the future.

Our training also focuses on developing our diverse workforce and ensuring that diversity reaches senior leadership. We will, therefore, be encouraging more training on relevant skills to support qualifications for those less represented to obtain senior-level positions.

Most recently, we offered our staff learning pathways to help them gain a better understanding of the value of inclusion and diversity, as well as the specific tools needed to create a more inclusive workplace. Key topics include ageism, inclusive leadership for management, leadership skills for women, LGBTQ+ inclusion, and disabilities.



# PEOPLE

## PSYCHOLOGICAL SAFETY, *dignity and wellbeing*



**An excellent organization starts with its people. On top of making sure that our employees are safe during the pandemic, we strive to make sure they have the support and resources they need to maintain their physical and mental wellbeing - an absolute priority in these uncertain times.**

Wellbeing is as much about mental health and psychological safety as it is about physical condition. Due to border closures and the rapid transition to remote working during the pandemic, access to much-needed family support networks was limited, resulting in increased isolation for our large expat network. At this time, communication, human connection and psychological safety are vital, and for those who come to Luxembourg from other countries, the workplace plays an even more important role in nurturing a sense of belonging.

***As most staff adopt remote working, our professional lives increasingly blend into our personal space. Supporting employees with autonomy and flexibility allows them to set the boundaries they need to in order to achieve a positive work-life balance.***



## OUR VISION

While no one metric is going to tell us whether our employees are at risk for work-related health issues such as psychological burnout, it is possible that the current situation makes it more difficult to keep up our normal patterns and behaviors, not to mention it may be more challenging for leaders to identify warning signs within their teams.

**We plan to develop sound mechanisms for identifying burnout risk by working closely with the Occupational Health Association for the Tertiary and the Financial Sector (ASTF) on indicators including excessive overtime and workload distribution.**



## OUR PROGRESS

**We have launched a dedicated health and wellbeing working group** to collaborate closely with the ASTF to develop our employee wellbeing journey into a more robust and conclusive process.

We do our best to ensure that everyone feels supported, encouraged to use their voice and to be their authentic selves at work. In 2020 we held numerous events:

- The first **KPMG Digital Mental Health Summit** aimed to reduce the stigma around mental health. We provided tools and resources to navigate the different challenges that anyone could encounter during a year of uncertainty.
- **Our health and wellbeing guide** was launched to provide staff with resources to find professional support, attend to their personal wellbeing, and continue their fitness routines during COVID restrictions.
- **KPMG's first digital Global Pride summit** brought together colleagues from around the world to learn how to make our workplace more inclusive and to show employees how to be an ally at work.
- **Diversity Day** was a campaign that encouraged staff to share advice and personal stories about "owning your individuality" at work - a way to encourage others to embrace what makes them unique.
- Our **gym facilities** allow our people to keep fit on-site. We encourage our people to break up the day by offering in-house fitness classes several days a week. Our active workforce also has the opportunity to join a wide variety of sports clubs - from basketball and soccer, to running and badminton.
- Several **virtual wellbeing** sessions to support, equip and leverage awareness about mental and physical health in our teams.



**KPMG**

Planet

# PLANET

## WE REDUCE our environmental impact for the better

Climate change is a global issue that affects all people, communities and organizations. It is one of the most impactful risks facing our planet today, ranking alongside income inequality and societal polarization. KPMG acknowledges the immediate opportunities and challenges climate change presents to us and our stakeholders, and we are stepping up to address this challenge.



### A NET-ZERO FUTURE

Our objectives for reducing emissions are aligned with our KPMG Global network commitment to a **1.5°C science-based target to achieve net zero by 2030**. The milestones for these targets include achieving carbon neutrality in 2021, a **50% reduction in direct emissions**, continuing to use 100% renewable energy and, where we cannot achieve a reduction, investing in Gold Standard Certified projects that remove CO2 from our environment.



### TOTAL NET AND GROSS GHG EMISSIONS (TCO2) FOR CALENDAR YEAR 2019

Our net emissions per full-time employee reflect our actions: despite increasing our workforce over the years, we have seen a 4% decrease in emissions per full-time employee since 2018, and 11% since 2016, exceeding our target of 10% in reductions since 2016.

TCO2	2016	2017	2018	2019
NET PER FTE	2.1	2.14	1.94	1.86

KPMG acknowledges that most emissions come from business car leasing and business travel.

The pandemic has accelerated the pace at which we transition towards a more digital workplace, and has therefore significantly reduced our travel needs. By 2025 we aim to reduce car leasing and travel-related emissions to 25% or less of those we produced in 2019, and by 2030 to 50% or less.

We will be reducing our car leasing-related emissions progressively over the next few years by setting a target for continued flexible working, and by adapting our transportation incentives to offer more diverse and sustainable options.



## MINIMIZING WASTE IN THE WORKPLACE

The amount of **waste produced by KPMG increased by about 3 tons in 2019 as our workforce proportionally increased. The quantity of waste per full-time employee, however, decreased by 1kg.**

Towards the beginning of 2020, ambitious and swift actions were taken to reduce overall waste:

- Introducing clear signs for waste separation for employees
- Distributing reusable water bottles and coffee mugs to all existing and new KPMG staff, eliminating the need for disposable material
- Removing all plastic cutlery, straws and water bottles from restaurants, food and drink areas, and meeting rooms.
- Implementing a reusable takeaway system in our canteen through ECOBOX

These actions led to a **25% reduction by March 2020** in the amount of plastic recyclable waste produced in the firm.



## OUR BUILDING

The KPMG Building on 39 Avenue John F. Kennedy was built for its ecological impact and long-term impact on biodiversity. It was awarded the BREEAM certification with the maximum scoring attained in these areas. We are proud of our environmentally-conscious workforce. Our rooftop not only has solar panels, but also a bee colony which produces honey that we give to our clients.



## ENERGY

Although KPMG Luxembourg sources 100% renewable energy, we encourage the responsible consumption of its use and regularly monitor it.





Prosperity

# PROSPERITY

## THE EXCELLENCE TO STRENGTHEN OUR COMMUNITIES AND MARKETS

**We are not only addressing clients' requests and expectations - we are bringing an advantage to our society by playing a key role in market stability and the development of our economy.**

We prioritize sponsorships and actions that make an impact towards the UN's Sustainable Development Goals (SDGs), and align our service offerings with our sustainability vision and targets. We educate our people and clients and link our business activities to these goals, more exclusively:

- SDG 4 Quality Education
- SDG 8 Decent Work and Economic Growth
- SDG 13 Climate Action
- SDG 10 Reducing Inequality



## SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



**SUSTAINABLE DEVELOPMENT GOALS**

# PROSPERITY

## BUILDING A MORE sustainable and resilient future through our clients

**KPMG firms work with clients across the world to support them in decarbonizing their businesses and supply chains, and embedding ESG in everything they do.**

Launched earlier this year, KPMG IMPACT brings together KPMG firms' expertise in supporting clients to address the biggest challenges facing our planet. The aim is to deliver growth with purpose and make headway with the SDGs. As already demonstrated, global forces like the COVID-19 pandemic and climate change continue to pose real risks to our society and our businesses. At KPMG, we are ready to position ourselves as a key player and partner, helping our clients to embrace a sustainable future. We work alongside our clients to tackle regulatory topics and to empower them with emerging solutions such as sustainable finance.



### OUR PROGRESS

At KPMG, we are committed to supporting the market and our clients in addressing the challenges of tomorrow. One of our main priorities is sustainable finance. Our sustainable finance core team comprises eight professionals working closely with more than 20 industry experts. Last year, we mobilized our experts to provide over 50 hours of intervention, through insight and awareness sessions for our clients as well as participation in dedicated events.

We go beyond simple compliance exercises: when it comes to future sustainable finance opportunities, we challenge the status quo to evolve past the traditional mindset. To accelerate the development of best market practices, we are also very active in working groups dedicated to sustainable finance at Luxembourg associations including ALFI, ABBL and LuxFLAG.



# PROSPERITY

## INVESTING IN our communities

**KPMG values investment and volunteering in all areas. Our community investment has totaled over €1 million since the start of the 2019 financial year.**



### PARTNERSHIPS

Since 2019, over €47,000 has been invested in partnerships to raise awareness and progress on topics such as climate change, gender equality, and education.

- One Young World Summit
- Women of the Future Summit
- TEDx Luxembourg City Women
- Luxembourg Sustainability Forum
- Planète NANUK climate change awareness photography exhibition



### PHILANTHROPY AND DISASTER RELIEF

We extend the reach of our individual capabilities through the KPMG Luxembourg Foundation. In 2019, donations totaled over €360,000 with a similar amount for the 2020 financial year. In 2019, the Foundation provided disaster relief for the floods in Bangladesh, and in 2020 launched a donation appeal in collaboration with the Luxembourg Red Cross for victims of the explosions in Beirut, Lebanon.



### VOLUNTEERING

KPMG offers staff four working hours per month (or up to two weeks at a time) to make a difference through volunteering and skill-sharing activities. Since 2019, our people have donated over 1,000 hours to our local community through mentoring, skill-sharing and providing technical expertise. **In 2019, our pro bono investment amounted to over €49,000.**

We are only as strong as the communities in which we live and work, which is why we contribute to the integration of socially excluded people in Luxembourg. Over the past two years, we have focused on improving mentoring programs for asylum seekers and, through Association ALUPSE asbl, providing trusted volunteers to aid in the socio-emotional development of infants in local hospitals.



### STAFF DONATIONS

Through our Payroll Giving program, our staff have raised over €40,000 in cash contributions since 2019. Payroll Giving allows staff to contribute to Friendship Luxembourg (through the five-year integrated KPMG Friendship project), improving the lives of people in rural areas of one of the world's least developed nations, Bangladesh. This project aims to develop infrastructure and sustainable programs for education and health for all, and equal rights for women. Friendship has made tremendous progress so far. See what's been done in the [KPMG Friendship Integrated Project report 2020](#).



### IN-KIND DONATIONS

In 2019, over €10,000 in non-cash contributions were made through facilities rental, IT equipment and clothing, and we will have exceeded this amount by the end of 2020.

# PROSPERITY

## WEALTH AND EMPLOYMENT *creation*

**Investing in job creation and the productive capacity of the local economy is one of the most important contributions we can make to the ecosystem.**

Luxembourgish employees represent one of the largest nationalities in our workforce. We expand recruitment to the Greater Region and beyond as demand for more specific service offerings grows, and the international profile of the Luxembourg market becomes more apparent.



### OUR PROGRESS

In 2019, we onboarded 726 new people to our firm (representing a growth of 4.14%), of which 50% were hired to strengthen our audit services department.

We work continuously with the KPMG Global network to expose our people to different profiles and experiences, and to support them in gaining international exposure through our Global Mobility program. 21 KPMG Luxembourg staff participated in this program in 2019 and went on assignment to KPMG firms in seven different countries.



### OUR VISION

One of our main challenges remains attracting diverse and qualified talent for senior roles across different functions.

Our efforts will be focused on promoting more opportunities for senior-level positions for women and encouraging internal training on relevant skills to advance to these senior roles. We will also prioritize key initiatives externally (e.g. education partnerships and mentoring programs) to support a more diverse talent pipeline.



PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION
<b>PLANET</b>				
<b>Environmental performance</b>	CLIMATE CHANGE	<p>Greenhouse Gas (GHG) emissions</p> <p>Report GHG Protocol Scope 1 and 2 emissions in tons of carbon dioxide equivalent (tCO<sub>2</sub>e) and estimate and report upstream and downstream (GHG Protocol Scope 3) emissions where material.</p> <p><i>This material references Disclosures 305-1 and 305-2 and 305-3 from GRI 305: Emissions 2016, and Disclosures 103-1, 103-2 from GRI 103: Management Approach 2016.</i></p>		<p>GHG emissions is a priority topic identified for the company and our stakeholders, and is a main topic of our Corporate Citizenship Strategy.</p> <p>The majority of our emissions comes from Scope 1, emissions from owned and leased cars at 2026 tCO<sub>2</sub>e for the 2019 calendar year.</p> <p>100% of the electricity we purchase is from renewable resources for our Scope 2 emissions at 702 tCO<sub>2</sub>e.</p> <p>Our Scope 3 emissions from air, rail and business travel are our second largest source of emissions at 1055 tCO<sub>2</sub>e for the calendar year.</p>
		<p>TCFD-aligned reporting on material climate risks and opportunities</p> <p>TCFD-aligned reporting on governance and risk management for all. If climate change is material in short, medium or long term, disclose strategy and metrics/ targets as well, including whether the company has committed to set a science based net-zero target by 2050.</p>	<p><a href="#">KPMG Global Annual Review</a></p>	<p>As a part of the KPMG Global network, we have been reporting in line with the Task Force on Climate-Related Financial Disclosures. In 2020, KPMG Global networks committed to science-based net-zero and 1.5°C targets by 2030.</p>

PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION
<b>PLANET</b>				
	NATURE LOSS	<p>Land use and ecological sensitivity</p> <p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas.</p> <p><i>This material references Disclosures 303-3a from GRI 304: Biodiversity 2016, and Disclosures 103-1, 103-2 from GRI 103: Management Approach 2016.</i></p>	<b>BREEAM Certification</b>	<p>The construction of the KPMG Luxembourg building at 39 Avenue JFK has been rated for its long-term impact on site ecology and biodiversity through BREEAM certification and has received the maximum credits in all areas.</p>
	FRESHWATER AVAILABILITY	<p>Water consumption and withdrawal in water-stressed areas</p> <p>Report for operations where material: megaliters of water withdrawn, megaliters of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct's Water Risk Atlas. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	<b>KPMG Global Annual Review</b>	<p>According to the WRI Aqueduct's Water Risk Atlas, Luxembourg is not a country with a high or extremely high baseline water risk and is not a production site that requires the consumption of large amounts of water to perform its operations.</p>
	SOLID WASTE	<p>Single-use plastics</p> <p>Report wherever material along the value chain: Tons of single-use plastic disposed of.</p> <p>Impact of solid waste disposal report wherever material along the value chain: valued societal impact of solid waste disposal, including plastics and other waste streams.</p>		<p>KPMG Luxembourg has removed all unnecessary single-use plastics from its canteens, coffee corners and meeting rooms. It has replaced single-use plastics with reusable material to prevent unnecessary solid and food waste.</p> <p>We do not have a specific measurement for single-use plastic disposed of in 2019 as single-use plastic is in a mixed waste stream.</p> <p>Solid waste disposal has been reported at 204 tons for the calendar year, with 55% of this disposal being recycled waste. Since removing unnecessary plastic from our building in March 2020, our facilities reported a 25% decrease in recyclable waste compared to December 2019.</p>

PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION
<b>PEOPLE</b>				
<b>Dignity and Equality</b>	GENDER PAY EQUALITY	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.		Pay equality is a material topic for the firm. KPMG Luxembourg is currently undergoing a formal and extensive gender pay review and expects to report on this information in the next reporting cycle.
	WAGE LEVEL %	Ratios of standard entry-level wage by gender, compared to local minimum wage for specific categories of workers		The ratio of standard entry-level wage by gender, compared to local minimum wage per category will be reviewed and disclosed in time for the next reporting cycle.
	RISK FOR INCIDENTS OF CHILD, FORCED OR COMPULSORY LABOR (#, %)	<p>Risk for incidents of child, forced or compulsory labor</p> <p>An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.</p>	<a href="#"><b>KPMG UN Global Compact Communication Progress 2019</b></a>	<p>As a part of the KPMG Global network, KPMG Luxembourg is a signatory of the <a href="#">UN Global Compact on Human Rights</a>.</p> <p>We are encouraged through our global agreement with the KPMG UN Global Compact to screen our suppliers for compliance with ethical, social and environmental standards. Where possible, the suppliers are screened for compliance on the local level. This process is an area for continuous improvement for KPMG Luxembourg.</p>

PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION																										
<b>PEOPLE</b>																														
<b>Dignity and Equality</b>	HEALTH AND WELLBEING	<p>Health and safety (%)</p> <p>1. The total recordable injury rate (TRIR) by specific categories of workers</p> <p>2. The absentee rate (AR) for specific categories of workers</p> <p><i>This material references Disclosures GRI 403-2.a, (IR) (AR) from GRI 403 Occupational Health and Safety, and Disclosures 103-1, 103-2 from GRI 103: Management Approach 2016.</i></p>		<p>The total Recordable Injury rate is 1.6%.</p> <p>The average number of sick days taken by KPMG employees was 6.7 for the financial year. Absentee rate was calculated at 3.14% for KPMG Luxembourg in FY 2019.</p> <p>While the majority of work-related injuries reported to us by our employees are travel-related, it is a very small percentage. We project that our plan to reduce business travel in line with our climate objectives will, in turn, reduce these incidents.</p>																										
	Skills for the Future	<p>Training provided (#)</p> <p>1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees)</p> <p>2. The average training and development expenditure per full-time employee</p> <p><i>This material references Disclosures 404-1 from GRI 404: Emissions 2016 GRI 103: Management Approach 2016.'</i></p>		<p>The total number of training hours for KPMG employees: 121,664.</p> <table border="1"> <thead> <tr> <th>Av. Training Hours</th> <th>F</th> <th>M</th> </tr> </thead> <tbody> <tr> <td>Partner</td> <td>93</td> <td>69</td> </tr> <tr> <td>Director</td> <td>56</td> <td>79</td> </tr> <tr> <td>Senior Manager</td> <td>63</td> <td>67</td> </tr> <tr> <td>Manager</td> <td>81</td> <td>90</td> </tr> <tr> <td>Assistant Manager</td> <td>56</td> <td>69</td> </tr> <tr> <td>Senior</td> <td>52</td> <td>77</td> </tr> <tr> <td>Junior</td> <td>69</td> <td>73</td> </tr> <tr> <td>All</td> <td>64</td> <td>75</td> </tr> </tbody> </table>	Av. Training Hours	F	M	Partner	93	69	Director	56	79	Senior Manager	63	67	Manager	81	90	Assistant Manager	56	69	Senior	52	77	Junior	69	73	All	64
Av. Training Hours	F	M																												
Partner	93	69																												
Director	56	79																												
Senior Manager	63	67																												
Manager	81	90																												
Assistant Manager	56	69																												
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PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION													
<b>PROSPERITY</b>																	
<b>Wealth creation and employment</b>	NET NUMBER OF JOBS CREATED	<p>1.Total number and rate of new employee hires during the reporting period, by age group, gender and region</p> <p>2.Total number and rate of employee turnover during the reporting period, by age group, gender and region</p> <p><i>This material references Disclosures 401-1 from GRI 401: Employment 2016 GRI 103-2: Management Approach 2016.</i></p>		<p>The number of new hires for the 2019 FY was 726.</p> <p>Average turnover % for all functions is 27.1%. Resignation rate per gender of staff population is at 22% for males and 20% for females, of which 69% were aged 24-32.</p>													
	NET ECONOMIC CONTRIBUTION	<p>1. Direct economic value generated and distributed (EVG&amp;D) – on an accrual basis, covering the basic components for the organization’s global operations, including revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government</p> <p>2. Financial assistance received from the government (e.g. tax breaks, subsidies, investment grants etc.)</p> <p>3. Net Economic Contribution = (EVG&amp;D) minus (Financial assistance received from the government)</p>		<table border="1"> <thead> <tr> <th></th> <th>In thousands EUR</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td><b>235 163</b></td> </tr> <tr> <td>Employee wages and benefits</td> <td><b>112 760</b></td> </tr> <tr> <td>Social security paid, taxes on salaries and bonus</td> <td><b>55 720</b></td> </tr> <tr> <td>Payment to providers of capital</td> <td><b>185</b></td> </tr> <tr> <td>VAT payment &amp; corporate taxes</td> <td><b>30 054</b></td> </tr> <tr> <td>Operating costs</td> <td><b>65 525</b></td> </tr> </tbody> </table> <p>The above mentioned figures have been extracted from our annual accounts. We did not request any government subsidies, except the usual ones in relation to the training delivered to our people.</p>		In thousands EUR	Revenue	<b>235 163</b>	Employee wages and benefits	<b>112 760</b>	Social security paid, taxes on salaries and bonus	<b>55 720</b>	Payment to providers of capital	<b>185</b>	VAT payment & corporate taxes	<b>30 054</b>	Operating costs
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<b>PROSPERITY</b>				
<b>Innovation for better products and services</b>	NET INVESTMENT	<ul style="list-style-type: none"> <li>- Total capital expenditures (CapEx)</li> <li>- Depreciation</li> <li>- Share buybacks</li> <li>- Dividend payments</li> </ul> Calculation: (Total CapEx - depreciation) / (Total cost of share buybacks + dividend payments)		We do not report on this topic in this reporting cycle as it has not been identified as material.
<b>Community and social vitality</b>	R&D SPEND RATIO (%)	R&D spend ratio (%)  Total amount of spending on R&D as a percentage of total sales.		We do not report on this topic in this reporting cycle as it has not been identified as material.
	COMMUNITY INVESTMENT (%)	Community investment (%)  A percentage breakdown of community investment, including monetary contributions such as charitable gifts and community partnerships; time contributions such as staff volunteering in paid time; in-kind contributions from services or equipment; and management costs, normalized as a percentage of pre-tax profit.		The sum of community investment for FY 2019 is .23% of pre-tax profit (or €549,000).

PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION
<b>PRINCIPLES OF GOOD GOVERNANCE</b>				
<b>Governing Purpose</b>	SETTING PURPOSE	Whether the company has a stated purpose linked to societal benefit and their core business		<p>At KPMG, we want to be the clear choice. Here in Luxembourg, we have built a strategy based on profitable growth and the foundation of a sustainable future to achieve our vision. Our strategy includes 3 firm principles (how we operate as a firm), 3 individual principles (what we achieve as individuals), and 8 priorities that we can act on. At the very core of our strategy is a desire to deliver exceptional client and people experience.</p>
<b>Quality of Governing Body</b>	BOARD COMPOSITION	Composition of the highest governance body and its committees by: executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; competencies relating to economic, environmental and social topics; stakeholder representation		<p>The key governance bodies for KPMG Luxembourg are the Executive Committee and the Supervisory Board.</p> <p>The role of the Executive Committee is to provide leadership to the organization. It is responsible for our long-term growth and sustainability, setting our strategy and overseeing its implementation, monitoring performance against our business plan, and protecting and enhancing the KPMG brand. The Executive Committee also deals with key Luxembourg operational issues.</p> <p>The role of the Supervisory Board is to provide oversight of the management of the firm by the Executive Committee, to provide support by acting as a sounding board for the Executive Committee, and to review the local partner remuneration process and the financial statements of the local firm at the year end.</p> <p>The managing partner is elected every 4 years with the most recent election held in 2020. The new Executive Committee will include 7 positions. As in previous years, the Managing Partner, Head of Tax, Head of Advisory, Head of Audit, and Chief Operating Officer (COO) all sit on the committee. A Chief Innovation Officer (CINO) and Head of Sales &amp; Markets have been added as permanent members to support the central goals of client centricity and innovation.</p> <p>The importance of ethics and independence at KPMG is also demonstrated through the establishment of a permanent seat on the Executive Committee for the Country Risk Management Partner as well as the establishment of the role of Head of Ethics and Integrity</p> <p>The gender representation of our governance body is disclosed in the content of this report.</p>

PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION
<b>PRINCIPLES OF GOOD GOVERNANCE</b>				
<b>Quality of Governing Body</b>	STAKEHOLDER ENGAGEMENT	<p>Impact of material issues on stakeholders</p> <p>A list of the material topics identified in the process of defining report content and how they impact stakeholders</p>	<p>Message from our Head of Corporate Citizenship</p>	<p>We utilized stakeholder mapping exercises and International Business Council metrics guidance to select the preliminary topics to report on. We engaged our people through our Global People Survey and through employee representation groups to select more narrowly the topics of highest importance to them. Our next reporting ambition is to include a more comprehensive scope of stakeholder and business needs as well as more robust disclosure coverage. This report focuses on environmental impact, inclusion and diversity, and community investment.</p>
<b>Ethical Behavior</b>	ANTI-CORRUPTION	<p>Anti-corruption</p> <ol style="list-style-type: none"> <li>1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region</li> <li>2. Total number and nature of incidents of corruption confirmed during the current year but related to previous years</li> <li>3. Total number and nature of incidents of corruption confirmed during the current year, related to this year.</li> </ol>	<p><a href="#">Transparency Report</a></p>	<p>KPMG International and KPMG member firms are committed to achieving a high standard of ethical behavior in everything that we do. 'Integrity: We do what is right' is one of our core values and is reflected in the Global Code of Conduct.</p> <p><a href="#">KPMG Anti-bribery and Anti-Corruption</a></p>
	PROTECTED ETHICS ADVICE AND REPORTING MECHANISMS	<p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> <li>1. seeking advice about ethical and lawful behavior, and organizational integrity;</li> <li>2. reporting concerns about unethical or unlawful behavior, and organizational integrity</li> </ol>	<p><a href="#">Transparency Report</a></p>	<p>Our procedures for reporting are outlined in our transparency report.</p>

PILLAR	THEME	METRICS AND DISCLOSURES	URL	COMMENTS AND ADDITIONAL INFORMATION
<b>PRINCIPLES OF GOOD GOVERNANCE</b>				
<b>Risk and Opportunity Oversight</b>	INTEGRATING RISK AND OPPORTUNITY INTO BUSINESS PROCESSES	<p>Company risk factor disclosures clearly identify the principal risks facing the company specifically (as opposed to generic sector risks), the Board appetite in respect of these risks, how these risks have moved over time and the response to those changes. These should include discussion of data security and other emerging principal risks and should disclose the number of data breaches in the reporting period.</p>	Message from our Managing Partner	



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