

# Our Impact Plan 2022

Sustainability Report  
KPMG Switzerland





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Our Sustainability Report presents KPMG Switzerland's key ESG<sup>1</sup> issues that fall under one of our four overarching pillars: Governance, People, Planet and Prosperity. In this report, we set out commitments that respond to these material issues, reporting on the progress we have made so far, the current challenges including how we, as a service provider and employer, reacted to these challenges, and where we can make the greatest impact.

The reporting period covers our 2022 financial reporting year, i.e., from 1 October 2021 to 30 September 2022. We aim for our reports to include the most up-to-date information, therefore, some of the disclosed information covers the period between 1 October 2022 and the editorial closing date in early January 2023. We publish our Sustainability Report annually. The present report was published on 30 April 2023. It has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. The information and data were collected by our specialist departments and business units using representative methods. The report has not been audited or reviewed by any third party.

KPMG Switzerland is a member of the KPMG network of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee ('KPMG International') and has accordingly been a member of the United Nations Global Compact, the world's largest initiative for responsible corporate governance, since 2002. Along with this, we are committed to the ten principles of this initiative for a sustainable global economy and publish our progress report on an annual basis.

The Sustainability Report includes the entities under financial control (fully consolidated) of KPMG Holding AG. Hence, it should be read in conjunction with our [Annual Report](#) as well as our most recent [Transparency Report](#). If disclosures relate only to individual parts of the organization, this is clearly indicated.

To give stakeholders the opportunity to compare our year-on-year performance clearly and simply and to understand the methodologies we applied for the preparation of our disclosures, we have developed a comprehensive [Databook](#) containing our reported data, which can be read as a supplementary information to this report.

As a matter of diversity, this report has been written in a gender-neutral manner. We use possessive pronouns ('their') to expressly refer to all genders.

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<sup>1</sup> Environment, Social, Governance



# Our progress at a glance

## Governance




Renewed our  
**ISO 27001 certification**



**No complaints regarding a breach of customer information security**




**No violations of the Supplier Code of Conduct** were reported to us



64/100 points from **EcoVadis** (Silver Medal)

## People




Introduced **two ESG trainings** open to all staff



Increased **maternity leave from 16 to 18 weeks** and **paternity leave from 2 to 4 weeks**





Introduced a new work from anywhere offering, incorporating

**10 days for cross-border remote working**





Received the **Swiss LGBTI label** which recognizes organizations that take a holistic approach to diversity management

## Planet

 <p><b>Implemented an internal carbon price</b> to drive us toward net zero</p>	 <p>Introduced an <b>approval process for non-client related non-chargeable air travel</b></p>	 <p>All offices sourcing <b>100% renewable electricity</b></p>
 <p><b>Implemented a carbon accounting solution</b> based on <b>ServiceNow</b></p>		

## Prosperity

 <p>We grew our <b>Sustainability Offering</b></p>	<p><b>Monetized the positive and negative impacts from our own operations</b> using KPMG's proprietary <b>'True value' methodology</b></p>	 <p><b>Total net revenues 2022</b> in CHF million <b>471.4</b></p> <p>We achieved record net revenues of CHF 471.4 million, up 7.3 percent compared to the prior financial year</p>
<p>We <b>onboarded 23 alliance partners</b> (up from 21 last year) to our alliance management platform, actively <b>driving collaboration between our business and technology units</b></p>		



## CEO statement

# Is there anything more constant than change?

2022 was another challenging year, and we had to change as the world changed around us. But change is not just a challenge, it is also an invitation to innovate, adapt and progress.

At KPMG we understand the role we play in the wider society. As a leading professional services firm, we are here to support our clients and stakeholders and provide trust in the market. Our purpose to inspire confidence and empower change to create a better future for our clients, people and society has never been more relevant. However, we must continue to find the balance between our business responsibilities, and our sustainability commitments.

This report discusses how we struck that balance over the last year. It demonstrates how we are embracing and driving sustainable change, to make a positive contribution to our clients, people and the wider community, across four pillars: Governance, People, Planet and Prosperity.

**Governance**

In the mirror of a challenging economic environment of the past year, our clients continued to put their trust in us. The work undertaken on our governance commitments, including ethics, quality and compliance shows our clients and the wider community that they can trust us. Our compliance with international information protection standards, supported by an ISO 27001 recertification, demonstrates our continued commitment to information and data security.

**People**

Our commitment to providing an inclusive and welcoming workplace for our people continued. This year we focused on inclusivity and diversity topics which helped us to embrace our 'Together' and 'For Better' values. KPMG's LGBTQ+ community has expanded, and in 2022 we received the Swiss LGBTI label which recognizes organizations that take a holistic approach to diversity management.

New initiatives focusing on health and well-being were started including helping our people take better care of their mental health. To foster better work life integration, we also increased maternity and paternity leave and introduced a new work from anywhere offering

The work on increasing female representation at senior leadership levels continued. New dashboards help us track talent and check the gender balance in teams and functions. The Network of Women at KPMG expanded their program, and a mentoring scheme designed for female managers ran for a second year. We acknowledge we have more work to do in this area and will continue to invest to increase Inclusion & Diversity across our firm.

**Planet**

KPMG International has committed to achieve net-zero carbon emissions by 2030. To help meet these targets we have implemented several new initiatives including an internal carbon price.

In a year when energy consumption has come under the international spotlight, we have continued to participate in the Zurich Energy Model, to increase energy efficiency and all our offices are powered by green energy.

**Prosperity**

2022 was a successful year as we achieved record net revenues. For the first time we decided to assess our economic, social and environmental impact in monetized terms using KPMG's 'True Value' methodology. This knowledge proves a new lens for our decision making and it will be interesting to see the progress we can make on these new metrics.

We work with alliance partners in an ecosystem of the world's leading tech, data and service companies. In 2022 we increased the number of alliances and have been able to offer our clients expert support for their digital transformation projects. We were also recognized in Swiss media as the most advanced firm in terms of digital transformation. Digital transformation of our services and solutions will help us achieve sustainable business agility for our clients, people and society. With an ever-increasing digital footprint and adoption of new technologies there is a risk of environmental impacts in terms of energy consumption. The action plan put in place by our data center and cloud providers help to mitigate this.

These brief highlights show we continue to make progress within the four pillars of our sustainability agenda. The rest of this report discusses in more detail our milestones and action plan for continued success.

We know we are on a journey and we must continue to strengthen our commitment to our sustainability responsibilities and reporting. In an environment of change we rely on our strengths – our people, our client-centricity and our multidisciplinary business model. Fundamentally our goal remains the same – to create long-term value for ourselves and our stakeholders.

**Stefan Pfister**  
CEO KPMG Switzerland

# Our firm

## Who we are

KPMG Switzerland is a leading provider of professional services in Switzerland and Liechtenstein. It operates out of 10 offices in Switzerland and one in Liechtenstein. We create value by serving mid-sized local and large global companies from various financial and non-financial industries across four service lines: Audit, Tax & Legal, Advisory and Financial Services.

Audit mainly encompasses the independent statutory examination of our corporate clients' consolidated and annual financial statements. These audits provide all stakeholders with trust in the financial reporting of our clients.

Through our Tax & Legal services, we ensure the compliance with Swiss and international legislation by our corporate and private clients.

The Advisory professionals share their know-how and experience with our corporate clients to support them in overcoming any challenges they may face. Our services span across the fields of Strategy, Operations Transformation, Deal Advisory, Forensic, Cyber & Digital Risk, Information Management & Compliance.

The Financial Services business line provides various Audit & Assurance, Tax & Legal as well as advisory services tailored to financial services industry, including banks, asset managers and insurance companies.

Our business is organized as a professional partnership. Therefore, our firm is owned by its Partners. It is managed by an Executive Committee and overseen by a Board of Directors.

The Swiss corporation KPMG Holding AG is a member of the KPMG global organization of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Holding AG is the parent company of the following, directly or indirectly wholly owned subsidiaries:

- KPMG AG, Zurich
- KPMG (Liechtenstein) AG, Vaduz
- Ostschweizerische Treuhand-Gesellschaft AG, St. Gallen
- Fides Revision AG, Zurich
- KPMG Tax & Legal Services AG, Zurich

More information on network arrangements is disclosed in our [Transparency Report](#).

## Our purpose

**We inspire confidence.  
We empower change.  
We dare to do.**

We do what matters, and we inspire confidence by building trust, while empowering change to shape a better future. Our purpose is rooted in a rich history, built on our role to protect the public interest while shaping a better future for our clients, our people, other stakeholders and wider society.



[Watch our purpose videos: People and culture – Dare to do](#)

Today, the challenges the world faces have never been greater, with immense pressures on the business world and wider society. Our purpose has never been so relevant. By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward. We all follow KPMG's purpose in our everyday work, but we all have a very individual purpose we want to fulfil in life.



## Our values

Our values represent who we are and what we believe in as a firm worldwide. They are the DNA of our global brand, our promise to the clients and other stakeholders. We all play a role in KPMG's success story. By acting in accordance with these values we become trustworthy and shape how we are viewed.



These values also define the expectations we have of each other, and most importantly, ourselves. Ultimately, they are core to who we are as a firm, what it means to work at KPMG, and help us achieve our purpose.

Our values are the foundation of everything we do and every action we take. They are embedded in our [Code of Conduct](#) to which we all subscribe.

# Overview of KPMG Switzerland

## Business areas of KPMG Switzerland

Audit	T&L	Adv.	FS
<p><b>Audit</b> We deliver audits and related services in accordance with Swiss and international financial reporting standards. Our high-quality, independent assurance services harness innovative technology to deliver deeper insights and build trust and transparency.</p>	<p><b>Tax &amp; Legal</b> We advise corporate and private clients on tax and legal matters in accordance with Swiss and international legislation. Our expertise spans tax disciplines, jurisdictions and technologies to help our clients stay competitive and compliant in a volatile tax landscape.</p>	<p><b>Advisory</b> We help our clients to overcome new challenges every day while preserving or increasing value. We help companies future-proof their business by anticipating disruption, addressing challenges, monitoring risks and building resilience in turbulent times.</p>	<p><b>Financial Services</b> We support financial services organizations with leading expertise and technology across Audit, Tax &amp; Legal and Advisory. Our professionals help clients rethink their business and operating models, adapt strategies and automate processes in a way that is value-adding, sustainable and compliant.</p>

## Locations and contacts



- |   |   |
|---|---|
| <p><b>Basel</b><br/><b>Claudio Boller</b> Regional Market<br/>Leader Basel: +41 58 249 91 91</p> <p><b>Berne</b><br/><b>Simon Studer</b> Regional Market<br/>Leader Bern: +41 58 249 76 00</p> <p><b>Geneva</b><br/><b>Alexandra Depoire</b><br/>Regional Market Leader Geneva:<br/>+41 58 249 25 15</p> <p><b>Lausanne</b><br/><b>David Oberson</b> Regional Market<br/>Leader Lausanne: +41 58 249 45 55</p> <p><b>Lucerne &amp; Zug</b><br/><b>Thomas Affolter</b> Regional Market<br/>Leader Central Switzerland:<br/>+41 58 249 38 38 / +41 58 249 74 74</p> | <p><b>Lugano</b><br/><b>Lorenzo Job</b> Regional Market<br/>Leader Ticino: +41 58 249 32 32</p> <p><b>Neuchâtel</b><br/><b>Fabien Perrinjaquet</b><br/>Regional Market Leader Neuchâtel:<br/>+41 58 249 61 30</p> <p><b>St. Gallen</b><br/><b>Peter Michael</b> Regional Market<br/>Leader Eastern Switzerland:<br/>+41 58 249 22 11</p> <p><b>Vaduz</b><br/><b>Lars Klossack</b> Location Leader<br/>Vaduz: +41 58 249 70 40</p> <p>Headquarters KPMG Switzerland</p> <p><b>Zurich</b><br/><b>Roman Wenk</b> Regional Market<br/>Leader Zurich: +41 58 249 31 31</p> |
|---|---|

More information on the organization and governance of KPMG Switzerland and its KPMG network arrangements is disclosed in our [Transparency Report](#).



## Global network

KPMG is a global organization of independent professional services firms providing Audit, Tax & Legal and Advisory services.

Professionals world wide

**236,257**

**59,325**

Americas

**126,438**

EMA

**50,449**

Asia Pacific

**149**

Countries and territories

**700+**

Locations



### More about KPMG Switzerland

973 | 1,378

Women | Men

2,351

Number of employees

414

Part-time employees

133

Partner

34

Years average age

56

Nationalities

2.1 Mio.  
CHF

In Community investment

4,875

Hours of volunteering work

495

Hours of pro bono work

6,576

Training hours within our initiative 'Move for charity'

1,000

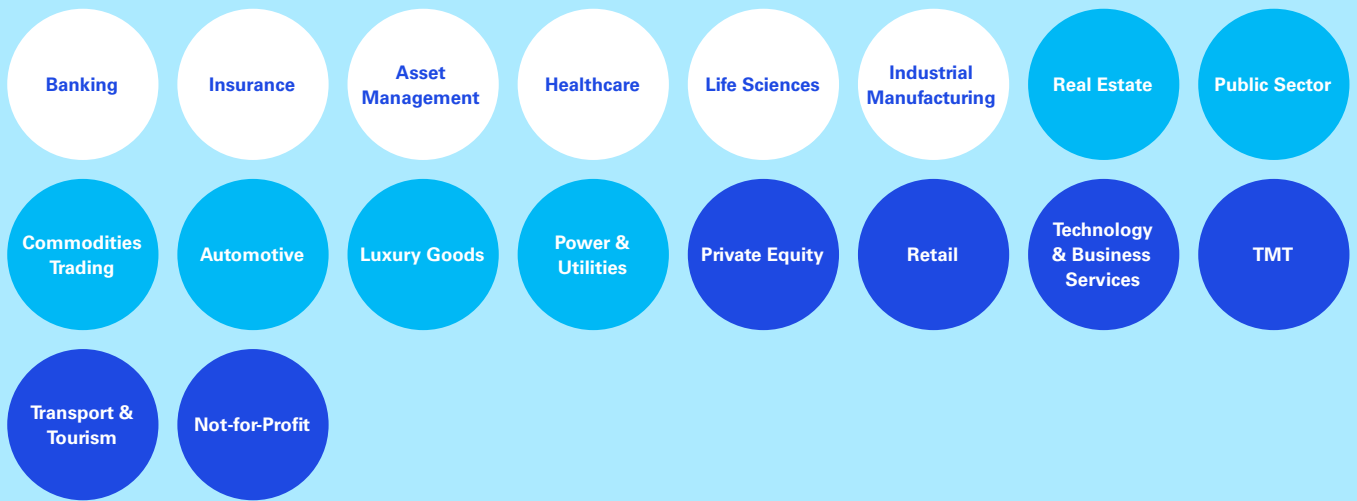
Users/month on our learning platform

255,344

Hours of professional development



### Industries in which we operate



### Annual results KPMG Switzerland

FY 2022

#### Total net revenues 2022

**471.4** **+7.3%**

in CHF million

#### Total gross revenues 2022

**626.2** **+7.1%**

in CHF million

#### Audit/audit-related services

**211.5** **+6.9%**

in CHF million

#### Tax & Legal services

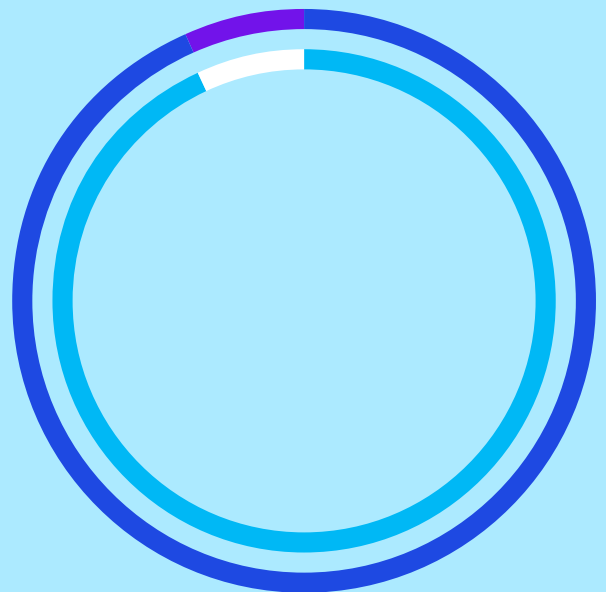
**115.9** **-4.7%**

in CHF million

#### Advisory & consulting services

**141.1** **+20.3%**

in CHF million

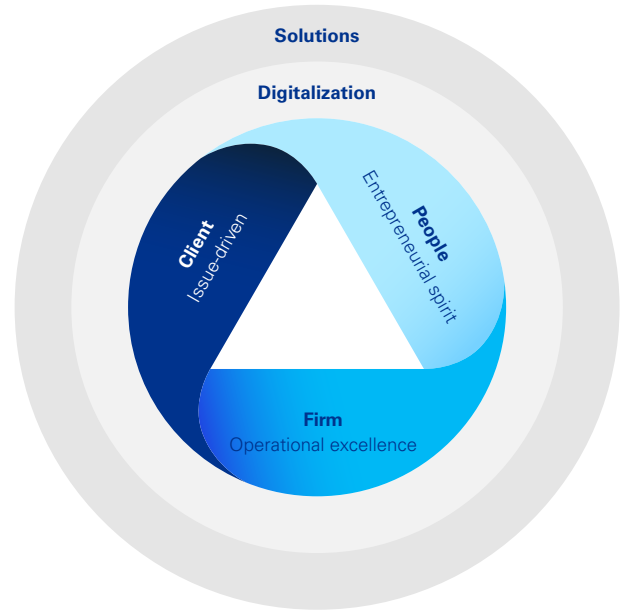


# Our strategic priorities

## Our strategy

### Dare to grow

Although many markets and sectors face disruption, the new reality presents new business opportunities. We are acting now to seize these opportunities by entering new fields of play in growing markets, while developing our traditional business from a position of strength. By acting on our strategic priorities for the upcoming years, and staying true to our purpose, we can achieve our goals and continue to build a sustainable future for our clients, our people and our firm.



## Client

**We stimulate trust and confidence in business**

We inspire confidence through our deep expertise, creating trusting relationships. With integrity and objectivity, and through the quality of our work, we empower change by pairing deep-rooted local knowledge and global connectivity to help clients to make bold, impactful decisions.

## People

**We are a people business**

We empower our people to acquire future proof skills essential to developing new business opportunities. As they take ownership of their development they gain an advantage for life. Working with inclusive teams from around the world, our people can contribute to a better future for our clients, our people and society.

## Firm

**We foster operational excellence within our firm**

We are improving our processes, optimizing our organizational and digital set up and working to become a data driven firm, while offering the right infrastructure, tools and latest working models to our business.

# Inspire confidence. Empower change.

**Our purpose has never been so relevant. By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.**



Our commitment to sustainable development  
**Our Impact Plan**

<p><b>Governance</b></p> <p><b>Putting our values at the heart of the way we do things</b></p> <hr/> <p><b>Purposeful business</b></p> <ul style="list-style-type: none"> <li>– Always act with a clear purpose</li> <li>– Lead the profession in audit quality</li> </ul> <p><b>Acting transparently with accountability and integrity</b></p> <ul style="list-style-type: none"> <li>– Act lawfully, ethically and in the public interest</li> <li>– Work against corruption in all its forms, including extortion and bribery</li> </ul> <p><b>Human rights</b></p> <ul style="list-style-type: none"> <li>– Respect human rights</li> </ul>	<p><b>People</b></p> <p><b>Creating a caring, inclusive and values-led culture for our people</b></p> <hr/> <p><b>Inclusion, diversity and equity</b></p> <ul style="list-style-type: none"> <li>– 20% female partners until 2025</li> <li>– Have an inclusive culture, built on trust</li> <li>– Foster an educated, empathetic workforce</li> <li>– Advocate for equal opportunity</li> </ul> <p><b>Health and well-being</b></p> <ul style="list-style-type: none"> <li>– Protect the health of our people – both physically and mentally – and enable them to be effective and productive</li> </ul> <p><b>Continuous learning</b></p> <ul style="list-style-type: none"> <li>– Develop a continuous learning culture</li> </ul>	<p><b>Planet</b></p> <p><b>Reducing our impact on the environment to build a more sustainable and resilient future</b></p> <hr/> <p><b>Decarbonization</b></p> <ul style="list-style-type: none"> <li>– Achieve a 50% reduction of our direct and indirect GHG emissions by 2030</li> <li>– Purchase verified carbon credits in the amount of any remaining GHG emissions we cannot remove from our operations</li> </ul> <p><b>Climate risk</b></p> <ul style="list-style-type: none"> <li>– Give financial markets, clients and our leaders clear, comprehensive, high-quality information on the impacts of climate change</li> </ul>	<p><b>Prosperity</b></p> <p><b>Driving good corporate citizenship and wealth creation for our communities</b></p> <hr/> <p><b>Making a positive social and economic impact</b></p> <ul style="list-style-type: none"> <li>– Support education and lifelong learning</li> </ul> <p><b>Innovation of better products and services</b></p> <ul style="list-style-type: none"> <li>– Build an agile, effective and resilient organization through digital transformation</li> <li>– Form alliances with top technology vendors to enrich our services</li> <li>– Continuously improve our service quality and client satisfaction</li> </ul>
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Meeting our responsibility comes in many forms – in our work and in our daily lives, through the values we share and the quality of work we provide. We firmly believe that the business community has an opportunity and responsibility to help shape a more sustainable future. We have catalogued our ESG commitments in one place and report our progress transparently against the World Economic Forum’s (WEF) International Business Council (IBC) metrics in KPMG: Our Impact Plan.

Our Impact Plan sets out the commitments we are making on our journey to become a better business and reaffirms our commitments to the United Nations (UN) Global Compact Principles and the UN Sustainable Development Goals.

The four pillars of our sustainability strategy are aligned with KPMG Global’s sustainability strategy, our firm strategy and values.

The implementation of sustainability-related measures in day-to-day business is integrated into all functions. Strategic

decisions are prepared by the relevant departments and adopted by the Executive Committee.

**Our approach to identifying risk**

We identify and manage risks through a formal risk assessment process that is the responsibility of the Executive Committee. The National Quality & Risk Management Partner prepares an annual risk assessment for discussion with the Executive Committee and the Board of Directors. ESG and corruption risks, among others, are covered as part of this analysis.

Our global client and engagement acceptance and continuance processes and policies help us identify and evaluate potential risks, ethics or compliance issues prior to accepting or continuing a client relationship or performing a specific engagement. Where client or engagement acceptance or continuance decisions pose significant risks, additional approvals are required.

More information is disclosed in our [Transparency Report](#).

# Our governance

## Board of Directors



[From left to right]

**François Rouiller**

**Hélène Béguin** (Chairwoman)

**Helen Campbell**

**Pascal Sprenger**

KPMG Switzerland has a balanced two-tier leadership model. This consists of a Board of Directors at the level of KPMG Holding AG) and an Executive Committee (at Group level, also acting as the Executive Board of Directors of KPMG AG).

According to the Swiss Code of Obligations, the Board of Directors as the highest governance body has non-delegable

duties, which include among others the appointment, dismissal and ultimate supervision of the CEO, strategy approval and the control of its implementation, as well as the approval of the budget and important investments.

The management of the firm is delegated to the Executive Committee.

## Executive Committee



[From left to right]

- Tobias Valk**, Head of Advisory
- Philipp Rickert**, Head of Financial Services
- Philipp Hallauer**, Head of National Quality & Risk Management
- Stefan Pfister**, Chief Executive Officer
- Lukas Marty**, Head of Audit
- Stefan Kuhn**, Head of Tax & Legal

The detailed responsibilities of the Board of Directors are described in the Organizational Rules of KPMG Holding AG. The Board of Directors meets regularly with members of the Executive Committee and other corporate functions to discuss areas of strategic direction, risk, compliance and ESG.

The Board of Directors reports on its activities at the annual general assembly of the Partners. The report is the basis for the Partners to discharge the Board of Directors.

Led by the CEO, the Executive Committee is responsible for the development of the strategy and its efficient and effective implementation.

Our structure and governance are explained in detail in Section 2.3 of our [Transparency Report](#).



## Driving sustainability at KPMG

### Our Impact Plan Program Delivery



The Global Our Impact Program Team, led by the Global Head of Our Impact Plan, includes a Director of PMO, a lead for each of the four pillars of our sustainability strategy (Governance, People, Planet, Prosperity), an operational framework of workstream leads covering member firm engagement, reporting, technology, marketing and communications, and ESG procurement as well as an ESG special advisor. This team works to operationalize the commitments made in Our Impact Plan to ensure KPMG International and the network of member firms move forward with their internal ESG strategy.

To link into this global governance structure, effective from FY 2023, the Swiss firm formalized a program delivery structure that mirrors the global governance setup and therefore facilitates optimal collaboration within the relevant international working groups and streams.

The program is coordinated by the Corporate Responsibility Officer and brings together representatives of Human Resources, Procurement, Marketing & Communications, National Quality & Risk Management, Finance, Corporate Security and Digital Business Technology. Formal meetings are conducted on a quarterly basis to discuss progress on the sustainability strategy initiatives. Engagement with function leadership is taken up and discussed as part of the numerous existing forums.

The Corporate Responsibility Officer updates the CEO on a monthly basis and reports to the Executive Committee and the Board of Directors at least annually.

## Our interaction with stakeholders

To be a responsible corporate citizen it is important we engage with our stakeholders and understand their needs and expectations. For this report we identified our key stakeholders by reviewing the common stakeholder categories listed in the GRI. We assessed which categories are most impacted by our activities, and why. The following table summarizes how we ensure meaningful engagement with them and their interests and concerns.

Key stakeholders	Frequency and means of engagement	Interests and concerns (topics)
<b>Current and future employees</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>– Continuously available Human Resources advisors and service experts</li> <li>– Employee inclusion in definition of work models</li> <li>– Working groups within Functions</li> <li>– Next Gen Board</li> <li>– Recruiting events</li> <li>– Safe channels for reporting concerns</li> <li>– Training and development programs</li> </ul> <p><b>At least annually</b></p> <ul style="list-style-type: none"> <li>– Feedback and development discussions between employee and People Manager</li> <li>– Employee leaving survey</li> </ul> <p><b>At least biannually</b></p> <ul style="list-style-type: none"> <li>– People survey</li> </ul>	Employee engagement, Work-life balance, Remuneration, Flexitime, Home working, Career development and opportunities, Feedback and coaching culture, Training and learning, Leadership, Diversity and inclusion, Health and well-being, Safe working environments, Internal mobility, Purposeful work opportunities
<b>Clients</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>– Client interactions during daily business</li> <li>– Regular publication of studies and articles</li> <li>– Project debriefs</li> <li>– Client feedbacks on project proposals</li> <li>– Service quality surveys</li> <li>– Channels for reporting complaints</li> <li>– Webcasts, events, newsletter or blogs</li> </ul> <p><b>At least annually</b></p> <ul style="list-style-type: none"> <li>– Client Service Review Meetings</li> <li>– Conferences, workshops or meetings</li> <li>– Webcasts</li> <li>– Participation in Audit Committee Meetings</li> <li>– EcoVadis Sustainability Rating</li> </ul>	Compliance, Independence, Integrity, Trustworthiness, Reputation, Project team qualifications, Knowledge sharing, Delivery quality, Delivery innovation, Digital transformation, Data and cyber security, Corporate citizenship, ESG impacts

Key stakeholders	Frequency and means of engagement	Interests and concerns (topics)
<b>Regulators and Legislators</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>– Interactions in daily business</li> <li>– Debrief meetings</li> <li>– Political dialog</li> <li>– Participation in industry associations</li> <li>– Annual inspection by Federal Audit Oversight Authority (FAOA)</li> <li>– Periodical inspection by Financial Market Authority (FMA) in Liechtenstein and FAOA/US PCAOB</li> <li>– Joint inspection in Switzerland</li> </ul>	Compliance, Integrity, Transparency, Trust, Stability of capital markets, Risk management, Quality management, Audit quality, Independence, Data and cyber security, Corporate citizenship
<b>NGOs / Public</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>– Publication of studies and articles</li> <li>– Interviews and mutual appearances in conferences and other events</li> </ul> <p><b>At least annually</b></p> <ul style="list-style-type: none"> <li>– Participation in conferences, workshops, networks etc.</li> </ul>	Compliance, Integrity, Independence, Transparency, Stability of capital markets, Corporate citizenship, CSR performance and ESG impacts
<b>Suppliers</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>– Supplier code of conduct</li> </ul> <p><b>At least annually</b></p> <ul style="list-style-type: none"> <li>– Ad hoc requests for offerings</li> <li>– Regular surveys and forms</li> <li>– Contract negotiations</li> </ul>	Compliance, Economic performance, Transparency, Solvency, Efficient and timely communication, Respect of general terms of service

## Process to determine materiality topics

To understand what most concerns this diverse group, we carried out a materiality assessment considering both the impact materiality perspective and the financial materiality perspective.

Through the systematic approach, we were able to identify the topics that are relevant for the non-financial reporting requirements of the Swiss Code of Obligations (CO) as well as the GRI Standards. The process helped us to identify our focus topics for the future – both in terms of managing the topics, and in terms of reporting.

The basis for our assessment formed potentially material topics which were identified in an internal process. Here we evaluated topics of current relevance for KPMG and peers as well as topics from reporting standards (e.g., GRI SRS, SASB) and the Swiss CO. Further, inputs from stakeholders were systematically analyzed, e.g., employee engagement

and employee trust data derived from our Global People Survey (GPS). We also considered recent media coverage on KPMG Switzerland; significant business risks included in our Enterprise Risk Management framework as well as material issues identified by KPMG member firms. In establishing the new list of material topics, some topics from last year were reworded and broken down with a higher level of granularity.

We evaluated the individual topics based on two dimensions: the impact of each topic on the environment, employees, and society (impact materiality perspective) as well as its business relevance (financial materiality perspective).

The result is a list of 11 issues that are considered most material to both our stakeholders and our organization in the four priority areas: Governance, People, Planet and Prosperity.



Pillar	Material issues	Main impact generated	Type of impact	Impact materiality level	Main reference SDG for positive impacts	Financial materiality level	Double materiality level
Governance	Information and Corporate Security	Maintain confidentiality and ensure that all information and data in our custody is protected and kept secure	+				
		Failure to manage our risks related to collection, retention and use of sensitive, confidential, and/or proprietary customer or user data	-				
	Responsible Supply Chain	Avoidance of issues associated with environmental and social externalities created by suppliers through their operational activities	+				
		Failure to reduce negative environmental and social impacts by suppliers	-				
	Business Ethics, Quality and Compliance	Compliance with all requirements regarding quality and risk management	+				
		Failure to manage risks surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities, and other behavior that may have an ethical component	-				
People	Career Development	Development of the skills and experience of our staff to meet both our staff's expectation toward career progression as well as our client's expectations to provide the best knowledge and expertise	+				
		Lack of career development opportunities and failure to promote employees' talents and interests, and remain an attractive employer of the future	-				
	Inclusion and Diversity	Ensuring that our culture as well as hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and its customer base	+				
		Failure to create a caring, inclusive and values-led culture for our people	-				
	Employee Health and Well-being	Protect the health of our people—both physically and mentally—and enable them to be effective and productive	+				
		Failure to offer jobs that overall allow for a balance between professional engagement and leisure time	-				
Planet	Climate Change and Decarbonization	Reduction of GHG emissions	+				
		Failure to reduce GHG emissions	-				
	Energy and Resource Management	Reduction of energy and resource consumption by management of energy and resource efficiency, as well as reduction of waste from our own operations	+				
		Increased energy and resource consumption, as well as increased waste generation	-				
Prosperity	Purposeful Business	Ensuring that the services we offer are aligned to our Purpose, and provide a positive impact on our stakeholders	+				
		Failure to support positive change through innovation alongside our clients and alliance partners	-				
	Digital Transformation	Continuously innovate the services we (will) provide and optimize our organization and process to support our focus on our clients, people and society	+				
		Failure to implement innovative digital services, and optimize our own business and the business of our clients	-				
	Community Investment and Corporate Citizenship	Support education and lifelong learning	+				
		Insufficient attention paid to the communities in which we operate	-				

# 01

# Governance

Putting our values at the heart  
of the way we do things



## Governance commitments



Always act with a  
**clear purpose**

**Purposeful business**

Lead the profession in  
**audit quality**



Act  
**lawfully, ethically**  
and in the  
**public interest**

**Acting transparently with  
accountability and integrity**



**Work against  
corruption**

in all its forms,  
including  
**extortion and  
bribery**

**Respect  
human rights**



**Human  
rights**

## Governance progress

**0**  
**cases of corruption**  
among employees of our firm  
brought against us

**100%**  
of staff received **training on  
data security, ethics and independence**  
as well as **integrity and anti-bribery**

**95%**  
of **suppliers** based in  
**CH, Liechtenstein, EEA or UK**



## Business Ethics, Quality and Compliance

KPMG International's (KPMGI) detailed independence policies and procedures incorporate the IESBA Code of Ethics. These are set out in the KPMG Quality & Risk Management Manual, which applies to all KPMG firms. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements. The Swiss firm and KPMG professionals are required to comply with independence standards that meet or exceed those set out in the IESBA Code of Ethics together with those of other applicable regulatory bodies (which may include those of a foreign jurisdiction where those requirements apply extraterritorially). These policies are supplemented by additional policies and procedures to ensure compliance with Swiss law and the rules and guidelines issued by EXPERTsuisse, the Federal Audit Oversight Authority (FAOA) and the Swiss Financial Market Supervisory Authority (FINMA). They cover areas such as personal independence, firm financial independence, business relationships, post-employment relationships, partner rotation and approval of audit and non-audit services.

The Swiss firm has a designated Ethics and Independence Partner (EIP) who has primary responsibility for the direction and execution of ethics and independence policies and procedures. The Swiss EIP is responsible for communicating and implementing KPMGI policies and procedures and ensuring that local independence policies and procedures are established and effectively implemented when they are more stringent than the KPMGI requirements.

The Swiss EIP fulfils this responsibility through:

- Implementing/monitoring the ethics and independence quality control process and structure within the firm;
- overseeing the processes related to the evaluation of specific independence threats in connection with clients and prospective clients;
- participating in the development and delivery of training materials;
- implementing procedures to address non-compliance;
- overseeing the disciplinary process for ethics and independence matters.

All partners and client service professionals, as well as certain other individuals, are required to complete independence training that is appropriate to their grade and function upon joining KPMG and on an annual basis thereafter. We also provide all partners and client service professionals with annual training on the Code of Conduct and ethical behavior, including KPMG's anti-bribery policies and compliance with laws, regulations, and professional standards. In addition, certain relevant non-client-facing personnel who are at manager level and above, are also required to undertake independence and/or other firm training as deemed appropriate.

All KPMG partners and employees are required to sign a confirmation stating that they have remained in compliance with applicable ethics and independence policies. They sign this upon joining KPMG Switzerland and on an annual basis thereafter. In the event of failure to comply with our independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to a disciplinary policy. All breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements are required to be reported to Those Charged With Governance at the respective audit client as soon as possible, except where alternative timing for less significant breaches has been agreed with Those Charged With Governance.

KPMG Switzerland has a documented and communicated disciplinary policy in relation to breaches of ethics and independence policies, incorporating incremental sanctions, including financial penalties, reflecting the seriousness of any violations. KPMG Switzerland's EIP oversees policies and procedures in relation to ethical matters and breaches of requirements.

In Switzerland, the FAOA has been carrying out annual independent inspections of KPMG AG for more than 10 years. The FAOA inspections consist of a firm-level review and a selection of both financial statement and regulatory audit engagement file reviews. Since 2013, KPMG AG has been subject to a joint inspection between the FAOA and the U.S. Public Company Accounting Oversight Board (U.S. PCAOB). The most recent joint inspection was held in May and June 2019. In 2018, the Liechtenstein 'Finanzmarktaufsicht' (FMA) conducted an inspection of KPMG (Liechtenstein) AG.



People of KPMG

“I joined KPMG in 1997 in the Audit practice and became a member of the Firm’s department of professional practice in 2007. In 2019 I joined the Audit Quality Unit and enjoyed playing a key role in mapping enhancements to the Firm’s system of quality management in order to comply with the International Standard on Quality Management 1 (ISQM 1). Looking back, I am grateful for how my role at KPMG has evolved and how my expertise has been leveraged towards new and significant objectives. This year, I will assume the role of Audit Quality Leader and further focus on strengthening audit quality at KPMG by establishing and supporting the firm’s audit quality initiatives.”

**Sandra Terzic**  
Director Audit Quality Unit

KPMG Switzerland takes the findings of our regulators very seriously. We consider comments received, perform root cause analyses of related findings, and agree and implement actions to remediate those findings. Every KPMG firm is expected to maintain professional and respectful relationships with regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

Compliance with laws, regulations and standards is a key aspect for everyone at KPMG Switzerland. We have a zero-tolerance approach towards bribery and corruption. We prohibit involvement in any type of bribery – even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third parties, including by our clients, suppliers, or public officials. KPMG International requires KPMG firms to have appropriate internal controls in place to mitigate the risk of involvement in bribery by the firm and its partners and employees.

All KPMG firm partners and employees are required to complete training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance. To facilitate the reporting of potential or suspected violations of KPMG policy or applicable laws, regulations or professional standards, KPMG Switzerland has a whistleblowing hotline and an external ombudsman available for KPMG employees, clients and other third parties to confidentially report concerns.

To evaluate KPMG Switzerland’s and other KPMG member firms’ compliance with KPMG International key policies and procedures, KPMG International has monitoring programs in place.

The programs evaluate both:

- engagement performance in compliance with the applicable professional standards, laws and regulations and KPMG International key policies and procedures;
- KPMG Switzerland’s compliance with KPMG International key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures;
- The results and lessons learned from these programs are communicated within each member firm and the overall findings of these programs are considered at regional and global levels. The findings are subject to root cause analyses and actions are defined for remediation and continuous improvement. See our Transparency Report for more information on how we ensure compliance with our legal and regulatory obligations.

## Information and Corporate Security

Information is inherent to our business, and as a core asset it must be protected at all times. Our clients’ trust in KPMG depends significantly on their confidence in the way we handle their data. Our people, suppliers and other third parties also need to be sure that their personal data is safe with us.

We are committed to providing a secure and safe environment for all confidential information and personal data we hold.

To meet the high expectations of our stakeholders, the effectiveness of KPMG’s Information Security Management System (ISMS) is audited on an annual basis and subject to re-certification every three years.

We develop and maintain policies and procedures to help keep high standards of quality and integrity and prevent financial and reputational damage.

KPMG’s Data Privacy Policy is based on the Global Information Security Policy (GISP), national and international specification, standards, and also laws and regulations.

The GISP represents the minimum information security baseline expected for all KPMG entities to achieve and maintain in their IT Operations for the protection of KPMG and client information and systems. The Privacy Policy defines the guidelines and principles to assist in establishing and maintaining an adequate level of data protection in the collection, processing, disclosure, and cross-border transfer of personal data. This includes data relating to current, former and future KPMG employees, clients, suppliers, contractors and business partners.

To supplement the GISP a comprehensive Security and Technology Standards framework has been established. It represents authoritative rules and provides further details

about security requirements for specific security topics and technologies.

KPMG Switzerland also maintains an Acceptable Use Policy. These policies set the minimum standards for the acceptable and appropriate use of KPMG’s technology resources by KPMG personnel.

The overall responsibility of Information Security sits with leadership of KPMG Switzerland and is delegated to the National Security Officer within the Quality & Risk Management department. Data Privacy issues are managed by the Data Privacy Officer, who reports to the General Counsel.

KPMG regards its information, including that of our clients, partners and people, as highly valuable assets, which are essential to our business operations. We understand the importance of protecting this information from evolving threats, and continually work to enhance the information security program.

Our information security strategy focuses on the people, processes and technology that play a role in maintaining trust and protecting the information that we hold and that is entrusted to us.

KPMG takes a tailored approach to implementing this strategy. It starts by focusing on actions that will enable us to predict threats to our organization, prevent them and improve our ability to detect and respond to cyberattacks.

Compliance with ISO 27001 standards indicates how KPMG Switzerland has developed a robust Information Security Management System to protect data using a set of technological, physical, and organizational measures. Receiving the [ISO 27001 certification](#) is vital as it demonstrates to our stakeholders they can trust our approach to handling their data. Our certification was renewed in November 2022.



People of KPMG

“I have been the Security Officer at KPMG Switzerland for 10 years. There’s no denying it’s a challenging task. Maintaining information security and ensuring compliance is crucial for the success of the business, as it shows our clients, people, and regulators they can trust us. Contributing to building trust in KPMG makes me proud. I feel motivated every day to continuously improve our holistic approach to security without losing sight of the needs of the business.

This year’s top priority was the re-certification according to ISO 27001. Our hard work paid off and we received the certificate again last November.”

**Ruedi Döbeli**  
National Security Officer





People of KPMG

“For me, Procurement plays a crucial role in shaping our firm’s ESG footprint. Since Procurement was set up in 2007 we have focused on sourcing sustainably. From supply chain transparency, to respect for human rights and addressing environmental and social issues during the procurement process, we always aim to comply with international standards. On a personal note, I’m happy to see many positive changes at our offices which Procurement has been involved in things such as reducing plastic waste, introducing water dispensers and refillable bottles, compensating CO2 emissions and FollowMe printing. With these initiatives all our colleagues can make a positive impact to our environment.”

**Gabriella Zwahlen**  
Head of Procurement

Avoiding data breaches and data theft is critical. We have a variety of measures in place to protect our information. We rely on technical measures for the continuous detection and elimination of possible weaknesses in the IT infrastructure and log our data transfers. We also train our employees to increase their awareness and understanding of dealing with data properly.

In the event that data is passed on or transmitted to unauthorized persons, a defined Data Breach process ensures that such incidents be dealt with appropriately, communicated to the persons concerned and properly documented.

Annual training sessions are held to ensure that all employees are aware of the Security and Privacy rules. Care is taken to ensure that the existing Acceptable Use Policy (AUP) as well as the Data Privacy Policy (DPP) are known and that the rules specified therein are understood and complied with.

## Responsible Supply Chain

Eighty percent<sup>2</sup> of goods and services that we procure come from suppliers and contractors based in Switzerland or Liechtenstein. Ninety-five percent<sup>3</sup> of suppliers are based in Switzerland, the EEA or the UK.

We expect our suppliers to comply with social and ecological standards and established internal guidelines and processes within our procurement policy. The policy contains a dedicated section on sustainable procurement that reflects the principles of the [UN Global Compact](#).

All suppliers with a contract value exceeding CHF 50,000 ('large suppliers') are subject to a due diligence process covering topics such as ethics and independence, cost of service, functional and non-functional requirements as well

as vendor-specific requirements. The latter cover aspects such as quality, energy and environmental management, human rights, labor laws, conflict minerals, child labor and corporate responsibility. This process allows us to identify potential risks and negative effects in the supply chain at an early stage, and take action to exclude them if necessary.

Third parties such as subcontractors and alliance partners undergo a comprehensive risk assessment to ascertain their suitability as business partners. As part of the evaluation, we perform background checks covering factors including governance, business and reputational risk. Where appropriate, we require relevant ethics and independence confirmation, as well as the completion of appropriate training courses. The validation of the assessment and the receipt of the confirmation are necessary for the work to commence.

IT-related suppliers undergo a technology risk assessment. The assessment looks at the resilience of a supplier’s IT risk management processes. Our objective is to ensure that onboarding a new supplier will not compromise the integrity of our own IT environment.

Our [Supplier Code of Conduct](#) provides our suppliers with information about our sustainability principles and defines the basis for our cooperation with them. It is an integral part of all contracts with large suppliers because we expect our suppliers to consider social, ethical and ecological requirements. Violations of the Supplier Code of Conduct have consequences. For example, in particularly serious cases an extraordinary termination of a contractual relationship could happen. Suppliers representing 36 percent of overall spend on suppliers have submitted to our Supplier Code of Conduct. In FY 2022 no violations of the Supplier Code of Conduct were reported to us.

<sup>2</sup> Share of overall spend on suppliers

<sup>3</sup> Share of overall spend on suppliers



# 02

# People

Creating a caring, inclusive and values-led culture for our people



### People commitments

**20%**  
female partners by 2025

Foster an **educated, empathetic workforce**

**Inclusion, diversity and equity**

Advocate for **equal opportunity**

Have an **inclusive culture, built on trust**

Develop a culture of **continuous learning**

**Continuous learning**

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

**Health and well-being**

### People progress

**973** | **1,378**

Women | Men

**121**

hours of training per employee

**56**

nationalities

**20**

cases of employee injuries

**44**

outreaches to the employee helpline



**Our commitments**

We want to achieve 20% female representation in our partnership by 2025.



**Base year and value**  
FY 2020

**Target year and value**  
FY 2025

**Current period**  
FY 2022:

**11%**

**20%**

**8%**

female partners

**Inclusion & Diversity**

Our differences make us strong. Building a welcoming culture where everyone feels safe and included is at the heart of our Inclusion & Diversity (I&D) efforts. We believe a welcoming culture empowers our people to reach their full potential and ultimately drives success.

In Switzerland I&D topics are managed by a core team led by H el ene B egu in and supported by allies across the functions. As Chairwoman of the Board of Directors, H el ene ensures attention is paid to I&D issues at the highest levels.

KPMG Switzerland is an equal opportunity employer. Our working environment is marked by tolerance and mutual respect. We strive to provide an inclusive environment where everyone feels like they belong while being their authentic self. Such an environment represents not only our Values but helps our people to feel comfortable to speak up, a crucial part of our Code of Conduct.

Our Inclusion & Diversity activities are focused on three main pillars:

- **Female leaders:** increasing female representation at senior leadership level
- **Work-life integration:** empowering everyone to successfully reconcile their personal ambitions with their professional aspirations
- **Inclusive culture:** creating a work environment where all individuals feel safe and valued

These pillars form the cornerstones of our programs and activities.

**Gender Equality**

Creating a gender-diverse workforce with a clear female representation at higher leadership levels is a strategic priority. Currently 41 percent of KPMG people in Switzerland are female. In the senior leadership group (e.g., Partners and Directors), the proportion of female members is 34 percent.

The efforts we undertake to promote female colleagues and use our female talent pool to build a leadership pipeline to senior management include:

**KPMG Network of Women (KNOW)**

KNOW and KNOW Young initiatives provide our female staff with the opportunity to learn and enrich their networks. Currently, around 300 female colleagues actively participate in our regular KNOW and KNOW Young events. The events are designed to encourage exchange and networking and ultimately, to help career progression. Other activities include our Lunch Roulettes which foster cross-functional networking.

**WoMentoring program**

The KPMG WoMentoring program matches lower leadership grade mentees with senior leadership mentors from another KPMG function. Although men can apply, most of the approximately 20 mentee places are reserved for women. Mentors can be either male or female. The scheme offers a unique opportunity for personal and professional growth. The mentees can engage in open and confidential dialog while benefiting from their mentor's experience. The one-on-one nature of the scheme means the mentees receive customized support and increased visibility. The work done during the sessions creates a solid foundation for preparing and mastering the next steps in a mentee's career development. The objective of the WoMentoring program is to increase the retention of female talent and ultimately improve gender diversity in the management group.



### I&D dashboard for recruiting and promotion processes

We developed an Inclusion & Diversity dashboard based on PowerBI to ensure we are using real-life data for key decision-making processes related to recruiting and promotion.

On the recruiting side the focus of the dashboard lies on knowing the exact male/female share on all levels of each team. It also provides an overview to a hiring manager of the latest joiners to help them create gender balanced teams. The promotion dashboard helps to inform on gender biases in rating and promotion distribution.

### External partnerships and benchmarking

We have strong partnerships with Advance Gender Equality in Business and have also signed the Advance Charta, which acknowledges a commitment towards gender equality in the workplace. We support female board members through Women Corporate Directors and are a sponsor of the Women's Board Award. In 2022 we participated in the St. Gallen Diversity Benchmarking and the Gender Intelligence Report issued by the University of St. Gallen and Advance Gender Equality in Business.

### Equal pay

Our ['Fair Compensation' certificate](#), which is awarded by the Swiss Association for Quality and Management Systems (SQS), confirms that we apply the principle of equal pay for men and women. The certification is valid for three years and requires an annual self-evaluation. Equal pay is an important principle for us, demonstrating our belief in gender equality and reinforcing our work towards achieving our female leadership objectives. On a yearly basis, we assess whether equal pay is respected for men and women in our firm by using the 'Logib' software, a tool developed for the Federal Office for Gender Equality. Having implemented the requirements of the Gender Equality Act (EqA), KPMG is also listed on the whitelist of [ESPECT8-3.CH](#), a project by Traivail Suisse, as a 'pioneer'.

### Work-life integration

We believe that providing greater flexibility will improve employee productivity, the overall quality of work done, and increase job satisfaction. With the new flex working arrangements introduced in 2022 we believe we have built a strong foundation to empower everyone at KPMG to better reconcile their professional career with life outside of work.

We aim to create a working environment that encourages well-being and helps our people thrive. Our modern offices are equipped with ergonomic workplaces and incorporate eco-friendly materials to reduce the impact on the environment. The headquarters in Zurich also feature a yoga room and a ping-pong room, which help employees relax during lunchtime or after work.

We continue to review our policies and processes to ensure they benefit all our employees when their circumstances change. We have introduced additional parental leave and the opportunity to 'work from anywhere' which is detailed in our Cross-Border Remote Working policy. Both new initiatives complement existing offers outlined in our Flex Work policy. Together with our approach towards hybrid working, our employees can benefit from greater flexibility, enhanced well-being and fulfillment, and can be at their best both inside and outside of the workplace.

We provide competitive compensation and a top pension fund which delivers excellent contributions far beyond minimum requirements of Swiss law. Additional benefits include private accident insurance, meal allowances, SBB half-fare train card, free e-bike rental and attractive discounts at gyms, shops and restaurants.

### Flexible working

To develop a diverse, adaptive, and high-performing workforce, KPMG Switzerland offers various time off options. These include working part-time, buying additional vacation days, taking unpaid leave, and taking a sabbatical. The Flex Time policy and Flex Office guidelines specify the range of options available both in terms of working location and time.

Our hybrid working approach includes the possibility to regularly work from home. In Q3 2022 we introduced the 'Take a Break' model which offers various flex time options. This includes a 90 percent contract, where our people can work 100 percent in the busy season and then drop down to a lower workload, or use paid breaks, during quieter periods. We also offer the opportunity to work remotely from several European countries for 10 days per calendar year. Each employee is responsible for ensuring any client engagements are not negatively impacted by their choice of flex work option.

### Supporting parents

At KPMG Switzerland, we aim to empower parents to successfully reconcile their personal ambitions with their professional aspirations. To support working parents, we now offer an additional 10 days of parental leave for new mothers or fathers which can be taken up to 1 year after a child is born or adopted. This increases fully paid maternity leave from 16 to 18 weeks and fully paid paternity leave from 2 to 4 weeks.

New mothers and fathers also have the right to take an additional two months of unpaid leave. The same principle applies to rainbow families. Parents or colleagues planning to start a family can seek advice from our Parents Circle network. The Parents Circle consists of colleagues with different family setups and workloads who are willing to share their experiences with prospective parents.

In Q4 2022 KPMG Switzerland launched a new collaboration with [MS Sports](#), an organization for kids' holiday camps. This helps to support our parents in organizing their schedule around 13 weeks of school holidays and to better help them manage their childcare commitments alongside their professional responsibilities.

### Transition assistance and reintegration

On an individual basis and depending on the situation, we offer outplacement programs in cooperation with an external provider. In addition, we offer an internal Career Transition Advice Program that is available to all staff. We also promote our internal job market to foster career changes. KPMG Back to Business positions help experienced professionals to return to the workplace after an extended career break.

### Inclusive culture

We strive to create an environment where everyone feels they can 'come as they are'. We see greater inclusion as an important factor for good business performance. Over the last year additional effort has been put on increasing awareness of inclusivity through intensified communication, events and bringing new communities to life.

### Educating and increasing awareness

A training course covering inclusive leadership and unconscious bias is available to all employees on our learning experience platform Degreed. Customized team workshops on Inclusion & Diversity are also available. Topic specific training offerings are highlighted in the respective sections below.

### Anti-discrimination

We take all practical steps to provide a workplace that is free from discrimination, racism, harassment, sexual harassment, and bullying based on any personal attributes or characteristics, such as but not limited to race, ethnicity, skin color, gender, gender identity (incl. trans and intersex), sexual orientation, disability, age, marital status, and religious belief, in alignment with applicable laws and regulations. Our Inclusion & Diversity policy, our Policy against bullying, harassment, and discrimination, as well as our Code of Conduct have a zero-tolerance approach regarding inappropriate employee behavior in this respect. Strict processes are in place to follow up on all incidents raised. In addition to our existing reporting channels, including a whistleblowing hotline operated under the supervision of an external ombudsman, this year we created another external channel for our employees to report discrimination cases such as sexual harassment, racist or degrading comments or other kinds of excluding behavior. To empower our people to speak up when they witness behavior that makes them feel uncomfortable, we once again held firm-wide Speak-up sessions, advising over 200 participants on how to manage sensitive situations in the workplace.







Our **Pride@KPMG** Switzerland community marched strong at the Pride Parade in Zurich in 2022.

At KPMG we stand up for equal rights for all. It is important for us to create a work environment where everyone feels comfortable and safe, regardless of their sexual orientation or gender identity. We want to help everyone thrive in their workplace and reach the full potential.

KPMG's participation in the Pride Parade in Zurich is an important milestone to show our commitment and support for the LGBTQI+ community and to make clear that KPMG stands for a working environment where expertise, curiosity and enthusiasm count, not sexual orientation or gender identity.



**LGBTIQ+ inclusion**

Our Pride at KPMG Switzerland network is growing with currently 65 active members across all functions and hierarchical levels. The group meets for after work drinks every six weeks and discusses actions to further raise awareness about LGBTQI+ issues. In 2022 colleagues from the network participated in the Zurich Pride Parade for the first time. We now have a dedicated Partner who is the go-to-person for anyone with questions or in need of advice regarding LGBTQI+ issues. In addition, we obtained the Swiss LGBTI certification.

Our LGBTQI+ colleagues wanted to have an impact on the wider community. Through their efforts the KPMG Foundation now financially supports an external association called 'Du-bist-du'. Their purpose is to assist young people on their way to discovering their gender identity and romantic orientation as well as during their coming out.

To increase greater awareness of LGBTQI+ inclusion we have initiated bi-yearly learning nuggets. This year the nuggets focused on the topic of LGBTQI+ acronyms, gender-fair language and allyship. Over 100 colleagues attended the sessions.

**Cultural diversity**

A third of our people come from abroad. There are 56 different nationalities represented across all our offices. The Internationals@KPMG community was established to connect our international colleagues. The group organizes three official gatherings per year and offers a buddy system for anyone who is new to Switzerland. They have created a platform via MS Teams to share tips and advice about living and integrating in Switzerland, and to help connect colleagues who have the same interests and hobbies. In addition, community members can also benefit from support in understanding the Swiss tax system.

## Stay Healthy – Move for Charity

The 'Stay Healthy – Move for Charity' campaign combines exercising with giving back to the community. For every kilometer covered or hour exercised the KPMG Foundation donated between 5 and 50 cents per kilometer or hour (depending on the nature of the activity) to charity.



### Employee Health and Well-being

We want to protect the health – both physical and mental - of our people. We aim to cultivate a culture where they can thrive and realize their full potential, individually and as a contributor to our firm.

#### Mental well-being

In the past year, we have increased the support and awareness given to mental health in the workplace. Our initiatives included a series of interactive webinars led by medical professionals. The advice shared included taking care of your mental health, the importance of getting enough sleep, embracing a healthy balanced diet and building personal resilience. They also addressed the stigma associated with mental illness and discussed identifying the symptoms of stress and burnout in yourself and others.

In future, people managers will be trained on these topics so they know how to initiate conversations with their assignees and create a team culture that acknowledges the importance of self-care.

We want to ensure our people have access to expert advice when dealing with difficult situations in their personal or work life. This could include personal, mental or financial challenges. We therefore offer an Employee Assistance Program through an external provider. They provide a free counseling service which is available 24 hours a day 7 days a week.

#### Safety and physical well-being

Safety and physical well-being of our people is shared between the Human Resources department, People Managers and the National Quality & Risk Management Team. Human Resources is responsible for health initiatives aimed at increasing overall employee well-being. People Managers ensure the day-to-day welfare of their individual team members. The physical safety of everyone in all KPMG offices across Switzerland is the responsibility of the National Quality & Risk Management (NQRM).

Across all locations there are 32 KPMG staff who are certified to assist with medical emergencies. In the case of other emergencies when immediate action is necessary, such as fire or toxic gas leaks, a detailed emergency action plan is in place.

As part of our preparedness strategy, this year we introduced an e-emergency app to the Zurich Office. The app permits employees to report emergencies quickly and directly, even outside office hours. It also allows the emergency services to notify employees in Zurich about any emergency issues.

To support the health of our people each year we sponsor free vaccinations during the flu season. Employees aged 35 and over also receive a reimbursement towards a comprehensive medical checkup.

Providing a safe work environment also means protecting our people against any form of discrimination or harassment, by giving them the opportunity to speak up when they experience wrongdoing (see section 'Inclusive culture'). This is an important element woven into our values and outlined in our [Code of Conduct](#).

Our people have numerous opportunities to engage in sports to improve their health and fitness. This includes training sessions with top athletes, such as Nicola Spirig, as part of our flagship 'Stay Healthy – Move for Charity' initiative which ran between April and September. Importantly, the campaign combines exercising with giving back to the community. For every kilometer covered or hour exercised the KPMG Foundation donated to charity. In 2022, 288 employees covered 187,535 km and exercised for 6,576 hours. The money they raised has gone to local charities to support disadvantaged children, young people with autism, people suffering from multiple sclerosis and children's development through sport and play. During the winter months, employees from all KPMG office locations can join online yoga and boot camp training sessions once a week help them stay fit and healthy.



“I was so excited about the Stay Healthy – Move for Charity initiative! With every single kilometer of running, cycling or swimming I could contribute to a good cause. As a sports enthusiast I think it is so important to give employees the opportunity to engage in physical activities to maintain their fitness and health. I’m so glad KPMG gives us this opportunity. My absolute highlight last year was a training session with triathlon Olympic Champion Nicola Spirig. For me she is one of the most inspiring athletes and I’m so happy I had the chance to meet her in person.”

**Lea Stettler**

Top finisher of the Stay Healthy – Move for Charity campaign 2022



## Career Development

### Performance and development opportunities

We are committed to helping our people reach their full potential at every stage of their career. We know that is their expertise, talent and ambition that helps us gain our clients' trust and deliver outstanding results. Neglecting development or promotion opportunities and ignoring the interests of our people can quickly lead to a lack of motivation on their part. This then negatively impacts employee retention and service quality.

To support development, we offer a performance-based environment and openly share feedback. Each employee has personalized annual goals and receives at least an annual performance review. People and Engagement Managers and appraisees are expected to check in with one another on a regular basis during the year. The aim is to foster continuous feedback and frequent, high-quality conversations. Aligning company and business goals with individual capabilities, technical expertise and development ambitions help us focus on what makes the difference to clients, our people and our communities.

### Career mobility

At KPMG Switzerland, we enable our employees to transition into new roles and departments within our firm. Thanks to our Internal Job Transfer policy, our people can take on new challenges and grow their expertise and individual development across the company.

We also encourage international assignments with other KPMG member firms to provide our people with unique opportunities to broaden their horizons, advance their intercultural skills and prepare them for increased responsibility. By the end of 2022, there were 45 outbound and 23 inbound assignees.

### Culture of continuous learning

To remain future-focused and competitive, and help our people gain the knowledge, skills, and insights to both excel in their own development and deliver outstanding results to our clients, we embrace a culture of continual learning, reskilling, and upskilling. In the past business year our people completed 255,344 hours of professional training and education.

All training and education matters are managed by the Learning & Development team which is part of the Human Resources department. The team ensures the Training & Further Education and Learning & Development Training policies are implemented.

Our range of offers and development opportunities include:

### Access to learning content

Through our state-of-the-art online learning experience platform Degreed, all employees have access to individualized content that is relevant and beneficial to their role. It is a one-stop-shop for all available learning – be it technical, digital or soft skills – and covers formal training requirements as well as on-demand content. In the past business year, the platform attracted on average 1,000 users per month with more than 60,000 completed learning items and 466 digital badges issued for acquired skills.

### Tailored training

From our apprentices to our most senior leaders, we actively train and support the development of our people at every stage of their career. The training our people receive is tailored to their role and needs. It is regularly reviewed to provide them with the most up-to-date expertise.

### Soft skills

In addition to technical training that enables our people to deliver quality work to clients in all our professional services, we provide soft skills training through a mix of online and classroom sessions. The trainings are aimed at developing expertise in managing client relationships and providing our leaders and most talented future leaders with essential management skills. To coach and enhance the potential of our top talents, we provide, among others, Development Centers and 12-month Senior Manager Development Programs. For Partners, there are a number of specialist programs in place to accelerate their competencies in areas such as sales, negotiation and leadership.

To complement these offerings, a new People Manager Academy will serve to align our People Managers to the firm's strategy and purpose and equip them with the skills they need to provide the best support and guidance to their assignees.

### Focus on ESG and Digital Transformation

We have increased training offers related to ESG and the latest trends in technology, analytics and digital transformation which were created in partnership with leading providers and reputed universities. In the past business year, these learning programs have been rolled out to KPMG's people worldwide as part of the firm's collective investment in ESG and digital transformation, ensuring our people have the future-skills to realize their potential and be able to support and drive the ongoing digitization and ESG demands of our clients.

### Professional certifications

We support our employees to become certified experts in their respective fields. We do this by covering the financial costs for our employees planning to obtain nationally or internationally recognized certifications such as the Swiss Certified Audit Expert, Chartered Financial Analyst (CFA), or Financial Risk Manager (FRM).

Case Study

## Upskilling on ESG and Digital Transformation

**We are committed to equipping all our people with future-proof skills through market-leading learning opportunities and the ability to learn for a lifetime. In 2022 we upped our training offering in the critical technology areas that drive digital transformation, such as big data, artificial intelligence (AI), machine learning, cloud computing, robotics, process automation, blockchain and more. Another important pillar was the introduction of ESG education that served to enable our employees to develop a strong understanding on ESG and become agents of positive change. Further expert training aims to empower our employees to assist clients in determining their ESG strategy and achieving their ESG goals.**

**The content of these learning programs has been curated based on clients' needs and the latest trends in the marketplace, in partnership with world-class providers.**



# 03

# Planet

Reducing our impact on the environment to  
build a more sustainable and resilient future





## Planet commitments

**Purchase verified carbon credits**

in the amount of any remaining GHG emissions we cannot remove from our operations, thus contributing to a technology- and nature-based solution to our **GHG footprint**

**Decarbonization**

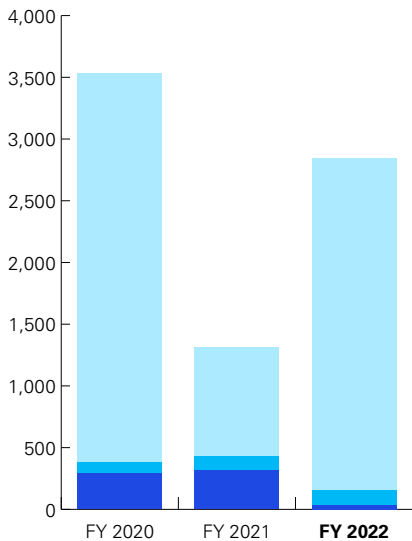
Achieve a **50%** reduction of our direct and indirect **GHG emissions** by 2030

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

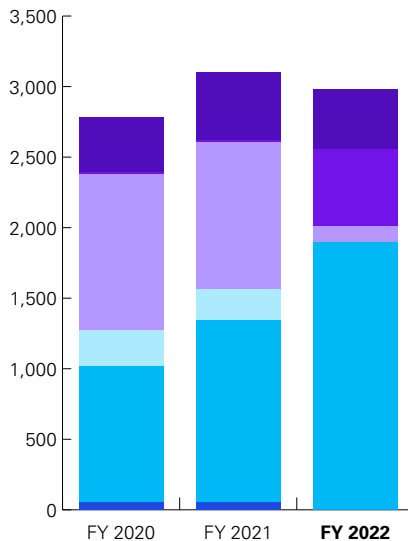
**Climate risk**

## Planet progress

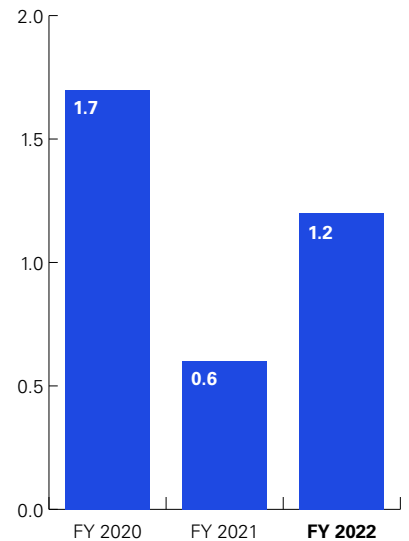
**GHG emissions by scope**  
in tCO<sub>2</sub>e



**Energy consumption within the organization**  
in kWh



**Total emissions per staff**  
in tCO<sub>2</sub>e per staff



- Scope 3**  
Emissions from fuel and energy related activities, waste generated in operations, business travel, employee commuting, remote working.
- Scope 2**  
Electricity, heating and cooling, location based
- Scope 1**  
On-site stationary combustion and business travel by KPMG-leased vehicles

- District heating
- Bio gas
- Natural gas
- Heating oil
- Electricity – renewable
- Electricity non-renewable

**Our commitments**

Achieve a 50 percent reduction of our direct and indirect GHG emissions by 2030<sup>4</sup>



**Base year and value**

FY 2019

**4,807**

tCO<sub>2</sub>e

**Target year and value**

FY 2030

**2,403**

tCO<sub>2</sub>e

**Current period**

FY 2022:

**1,440**

tCO<sub>2</sub>e

**Climate Change and Decarbonization**

We want to contribute to a more sustainable and resilient future by minimizing negative impacts on the environment through our operations, services, supply chain and the influence we have with our clients.

Our approach to energy and resource management is formalized in our environmental framework, which is reviewed annually and approved by Stefan Pfister, CEO of KPMG Switzerland. It is applicable to all office locations. The core principles of the environmental framework are:

- **Assessment and actions:** We strive to continuously improve our environmental performance and assess the environmental impact of our business activities. We are focusing on reducing our energy consumption (and switching to renewable energy sources), reducing the production of waste and – as a result – reducing our related carbon footprint
- **Awareness:** We take actions to make our employees and suppliers aware of their responsibility regarding sustainability
- **Reporting:** The Executive Committee is informed at least once a year on the progress of the firm’s initiatives and the achievement of our goals by the Corporate Responsibility Officer

– **Transparency:** We report on our progress on the implementation of our environmental framework on an annual basis in the Our Impact Plan

– **Goals and commitments:** The above goals and commitments are also reflected in our environmental framework

The Executive Committee assesses the progress of implementing the Environmental Framework and the attainment of the above goals, at least once a year. The Executive Committee receives a report on the firm’s environmental performance prepared by the Corporate Responsibility Officer, which forms the basis for identifying any need for additional measures. The Corporate Responsibility Officer oversees the implementation of actions decided by the Executive Committee.

KPMG International has committed to achieve net-zero carbon by 2030, based on a 1.5°C Science-Based Target. The target was validated by the [Science Based Targets Initiative](#) (SBTi). To meet this objective all member firms, including KPMG Switzerland, must achieve a 50 percent reduction of our greenhouse gas (GHG) emissions by 2030 (on a 2019 baseline).

In addition, [KPMG International reports annually to CDP](#) on KPMG’s collective performance and management of climate-related issues. For our most recent disclosure we achieved a B grading – showing we are taking coordinated action on climate issues.

<sup>4</sup> Includes scope 1 and scope 2 emission as well as the scope 3 categories ‘Fuel and energy-related activities’ and ‘Business travel’

### KPMG Switzerland Climate Action Plan

We support KPMG International's climate action plan by committing to the following targets:

Achieving a reduction of

# 50%

of our **direct and indirect greenhouse gas (GHG) emissions by 2030**

(including emissions from heating, cooling and ventilation, electricity, car travel (excluding commuting) and air travel)

Operating under

# 100%

**renewable electricity by the end of 2022** in all our office locations



Continuing to **purchase verified**

## carbon credits

in the amount of any **remaining GHG emissions** we cannot remove from our operations

As part of these commitments, we have implemented the following measures:

#### Energy and resource management

We have implemented numerous measures to reduce our energy consumption and to transition to renewable electricity. Details are described in the section 'Energy and Resource Management' of this report.

#### Car travel

The key requirements relating to our mobility are reflected in our Travel Policy as well as Regulations for Expenses, which, for example require staff to take public transport when travelling to or from a client. Indeed, the firm sponsors a renewable two-year half-fare ticket for all employees.

#### Air travel

Since 1 January 2022 we implemented two new actions. We assigned function-level annual 'carbon budgets' for air travel that are aligned with our carbon reduction target and which are monitored monthly by Function leadership and quarterly by the Executive Committee. Secondly, all non-chargeable and non-client related air travel is subject to approval by the Function leadership prior to booking the trip.

#### Internal Carbon Price (ICP)

As of 1 January 2023 (after running a pilot at our Zurich Office since November 2022) for the first time we have implemented an ICP. We did this by placing a fee on our

scope 1 and 2 (direct emissions) and scope 3 emissions from commuting and business travel. scope 3 supply chain emissions may be considered later once our low-carbon supply chain strategy has had time to embed and mature. The price level was set at CHF 30 per ton of CO<sub>2</sub>. The price level will be reviewed annually and may be increased in the future.

These measures are complemented by regular information campaigns to inform our staff how they can reduce their air travel and their personal footprint more generally. In addition, we have made our home office policy more flexible to promote working from home.

#### Climate risk management by the KPMG Pension Fund

According to its Investment Regulations, set by the Board of Trustees for the Investment Committee to execute, the KPMG Pension Fund in the ESG sphere (Environment – Social – Governance) focuses on the reduction of the greenhouse gas (CO<sub>2</sub>) footprint of its investments.

The goals of this policy are:

- Reduce physical and transition risks of investee companies from global warming
- Achieve an investment performance at or in excess of the level of the market as a whole
- As a result, optimize the risk/performance ratio of the portfolio
- Foster decarbonization of the economy



### Equities

The core metric is the Weighted Average Carbon Intensity (WACI) which is broadly accepted as the key figure when measuring CO<sub>2</sub> exposure for investors. The figure has to be reported by the asset managers annually and it is independently checked on a regular basis. The goal is to reduce WACI by 40 percent compared with the standard benchmark for equities of developed markets. With a reduction of 43 percent as of 2022 (38 percent in the previous year) for foreign equities by choosing 'Climate Aware' or 'ESG Leaders' indices as benchmarks for our passive investments and with the benchmark for Swiss equities having a WACI of 50 percent below the global benchmark the goal has been achieved.

### Bonds

The goal is to reduce the WACI by 25 percent (the goal is lower than for equities since the reduction is more challenging especially with sovereign bonds). With a reduction of 21 percent, the goal has been achieved for the total of CHF and Forex bonds. The situation is unchanged from 2021.

### Real estate

In 2022 for the first time the KPMG Pension Fund performed a survey among its Swiss Real Estate managers. Their CO<sub>2</sub> intensity reflects the overall situation in the Swiss market, i.e., they are in various stages of planning and realizing their CO<sub>2</sub> strategy. A similar survey is planned for 2023.

### Alternative investments

Our infrastructure funds hold 75 percent of investments in sustainable energy or low carbon operations (vs. 25 percent in fossil fuel production or high carbon utilization). Our Insurance Linked Securities investments help to better manage the challenges of climate change and foster climate resilience globally as well as provide insurance for climate-related 'at risk' infrastructure and property.

All asset managers integrate ESG and CO<sub>2</sub> exposure in their investment processes and engage with the investee companies to the extent practicable. All managers adhere to the exclusions defined by the 'Schweizerischer Verein für verantwortungsbewusste Kapitalanlagen' or similar lists. The KPMG Pension Fund is a member of the 'Swiss Sustainable Finance' initiative.

## Energy and Resource Management

Our approach to energy and resource management is formalized in our environmental framework and further specified by detailed manuals and guidance documents. Energy and resource management is the responsibility of the Facility Management Team. The Head of Facilities & Procurement reports to the Chief Financial Officer.

### Energy management

Our energy consumption is driven by several factors such as a growth in the number of staff in the office, management of heating and cooling systems and changes in the spaces we rent.

Improving energy efficiency in our rented buildings plays a key role in actively managing our environmental impact. In particular, the increasing technical equipment in our business premises constantly presents us with new challenges in terms of energy consumption. Over the past few years, we have either moved into new locations or renovated our offices and put significant focus on the energy profile of the buildings and the use of sustainable materials. A significant energy optimization could be achieved using energy-efficient technology such as LED lighting, movement sensors, 'Minergie-Standard' heating (e.g., 'Minergie Gold' in Geneva and 'Minergie' in Basel), energy-saving appliances, heat or cold recovery (in our Zurich office) and improved insulation.

In addition, our head office in Zurich, which represents approximately two thirds of our total energy consumption, participates in the 'Zurich Energy Model', an initiative sponsored by the canton of Zurich and the Federal Government. It consists of 23 large-scale energy consumers domiciled in the canton of Zurich. The group commits to specific energy efficiency goals over a predefined time period. A new cycle started in 2021 and will run until 2030. In the case of KPMG, the goal is to increase energy efficiency by 15 percent over the next 10 years. This goal has been achieved already this year. A new goal is currently being set.

In addition to reducing our energy consumption we have been driving the transition to renewable energy. Since June 2021 all our offices are powered with green energy (e.g., solar, wind or water). The roof of our headquarters in Zurich is covered with solar panels. The panels have the capacity to produce between 70,000 and 96,000kWh of electricity per year, which is roughly 5 percent of our annual energy consumption. We have reduced our reliance on fossil fuels with only two smaller locations still using natural gas for heating. Our other locations rely on biogas or district heating.



### ServiceNow ESG carbon accounting

During the last business year, we participated in a pilot project with ServiceNow to build a first-phase carbon accounting tool based on the ServiceNow platform. As part of the project, we performed a detailed screening of all emission types and determined robust approaches to calculate and/or estimate carbon emission. As a direct result of the project, we can disclose for the first time the following data points:

- Total waste generated
- Emissions from waste generated in operations
- Include hotel stays in the emission calculation for business travel
- Emissions from remote working


ServiceNow supports us in capturing consumption data and other data points relevant for the calculation of our carbon footprint more systematically with a workflow. We assigned owners to import, manage or approve data and automatized collection for certain types of data points. ServiceNow directly calculates emission metrics and allow us to track the progress towards our goals more systematically.

100% 

**Recycling of paper and cardboard waste, coffee capsules, toners, including cartridges and PET bottles**

90% 

**Recycling of our IT equipment**

0% 

**Use of single-use plastics for drinking water (except in client meeting areas). We introduced personal glass bottles for every employee**

We have outsourced our data center to two cloud providers who power their servers almost entirely with energy from renewable sources. Our remaining IT equipment (printers, laptops, screens, etc.) is replaced in accordance with the devices' recommended lifespan and energy efficiency is a key criterion for the selection of new equipment.

### Waste management and recycling

Key initiatives to reduce waste from our operations are:

- Put in place standardized and streamlined waste management disposal processes; at our Zurich office we implemented a segregation of plastic, aluminum, PET and other waste in cooperation with our external partner Mr. Green
- We do not use any single-use plastics for drinking water and introduced personal glass bottles for every employee (except in client meeting areas)
- 100 percent recycling of paper or cardboard waste, coffee capsules, toners, including cartridges and PET bottles
- 90 percent of our IT equipment is recycled with the support of external partners
- Throughout the Zurich office use of disposable cups, made from cornstarch not paper, has been reduced to a minimum. Where possible these cups have been replaced with porcelain ones.
- In the Zurich office, we installed coffee machines that grind fresh beans as opposed to coffee capsules (except for the client meeting areas).

### Paper consumption

Numerous digitization projects in our services have shown in the past few years that paper files have become almost superfluous. Our electronic audit workflow tool KCw is completely paperless. With our digital signature system, the majority of our engagement letters and reports are issued electronically. When we do need to use paper, we buy a recycled product.

### Water consumption

One of the main factors impacting our water consumption is the weather as we use water to cool our office locations during the summer months. We use water filters wherever possible to reduce water consumption. In our Zurich office, we collect rainwater to irrigate our garden areas and plants. To help reduce water pollution, our external maintenance partner only uses biodegradable detergents.

### Biodiversity

Our offices are not located in or adjacent to [key biodiversity areas](#) (KBA) in Switzerland.

The Zurich office is home to 41 trees, 3,631 hedge plants and 29,076 perennials. In the courtyard, front garden, roof and flower beds we have planted [a variety of bee-friendly herbs and flowers](#). Sixty different species are represented inside and around the office. We also installed beehives on the roof where several colonies of bees now live.





“With our responsibility for everyday office operations, besides strategic Corporate Real Estate Management tasks, Facility Management makes lots of small decisions that add up to make a big impact. It’s why we put so much thought into everything: from energy sourcing and office temperature control, to cleaning products and waste disposal. Some of the highlights for me include the greenery in and around our offices and the solar panels on the roof of our headquarters in Zurich. Since they’re so visible, these initiatives often spark a conversation about ESG. I’m proud to contribute to the discussion – but also the action – on this important topic.”

**Saskia Engeler**

Head of Facility Management



# 04

# Prosperity

Driving good corporate citizenship and wealth creation  
for our communities

## Prosperity commitments



Continuously improve our **service quality and client satisfaction**



Form **alliances with top technology vendors** to enrich our services

Build an **agile, effective and resilient organization** through **digital transformation**



**Innovation of better products and services**

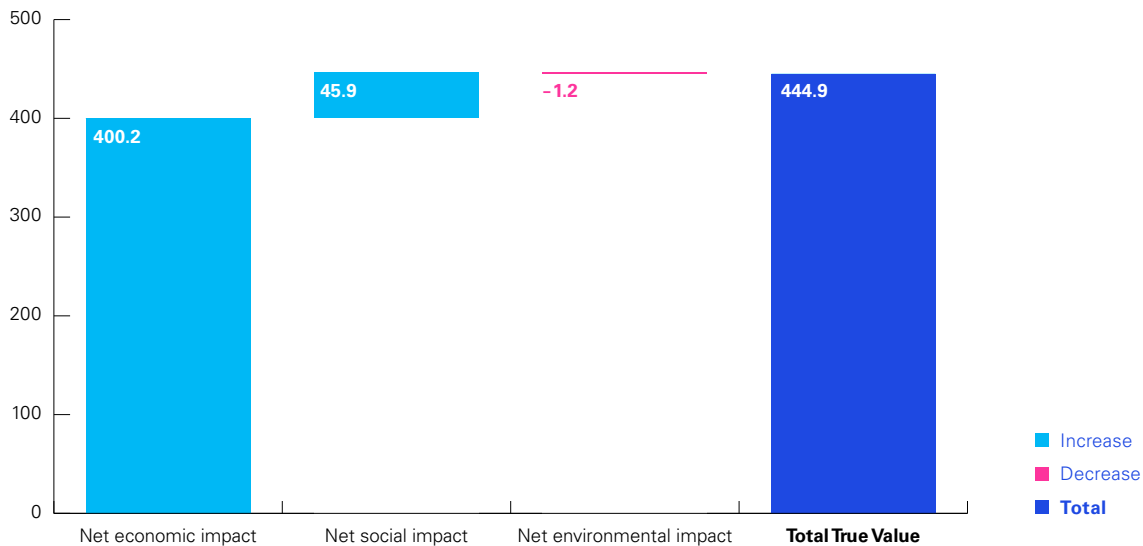


Support **education and lifelong learning**

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Making a positive social and economic impact

### 'True value' of our business: economic, social and environmental value created for our stakeholders in FY 2022





### The True Value of our business

2022 was a very successful year, we achieved net revenues of CHF 471.4 million, up 7.3 percent compared to the prior financial year. As we grow, our ability to strengthen our community support does too.

This year we undertook to assess our economic, social and environmental impact in monetized terms, using KPMG's proprietary methodology called 'True Value'. [KPMG True Value](#) is a methodology to understand how the value a business creates and reduces for society is likely to affect the value it creates for shareholders. This knowledge provides a new lens for decision-making to improve performance, inform strategy and increase influence. Currently, we only monetized the positive and negative impacts we created through our own operations (e.g., excluding impacts in our supply chain as well as through our client services).

The True Value we created for the year ending 30 September 2022 amounted to CHF 444.9 million and consists of economic, social and environmental impacts. This constitutes an increase of 10.2 percent compared to the last business year (CHF 403.7 million).

The net positive effect of the *economic impact* is estimated at CHF 400.2 million (PY: CHF 373.0 million, increase of 7.3 percent). It consists of our interest expenses, depreciation and amortization of our assets, employee benefits (e.g., salaries, bonus and social contributions) and direct taxes we pay. By far the most positive impact occurs due to the economic value we add to society through employee benefits. The increase compared to last year was mostly driven by the growth in our headcount and the higher total amount of employee benefits paid out.

The net positive *social impact* amounted to CHF 45.9 million (PY: CHF 30.9 million, increase of 48.3 percent). The increase was mostly driven by our higher attrition rate. Although a relatively high attrition rate can be challenging, a stable attrition rate is the nature of our business, and can generate societal value. In this instance former employees who completed education with us and move onto new roles can then obtain higher salaries in the labor market.

We also create a positive impact through the above-average salaries we pay and through donations made via the KPMG Foundation. The positive value is offset by the negative impact of long-term absences from work as the result of accidents or illness.

Our *environmental impact* is net negative, amounting to CHF 1.2 million (PY: CHF 0.3 million, increase of 390.8 percent). Although this is a significant increase year on year it can be explained. From FY 2022 we began to calculate and disclose emissions from remote working, which makes up approx. 30 percent of total emissions of FY 2022. Moreover, our footprint in FY 2021 was historically low due to the pandemic. At a 'like-for-like' comparison the increase would have amounted to CHF 0.2 million (or 65 percent), driven by the increase of our emissions from business travel.

The most significant portion of our total cost to society from our own operations are our carbon and nitrogen oxide emissions. To reduce this we have defined our climate response plan, as laid out in the 'Planet' section of this report. Further factors that are considered are the negative impacts from non-hazardous waste and our water usage, however, the negative impact of these factors is minimal.

The assumptions used in the calculations are disclosed in detail in the [Databook](#). The True Value is intended to raise awareness of externalities that may or may not affect our business, and to assess their relative importance. It contains preliminary considerations that may be subject to change. Furthermore, the True Value may also change, for example as valuation techniques and methodologies evolve. It should be considered as indicative only.

## Purposeful Business

### Sustainability services

In today's world, companies' long-term financial success has become increasingly linked to how they incorporate ESG considerations in their strategy.

We have designed our services to put ESG at the core of our clients' operations. Our multidisciplinary Sustainability Services team consists of experienced professionals providing auditing and consulting services to support our clients to measure, understand and communicate their ESG impact. This includes reporting according to internationally recognized standards, developing and operationalizing sustainability strategies, decarbonization, as well as aspects relating to sustainable finance and supply chain management. We continue to develop our ESG services to assist our clients on their sustainability transformation journey.

We recognize that the challenges ESG considerations present cannot be solved by working in silos. Hence, we foster collaborative solutions at regional but also international level. We partner with external organizations such as SWIPRA Services. By joining forces and combining our longstanding, complementary expertise, we can provide clients with a comprehensive range of services to address strategic challenges, stakeholder requests, shareholder expectations, and the fast-paced regulatory developments concerning ESG.

In our [Clarity on Sustainability](#) we provide a comprehensive collection of thought leadership around ESG related topics. The team regularly publish blog articles, as well as podcasts and videos of sustainability discussions with experts and partners to offer a clear picture of current trends and the challenges facing the sustainability landscape.



[Watch our "Sustainability Services" team video](#)

### Alliance Management

Globally KPMG engages with world leading technology, data, and services organizations. Alliances allow us to combine expertise and find solutions to better serve the needs of our clients and communities. We can deliver global reach, better value and a combined portfolio of capabilities and solutions. Challenges our alliance partners help us solve include cloud transformation, blockchain, mobile economy, cyber security and regulatory changes.

We are regularly recognized for cooperative work by our partners. KPMG received the highest Appian 2022 International Partner Award in recognition of outstanding results in global strategic program delivery. We also received the first-ever Coupa Partner Connect 'Focus on Results' Award. Furthermore, we are part of the Microsoft Inner Circle and were awarded the 2022 Partner of the Year for the Dynamics 365 Finance Award.

KPMG Global offers a huge portfolio of solution providers and managed service engagements with over 100 Alliance companies. Among others, KPMG member firms participate in alliances with the following companies:





People of KPMG

“I’m convinced that an open ecosystem of collaboration between all stakeholders can lead to better outcomes for our clients, for our society and for our environment.

Together with our alliance partners we are increasing purposeful business day-by-day and leading the change for better. Examples for that can be found in various initiatives around the world and here in Switzerland, where we implemented ServiceNow to manage as well as reduce our own carbon emissions and support our clients with the latest technology to enable a successful ESG strategy.”

**Eric Saez**  
Manager Alliances Switzerland

We have expanded our Alliance-based business and work together with an ecosystem of the world’s leading tech, data, and services companies to develop sustainable technology-based solutions and fit our clients’ needs.

Stefan Pfister, CEO of KPMG Switzerland, and the Executive Committee, sponsor Alliance Management. Alliance Management is located within [KPMG Lighthouse](#), our Center of Excellence for data-driven technology. The Head of Alliance Management is responsible for leading alliance activities. Our alliances with third parties are governed by the Third-Party Engagement Policy. A KPMG Alliance Lead is appointed to each business partner for further development, promotion and integration of alliances into our existing services. All alliances involved in delivering KPMG engagements are required to accept and comply with KPMG’s Global Code of Conduct. Additionally, we ask our alliance partners to accept and comply with applicable firm policies and requirements relating

to independence and professional conduct. To meet these high standards, we implemented an onboarding process which includes due diligence procedures with respect to our potential alliance partners and a solid governance to mitigate possible risks. Furthermore, we annually review if our alliance partners meet KPMG quality standards to deliver best services to our clients. We introduced a policy compliance confirmation form for our subcontracting partners. These procedures not only help our alliance partners stay compliant with our requirements but also ensure that the business goals are reviewed, and the overall alliance engagement is on track.

Globally and locally, KPMG enables clients to accelerate their IT-enabled ESG transformation. Accessing, analyzing and understanding ESG related Big Data – high-volume, multi-format and inconsistent – is a challenging task with no one size fits all solution. Through our alliances we provide our clients with innovative ESG solutions.



## Client satisfaction

### Internal quality controls

We have a quality management system based on policies, procedures and tools in place that ensures the quality of our services. These are described in more detail in our Transparency Report. The quality monitoring and compliance programs are globally consistent in their approach across all KPMG member firms, including the nature and extent of testing and reporting. We compare the results of our internal monitoring programs with those of any external inspection programs and take appropriate action.

### Assessment of client satisfaction

One of our strategic ambitions is to inspire confidence through our deep expertise and by creating trusting relationships. We achieve this not only by ensuring the quality of our services but through regular and systematic client experience reviews.

The Client Insight Program is coordinated by the Markets department under the supervision of the Head of Markets. The program consists of three main components:

- **Client Service Reviews:** In-person interviews conducted by a Partner other than the Client Lead Partner. The interviews are conducted in accordance with a standard agenda that captures predominantly qualitative feedback on our performance. The outcomes of the review are twofold – a client satisfaction rating (between 1 ('very dissatisfied') and 5 ('extremely satisfied')) and an action plan that contains concrete action points to address identified shortcomings (if any). Follow-ups are conducted to discuss the effectiveness of the action plan.

- **Pursuit Debriefs:** They are conducted after the completion of large (audit and non-audit) proposals. Debriefs are conducted for both successful and unsuccessful proposals and in coordination with the respective engagement teams. The debriefs follow a standard agenda to identify key success factors in the proposal and KPMG's strengths and weaknesses.

- **Online Surveys:** The surveys follow a consistent structure and are sent directly to key contacts within a given organization. The survey contains brief questions on approximately 20 topic areas and captures both the relevance of the topic for overall satisfaction and the client's satisfaction with our performance pertaining to each topic.

The structure and content of the surveys are reviewed on an ongoing basis to account for changes in the needs of clients.

The results of the reviews including proposed actions are reported to the Executive Committee on an annual basis.

In FY 2022 we conducted 9 Client Service Reviews and 255 online surveys. The response rate for the online surveys was 63 percent. The number of Client Service Reviews was lower this year due to a restructuring of the Markets organization.

The role of the Markets Department is to coordinate and support KPMG Switzerland's marketing, communication and sales efforts along our Functions, Sectors and Market Segments (Global Clients, Managed Clients and Regions).



### People of KPMG

"Client feedback is the center of our client-first culture. In a rapidly changing environment, we need to know where our strengths lie, what we should maintain and where we need to improve. The client satisfaction program offers our clients the opportunity to provide feedback in an independent and formal process. It ensures that we are doing everything we can to support our clients in achieving their goals and enables us to improve constantly.

Therefore understanding our clients' experiences with us and what they expect from our services now and in the future is crucial to me as Head of Markets."

**Peter Dauwalder**  
Head of Markets Switzerland

## Digital Transformation

### Strategic importance of digital transformation at KPMG

Technology-led change forms an integral part of our strategy. Through digital transformation of our services and solutions, we achieve sustainable business agility and innovation – for our clients, our people and society. We describe ‘sustainable business agility’ as our ability to respond to market changes efficiently and effectively to deliver high quality services through digital transformation to our clients. With an ever-increasing digital footprint and adaption of emerging technologies across industries, there are potential adverse environmental impacts on our stakeholders, as a result of increased energy consumption. We mitigate these risks by measuring our carbon footprint on a continuous basis and assessing if credible climate action plans have been put in place by our data center or cloud providers. Moreover, we have started reviewing our user experience and process design to support neurodiversity and inclusion. Regular reports to executive management ensure that critical topics are addressed and taken care of at the management level.

### How we empower sustainable business agility

Digital transformation of our business services and associated technology services are combined in our integrated digital ecosystem that encompasses the following key components:

- **Our strategy:** Our digital business framework describes the interaction of enablers for innovation-led solution development while our digital business strategy defines essential attributes and levers to empower sustainable business agility at KPMG Switzerland.
- **Our organization:** Our technology and innovation teams are organized around business segments with a multi-disciplinary core of product management, engineering, and solution architecture adopting a product-centric DevOps collaboration approach.

- **Our governance:** We are striving to balance agility, risk, and compliance through our formalized innovation process as well as our automated technology risk management system. Appropriate controls and monitoring across the firm including digital transformation KPIs ensure that important topics are addressed at the management level.

- **Our leadership:** Our Chief Executive Officer is ultimately responsible for our digital transformation journey, supported by a central advisory team comprising the Chief Operating Officer, Chief Digital Officer and Chief Technology Officer highlighting our activities, progress, and impact. This team regularly informs and advises the CEO, our Executive Committee and the Board of Directors on digital transformation efforts and impact.

- **Our people:** Our employees have access to digital tools and learning platforms, training sessions, support from innovation coaches and digital experts to acquire future-proof digital transformation skills and certifications. An introduction to our digital transformation journey and the support we are offering to our people forms an integral part of our employee onboarding process. Adoption and effectiveness of these programs are ensured through senior management support and reporting on a continuous basis.

- **Our technology:** By moving our core technology to the cloud, transforming our digital content management, and enhancing our cybersecurity we are building a resilient and future-oriented system.

- **Our alliance partners:** We have built a strong network of alliances with many leading technology, data and services companies and combine our capabilities to solve our clients’ most pressing challenges including cloud transformation, blockchain and the mobile economy, cognitive and digital labor, cybersecurity, data and analytics, and regulatory change.



People of KPMG

“By driving our digital transformation activities through diverse, motivated, and focused teams that we bring together in our digital ecosystem, we ensure an agile, effective and resilient evolution of our organization. It motivates us to work with so many dedicated colleagues who share the same goals and trust each other. In line with our value ‘together for better’, we take a collective responsibility-based approach that spans organizational boundaries to maximize the value for our clients and our people.

We are also proud that our drive forward enjoys such strong cultural support in our organization, which is characterized by working with transparency, empathy and climate sympathy to solve our challenges.”

**Beat Seger and Dinkar Gupta**  
Chief Digital Officer and Chief Information & Technology Officer

**Our achievements**

Over the course of 2022, we have gained traction and made significant progress in multiple areas:

– **Technology:** We have advanced on building the foundation of our cloud platform and designing the next generation document management and identity management services for our firm. Our digital workplace services have been completely overhauled based on the M365 suite. In addition, We have upgraded all devices across our firm.

– **Communication and collaboration:** Our digital communication and collaboration experience has been transformed by the successful relaunch of our intranet leveraging KPMG’s One Intranet platform. We introduced KPMG Communities on Viva Engage enabling employee-powered transparent, multidisciplinary and interactive know-how sharing and cross-functional information flow and engagement.

– **Security, risk, and compliance:** We have revamped our security, technology intake and risk management services and further increased the resilience and security of our systems and controls.

– **Innovation:** We have optimized and streamlined our innovation process, including an innovation board with the ambition to leverage the collective expertise across the different functions of the firm

– **Alliances:** We’ve onboarded 23 alliance partners (up from 21 last year) to our alliance management platform, actively driving collaboration between our business and technology units.

**External recognition**

In 2022, we received several external recognitions highlighting our progress: ‘Statista’ in collaboration with ‘Bilanz’ and ‘Finanz und Wirtschaft’ ranked KPMG Switzerland as the most advanced firm in the digital transformation category. We also won the overall ranking across 19 categories reflecting market recognition of our leading digital transformation position across Switzerland.

**Outlook**

We follow an evolutionary approach for the development of our roadmap for digital transformation, centered around key priority areas for the next three years. These include further revamping of our core technology platform towards cloud, reorganizing technology around business capabilities, adoption of DevOps ways of working and transformation of our digital content management and cybersecurity services.



## Community Investment and Corporate Citizenship

### Approach to Corporate Citizenship

We are focused on working towards the United Nations Sustainable Development Goal 4 (SDG 4) – to help ensure inclusive and equitable education for all. On a global level, KPMG has developed a new, ambitious strategy to economically empower 10 million disadvantaged young people by 2030 through education, employment, and entrepreneurship opportunities ('10 by 30'). We are supporting the global strategy by 3 major initiatives: Our volunteering program, our pro bono program and the activities of the KPMG Foundation.

### Volunteering

Our volunteering program enables our people to team up with colleagues across all functions and to volunteer in their local community. KPMG offers at least eight missions a year across Switzerland, open to all teams. The missions span a diverse range of topics, such as food waste prevention, nature conservation, or supporting local immigrant communities.



Last September the [Sustainability Team](#) travelled to Frutigen and spent the day learning about wild bees, their crucial contribution to biodiversity before building 'bee hotels' to provide essential nesting areas.

In December the [Global Strategy Group](#) headed to Zurich Stettbach for half a day to excavate a large rainwater pond and to clear weeds from the Stettbach common.





Volunteers from our [Geneva Office](#) also organized a river cleanup at the shore of the Lac Leman in Lausanne.

### Pro bono

We currently offer our audit services fully or partially pro bono to six non-profit organizations. The organizations are mostly active in the areas of culture, environment, youth unemployment and food waste.

Starting from the new business year, we will enhance our pro bono approach as follows:

- Performance of pro bono audits will be expanded
- Going forward, also pro bono advisory projects will be performed
- An annual budget for both audit and advisory projects is made available. Engagement teams can apply for these funds if they can show evidence that their project aligns with the key aspects of our '10 by 30' ambition, e.g., that the project contributes to education, reducing unemployment or entrepreneurship. The assessment of the project proposals is the responsibility of the Corporate Responsibility Officer.

### KPMG Foundation

KPMG Foundation is a charitable foundation with a registered office in Zurich. The foundation financially supports small or medium-sized charity organizations and projects either in or connected to Switzerland. The foundation's purpose is to foster and support educational, cultural and integration projects. When choosing projects to support the foundation attempts to represent KPMG's values, particularly 'Together' – we respect each other and find strength in our differences – and 'For better' – what we do matters.

There are also certain criteria to be met when it comes to assessing which projects to support. The project or initiative must have a connection to Switzerland. It should come from a small or mid-sized institution, be of high quality, pursue middle or long-term aims and come with a long-term strategy. Support is especially given to projects in which KPMG people are already involved on a voluntary basis.

The KPMG Foundation is overseen by its board. The Foundation Board consists of six Board Members and meets in person at least twice. The Foundation Board decides on the allocation of the donations upon the requests collected and prepared by the Secretary. The basic guidelines for the allocation of donations are laid down in the foundation statutes. In principle, the KPMG Foundation makes donations of up to CHF 10,000. After a donation is made the board follows up with the organizations to understand how funds were invested.

## Supported organizations and projects

### Krebsliga Schweiz **Movember 2021, Bern**

KPMG employees were encouraged to grow a moustache during November as part of the 'Movember' initiative to raise money for Krebsliga Schweiz. The KPMG Foundation doubled the amount raised. Krebsliga Schweiz research cancer prevention and screening and supports patients and their families across Switzerland.

### Lebensfreude **Frauenfeld**

Stiftung Lebensfreude's goal is to bring joy to the elderly, those suffering with dementia and disabled people. They do this by sending clown artists to visit nursing homes. Each artist is trained in dealing with the elderly and those with dementia, and they adapt their 'show' and visits to individual patients. Visits can include dancing, singing, and playing games.

### Verein Surprise **Café Surprise, Basel**

Café Surprise enables people affected by poverty to get a free coffee in 40 participating cafes. Customers pay for an additional coffee when they buy their own. The café then adds the paid-for coffee to a list on a board so people in need can see it and place an order. This service is more than a hot drink. For homeless people and those in need it means social interaction and to feel part of public life again.

### Nicola Spirig Stiftung **Stay healthy – Move for charity 2022, Bachenbülach**

The Nicola Spirig Foundation gives children and young people access to sports. The activities foster qualities such as fairness, self-confidence, social skills, teamwork and a willingness to perform.

### Verein Espoir **Stay healthy – Move for charity 2022, Zurich**

Verein Espoir has helped disadvantaged children, young people, and families in canton Zurich since 1992. The association specializes in supporting children with AIDS, alongside children whose parents suffer with mental health issues, addiction, or who live in difficult circumstances.

### Joggathon **Stay healthy – Move for charity 2022, Zürich**

Joggathon is a charity run organized by Swiss Multiple Sclerosis association (MS Gesellschaft) and Lions Club Zürich in favor of Swiss Multiple Sclerosis.

### du-bist-du Sexuelle Gesundheit Zürich SeGZ **LGBTIQ+ project, Zürich**

Du-bist-du supports the mental and physical health of young LGBTIQ+ people and those unsure of their sexual, romantic or gender identity. They run youth clubs, events and campaigns with social workers, psychologists, and young volunteer counsellors.

### Stiftung JAM **Now known as ForAfrika, Zürich**

KITA Lesedi by ForAfrika is a care center with a school which is currently under renovation. ForAfrika is the largest indigenous non-governmental organization in Africa. Founded on Christian values they partner with communities in five countries to implement locally led programs designed to improve health, promote skills development, provide access to education, and ensure food security. The KPMG Foundation donated to support one of our employees on their recent volunteer mission in South Africa.



The **Kinderzirkus Robinson** is a charitable, long-standing association in Zurich, which offers children and young people the opportunity to combine physical activity with creative activity and sense of community. They support children and young people in learning self-confidence and in experiencing 'I can do it!' moments. During the summer, the Kinderzirkus Robinson organized a small tour with performances in Zurich and Solothurn, which were well attended.







## More information

To learn more about the methodology for greenhouse gas emission estimations, the assumptions used for the monetization of our sustainability impacts, the GRI content index and further data tables, please refer to our [databook](#).

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## About us

KPMG is a global network of independent member firms providing Audit, Tax and Advisory services. We operate in 147 countries and territories, collectively employing more than 219,000 people, to serve the needs of business, governments, public-sector agencies, non-profits and – through member firms' audit and assurance practices – the capital markets. We lead with a commitment to quality and consistency across our global network. In a world where rapid change and unprecedented disruption are the new normal, we inspire confidence and empower change in all we do.





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