



OUR IMPACT PLAN²⁰²⁴

1 July 2023 – 30 June 2024

KPMG Australia



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This report, released August 2024, covers the activities of KPMG Australia, KPMG PNG and KPMG Fiji – referred to collectively as KPMG Australia – for the financial year to 30 June 2024 abbreviated as “2024” in the report, unless otherwise stated. KPMG Australia’s primary focus is to serve clients based in Australia, where we have offices in every state and territory capital. KPMG PNG has its office in Port Moresby, and KPMG Fiji has its offices in both Suva and Nadi.

It should be read in conjunction with [KPMG International’s Our Impact Plan](#) released in March 2024.

This report has been prepared in alignment with the WEF IBC Stakeholder Capitalism Metrics and in accordance with the Global Reporting Initiative (GRI) Standards.

Detailed mapping to these frameworks, including our GRI Index, can be found in [Our Impact Plan 2024 Databook](#), which contains our reported data and can be read as a companion piece to this report.

OUR IMPACT PLAN²⁰²⁴

CHAIRMAN AND CEO STATEMENT

In preparing KPMG Australia's annual 'Our Impact Plan' for financial year 2024, we've reflected on what we've achieved in a year that has seen significant change in our profession.

Leading a firm the scale of KPMG, in a world where change is accelerating, is a task that's never finished. Our Impact Plan transparently reports on commitments against which we hold ourselves accountable. Our success in meeting these will fluctuate year-to-year, but what will not waiver is our adherence to:

- **Strong governance** – managed through our Board and executive structure including independent directors, Board Committees and oversight of the CEO and executive team.
- **Strong leadership** – reinforcing integrity in all that we do.
- **Ethical culture** – continually evolving a culture that promotes our people speaking up and is inclusive.
- **Serving our clients and the capital markets** – in a way that puts their success at the heart of our work and has a positive impact on society.

Our Impact Plan provides an annual opportunity for KPMG Australia to look in the mirror. We bring together voluntary disclosures on our ESG commitments and actions across four important categories: Governance, People, Planet and Prosperity. This year, we are sharing more information than ever, providing the full results of the activities of KPMG Australia, KPMG Papua New Guinea and KPMG Fiji for the financial year to 30 June 2024.

For the first time, our results are being published in accordance with the Global Reporting Initiative (GRI) standards. This is significant because our stakeholders can be confident we are reporting in the same way as organisations around the world, including many of our largest clients. We have, and will, consistently adhere to GRI's reporting principles of completeness, accuracy, balance, comparability, timeliness, sustainability context, clarity and verifiability.

In this report, we also share our progress against KPMG Australia's longstanding commitment to the UN Global Compact Principles and the UN Sustainable Development Goals.

Further, in a first for a Big 4 firm in Australia, limited assurance has been completed over key data in Our Impact Plan, including firm-wide revenue, taxes paid and people metrics. The work, undertaken by Grant Thornton Australia, represents an important step forward as we move towards fully audited financial statements.

This year, we report good progress in providing meaningful impact to our clients and communities, as well as strengthening our culture and improving the experience of our people. But we are also clear where there is more to be done. We will continue to reflect on the way we work and challenge ourselves to do more to meet, and exceed, the expectations of the community.

As we close financial year 2024 and look ahead, we are incredibly proud of the contribution our people make. We commend the KPMG Australia Our Impact Plan 2024 as another important step in our commitment to accountability and integrity.



Martin Sheppard
National Chairman
KPMG Australia



Andrew Yates
Chief Executive Officer
KPMG Australia

ACHIEVEMENTS

Independent directors

3 Independent directors
up from 2



Risk and regulation governance

NEW

Governance, Regulation & Compliance Board Committee created

Role for Office of General Counsel added to National Executive Committee

Progressing our Ethical Culture program

Actively strengthened the visibility and engagement of reporting channels – an increase in the number of people who did speak up

4,465 People completed our first Speak Up Survey

Transparency and accountability

1st time

Reporting in accordance with Global Reporting Initiative (GRI) Standards

Independent assurance on key financial and people metrics, conducted by Grant Thornton

Revenue prepared in accordance with IFRS Principles

Innovating through profession-leading KymChat AI

Used by **9,000+** of our workforce

New **client service** launched

KymTax

launched supporting our tax professionals

Trusted AI

framework ensuring AI development is human centred and responsible

Inclusion, diversity and equity

36.3% Women in partnership

14.9% Culturally diverse partners

10% Employee gender pay gap

ACHIEVEMENTS

Performance, promotions and remuneration transparency

33%

Promoted or progressed within their existing role

Continued to:

Share remuneration data with our people

Publish executive partner remuneration

Published our first Climate Risk Report



In alignment with the Taskforce on Climate-related Financial Disclosures' recommendations

Future-skilled workforce

Building AI, ESG and Leadership skills



Critical contributor to public policy

49

Submissions made to government, parliamentary inquiries and policy papers

Accelerating Indigenous procurement

3.25%

Procurement spent with Indigenous suppliers (against a target of 3%)

Strong economic contribution

9,602

People employed

691

Partners

\$2.386 billion

in revenue



\$425 million

in taxes paid by the firm and partners

Strong community contribution

\$9.78 million

Community contribution

42%

People engaged in climate action

1,500

Young people accessed AI skilling modules through a new 'AI Amplified' program, in partnership with Microsoft and Year13.

37,000+

Hours our workforce engaged in community impact

YEAR TO DATE PROGRESS: IMPACT PLAN 2024 SCORECARD

This scorecard contains key progress points for each commitment reported in [Our Impact Plan 2024](#), for the financial year to 30 June 2024. Further information can be found in our [Impact Plan Databook 2024](#).

Legend

- **Achieved:** Target or key initiatives have been achieved or exceeded.
- **Positive progress:** Substantive advancement against target or key initiatives.
- **Insufficient progress:** Progress against target or key initiatives was slower than expected or unsatisfactory.
- **Not achieved:** Target or key initiatives have not been achieved.
- Progress point not applicable or not available for the year.

Governance

■ Favourable ■ Neutral ■ Unfavourable








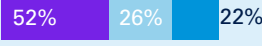




Impact Plan Commitment	FY24 Progress metric	2024	FY24 Progress update
Always act with a clear Purpose	As a firm, KPMG demonstrates commitment to being Purpose-led (new) ¹	<div style="display: flex; align-items: center;"> <div style="width: 70%; height: 10px; background-color: purple;"></div> <div style="width: 24%; height: 10px; background-color: lightblue; margin-left: 2px;"></div> <div style="width: 6%; height: 10px; background-color: blue; margin-left: 2px;"></div> </div> 6%	● Positive progress
Drive a responsible tax practice	Annual confirmation statement published in line with the Australian Tax Advisory Firm Governance best practice principles (Yes/No)	Yes	● Achieved
To lead the profession in audit quality	Multi-year Audit Quality Transformation (AQT) in progress	–	● Positive progress
Act lawfully, ethically and in the public interest	We Do What is Right: Integrity at KPMG – training completion (target is 100%)	100%	● Achieved
	‘The people I work with effectively communicate the standards of ethical conduct that are expected at KPMG’ ²	<div style="display: flex; align-items: center;"> <div style="width: 76%; height: 10px; background-color: purple;"></div> <div style="width: 19%; height: 10px; background-color: lightblue; margin-left: 2px;"></div> <div style="width: 6%; height: 10px; background-color: blue; margin-left: 2px;"></div> </div> 6%	
	‘At KPMG, we have a culture of doing the right thing’ ²	<div style="display: flex; align-items: center;"> <div style="width: 73%; height: 10px; background-color: purple;"></div> <div style="width: 18%; height: 10px; background-color: lightblue; margin-left: 2px;"></div> <div style="width: 8%; height: 10px; background-color: blue; margin-left: 2px;"></div> </div> 8%	
Uphold the highest level of information protection, data privacy and security	Privacy and Security Awareness for Everyone (S.A.F.E) – training completion (target is 100%)	100%	● Achieved
	Significant data breaches	Zero	
Respect human rights and work against corruption and modern slavery	Confirmed instances where the firm caused, contributed to, or was directly linked to bribery, corruption, or modern slavery incidents	Zero	● Achieved

¹ Based on the percentage of people rating the question favourably in our annual Global People Survey (GPS), carried out in September/October 2023.

² Based on the percentage of people rating the question favourably in our new Speak Up Survey, carried out in May 2024.







People

■ Favourable ■ Neutral ■ Unfavourable

Impact Plan Commitment	FY24 Progress metric	2024	FY24 Progress update
Provide a great people experience, built on our People Promise	Engagement Index (GPS) ³		 Positive progress
Champion gender equality and create an inclusive and equitable culture for all	Partner gender balance – women in partnership (40% target by 2025)	36.3%	 Positive progress
	Partner gender pay gap	13.16%	 Insufficient progress
	Employee average gender pay gap – WGEA methodology (new)	10%	 Positive progress
	Culturally diverse partners (20% target by 1 July 2025)	14.9%	 Positive progress
	Indigenous people hired (target of 41 during FY24)	10	 Not achieved
Protect the health and wellbeing of our people	'I am able to sustain the level of energy I need to do my work'		 Insufficient progress
	Targeted programs and support to foster holistic wellbeing in progress	-	 Positive progress
Foster a continuous and future-fit learning and development culture	Average learning hours per employee	25.6 hrs	 Positive progress
	People completing micro learning in our Eclipse Academy – with a focus on AI, ESG and Leadership	60%	
Simpler, more inclusive recruitment process to attract world-class talent	Talent Attraction and Recruitment Reimagined program	-	 Achieved






³ Based on the percentage of people rating the question favourably in our annual Global People Survey (GPS), carried out in September/October 2023.

Planet

Impact Plan Commitment	FY24 Progress metric	2024	FY24 Progress update
Decarbonise our operations and supply chain towards net zero	Change in gross Scope 1, 2 and 3 emissions (50% reduction target by 2030)	-28%	 Positive progress
	Spend towards suppliers with science-based net zero targets (80% target by 2025)	59%	 Positive progress
Support our clients' and Australia's transition to net zero	Carbon intensity of our client portfolio (kg CO ₂ -e/\$ revenue)	0.17 kg	 Positive progress
Strengthen climate resilience with our people, clients and community partners	Engagement in climate-related initiatives (50% target by 2030) ⁴	42%	 Positive progress
Advance our commitment to circularity	Waste diversion/recycling rate (90% annual target)	79%	 Positive progress
Understand and improve our impact on nature and biodiversity	Investment in improving outcomes for nature and biodiversity	-	 Positive progress

⁴ Based on responses from our Climate Action survey carried out in May 2024.

Prosperity

Impact Plan Commitment	FY24 Progress metric	2024	FY24 Progress update
Strong economic contribution	Total revenue (\$bn)	2,386 ⁵	Refer narrative
	Taxes paid by the firm and its partners (\$m)	425 ⁶	Refer narrative
	Number of people employed	9,602	Refer narrative
Exceptional client outcomes, through work that matters	Client satisfaction score (target is >8.5 out of ten)	8.7	 Achieved
Build a thriving technology business and innovate with our clients, alliance partners, and the startup ecosystem	Developed new technology solutions for our firm and our clients	-	 Positive progress
	Encourage innovation ideas from our people (target 300 in FY25).	-	
	Build monthly active users of KymChat within the firm (target 3,000 per month in FY25)	-	
Create a fairer, more inclusive and more sustainable future for our communities	Community impact contribution (\$m)	9.78	 Positive progress
	Community impact hours	37,294	
	KPMG Global 10by30 strategy – young people reached through AI education and tech access (Australian target is 11,000 by 2030) (new) ⁷	5,517	 Positive progress
	Addressable procurement spend with Indigenous enterprises (3% annual target)	3.3%	
Advocate on the issues that matter	Submissions to government, parliamentary inquiries and policy papers	49	 Achieved

⁵ FY24 figures have been prepared in accordance with IFRS Principles, for the first time. FY23 comparatives have been prepared on a consistent basis to allow direct comparison, and are available in our Impact Plan 2024 Databook.

⁶ This included corporate income taxes, net goods and services tax payable, fringe benefits tax, payroll tax, stamp duty and estimated tax payable by partners on income generated from KPMG Australia. Taxes deducted from employee salaries are no longer included in the calculations of Total Taxes Paid. FY23 comparatives have been prepared on a consistent basis to allow direct comparison, and are available in our Impact Plan 2024 Databook.

⁷ KPMG's global 10by30 program aims to help economically empower 10 million disadvantaged young people by 2030.

Governance

Our Purpose
and Values guide
everything we do

Our commitments



Always act with
a clear Purpose



Drive a responsible
tax practice



To lead the profession
in audit quality



Act lawfully, ethically
and in the public interest



Uphold the highest level
of information protection,
data privacy and security



Respect human rights and
work against corruption
and modern slavery

OUR GOVERNANCE PROGRESS

Purposeful business

Purpose, Values and culture

 **Our commitment:** Always act with a clear purpose

Embedding our Purpose in everything we do

Trust is foundational to our business – and this can only be earned by acting in ways aligned to our Purpose and Values. We are committed to always acting with a clear purpose, with our Values guiding our culture, the decisions we make, the work that we do and the way we behave.

Our ambition is to be the most trusted and trustworthy professional services firm, positively impact society, be the number one choice for talent, empower clients and deliver sustainable growth. It's an ongoing process that we are fully dedicated to.

Governance and accountability

Case studies

This year, we introduced new awards to recognise the people who embody our firm's Values. We also participated in our first Global Values Week, alongside 270,000+ KPMG colleagues around the world.



[Celebrating our Values with KPMG Limelight Awards](#)



[Our first Global Values Week](#)

Our Purpose

Inspire confidence.
Empower change.

Our Values



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and find strength in our differences.



For Better

We do what matters.

OUR GOVERNANCE PROGRESS

Our governance creates the framework to drive purposeful activity. It helps ensure we are considering our economic, environmental and social impact in all that we do internally, and in our work with clients. It helps us align our financial and societal performance, supporting meaningful work and rewarding careers.

We remain vigilant in regularly reviewing our operations and governance so they are aligned with the standards expected by the Australian community. Some key initiatives undertaken during this year include:

- Preparing Our Impact Plan in accordance with the Global Reporting Initiative (GRI) Standards, for the first time.
- Achieving external limited assurance on key financial and people metrics, as we progress to an audit over our financial accounts in the future.
- Appointing a third independent director on our Board (up from two last year)
- Redesigning our National Board Committee structure, including establishing a new Governance, Regulation & Compliance Committee.
- Elevating and expanding the role of the Office of General Counsel (OGC) & Regulation and adding the position to the National Executive Committee.
- Refreshing our Board skills matrix by surveying our Board members to inform future needs.

KPMG Australia

KPMG Australia is part of a global organisation of independent professional services firms, with more than 270,000 partners and employees working in member firms spanning over 140 countries and territories around the world. KPMG Australia's governance arrangements are set in part by our membership of KPMG International and the associated rights, responsibilities and obligations of our network agreement. Detailed information on KPMG International's structure, leadership and governance can be found here: [Governance – KPMG Global](#).

National Board

The National Board is the principal governance body for KPMG Australia. It is responsible for oversight and monitoring of management to drive growth and the long-term prosperity of the firm while engendering trust from its partners, people, clients, and the wider community.

The Board approves and oversees execution of the firm's strategy and ensures there are rigorous processes in place for identifying and managing risk and reputational matters, including the firm's impacts on people, planet, and prosperity.

Importantly, there is separation of the Board and management. We believe this is fundamental for the appropriate oversight and holding to account of the CEO and the firm's key management body, the National Executive Committee (NEC), on all aspects of performance. As such, the National Chairman is not part of the firm's executive.

The Chairman is responsible for leading the National Board, ensuring it meets its responsibilities of upholding the highest professional standards of governance, quality and integrity, and the overall strategic positioning of the firm. The National Chairman represents the firm both locally and internationally. Market-facing responsibilities include regular engagement with external stakeholders such as regulators, governments and clients.

The role of National Chairman is elected, voted on by the firm's partners. Each term of office is three years, for a maximum of two terms. This year the partnership of KPMG Australia elected Martin Sheppard as our new National Chairman, effective from 1 September 2023.

Partnership Agreement

The principal governance document of the firm is our Partnership Agreement, which is overseen by the Board. In July 2023 we became the first professional services firm to publicly release our Partnership Agreement, which can be read in full [here](#).

The National Board Charter, which sets out the terms of reference for the National Board, was refreshed in February this year and can be read [here](#).

OUR GOVERNANCE PROGRESS

National Board Composition

The National Board comprises our Chairman, the CEO and 10 other members. Over the past six years, our experience has been that independent Board members play an important role in strengthening our governance by imparting contemporary external perspectives and challenge. Our Partnership Agreement allows the appointment of up to three Board members who are not partners of the firm.

On 24 January 2024, KPMG Australia announced the appointment of two new independent directors, taking the number of independent directors to three.

Full membership of our current Board, which has a 50:50 gender balance, is viewable [here](#).

National Board Skills Matrix and Assessment

The Board maintains a National Board Skills Matrix setting out the collective skills, expertise and experience considered necessary to effectively govern the firm. This year we reviewed and refreshed our Skills Matrix to ensure that it was contemporary and fit for purpose. We also conducted a National Board Skills Assessment to review both the individual and collective skills of the Board against the refreshed Skills Matrix and ensure a balanced and expert Board. Board elections for internal partner candidates seek to close any skills gap.

The firm has responded to the assessment by looking to enhance skills, individually and collectively, through succession planning, ongoing professional development and supplementary advisory support.

To ensure that the collective knowledge and skills of the Board align with fast-moving developments and expectations around ESG, Board members continued to receive insights from internal and external experts on topics such as climate risk and Reconciliation, including completing Indigenous Cultural Safety training.

National Board Committees

Our Partnership Agreement permits the Board to delegate its duties and powers and to appoint supporting committees. This year, we completed a refresh of our Board Committees and Committee Charters, including the establishment of a new Governance, Regulation & Compliance Committee.

Further information on our Board Committees can be found [here](#).

National Executive Committee

Under KPMG Australia's Partnership Agreement, the National Board appoints a CEO to manage the firm and its impacts. The CEO is the most senior executive charged with responsibility for effectively managing the firm against the business strategy, plans and policies approved by the National Board and the implementation of regulatory and risk management procedures across the business.

Andrew Yates is KPMG Australia's CEO, a position he has held since 1 July 2021. Following a rigorous process that included an independent external assessment and a thorough review of performance on a range of metrics, in March 2024 Andrew Yates was reappointed CEO by the National Board for a second term of three years, to 30 June 2027.

The CEO leads the firm's principal management body, the National Executive Committee (NEC). Membership of the NEC was refreshed during the year – initially on 1 July 2023 to reflect a restructure; followed most recently by an expansion of risk and regulatory management.

Full current membership of the NEC can be viewed [here](#).

Chief Purpose Officer

Our CEO-appointed Chief Purpose Officer (CPO), Richard Boele, and team continued to play a critical role in decisions made by the firm. The CPO was focused on educating and challenging leaders and teams to actively bring purpose to decision-making. Key progress this year included using our Purpose to align teams around how we work in energy transition, which informed our firm-wide risk guidance procedures.

Risk governance

KPMG Australia has a centralised risk function and partners with risk responsibilities report to the Chief Risk Officer, who is part of the NEC. Every year, the NEC works to identify and assess the key risks which may impact the achievement of the firm's strategic objectives. This year, we also established a new Governance, Regulation & Compliance Board Committee to further strengthen our approach to risk.

Our firm adheres to our global Client and Engagement Acceptance and Continuance (CEAC) policies and processes which are designed to help KPMG firms identify and evaluate potential risks, including relevant ESG risks, prior to accepting or continuing a client relationship or performing a specific engagement. Further information about our risk governance can be viewed [here](#).

OUR GOVERNANCE PROGRESS

KPMG LEAP strategy

Our 'KPMG LEAP' business strategy first launched in 2021, outlining the key areas we needed to focus on to make a difference in market. During the year we continued to refresh the strategy to position the firm for the future – including aligning investing globally, adapting for clients' changing needs and streamlining how we operate. Taking a human-centric approach to AI, we are fast-tracking its use to transform the services we offer, the way we deliver our services and drive our clients' experiences, and how we engage and upskill our people. The strategy was launched in August 2024.



Our commitment: Drive a responsible tax practice

As a leader in the provision of tax advisory and compliance services in the Australian market, our approach to tax encompasses both our own internal policies and procedures, and our approach to the provision of tax services to our clients.

A responsible tax practice

KPMG Australia is committed to responsible tax practice consistent with all applicable laws, regulations and professional standards established in Australia. Alongside our Values and Global Code of Conduct, we are guided by KPMG's [Global Principles for a Responsible Tax Practice](#) which require all KPMG people to act lawfully and with integrity when dealing with tax matters. We also periodically review other internal policies, procedures and controls, and regularly monitor their application to the execution of our tax engagements.

KPMG Australia jointly developed the Australian Tax Advisory Firm Governance Best Practice Principles, established in August 2022. KPMG has adopted the Principles in full. We have also publicly proposed a review and a strengthening of these Principles to ensure they continue to meet the high expectations the public has of tax advisers. Each year, KPMG issues a statement to confirm it has reasonable confidence that the policies, procedures and internal controls which facilitate compliance with the Principles operated effectively. Our statement for FY24 can be viewed [here](#).

The International Ethics Standards Board for Accountants (IESBA) has also announced the launch of the first comprehensive suite of global standards on ethical considerations in tax planning and related services, incorporated in the IESBA Code of Ethics.⁸ These new standards are aimed at complementing and further

strengthening the relevance of the existing IESBA Code addressing Tax Planning and Related Services. The standards become effective 1 July 2025, and we will work constructively with the Accounting Professional & Ethical Standards Board (APESB) on their potential application in Australia.

Following the emergence in 2023 of the Tax Practitioners' Board (TPB) integrity matter, KPMG reaffirmed its support for and contributed to consultations on a range of measures to strengthen the TPB and tax adviser regulation. We note that many of these reforms have been or are before Parliament and we continue to support the Australian Government in this important work.

During the year we have undertaken a range of activities to uplift the compliance of our Tax practice to prepare for a range of regulatory change including:

- Holding tax masterclasses for our people to educate them on upcoming change.
- Issuing clear guidance to our people about the firm's limited appetite to enter into confidential consultations.
- Expanding the roles that are required to be entered into our outside roles database to capture all government working groups and advisory groups.

KPMG Australia's Tax practice continues to develop thought leadership and contribute to consultations and industry forums on key areas of tax responsibility, such as tax governance and tax transparency. In addition, specialist teams have been established to support clients in the assessment and improvement of tax governance and transparency measures and reporting.

We also strive to promote greater equality in society via contribution to a series of 'Gender Equity' papers, in which the firm has made a suite of recommendations, in the public interest, to government and policymakers (see [Towards gender equity in retirement – KPMG Australia](#)).

Our approach to tax governance

KPMG Australia recognises the importance of formal measures for the governance and management of tax risks to support our strategy of being compliant with tax legislation. Our Tax Risk Management and Governance Framework (Tax Framework) includes our tax strategy and governance model, reflecting our responsibility to comply with all taxation legislation, and in doing so pay the legally applicable amount of tax.

⁸ IESBA, [IESBA launches first global ethics standards on tax planning, 15 April 2024](#)

OUR GOVERNANCE PROGRESS

The National Board has oversight of the Tax Framework, which is reviewed annually, and is responsible for ensuring the Tax Framework appropriately identifies and manages tax risk. The Audit Finance & Risk Committee reviews and monitors compliance with the Tax Framework and has delegated responsibility for the establishment and continued effectiveness of the tax risk management and internal control system, in addition to being a key point of escalation of risks referred to it. There is also regular reporting on tax-related matters to the Audit Finance & Risk Committee by the management team.

This overarching tax strategy is reflected in a series of tenets, including:

- KPMG is transparent in its tax disclosures and open in its dealings with tax authorities.
- KPMG seeks to pay the correct amount of tax as determined in accordance with legislation.
- KPMG enters transactions or structures that exhibit commercial outcomes without reliance on their tax impact for their viability.
- KPMG applies professional advice on matters as required pursuant to our tax risk management framework.

Our approach to regulatory compliance and tax risk management is implemented through a series of principles including:

- Use of defined mechanisms to identify, assess, control and report risks.
- Documented controls and processes to mitigate potential risks.
- Processes to support compliance with statutory obligations, administrative requirements and required disclosures to tax authorities.
- Maintaining good working relationships with taxation authorities.

At a management level our CFO, supported by tax and finance specialists, operates a series of controls to meet our compliance obligations. To embed tax controls, additional measures are in place, and include documented procedures for tax compliance, document retention, training, usage of advisers and other related processes.

The tax risk management model is important for ensuring compliance with taxation requirements, consistent with the tax strategy. The model defines the mechanisms for identification, assessment, escalation, and management of

tax risks. This includes the attributes that require tax risks to be reported to the Audit Finance & Risk Committee. Outside of this risk escalation model, if there are concerns about business conduct in relation to tax, these can be raised through the [KPMG International Hotline](#) – a confidential service for clients, partners, employees and other parties.

This year, for the first time, we received limited independent assurance for total taxes paid by the Australian firm and its partners. Please see Grant Thornton's Independent Auditor's Assurance Report in [Our Impact Plan 2024 Databook](#).



Our commitment: To lead the profession in audit quality

Audit and assurance are at a transformation point that we have not seen in decades with the recognition of the importance of high quality ESG disclosures by the companies we audit, climate risk now becoming a more significant issue that is embedded into our work, and the risks and opportunities arising from AI. We're committed to continuously evolving our approach to quality and, as a technology-driven organisation, we are harnessing innovative solutions to deliver high-quality audit and assurance services.

KPMG is fulfilling our role in the capital markets to provide robust assurance that can benefit investors and other stakeholders. We consider the same level of professionalism, quality, consistency and trust should apply to ESG reporting as to financial data and are making significant investments into our ESG assurance capability. We're upskilling KPMG people and building teams fluent in ESG assurance reporting to help our clients meet the goals necessary to build a more sustainable future.

Fundamental to this is KPMG Clara (our globally consistent technology platform), which also supports ESG assurance engagements, and an ESG assurance methodology enabling high-quality, globally consistent assurance engagement delivery that complies with assurance standards and aligns with our financial statement audit methodology.

In FY24, we entered the second year of our Audit Quality Transformation (AQT) which is providing a step change in our audit quality and improving the audit experience for our clients and people. While we have achieved many transformational milestones, improving audit quality is a continuous process that must also address changing regulatory and external factors. We remain pleased with our progress and are

OUR GOVERNANCE PROGRESS

focused on delivering a program for our audit professionals to feel confident that they have the support, tools, and environment they need to consistently deliver a high-quality audit, whilst enabling compliance with the international quality management standards. Refer to our [Transparency Report](#) for further details.

The rise of AI: assurance in a rapidly changing world

Our research has shown that organisations across Australia are investing heavily in AI to transform their businesses, with an expectation that nearly all will be piloting or using AI in their financial reporting processes within three years. We are investing in AI to transform our audit approach and enhance quality. In FY24, we have expanded our deployment of the KPMG Clara AI Transaction Scoring platform, which combines advanced statistical, machine learning and rules-based analytics to automatically analyse and classify accounting transactions.

This solution enables us to obtain deeper understanding of risks than ever before, uncover insights hidden in the data and to automatically identify outlier transactions.

KPMG has developed a [Trusted AI framework](#), enabling us to ensure that we are using AI responsibly on the audits that we deliver and are ready to provide assurance over the AI systems used by our clients as they deploy AI. We recognise the importance of providing confidence to the capital markets in times of change and are committed to leading the market with our efforts.



OUR GOVERNANCE PROGRESS

Acting transparently with accountability and integrity

Trusted and trustworthy

We continue to respond to challenges impacting our industry and are focused on acting transparently, with accountability and integrity. Our role in preserving, maintaining, and restoring trust goes hand in hand with being able to demonstrate responsible business practices and how we act lawfully, ethically and in the public interest. We continue to reflect on our own operations and challenge ourselves to do more to strengthen trust through a forward-looking action plan. Further information on our continuous improvement journey can be read [here](#).



Our commitment: Act lawfully, ethically and in the public interest

Acting lawfully

KPMG Australia is subject to an extensive but often fragmented framework of obligations. Contractual frameworks set by our clients define their expectations and requirements, and are further supported by regulatory and legal obligations, professional standards and codes, and commitments to professional bodies. Read more [here](#).

Managing independence

Auditor independence requirements are enshrined in the *Corporations Act 2001* (Cth) and APES 110. As an external audit firm, we must continually reinforce the critical importance of auditor independence and be mindful not only of actual conflicts of interest, but also of the perception of conflicts of interest.

We have prescribed policies, procedures and guidance, combining Australian and international regulatory, independence and ethical requirements. All our partners and client service professionals must complete independence training upon joining the firm, and annually thereafter. We also require our people to complete an annual confirmation statement stating that they have remained in compliance with such requirements during the previous year.

There was a 100% completion rate for this confirmation, issued in November 2023.

Acting ethically

We continue to strengthen our existing governance and risk management processes to help ensure that the decisions we make and the work that we do align with our Purpose and Values.

KPMG Code of Conduct

Our people are required to comply with [KPMG's Global Code of Conduct](#) and to meet the expectations of communities in which we operate. Our Code of Conduct clearly states that we don't tolerate illegal or unethical behaviour within KPMG or from clients, suppliers or public officials that we work with. The Code of Conduct applies throughout all the firm's activities and business relationships and is integrated and referred to within relevant strategies, action plans, policies, procedures and mandatory training.

Managing conflicts

Within KPMG, conflicts of interest principally fall within one of the following four categories:

- External audit independence-related conflicts of interest.
- Adversarial conflicts of interest.
- Competing party conflicts of interest.
- Commercial conflicts.

KPMG's Commercial Conflicts Resolution Committee (CCRC) is responsible for reviewing, maintaining oversight of, and making decisions relating to commercial conflicts, including proposed engagements, communications, or expressions of thought leadership likely to detrimentally impact our relationship with one or more of our clients.

Our policies and procedures include assessing existing or potential conflicts of interest and risk – including reputational, human rights and environmental considerations – through our client and engagement processes and systems. Our people are prompted in our systems to consider whether an opportunity has the potential to give rise to a potential commercial conflict. Such matters are directed to a Risk Management Partner (or delegate) for review and assessment, and where required, the CCRC for consideration.

OUR GOVERNANCE PROGRESS

Prospective clients or engagements with conflicts of interest that cannot be eliminated or safeguarded to an acceptable level (e.g. through the implementation of system information barriers and ethical divider memorandums) are rejected under our policies.

The firm has identified industries with elevated risks and created additional guidance for engagement teams regarding expected minimum practices regarding these unique challenges. With government clients, we are also mindful of competing issues that may arise when working with different departments or even different areas within a department.

Ethical culture

Our Board and NEC play integral roles in the delivery of our firm's culture program, overseeing our objectives and progress. Key areas of focus this year have been further strengthening our speak up culture through enhanced listening, and supporting our people's ethical decision-making capabilities by expanding our Ethics Champions Network.

We recognise building and maintaining a strong ethical culture is an ongoing process. Our ethical culture program is dedicated to reinforcing the firm's commitment to ethical conduct.

This year, we launched our first Speak Up Survey: combining our annual Ethical Culture Index (ECI) and Thrive (our Inclusion, Diversity and Wellbeing) surveys. It encourages a speak up culture through ongoing employee listening, supporting an inclusive, healthy and ethical culture.

By bringing together these surveys, our intent was to gain a comprehensive understanding of the interplay between the ethical culture of our firm and the inclusion and wellbeing experiences of our people. This enables us to direct our attention to specific areas within the firm that demand a more targeted approach.

A significant number of our people 4,465 (46%) completed the survey in this benchmark year. Some key results include:

- 78% of respondents agreed that the training they received would help them to make the right decision when faced with an ethical dilemma, with 5% disagreeing.
- 76% agreed that the people they work for effectively communicate the standards of ethical conduct that are expected at KPMG, with 6% disagreeing.
- 73% agreed that at KPMG we have a culture of doing the right thing, with 8% disagreeing.

- 68% agreed that people can report unethical practices without fear of any negative impact on them, with 14% disagreeing.

With most people agreeing that we have a culture of doing the right thing, results highlight the impact of our ethical culture program.

Key initiatives this year in our ethical culture program have included:

- **Expanding our Ethics Champions Networks (ECN):**

A firm-sponsored, leader-led initiative, the ECN is a trusted network of employees who are trained to provide colleagues with access to support and guidance on ethical decision-making and navigating through ethical dilemmas. Since its implementation in 2023, the network has expanded from 9 to 67 Ethics Champions, with members embedded in every division across our service groups and geographies.

- **Uplifting ethical decision-making capability:**

We have reinforced the importance of ethical decision-making within our organisation, which has included the establishment of our ethical culture intranet page. This includes resources for our people such as our R.I.G.H.T. framework – a comprehensive, user-friendly tool that aids our people in navigating both everyday and intricate ethical considerations. The framework is embedded within learning and development programs, such as induction and transition pathway programs.

These initiatives complement existing speak up channels. We encourage our people to use the multiple avenues available to them to raise any concerns, including contacting the People & Inclusion Business team, our Ethics Champions, their Performance Development Manager or Engagement Partner, our Ethics and Independence Partner, our Chief Risk Officer, General Counsel or through our independently operated whistleblower hotline.

Our Speak Up Survey results reinforce our focus on actively strengthening the visibility and engagement of these reporting channels, and that our established retaliation monitoring system strengthens psychological safety across the firm by protecting people who report misconduct against retaliation.

OUR GOVERNANCE PROGRESS

Integral to oversight of our ethical culture through regular assessment and monitoring is that every division has developed and enacted action plans tailored to address their specific results. This proactive approach underscores our commitment to continuous improvement. The ongoing evaluation of our ethical culture and systematic reporting to the NEC and our Board are central to our firm's dedication to uphold and advance ethical standards.

Ethical training: Integrity at KPMG

Everyone at KPMG is required to undertake the firm's 'We do what is right: Integrity at KPMG' mandatory training covering our Values and our Code of Conduct, and our Privacy training module, within three months of joining the firm, and annually thereafter. Training completion is monitored.

Our integrity training was refreshed this year and included case studies on test answer-sharing, time-charging, inclusive behaviour, honesty and integrity, bribery, confidentiality while working from home, insider trading, and retaliation. It also included information on the resources available to help someone speak up and report illegal or unethical behaviours or activities.

Accountability

We continue to measure the impact of our ethical culture initiatives to understand what's working well and what requires more work. This is achieved through our continuous listening approach whereby we capture our people's feedback at every step of their journey with us on an ongoing basis. Our NEC and Board are also deeply involved in our ethical culture program. They are provided with regular updates on ethical culture metrics, ensuring they have complete oversight.

There was a 100% completion rate of 'We do what is right: Integrity at KPMG' training, undertaken in October 2023.

Positive Duty

The drivers of sex-based discrimination, sexual harassment and victimisation are broad and include inequality, the gender pay gap, a lack of diversity, power imbalances and a lack of accountability within the workplace.

To address these drivers, we remain committed to continuing to foster a safe culture that values diversity and equity where people feel safe to speak up and report poor behaviour.

As part of our multifaceted approach, we continue to:

- Focus on the key role leaders play through tailored training, communications and by supporting Values-aligned day to day behaviours.
- Embed ethical decision-making capability firm-wide including through mandatory firm-wide learning on what it means to align with our Code of Conduct and Values.
- Exercise appropriate governance through:
 - The most serious workplace reports being reviewed by the Employee Relations Panel that consists of our Chief Risk Officer, National Managing Partner, People & Inclusion and our General Counsel, to ensure investigations recommended to decision-makers and outcomes are Values-aligned and appropriate.
 - Regular reporting on workplace reports to our Board and NEC.
- Grow our listening strategy through multiple surveys for our people each year, where we test the pulse of how they are feeling in multiple areas. This allows us to measure the state and progress of our culture, drive programs that have real impact and test the success of our current programs.
- Support our speak up culture through the provision of multiple channels (listed under ethical culture).
 - All people who handle these complaints take a person centred and trauma informed approach to support reporters and other participants in the process.
 - We introduced a retaliation monitoring system that allows us to track remuneration outcomes, performance ratings and other outcomes after a report has been raised. Our specialist employee relations case management team has seen firsthand how this has given people the comfort to speak up on what has happened to them and to trust us to take it forward.
 - Take a work health and safety risk-based approach to preventing the behaviour and to guide our response.

OUR GOVERNANCE PROGRESS

Workplace reports

We actively encourage our people to speak up about any inappropriate behaviour in the workplace, including through:

- Firmwide Respect@Work annual training (with a focus on the role of the bystander).
- Regular and clear communications reinforcing these messages (including through emails from leaders to their teams reminding them to act in line with our Values and Code of Conduct and leadership training on how to encourage a speak up culture).
- Offering multiple speak up channels to our people, including our specially trained Ethics Champions Network (ECN).

Behaviours and alignment with our Code of Conduct are also key factors in our annual performance reviews and in the awarding of remuneration increases, bonuses and promotions.

As a result of our commitment to continuing to improve our speak up culture we continue to see an overall increase in the number of reports raised.

While the number of these reports has remained relatively constant since last year, the shift we are seeing is our people are coming forward more promptly to make a report.

We interpret this as our people having greater confidence in speaking up about sexual harassment and expect this to continue with the various actions we are taking to meet the positive duty to eliminate sexual harassment, sex-based discrimination and victimisation.

Over the coming year, a stronger focus will also be applied to better understand the number of incidents of discrimination at the firm.

We prioritise the wellbeing of those affected by inappropriate behaviour in the workplace. All concerns raised are taken seriously, treated in a confidential and impartial way and resolved either informally or formally depending on the nature of the concern. We support our people to feel psychologically safe through the process, the outcome and beyond.

Where the report has been substantiated, appropriate consequences are applied:

- One in five people who were the subject of a substantiated report exited the firm. The remaining employees received a warning, counselling and (as applicable) an adverse impact to their end of year rating and/or remuneration.
- For cases of sexual harassment, the majority led to the individual involved exiting the firm. The minority, involving conduct that was unwelcome, received a warning and were required to undergo training and participate in restorative practices with the other party.
- The one substantiated discrimination matter resulted in a warning and additional training.

Increasingly, following reports of poor behaviour, we review any wider impact of the behaviour and, where appropriate, put proactive steps in place to ensure alignment with our Code of Conduct and Values.

Conduct reports	2024	2023
Reports raised	168	142
Reports closed out ⁹	152	131
Reports per 100 ¹⁰	1.48	1.24
Types of reports raised		
Breach of the Code of Conduct or policies	149 (88.5%)	123 (86.5%)
Discrimination	3 (2%)	4 (3%)
Sexual harassment	16 (9.5%)	15 (10.5%)
Substantiated closed out reports		
All	94 (62%)	84 (64%)
Breach of the Code of Conduct or policies	84 (62%)	74 (64%)
Discrimination	1 (33%)	2 (50%)
Sexual harassment	9 (64%)	8 (66%)

⁹ A report is 'closed out' where it has been completed following an investigation and outcome.

¹⁰ Raised and closed out for employees and partners.

OUR GOVERNANCE PROGRESS

Acting in the public interest

We continue to strive to meet the standards expected of us by the public.

Our interactions with government

To strengthen and promote transparency and integrity in our interactions with government, we have adopted the following measures:

- **Contract management:** We are implementing a new contract management system and job management system to support changes to Commonwealth procurement.
- **Centre of Excellence for government-related risk and legal matters:** We have established a dedicated Risk and OGC unit, bringing together a highly experienced team to advise and provide support on risk, legal and contracting matters bespoke to our government commercial arrangements.
- **Review of confidentiality obligations:** We commissioned a third-party review of our policies and training materials relating to the firm's confidentiality obligations. While the review found that our frameworks were comprehensive, it made a number of recommendations in the areas of training and guidance for our people, which we have implemented.
- **Commitment to uphold the Commonwealth Supplier Code of Conduct and Australian Public Service Values:** As a large contractor to government, we are committed to upholding the highest standards of integrity by acting honestly, responsibly, transparently and consistently.
- **Review of our personal appointment and outside role policies:** We have reviewed our firm-wide policies for approving external personal appointments, outside emergency and defence service roles and career break policies with a view to strengthening against any perceived conflict of interest. Subsequently, we have implemented a range of improvements that strengthen approval processes and improve data collection.
- **Cooling-off periods and secondment arrangements:** KPMG has a minimum six-month cooling-off period for ex-government (including state-owned corporations) employees and would support clearer Commonwealth guidance on these restrictions.

Public policy engagement

Acting in the public interest also involves proactively participating in shaping the policy discussion and advocating for meaningful change that allows business, government and society to prosper together, with a positive impact on people and the planet. Please see how we have continued to ['Advocate on the issues that matter'](#) this year.

Federal Government response to PwC tax leaks scandal

On 6 August 2023, the government announced a significant package of reforms aimed at addressing misconduct and rebuilding people's confidence. To support this work, KPMG has since made a number of submissions to consultations. We are participating in the Treasury review into the regulation of accounting, auditing and consulting firms.

Most recently, KPMG made a submission on 28 June 2024 which outlined a number of high-level recommendations across the six themes in the discussion paper – governance, standards and laws, transparency, enforcement, protection of whistleblowers, and competition. In the response we reiterated our support for a framework for enhanced disclosure of audit tenures, greater clarity of the definitions of non-audit services, and an effective, well-funded ASIC audit inspection regime.

Participation in and responding to parliamentary inquiries

On 9 March 2023, the Senate Finance and Public Administration References Committee commenced its *Inquiry into management and assurance of integrity by consulting services*. KPMG made a submission to this inquiry in April 2023 and appeared at public hearings on 7 June 2023, 27 September 2023 and 9 February 2024. KPMG has also supported the work of this inquiry through responses to questions on notice.

The inquiry handed down its final report on 12 June 2024, and we were pleased to see a number of its recommendations reflected initiatives we had made in recent submissions or are already under consideration by the Federal Government as part of other reviews. In particular, we were pleased to see the Committee's recommendation that APES 110 and acting in the public interest should be incorporated into the Supplier Code of Conduct. A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.

On 31 May 2023, the NSW Public Accountability and Works Committee commenced its inquiry into the *NSW Government's use and management of consulting services*. KPMG appeared at a public hearing on 5 September 2023. The inquiry handed down its final report on 29 May 2024.

OUR GOVERNANCE PROGRESS

Again, KPMG was pleased to see a number of recommendations supported by the firm reflected in the final report or already actioned by the NSW Government.

On 22 June 2023, the Parliamentary Joint Committee on Corporations and Financial Services commenced its inquiry into *Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry*. KPMG made a submission to this inquiry in August 2023.

KPMG looks forward to continuing to support the ongoing work of the above committees, as well as any future government responses to the reports and recommendations.

Political donations

Following a review of our political donations policy during the year, we have decided to maintain our approach, believing that we have an important role in connecting the private sector and government, and thus helping our understanding of important issues.

This year, no cash political donations were made. KPMG continues to make balanced contributions to the major parties annually. We report all forms of political donations, including in-kind contributions, event sponsorships and membership fees for political party business forums, via the Australian Electoral Commission.

Further transparency

This year we further increased our transparency, including through the following:

Progressing to limited assurance

This year, we have made important strides in our ongoing commitment to transparency and the data we publish. Grant Thornton has carried out a limited assurance process over our firm-wide Revenue and Taxes Paid as well as four key people metrics. Please see Grant Thornton's Independent Auditor's Assurance Report in [Our Impact Plan 2024 Databook](#).

Both the Board and the NEC were closely involved in the decision to seek external assurance and during the assurance process. We see this as an important step towards our progression to full financial statements audit in the near future.

In accordance with GRI

The Global Reporting Initiative (GRI) helps organisations and their stakeholders determine if sustainability goals align with practices and performance. In our previous two Impact reports, our disclosures have aligned with the WEF IBC Stakeholder Capitalism Metrics and 'with reference' to the Global Reporting Initiative (GRI) Standards.

This year, we have significantly increased the granularity of our disclosures, committing to reporting our material topics 'in accordance with' the GRI Standards. This framework helps ensure that our reporting is balanced and complete. Additional disclosures have been made through our website, public reports and Databook, with our GRI Index table provided [here](#).

Our first Climate Risk Report

KPMG Australia is committed to being a profession leader in ESG and driving the transition to a greener and fairer economy, while ensuring we manage our own environmental impact in doing so. Publishing robust and transparent climate disclosures is a vital part of achieving our objective – both in terms of sustaining progress toward our commitments and demonstrating the importance we place upon climate change mitigation.

In March 2024, KPMG International published its first overarching [Climate Risk](#) report, aligned to the recommendations from the Task Force on Climate-related Financial Disclosures. This year, we have published our first Australia-centric [Climate Risk Report](#), and we will be expanding to include Fiji and PNG from FY25 onwards. In this report, we explore the impacts and dependencies of climate-related scenarios on our work and our people, enabling us to identify, manage and report on the risks and opportunities faced by our organisation.

Board Charter

The National Board Charter, which sets out the terms of reference for the National Board, was refreshed in February this year and for the first time can be publicly read [here](#).

This year, we have made important strides in our ongoing commitment to transparency and the data we publish.

OUR GOVERNANCE PROGRESS

Partner remuneration

We are the first Australian Big 4 partnership to commit to publishing executive partner remuneration on an annual basis.

KPMG Australia sets out clear performance and conduct expectations for partners. The remuneration model is designed to reward performance and behaviours consistent with our LEAP strategy, Global Code of Conduct and Values. As outlined in our Partnership Agreement, our NEC and the Partner Remuneration and Nominations Committee (PRNC) ensure that the system for allocating the profit pool to partners is administered fairly and equitably and is subject to a formal Board approval process.

During the year, partners receive monthly drawings and, from time to time, additional profit share distributions. Both the sum and timing of any additional distributions are decided by the NEC, taking into account the firm's cash requirements for operating and additional investment activities.

Any matters of conduct that may have arisen during the performance year are also considered, and appropriate remuneration consequences applied. The model promotes clarity and transparency among the partnership regarding their own remuneration and that of other partners.

CEO remuneration is determined having regard to both the financial and non-financial performance of the firm, including the strength of leadership behaviours, consistent with our strategy and Values.

Executive remuneration

CEO remuneration	FY24(\$)	FY23(\$)
CEO – remuneration (including long-term incentive)	2,440,000	2,470,000

CEO remuneration FY22-24

The CEO's remuneration included a long-term incentive (LTI) payment, which was awarded in FY24 and related to the prior three-year period. The LTI was focused on the creation and protection of long-term value for the firm, including financial and non-financial measures. As with all partners, the CEO's annual remuneration fluctuates in line with firm financial performance and personal performance rating based on a diverse scorecard. The LTI amount has been proportionately allocated over FY22-FY24

CEO remuneration FY25-27

In 2024, the National Board reappointed the CEO for a further three-year term, to 30 June 2027. A remuneration framework comprising a base profit distribution, a short-term incentive (STI) and an LTI (including deferral, malus and clawback provisions) was approved, reflective of current executive remuneration best practice and shaped to reward contribution to long-term value creation, protection and transformation of the firm.

NEC members remuneration (\$)	FY24(\$)	FY23(\$)
750,000-1,000,000	–	1
1,000,000-1,250,000	6	3
1,250,000-1,500,000	4	1
1,500,000-1,750,000	2	4
1,750,000-2,000,000	–	2
2,000,000-2,250,000	–	1

The average (mean) remuneration for equity partners reduced in FY24 by 9% compared to the prior year.

OUR GOVERNANCE PROGRESS

Information protection, data use, privacy and security



Our commitment: Uphold the highest level of information protection, data privacy and security

Our people and clients entrust us with sensitive data and information. We continue to strengthen the policies, processes, controls, training, and capabilities needed to protect our data from unauthorised access and disclosure or any use beyond the original intent.

KPMG Australia has policies, processes, and governance structures in place to uphold data and information protection, privacy and security. The importance of maintaining client confidentiality is emphasised through KPMG global policies on information security, confidentiality, personal information and data privacy, in addition to specific KPMG Australia policies.

Managing data and cyber risks

The evolving threat environment – including financially-motivated criminals, ‘hacktivists’, and nation-state actors – requires us to continually adapt our approach. During the year, we increased our ability to monitor our environment and respond to incidents by updating our documentation and processes. Key actions included:

- An increased focus on managing risks associated with emerging technologies, scams, and AI, including deepfakes.
- Making Virtual Private Network (VPN) access available to our people to improve protection against the external threat environment.
- Rolling out new data loss prevention systems and privileged access management.
- Establishing a Security Advisory Board to oversee and uplift the security culture of the firm and embed a ‘security-first’ mindset into our processes and behaviours.

KPMG Australia implements the Essential Eight mitigation strategies developed by the Australian Signals Directorate. This includes patch applications, patch operating systems, multifactor authentication, restricting administrative privileges, application control, restricting Microsoft Office macros, user application hardening, and regular backups.

We collect metrics on an ongoing basis to assess the effectiveness of our actions and conduct vulnerability scanning to quantify the effectiveness of our patch management. Insights gained through this process are used to refine our detection rules to identify any gaps in coverage, and help ensure our resources are allocated to areas of need. Remediation is undertaken when we identify areas for improvement through our effectiveness assessments. KPMG Australia also participates in an annual audit conducted by KPMG Global into the privacy safeguards of member firms.

During the year, the firm’s NEC continued to receive regular updates on the current threat environment and monitoring carried out by our Cyber Security Operations team. In FY24, there were no significant notifiable data breaches.

Building capability and awareness

KPMG Australia engages with a range of stakeholders to identify information and data protection risks and safeguards. We participate in global KPMG information security networks and initiatives and bring in external expertise where required.

Engaging with these stakeholder groups and initiatives helps us to gain insights and expertise on the threat environment, and provides an opportunity to develop solutions to common problems with an expert network.

We continue to build the capability of our people to respond to the data protection risks posed to themselves, the firm, and clients. Everyone at KPMG is required to complete our mandatory annual Security Awareness for Everyone (S.A.F.E.)

OUR GOVERNANCE PROGRESS

Human rights

training to refresh their awareness and knowledge of the range of information security, personal information, and data privacy risks at work and at home and protect sensitive client and company information.

100% Completion rate of S.A.F.E training this year.

We undertook several learning and training initiatives over the past year to bolster the security capability of our people. In addition we:

- Updated our Privileged User Access Training to match the latest policies, threats, and best practices.
- Refreshed our Security Fundamentals Training (incorporating Government and Defence), focusing on current challenges, policy compliance obligations and regulations.
- Launched a new Security Leadership Training program to inspire our leaders to exemplify security excellence.
- Sustained a Security Champion network, equipped with tools to identify and mitigate security vulnerabilities while fostering behavioural change.
- Marked Cyber Security Awareness month with interactive activities to deepen knowledge and awareness, including games, quizzes, training modules, and escape rooms.
- Implemented a Security 101 Induction for all new hires, instilling KPMG's preventative best practices and expectations.
- Continued with a multi-tiered phishing training program.



Our commitment: Respect human rights and work against corruption and modern slavery

KPMG Australia is committed to respecting and promoting human rights in line with the UN Guiding Principles on Business and Human Rights, building on our longstanding support for the Ten Principles of the United Nations Global Compact and key international human rights instruments.

We expect high standards of human rights performance across our people, operations and supply chain and recognise our role as a professional services firm to not only influence positively the human rights of a range of stakeholders, but also to identify, understand and mitigate potential negative impacts in our operations or supply chain.

In addition to the [KPMG International Business and Human Rights Statement](#), KPMG Australia has a dedicated [Human Rights Policy](#) which is supported by a strong governance structure led by our firm's Human Rights Working Group and its executive sponsors, our Chief Risk Officer and Chief Operating Officer.

Human rights

This year, we commenced operationalising the firm's first [Human Rights Action Plan](#), including by:

- Rolling out the firm's Human Rights and Modern Slavery e-module to more of our people. Over 4,100 of our people had completed the training as of 30 June 2024.
- Publishing thought leadership and policy submissions to promote awareness and debate on contemporary human rights issues. This included a submission to the Parliamentary Joint Committee on Human Rights' Inquiry into Australia's Human Rights Framework.
- Establishing a new position of Trusted AI Lead and a Trusted AI Council to help ensure we respect human rights as we harness the power of new AI technologies (see [case study](#)).
- Hosting the UN Global Compact Network Australia (UNGCA) Business and Human Rights Dialogue, as part of our commitment to promoting consultation and collaboration in human rights and modern slavery response, bringing together representatives from Australian business, government, civil society, academia and the investor community to discuss emerging risks and opportunities and explore ways to collaborate on human rights.

Working against corruption

Along with our Global Code of Conduct, our anti-bribery and corruption program is designed to ensure we uphold the highest standards of professional integrity. This includes detailed policies applicable to all KPMG firms and their personnel, as well as training, compliance procedures and an international whistleblower hotline.

OUR GOVERNANCE PROGRESS

All employees, as well as partners and NEC members, receive training about our anti-corruption policies via our mandatory 'We do what is right: Integrity at KPMG' training.

KPMG Australia also carries out an annual bribery and corruption risk assessment. The report did not identify any significant gaps in our processes and controls, or any significant risks related to corruption. During the year, there were no reports of bribery or corruption for the Australian Firm.

We support the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) regime being extended to 'tranche two' professions including accountants, lawyers and real estate agents and are working constructively with the government on the regulatory regime. In preparation for AML/CTF being applied to the profession, we are currently reviewing our customer onboarding processes to ensure alignment with incoming requirements.

Modern slavery risk

KPMG Australia's approach to identifying and managing the risk of modern slavery is led by our firm's Human Rights Working Group and a dedicated Human Rights Manager to implement a comprehensive multi-year modern slavery response.

For further detail on KPMG Australia's approach to identifying and managing modern slavery risk, see our [Modern Slavery Statement 2024](#).

Over 4,100 of our people have completed our Human Rights and Modern Slavery training module.



People

Creating a caring, inclusive, purpose-led and values-driven culture

Our commitments



Provide a great people experience built on our People Promise



Champion gender equality and create an inclusive and equitable culture for all



Protect the health and wellbeing of our people



Foster a continuous and future-fit learning and development culture



Simpler, more inclusive recruitment processes to attract world-class talent

OUR PEOPLE PROGRESS

Employee engagement and experience



Our commitment: Provide a great people experience built on our People Promise

Our People Promise

KPMG is a people business. We are committed to delivering an exceptional people experience because our people are key to delivering quality outcomes for our clients. Introduced in 2023, our People Promise is our employee value proposition encapsulating the unique experiences and opportunities available at KPMG.

Grounded in our People Promise and informed by insights from listening to feedback, this year, we have refined our People policies, programs and initiatives, and introduced new ones.

Data-driven insights to back our People Promise

Covid changed the way we work and live, so we sought to better understand the potential positive or negative impacts of hybrid work on our people, using evidence-based data and research. Core to our strategy was engaging directly with our people, prioritising their feedback about how and where they work, and what they value most in a flexible working environment.

We supplemented our internal insights by commissioning a study from the University of Queensland. The academics analysed various factors – including gender, age, caregiving responsibilities, as well as job level, tenure, and location – to understand how these affect our people and their experiences. The most compelling conclusion from this study was that our people have greater job satisfaction when they feel they have the autonomy to choose their most effective work environment and way of working.

This reinforced what we had learnt from listening to our people: the significance of flexibility and autonomy in their work lives. As a result we updated our Flex your Work policy. For more information, please see our [Sustainable Working section](#).

Our People Promise pillars



Do work that matters

Every day, in ways big and small, you make a meaningful and positive difference for clients, people and the communities we serve. Help create opportunities in a world of increasing complexity.



Come as you are

Your unique experiences and perspectives belong here. Both individually and as a team, you will understand and value the differences that lead to stronger insights and innovation.



Thrive with us

Build relationships with colleagues who take care of each other. You will have the KPMG community at your side, providing the support you need to be at your best and create opportunities for yourself and others.



Learn for a lifetime

Grow your own way in an environment where learning is continuous. Feed your curiosity, work with the best on emerging practices and technologies, and gain an advantage for life.



Make your mark

Your aspirations and initiative make KPMG better. Wherever you work, be recognised for the impact you make, the leadership you show, and the success you create with others.

OUR PEOPLE PROGRESS

Listening channels

Our continuous listening strategy allows us to learn and evolve our focus and create a culture of openness where everyone feels psychologically safe and supported to speak up.

The insights drawn from our listening channels are monitored for progress and regularly shared with our Board and NEC.

Global People Survey

In October 2023, 84% of our people took part in our annual Global People Survey (GPS). The high participation rate shows a strong desire from our people to have a say in improving our firm and contributing to driving engagement, growth and trust across KPMG.

For the second year, we provided everyone with access to the results for the firm and their teams as part of our ongoing commitment to building a transparent and inclusive workplace where our people can feel safe to speak up.

Our GPS results told us:

- 90% of people believed their managers supported equality between all genders (2% unfavourable).
- 88% of people agreed KPMG does not tolerate any form of harassment including gender-based and sexual harassment (4% unfavourable).
- 80% of people are proud to work for KPMG (4% unfavourable).

Importantly, these results align closely with those from the previous year – indicating a degree of consistency in our people’s perception of our firm’s commitment to equality and intolerance of harassment.

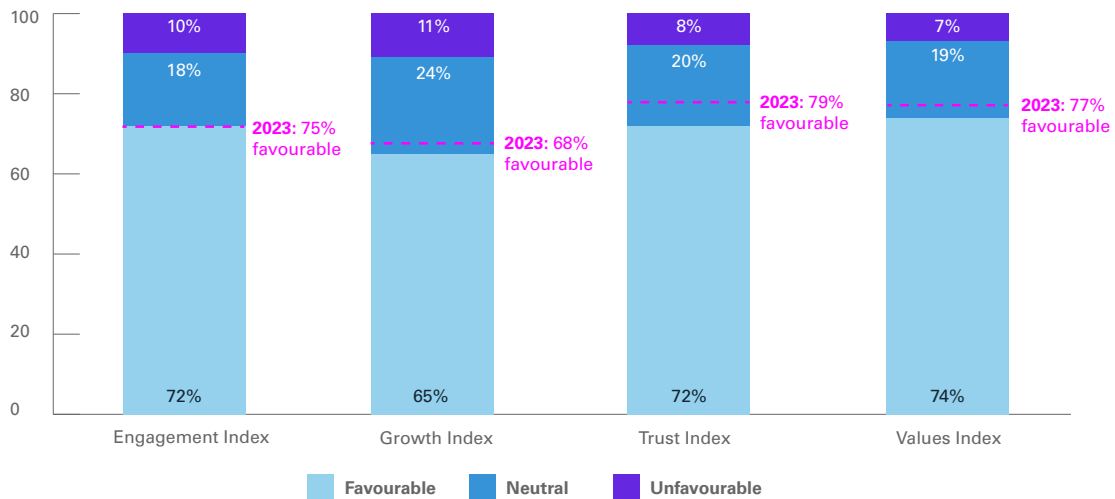
Overall, we observed a slight decline in both our Engagement Index and our Trust Index relative to last year’s results.

Insights from our GPS identified additional opportunities to:

- Strengthen the effectiveness of our communication.
- Create an environment that better nurtures innovation.
- Evolve our practices to ensure our ways of working are sustainable.

In response to our people’s feedback, we have developed targeted action plans and we continue to measure the effectiveness of these actions and monitor our ongoing progress.

Key Global People Survey (GPS) scores 2024



OUR PEOPLE PROGRESS

New Speak Up Survey

Our first firm-wide Speak Up Survey is based on the understanding that an inclusive and ethical culture is central to a healthy, more supportive and psychologically safe workplace – key factors that directly enhance employee belonging, health and wellbeing.

78% of respondents believe their people leader genuinely cares about mental health and wellbeing. Inclusive behaviours were also showcased through peer support for mental health and wellbeing, with 75% reporting favourable sentiments.

Our results also told us there is a need to continue to provide our People and Engagement Managers with the right level of training so they can support their team's mental health and wellbeing.

78% of our Speak Up Survey respondents believe their people leader genuinely cares about mental health and wellbeing.

Remuneration transparency

KPMG has enhanced transparency around performance, promotions and remuneration by providing our people with opportunities to better understand their pay and how it is determined. Through greater transparency, we strive to create a fair and equitable environment for our people and progress gender pay equity.

Since 2022, we have proactively shared remuneration transparency data with our people on an annual basis in line with industry best practice. This year, we once again published the salary bands across our firm within our core client-facing capabilities reflective of roles, skills, expertise and geographic location.

All permanent employees¹¹ receive superannuation and insurance under our super fund, including Death and Total Permanent Disability (TPD); salary continuance insurance is provided to all permanent employees working 15 or more hours per week who are Australian citizens or permanent residents.

Performance and career development

Performance and career growth are important aspects of a great experience for our people. In October 2023 we introduced Anytime Feedback, a new tool to make it easier for our people to give and receive feedback in real time and to encourage conversations around development, performance and wellbeing.

All partners participate in the annual Partner Performance Feedback survey that provides assessment and commentary on how partners have role-modelled behaviours aligned with our Values during the year. This survey reinforces our commitment to greater transparency, accountability, improved leadership and delivering on our employee value proposition and strategic objectives.

Our people receive regular performance and career reviews through our annual Open Review cycle.



¹¹ This excludes casual and fixed term employees and contractors engaged via a third party or as independent contractors.

OUR PEOPLE PROGRESS

Inclusion, diversity and equity



Our commitment: Champion gender equality and create an inclusive and equitable culture for all

For the first time this year, we have obtained limited assurance on key people metrics associated with our Inclusion, Diversity and Equity (IDE) targets, including the percentage of women in partnership; our WGEA Employee Average Base Salary Gender Pay Gap; the percentage of culturally diverse partners and the number of Indigenous people hired in FY24. Grant Thornton's Independent Auditor's Assurance Report in can be found in [Our Impact Plan Databook 2024](#).

To track our IDE performance, we use a dashboard that shows real-time people metrics. IDE performance is also monitored through partner performance scorecards, ensuring accountability from the top, with progress reported quarterly to the NEC.

Gender equity

At KPMG Australia, gender equity is inclusive of women, men and those who identify outside of the binary (such as non-binary, agender and gender-fluid people). We strive for a 40:40:20 gender balance in partnership – 40% men, 40% women and 20% any gender (which can include men, women and non-binary people).

In November 2023, we introduced our Gender Equity Action Plan (GEAP) for 2023–2025, outlining targeted actions and initiatives that we aim to implement over the next two years to accelerate our work in gender equity.

Our new plan focuses on six areas which are aligned to the Workplace Gender Equality Agency (WGEA) 'Gender Equality Indicators':

- Employer of Choice citation.
- Safety, wellbeing, inclusion and respect.
- Supporting life stages.
- Intersectionality.
- Gender representation.
- Gender pay gap.

This plan also saw the uplift of support for reproductive health across life stages including fertility issues, pregnancy loss and menopause awareness. In October 2023, for the first time, we partnered with an external training provider, Don't Sweat It, to open up the dialogue about menopause and perimenopause and the impacts and considerations for the workplace.

Additionally, we initiated a pilot program to provide free and accessible sanitary products in our women's, gender-neutral and accessible bathrooms, with a view to extend across all locations. As a member of Menopause Friendly Australia, we continued to expand our efforts through education allowing our people to access ongoing webinars, resources and training for leaders. Each of these initiatives reflects our commitment to supporting women across life stages.

On 18 July 2023, KPMG received our compliance report acknowledging our WGEA report submission, our 10th consecutive year of participation.

Women in leadership

This year, **we achieved 36.3%¹² women in Partnership**, up from 35.1% in 2023. While progress has been made, and we're continuing our efforts to meet our target of 40% women in partnership by 1 July 2025, we recognise that achieving the target will be challenging.

¹² Percentage of Partners who self-identify as female in KPMG Australia, KPMG Fiji and KPMG PNG as a percentage of total Partners; includes Partners who are in Partnership as at 1 July 2024. 100% of Partners have self-reported their status and no Partners are excluded. As information relating to gender identification is based on self-identification, is personally sensitive and confidential, verification of the accuracy of the self-identification has not been performed. This metric is subject to limited assurance by Grant Thornton. Please see Independent Auditor's Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

OUR PEOPLE PROGRESS

We continued to invest in our pipeline of women leaders across the firm with contemporary leadership development programs. This includes offering a development program for 60 women at manager level. This year, 88 senior women also participated in a refreshed development opportunity spanning six months, focused on amplifying their voice to enable greater presence, confidence and influence.

As we continued to support our KPMG employee-led networks relating to gender, this year we launched Empower, KPMG's intersectional gender equity network which connects into KPMG's existing networks relating to gender, including: Women in STEM; In Her Hands (women in early career stage); Asian Female Leaders; Parea (LGBTQ+ women and gender diverse people); trans and gender diverse network; and networks for parents such as KPMG's Fathers Network and the Mums-to-be Club.

Gender pay gap

KPMG Australia has a longstanding commitment to gender equity and reducing the gender pay gap (GPG).

We know that increasing the number of women in leadership roles or those traditionally male-dominated professions, as well as increasing the number of men in traditionally female-dominated professions, is crucial for driving progress.

We track and report our progress with up-to-date data for all divisions and job levels across the firm. Transparency in reporting highlights representation and pay inequities, paving the way for correction and reducing the chance for hidden biases to affect compensation outcomes.

In addition to maintaining a strong female talent pipeline and setting gender targets for women in senior roles, we proactively challenge gender bias by implementing 'bias disruptors' to ensure gender equity is reflected in all promotions and remuneration decisions.

Performance

Employee GPG

For the first time, Grant Thornton completed limited assurance over this year's employee GPG. **Our WGEA Employee Average Base Salary GPG is 10%.**¹³ This is an improvement on last year, when our WGEA Employee Average Base Salary GPG was 10.5%.

This employee GPG is defined and reported in line with the WGEA methodology: Employee Average Base Salary GPG is the percentage difference between the average base salary of FTE male staff to the average base salary of FTE female staff. It covers active employees during the reporting period set out by WGEA, which is from 1 April 2023 to 31 March 2024.

Previously we reported our firm's GPG using a different methodology. We welcomed the publication of consistent gender pay data by WGEA in February 2024 to enhance transparency around this critical issue.

In efforts to reduce our GPG at KPMG, we conduct an annual review of pay equity for gender and those with part-time working arrangements covering both fixed pay and bonus participation. Our actions include:

- A report is prepared for each division so that a more granular analysis and actions can be taken at the business unit and geographical level.
- Partners and Performance Development Managers (PDMs) are briefed on the annual performance review process – with a focus on objective performance assessment.
- Establishing consistency tools for performance management and succession planning, showing performance rating in real time for part-time working arrangements and gender.
- Reducing bias by using bias disruptors in calibration and in performance, promotion and remuneration calibration sessions.

¹³ Defined and reported in line with the Workplace Gender Equality Agency (WGEA) methodology as per the following definition: Employee Average Base Salary Gender Pay Gap is the percentage difference between the average base salary of FTE male staff to the average base salary of FTE female staff, expressed as a percentage of the average base salary of FTE male staff. It covers payments made to employees who were active as at the WGEA reporting date of 31 March 2024 for the preceding year. The figure includes permanent, fixed-term, casuals in Australia and KPMG Australia's CEO. KPMG Fiji and PNG employees are excluded. Partners, Executive Directors, contingent (on-demand) workers and contractors are excluded. This metric is subject to limited assurance by Grant Thornton. Please see Independent Auditor's Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

OUR PEOPLE PROGRESS

Partner Gender Pay Gap

Our Partner gender pay gap is 13.16%, a decline on last year's result of 11.58%. While the number of women in partnership continued to improve during the year, the pay gap was impacted by the retirement of several senior women partners. We will continue to closely manage this, and are committed to improving this result in FY25.

Part-time Reimagined

Research shows that part-time and casual employees are predominantly occupied by women and there are fewer part-time or flexible management and leadership opportunities, a key contributor to the gender pay gap. At KPMG Australia, 86% of part-time employees are women.

In March 2024, we launched a pilot of our 'Part-time Reimagined' initiative to create more opportunity for our part-time workers to succeed and equitably advance their careers. This is the first phase of a multi-phase project, which we will be evaluating along the way. In this pilot phase, we are seeking to ensure greater equity and educate on the positive aspects surrounding part-time work through education.

We plan to include addressing systemic barriers that part-time workers often encounter, such as workload and performance reviews. This will be achieved by implementing measures for leaders to increase the utilisation of part-time workers and ensuring an ongoing equitable review of performance.

Building cultural diversity

In our culturally diverse workplace, we prioritise inclusivity and representation, recognising the value of diverse perspectives in driving innovation and collaboration. To better understand our workforce, we have continued to improve our data collection around inclusion and equity and invested in growing our internal employee-led networks.

This year, we launched a #CountMeIn campaign to encourage our people to confidentially complete their demographic profiles. This helped us gain a better understanding of the diversity of our people, enabling us to implement targeted initiatives to improve access to equitable outcomes for all.

Progress is monitored through ongoing reporting and via a dedicated Inclusion, Diversity and Equity (IDE) dashboard.

With over 1,195 members from across our firm, our Belong network aims to foster belonging, awareness and inclusivity. This year, Belong was refreshed, with a revised Action Plan linked to our firm-wide IDE strategy and new executive sponsor who is a member of the KPMG Board.

Culturally diverse leadership

This year, 14.9%¹⁴ of Partners self-identified as culturally diverse, up from 14.5% in 2023. We have set ourselves a target of 20% culturally diverse Partners by 1 July 2025, to better reflect the demographics within which we operate. While we will continue to increase our action to accelerate progress, we acknowledge that achieving the target will be challenging.

The Illuminate Leadership and Talent Program, launched in 2021, continues to be a key initiative to foster cultural diversity. The program helps address the under-representation of culturally diverse talent in mid-senior leadership roles and explores the impacts of culture both personally and professionally. This year, the Illuminate program further expanded its reach and impact to 41 leaders, up from the previous year's cohort of 24. In total, we've had 121 people complete the program since its launch.

Cultural leave

KPMG Australia has had a Cultural Leave policy since July 2021 to support our people from diverse cultural backgrounds and recognise the significance of their religious and cultural events. This policy allows people to swap an existing public holiday with a different day to celebrate significant cultural or religious events relevant to their cultural or Indigenous heritage and religious beliefs. This year, 454 people used this policy to swap a public holiday for a day that is more culturally or religiously significant to them.

¹⁴ Percentage of Partners who self-identify as culturally diverse (non-Anglo/Celtic/European) in KPMG Australia, KPMG Fiji and KPMG PNG as a percentage of total Partners; includes Partners who are in Partnership as at 1 July 2024. 94% of Partners have self-reported their status. As information relating to cultural identification is based on self-identification, is personally sensitive and confidential, verification of the accuracy of the self-identification has not been performed. This metric is subject to limited assurance by Grant Thornton. Please see Independent Auditor's Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

OUR PEOPLE PROGRESS

CASE STUDY

Empowering diversity and inclusion

As a co-chair of our refreshed Belong Network, Sabrina Spashett plays a crucial role in working alongside our IDE and Wellbeing team and connecting colleagues from various cultural backgrounds.

‘The Belong Network is a dedicated space for teams to share lived experiences, build meaningful connections and connect as they are because we believe everyone belongs. Our global workforce is made up of 31% culturally diverse employees and in Australia, one in four people were born overseas – I am one of those people,’ she said.

Additionally, Sabrina co-founded the newly established Pasifika network, further expanding our efforts to support cultural diversity. Both networks provide essential representation, opportunities for colleagues to connect and expand their professional networks, and platforms to share information and resources.



Indigenous inclusive workplace

Cultural safety

We continue to make progress on our Reconciliation Action Plan 2021–2025 (RAP) leadership commitment to improve the cultural awareness and competency of our people and ensure KPMG’s First Nations employees and partners are respected and valued.

In response to the findings of a cultural safety maturity assessment, led by an external Indigenous consultancy, we have developed our first Cultural Safety Action Plan which includes a strong focus on addressing challenges and opportunities identified by the assessment including cultural load, supporting the spiritual and mental wellbeing of First Nations employees, and providing greater cultural awareness and competency training to our people and leaders.

In the lead-up to the Voice Referendum, we hosted a series of education sessions for our First Nations people and allies. This included a series of yarn circles led by our First Nations Inclusion lead as a safe space to connect. We also offered First Nations colleagues and allies the opportunity to take additional leave post referendum as a means of support and healing – for those who needed it.

As of June 2024, 100% of the firm had completed our Arrilla Digital Cultural Awareness training and we have made progress on our commitment to deliver the Arrilla Cultural Safety training to 140 partners by June 2025, with partners participating in sessions throughout FY24. This in-person training explores cultural safety in greater depth and the role of leaders in enhancing the cultural safety for our First Nations people, our clients and the communities we serve. These full-day workshops are sponsored by our KPMG National Chairman – who also chairs our RAP Taskforce. Our KPMG Board and National Executives have committed to these in-person sessions in the coming year.

Recruitment and retention

We have appointed a First Nations Inclusion Lead and developed a First Nations Inclusion and Engagement Action Plan which outlines our continued focus on cultural safety, First Nations employee experience and the attraction, development and retention of First Nations talent.

In April 2024, we hosted our biennial KPMG Indigenous Network (KIN) Conference, an opportunity for First Nations employees to connect and hear from community leaders on some of the work taking place to improve outcomes for First Nations people and communities.

OUR PEOPLE PROGRESS

Since July 2021, KPMG has employed 68 First Nations people progressing toward our RAP commitment to hire an additional 135 First Nations people over the lifecycle of the RAP (across the 2021–2025 period). **This includes 10¹⁵ Indigenous people hired in FY24** (falling short of our target to employ 41 First Nations people in the year). Recruitment will continue to be a priority, although we recognise achieving our commitment will be challenging. Our commitment to creating a culturally safe workplace will also be a key focus as we continue to aspire to be an employer of choice for First Nations talent.

Our People & Inclusion team has improved its inclusive recruitment process with the support of a dedicated First Nations Inclusion Lead, to accelerate focus to drive recruitment and engagement initiatives to strengthen representation of Aboriginal and Torres Strait Islander employees within the firm. For further detail, please read our [RAP Progress Report 2024](#).

Caring for family

KPMG maintained our Family Friendly Workplace accreditation, in line with the National Work + Family Standards developed by Parents At Work and UNICEF Australia. This year, KPMG also sponsored Australia's Best Workplace for Fathers Awards in recognition of our work to actively support fathers as carers and supporting women's participation in the workforce.

KPMG also proudly supports Minderoo Foundation's Thrive by Five Dads' Alliance which recognises the need for a universal early childhood system that includes guaranteed access to early education and greater support for dads and male carers to play a more active role in their children's lives, including more parental leave.

As part of our Family Friendly Workplace Action Plan, we offer our Parents & Carers at work portal and resources, and the Caring and Living with Mercer (CaLM) program to support our people with caring responsibilities of ageing parents.

We provide all employees with parental leave in line with legislation and our policy allows paid parental leave for full-time and part-time permanent employees, long-term casual employees and maximum term employees in specific circumstances. In July 2021, we launched a new 26-week parental leave policy, setting the standard in the industry and amongst our competitors.

In August 2023, we fine-tuned the policy to ensure it continues to deliver on our intent, which is to support increased female participation in the workplace, advance gender equity both at home and at work, and support fathers being more involved in the early years of their child's life.

KPMG's policies on gender-neutral parental leave and part-time work are designed to reduce the stigma surrounding men's access to these provisions. In 2024, 181 men and 229 women accessed parental leave, compared to 234 and 219, respectively, in 2023. 81% of women and 66% of men that took parental leave were still employed with the firm after 12 months.

KPMG provides support for parents who experience stillbirth or early pregnancy loss, including leave and resources such as the Pink Elephant dedicated portal and our peer support network. We continue to reduce the stigma and silence that often occurs with these difficult experiences.



¹⁵ Total count of Indigenous people hired by KPMG Australia and who have commenced during the reporting period to 30 June 2024, as defined by those who have self-identified as Aboriginal or Torres Strait Islander. As information relating to cultural identification is based on self-identification, is personally sensitive and confidential, verification of the accuracy of the self-identification has not been performed. Excludes KPMG Fiji and KPMG PNG personnel. This metric is subject to limited assurance by Grant Thornton. Please see Independent Auditor's Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

OUR PEOPLE PROGRESS

LGBTQ+ community

As part of KPMG’s ongoing commitment to LGBTQ+ inclusion, we once again participated in the Australian Workplace Equality Index (AWEI) which had undergone a review with new requirements. In October 2023, we obtained our Bronze tier employer status and in May 2024 we obtained Gold tier employer status for the third year in a row. We also won the LGBTQ+ Inclusive Innovation award and our employee network Pride@KPMG was a finalist for employee network of the year.

Building on the strategic pillars to drive LGBTQ+ inclusion at KPMG, this year’s initiatives included:

- **Connection through storytelling:** We celebrated Wear it Purple by hosting Kyah Simon, a Matildas football player, who shared insights into her career, identity, and the importance of creating inclusive spaces for LGBTQ+ people. Additionally, our Pride@KPMG network presented a panel discussion on the ‘Voice of Our People’ at the LGBTQ+ inclusion conference, Pride in Practice.
- **Building safe spaces:** Our Talent Attraction teams attended LGBTQ+ inclusive recruitment training with a focus on gender-diverse support and inclusion. The Rainbow Brew Buddies coffee roulette program was launched nationally to connect Pride@KPMG network members across Australia.
- **Inspiring allies:** We used days of significance to raise awareness and educate allies on the lived experiences of LGBTQ+ people, with access to ally education resources.
- **Together for better:** We reinforced our support for our global Pride network by featuring members of Pride@KPMG Australia in panels and videos during Global Pride month. Externally, we continued to build an ongoing relationship with Pinnacle Foundation through fundraising events, Interfirm and marching with them at Sydney Mardi Gras.
- **The Gender Affirmation Policy:** The policy and affirmation benefit continued to be accessed as per the established policies and programs.
- **Leading with Pride:** Our LGBTQ+ leadership program saw its fifth KPMG cohort complete the program this year.



KPMG won the Australian Workplace Equality Index (AWEI) LGBTQ+ Inclusive Innovation award.

OUR PEOPLE PROGRESS

Become a leading employer for people with disability



In June 2024 we launched our second Access and Inclusion Plan (AIP), developed in collaboration with the Australian Disability Network and drawing on internal feedback.

This three-year plan is an evolution of the work started in our first plan and accelerates the removal of barriers impacting our people with disability. The new plan will focus our work on improving the accessibility of end-to-end recruitment processes, uplifting the career development of people with disability, a multi-year approach to enhancing the accessibility of our technology and deepening our relationships with clients to progress disability inclusion across corporate Australia.

Key progress during the year included:

- **Education and awareness:** Disability 101 training was delivered by the Australian Disability Network for the firm in recognition of International Day for People with Disability. Our Talent Attraction team has also completed disability-confident recruiter training as part of our intention to obtain disability-confident recruiter status.
- **Neurodiversity capability uplift:** To build a capability and understanding around neurodiversity in the workplace, we have partnered with Untapped to roll out neurodiversity education for our People & Inclusion Business partners, the Talent Attraction team and the Real Peers Network. Further sessions will be offered to leaders and employees.
- **Employee engagement:** The Embrace network has undergone a refresh, with a new committee, co-leads and yearly action plan that will deliver events, support and education for people with disability, carers and allies.
- **Digital accessibility:** We engaged the Centre for Inclusive Design to complete a comprehensive review of our technology and systems in line with the latest accessibility standards to identify opportunities for improvement.

Finally, in April 2024 our Embrace network also received finalist recognition as the best employee network at the Australian Network of Disability Awards. We continue to integrate our employee-led network into our firm-wide efforts for Disability Inclusion.

In June 2024 we launched our second Access and Inclusion Plan (AIP), developed in collaboration with the Australian Disability Network.

OUR PEOPLE PROGRESS

Sustainable working



Our commitment: Protect the health and wellbeing of our people

We are committed to providing a safe and mentally healthy work environment where everyone can thrive.

Holistic wellbeing approach

Our holistic wellbeing program supports our people to achieve optimal health and sustainable performance in their personal and professional lives. In line with our commitment to a 'whole human' approach, our wellbeing program focuses on the four pillars across mind, body, connection and financial wellbeing.

Our KPMG CARE program, in partnership with Sonder, continues to provide our people with 24/7 real-time support from registered health professionals. It offers a proactive wellbeing support program accessible via a digital platform, including physical health and safety, mental health and wellbeing, as well as domestic and family violence support.

Through our KPMG CARE program, our people and their immediate family members can access a range of support services. This includes consultations with clinicians who identify as Indigenous, LGBTQ+, and culturally diverse, as well as clinicians who specialise in domestic and family violence and health professionals fluent in ASL (sign language).

Our ClubWell now has over 9,000 people signed with 30 clubs across Australia, aimed at increasing connection across a range of activities, hobbies and interests outside of work – from Run Well to Flow Well – giving our people the opportunity to connect with like-minded peers.

Sustainable working

While sustainable working remains a priority in our firm and across our profession, only 52% of our people in this year GPS agreed that 'they are able to sustain the level of energy they need to do their work' (26% were neutral and 22% disagreed), down from 55% last year. In response, we have introduced stronger monitoring of working hours across the firm together with a framework of actions that can be taken to support sustainable working.

We have committed to participating in an industry-wide core set of principles for the 'Big 4', through the Australian Public Policy Committee, that sets a shared aspiration of healthy and safe workplaces in which people are thriving. This includes agreeing on key elements to achieve healthy and safe workplaces including overwork and long working hours. The core set of principles will further provide a mechanism for negotiating with regulators and with key clients on legislative, regulatory or practice issues (e.g. the timing of audit cycles) that may be driving overwork and long working hours.

We understand that allowing our employees to manage their time through flexible working arrangements can contribute to more sustainable ways of working. Our updated Flex your Work policy brings together several previous policies and guidelines and provides clarity on how we work together. We encourage teams to agree on where and when to work – in the office, client site, or from home – to suit their collective needs. We also offered flexible working hours for individuals who wish to adjust their start and finish times.

We have updated our Career Break Policy providing eligible employees the option to take a break from their careers. The updated policy provides clear guidance on eligibility and the type of work permitted while on a career break.

We have already started providing guidance to help our leaders and teams understand and respect the new right to disconnect legislation coming into effect on 26 August 2024.

OUR PEOPLE PROGRESS

Our wellbeing programs

This year, we have launched the Sustainable Wellbeing program. Targeting directors and below, this program is designed to equip participants with practical, evidence-based strategies to support their sustainable high performance. In 2024, we had 266 participants who attended the program (and 511 who attended in 2023).

We continued to offer our leadership program – Lead with Wellbeing – to our partners to support them in their leadership roles. The program helps to develop awareness and healthy habits, enabling them to maintain their wellbeing and inspire others to do the same. To date, 612 participants have completed the program, 87% of whom agreed or strongly agreed that they felt inspired to make positive changes to enhance their resilience and wellbeing.

The programs, offered in collaboration with Springfox The Resilience Institute, aim to foster a culture of wellbeing leadership. They use a combination of modern preventative medicine, positive psychology, cognitive behavioural therapy (CBT), and neuroscience to provide a comprehensive and effective approach to workplace wellbeing.

Real Conversations in Mental Health

For the fifth year, we partnered with Heart On My Sleeve (HOMS) to deliver the Real Conversations in Mental Health program. To date, more than 1,500 of our people have been trained to engage in authentic conversations regarding mental health. We continue to observe an increasing number of people speaking up and leaders listening in, contributing to psychological safety in the workplace.

This year, we have expanded our Real Peers, Real Talk network, from 65 to over 150 accredited Real Peers. This network of employees completed additional accredited training by HOMS to facilitate informal conversations and remove barriers or discomfort when discussing their wellbeing. It offers people an alternative avenue to seek initial support from accredited leaders outside of HR. Our expanded network mirrors the diversity within our firm in terms of culture, gender, age, sexuality, and disability.

Our Wellbeing Circles

Our Wellbeing Circles are made up of small groups of people who meet in a safe, confidential digital meeting room. They are themed, based on topics of interest from our people, and facilitated by experienced Real Peers. They are a popular and critical aspect of our wellbeing programs at KPMG.

This year, we organised 26 Wellbeing Circles with topics including sustainable high performance, working with disability, ‘smashing the stigma of bisexuality’, gender based violence, pregnancy loss and men’s mental health.

Domestic and family violence

It’s been declared a ‘national crisis’, with one woman killed by a man in Australia every week at the hands of someone they know and have been in a relationship with. This year, that number is two women every nine days.

Gender-based violence continues to affect more than one in three women. Certain people, identities and communities within Australia are at greater risk than others and experience violence that intersects with other forms of discrimination and disadvantage.

Governments are discussing the issue and seeking better solutions. We believe that improved education, changes to our legal system and leadership in the workplace are all required to make a meaningful difference.

At KPMG, we recognise Domestic and Family Violence (DFV) is also a workplace issue, and we have an active role to play. This year, we have seen more people than ever before seeking safety and asking for support from across the firm. Our dedicated team of professionals have offered confidential support and resources. We’ve provided dedicated leave, and helped with emergency accommodation and safety planning, working closely with 1800RESPECT.

We have further enhanced our support this year, including moving to a new provider for KPMG Care with new safety and security features, such as ‘Check On Me’ and ‘Track My Journey’. These features allow our people, and their families, access to tools to help them feel secure at all times – no matter where they are.

We have strengthened our governance with a Domestic and Family Violence Advisory Board (comprised of specialists from our People & Inclusion team and client-facing experts), overseen by an Executive Sponsor who is a member of our NEC. These leaders review our work to ensure it is in keeping with public policy and best practice. They have also been involved in educating our firm, with a particular focus on seeking more active male allies to ‘walk the talk’ alongside us at work, and in our community.

OUR PEOPLE PROGRESS

Safety

KPMG's commitment to providing a safe and healthy working environment extends to all employees, contractors, clients and visitors across all our workplaces. Our Health and Safety program is managed by People and Inclusion with the responsibilities shared across divisions.

Our Work Health and Safety (WHS) Policy outlines Persons Conducting Business or Undertaking (PCBU), Officer and worker obligation as per the WHS Act 2011, and our Occupational Health & Safety Management System (OH&SMS) provides a systemic framework to identify, assess, control and review health and safety hazards and risks.

We ensure a safe and healthy working environment is maintained at all times, as far as reasonable practicable. The cooperation and involvement of all Officers, PCBU and workers is required to meet our health and safety objectives. KPMG's primary objective is to comply with all relevant legislation including the relevant Work Health and Safety (WHS) Acts, regulations and codes of practice.

Our Infrastructure, Assets & Places (IAP) division holds our external accreditation for ISO 45001, which is audited annually.

Our WHS incident management and investigation guideline outlines KPMG's approach for reporting, investigating and appropriately controlling of identified workplace hazards and risks, as far as reasonably practicable. As part of our proactive approach, we also report on WHS and Employee Relations (ER) matters where there is a correlation of impacts, specifically relating to our [positive duty regarding sexual harassment](#).

We have a hazard and near-miss identification and incident investigation system that identifies root cause. In addition, each KPMG office conducts periodic inspections to identify physical hazards in our offices. Officers/PCBUs and our people are advised of these processes via our annual and mandatory e-learning.

We periodically review our firm-wide psychosocial risk assessment to ensure we adopt a proactive approach to managing psychosocial hazards.

Our Complaints Management policy reiterates that KPMG does not tolerate any form of retaliation or adverse action resulting from any type of complaint. We respond to incidents quickly by ensuring a trauma informed and proactive risk-based approach.

Onsite support services are activated during challenging times, and support by policies and resources regularly communicated through firm channels and our dedicated portal. This proactive approach underscores our commitment to protect the health, safety and wellbeing of our people.

People can also access our WHS and Wellbeing support through various mechanisms, including via human Resources and Employee Relations Business Partners, our Wellbeing team, through our KPMG Care program in partnership with Sonder, as well as through individual programs such as the [Real Peers Program](#).

Engaging and consulting with our people on OHS

KPMG is committed to consultation and cooperation via regular meetings, safety forums and online correspondence.

KPMG ensures that all divisions and relevant people are represented through a formal WHS and Wellbeing consultation structure, which includes Board Meetings, National Executive Committee, our National Wellbeing and Safety Committee and involvement from State Office Chairmen in each jurisdiction.

An annual review of our workplace Risk Register is carried out and we continually update our Psychosocial Hazard Register. Key focus areas of our psychosocial risk register include bullying, sexual harassment, occupational violence and aggression, traumatic events, including compassion fatigue and vicarious trauma and job demands.

Everyone must complete an annual mandatory WHS e-learning module. This year, our training was enhanced to include education on psychosocial hazards and control measures for our people to understand.

In 2024, KPMG Australia reported 99 work-related injuries, up from 71 in 2023. The majority were musculoskeletal disorders (MSD) and mental health related illnesses. There were no notifiable work-related injuries.

OUR PEOPLE PROGRESS

Continuous learning and future-ready workforce



Our commitment: Foster a continuous and future-fit learning and development culture

As we continue to build a future-fit workforce, our skills-first approach provides greater autonomy for our people, empowering them to develop in-demand skills and be more agile so they can have greater career mobility and success.

KPMG Eclipse Academy

Established in 2022, the Eclipse Academy remains committed to providing market-leading learning experiences for all our people, from graduates to partners. Aligned with our business strategy, our Eclipse Academy focuses on three skill domains – leadership, professional skills and skills for growth. We offer learning opportunities including digital, virtual, and in-person experiences tailored to our people's role and future aspirations, promoting a continuous learning culture.

We continue to recognise our people's skills with an expanding suite of digital badges in areas such as AI prompt engineering, Python coding, digital risk, and ESG literacy. Digital badges help our people elevate their skills in the external market and maintain career success.

By digitising and redesigning the learning experience to be more tailored and personalised, our people now have more flexibility and choice around when, how and what they learn. This has seen a drop in average learning hours per person (from 35 hours in 2023 to 25.6 this year), as they complete learning that is shorter, less time-consuming and most relevant to their role.

In addition to our mandatory learning, close to 60% of our people chose to complete shorter, 'micro' learning modules in our Eclipse Academy learning modules in our Eclipse Academy – with a focus on AI, ESG and Leadership.

Building leadership excellence

In 2024, the Eclipse Academy launched a new People Leader Program, with 667 leaders or future leaders taking part since the program launched in March. This program focuses on building the skills, behaviours, and mindset needed to successfully lead teams, especially in a digital world.

Our Transition Pathways program continued to support our people who were promoted into new roles, giving them the opportunity to connect with and learn from peers across the firm. This year, 1,295 people participated – from consultants through to directors.

This year, we launched a refreshed high-potential talent program for senior leaders, known as 'Edge of Excellence'. This comprehensive four-month program is offered to talented individuals early in their director-level role, enabling them to lead in more senior and complex roles in the future.

For our partners, we continue to prepare key talent for critical roles in the future with new talent programs that help partners elevate their strategic impact and their capabilities to grow and transform our business.

OUR PEOPLE PROGRESS



CASE STUDY

Our award-winning graduate development program

This year we onboarded 700 graduates into the firm with our award-winning graduate development program. The experience featured a large-scale, two-day induction in six locations across Australia, investing over 15,000 learning hours. This was followed by division-specific inductions and a 12-month development pathway focused on building key consulting capabilities.

The program included Indigenous leaders from the community who shared their story and provided Acknowledgement of Country. Graduates were encouraged to reflect on their own purpose as they explored KPMG's purpose. Personal wellbeing was also promoted during the program and graduates were encouraged to get involved with our ClubWell teams to foster social connections through activities and interests beyond work.

95% of the graduates reported feeling connected, valued, and supported to succeed in their career at KPMG and 95% said they have a greater understanding of the firm, their division, clients, and role. This year, our graduate development program was externally recognised with the Australian HR Award for Best Graduate Development Program.

Building an AI-skilled workforce

Through KPMG's partnership with the Human Technology Institute (HTI), this year the Eclipse Academy delivered learning events that support our shared goal of applying human values to new AI technology. We integrated digital and data skills into induction and learning pathways, with over 38% of our people opting to engage in our digital and data learning experiences since its inception. This learning has helped build foundational skills awareness and understanding of AI as well as how to use AI tools.

Globally, our AI leaders have spearheaded two '24 Hours of AI' events this year, providing round-the-clock immersive sessions to equip our people with insights and knowledge of various cutting-edge AI tools, alongside real-life use cases. These events have served as a global connector, uniting our people and showcasing our expertise in the field. By fostering innovation and facilitating hands-on experiences with AI tools, the '24 Hours of AI' events have played a pivotal role in empowering our people to embrace the potential of AI technology.

Building ESG capability

Environment, Social & Governance (ESG) remains a crucial component of our business strategy. This year, we expanded the ESG Learning Hub to further enhance our people's ESG skills and knowledge to facilitate more confident client conversations.

We introduced a new ESG role-specific enablement program to equip our people with skills to solve complex ESG problems and build trust with our clients. The four-month program blends in-person and virtual learning experiences focused on conversation skills, industry insights, and our ESG propositions.

This year, 769 people from across the firm have completed ESG training. In addition, 132 people completed our flagship ESG 201 program with the Judge Business School at the University of Cambridge.

OUR PEOPLE PROGRESS

Talent attraction



Our commitment: Simpler, more inclusive recruitment processes to attract world-class talent

Our candidate-first, AI-powered approach

Launched in 2022, our Talent Attraction Recruitment Reimagined (TARR) initiative supports the firm’s strategic growth, with a vision to deliver talent to the business faster, easier and with purpose. Since its inception, KPMG’s time taken to fill roles has reduced by 23% and the number of women hired has increased by 4%.

New inclusive recruitment processes have seen, for the first time, identification of applicant gender outside of women and men. We have also built a role-specific microcredential for our recruitment team to ensure their own career development and growth aligns with market activity.

In FY24, our graduate program attracted 700 graduate hires. We received 24.3% of all Australian graduate applications (up from 19.8% in 2023) in 2024, with the firm awarded two of the top AFR Grad Connect awards in February 2024.

To uplift the delivery of early talent to KPMG, an extensive post-implementation review was conducted for our graduate and vacationer 2023/24 campaign. When planning our 2025 recruitment campaign, we looked at valuable insights from the review.

We have seen a 452% increase in applications through Grad Connections over the last four years.

Market recognition in FY24: Awards and schemes



Best Graduate Development Program

Australian HR Awards 2023



Most Popular Professional Services, Accounting and Consulting Employer

AFR/Grad Connection Top 100 Graduate Employers 2024



Most Popular Business and Commerce Employer

AFR/Grad Connection Top 100 Graduate Employers 2024



Second Most Popular Graduate Employer

AFR/Grad Connection Top 100 Graduate Employers 2024



Finalist, Best Workplace Diversity & Inclusion program – Pride Strategy

Australian HR Awards 2023



LGBTQ+ Inclusive Innovation Award

Australian LGBTQ+ Awards 2024



Gold Employer Status

Australian Workplace Equality Index 2024



Finalist, Best Health & Wellbeing Strategy

AHRI Awards 2023

OUR PEOPLE PROGRESS

Inclusive recruitment

Recognising the need for a wider skills base and in support of our new Inclusive Recruitment Program Strategy, we have continued to broaden our pathways to enter the firm through a number of partnerships and diversity programs.

The Women in Tech and Engineering Insights Program is a three-day program designed to introduce university students to the diverse career opportunities in technology. Participants gain hands-on experience through activities, tech showcases and workshops. They also learn about the breadth of tech roles KPMG offers. Over the course of the three days, students are assessed and interviewed with the possibility of securing a spot in our vacation scheme. Initially launched as a pilot in Melbourne in August 2023 with 30 women, the program has since expanded to Sydney to include 28 students in April 2024.

In collaboration with Specialisterne, we have successfully onboarded new joiners with autism into the business over the past year. Additionally, through our collaboration with Untapped, an organisation that specialises in neurodiversity inclusion, we have offered tailored neurodiversity education to key business areas. This includes sessions for our Human Resources Business partners, Talent Attraction team, and Real Peers community.

Over the past year, we have also partnered with DOXA Youth Foundation which supports talented young people facing challenging circumstances. As part of the initiative, we have offered five cadets from diverse backgrounds, including regional, low socio-economic, and refugee communities, to gain experience within a professional services firm.

We partnered with CareerTrackers to employ First Nations cadets across our summer and winter internships. Over the past year, we onboarded a CareerTrackers cadet into our winter program, who has gained ongoing employment while he completes his tertiary education.

Through our collaboration with Talent Beyond Boundaries, we welcomed our first international refugee from Afghanistan, who not only reunited with family in Brisbane but also secured a role in our National Service Centre.



**Through our collaboration with
Talent Beyond Boundaries, we
welcomed our first international
refugee from Afghanistan.**

Planet

Supporting our firm's, our clients' and Australia's transition to net zero

Our commitments



Decarbonise our operations and supply chain towards net zero



Support our clients' and Australia's transition to net zero



Strengthen climate resilience with our people, clients and community partners



Advance our commitment to circularity



Understand and improve our impact on nature and biodiversity

OUR PLANET PROGRESS

Climate change and environmental sustainability

In this second year of implementing our [Climate Action Plan 2023–2030](#), we have pushed ahead with our firm’s decarbonisation agenda and made good progress across our commitments and towards the collective challenges of climate change, waste management, deforestation and biodiversity loss.

As a leading provider of ESG services we have a responsibility to quantify and mitigate the impacts of our operations and supply chain on the planet and to support our people, our clients and our economy as we transition to a net zero future. We have continued to collaborate and advocate with our stakeholders to help build a more sustainable and resilient future.

This year, we have voluntarily improved transparency on our climate-related disclosures by publishing our first [Climate Risk Report](#), in alignment with the Taskforce on Climate-related Financial Disclosures’ recommendations and in anticipation of the adoption of the Australian Sustainability Reporting Standards. In doing so, we aim to give financial markets, clients and our leaders clear, comprehensive, high-quality information on the impacts of climate change. This complements KPMG International’s [global Climate Risk Report](#) launched in April 2024.

Decarbonisation



Our commitment: Decarbonise our operations and supply chain towards net zero

Decarbonisation is critical to addressing the harmful impacts of climate change. Globally, KPMG has committed to net zero carbon by 2030, a target validated by the Science Based Targets initiative (SBTi).

KPMG Australia is also working towards a 50% reduction across our Scope 1, 2 and 3 emissions, against our 2019 baseline, by 2030.

This target forms a core part of our route to net zero, in conjunction with our other [Climate Action Plan](#) commitments.



OUR PLANET PROGRESS

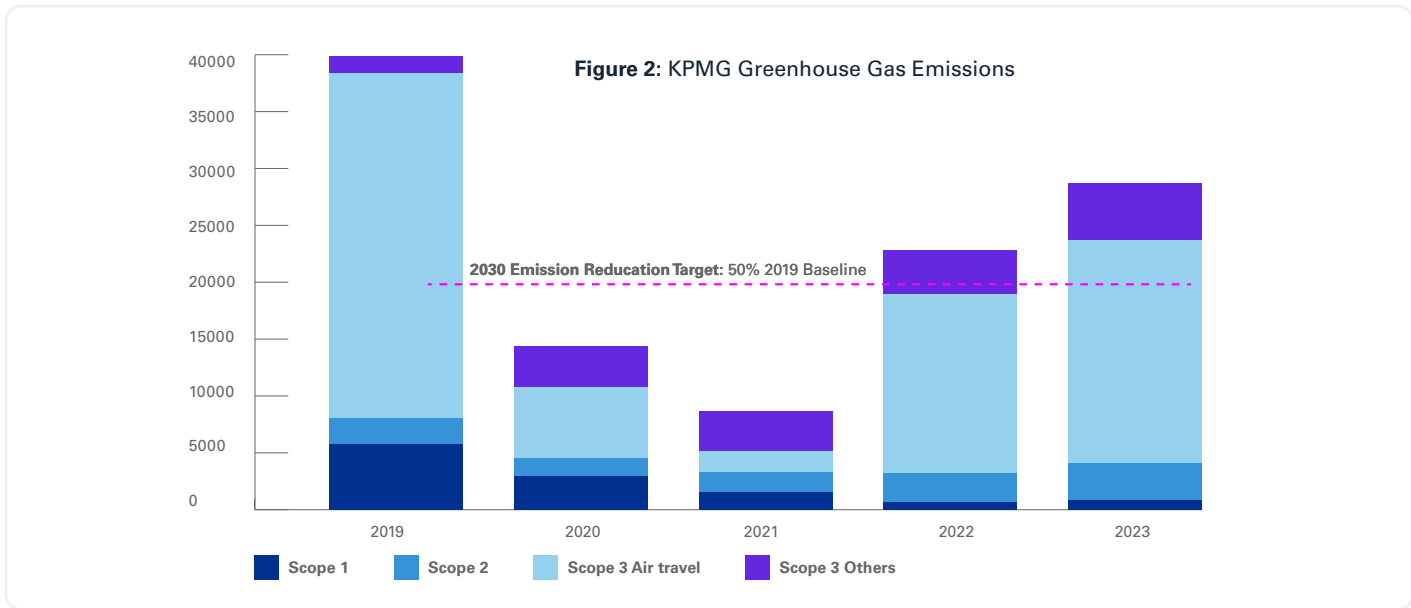
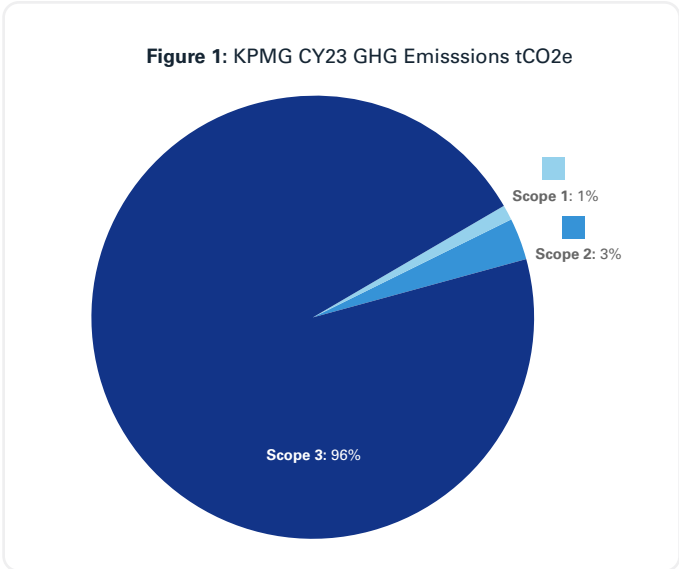
Our emissions profile includes significant contributions from Scope 3 emissions (over 96%) – compared to 1% and 3% for Scope 1 and 2 respectively – and these continue to be a focus as we work towards our carbon reduction target (see Figure 1).

Our Scope 1, 2 and 3 carbon emissions for calendar year 2023 have decreased by 28% from our 2019 baseline, making progress towards our 50% reduction target by 2030 (from 40,247 to 28,893 tonnes of CO₂-e, as shown in Figure 2).

However, our emissions have increased by 26% compared to last year; this was due in large part to a 21% increase in Scope 3 emissions, which can be attributed to:

1. Emissions factors for air travel increasing by 26% (4,017 tonnes CO₂-e). Although our air travel in kilometres travelled decreased by 5% compared to 2022, a change in the standards to calculate emissions conversion factors for air travel contributed to higher emissions.¹⁶
2. Emissions from our people working away from the office increasing by 34% (965 tonnes CO₂-e).
3. Emissions from our purchased goods and services increasing by 24% (644 tonnes CO₂-e) due to higher levels of food and catering across our offices for meetings and events.

-28% change in gross Scope 1, 2 & 3 emissions against our 2019 baseline, towards our target of 50% reduction by 2030



¹⁶ The accepted standards to calculate emissions factors for air travel emissions have also changed due to passenger loads changing as a result of the COVID-19 pandemic — meaning that, in FY23, those who flew needed to account for a greater proportion of emissions, which accounts for a proportion of our air travel emissions growth.

OUR PLANET PROGRESS

We continue to focus on reducing Scope 3 emissions from air travel and our supply chain to work towards our reduction target, noting that our Travel Policy, Internal Price on Carbon and Sustainable Procurement Framework are effecting behaviour change across our firm.

We maintained [Climate Active Certification](#) on our carbon neutral claim and through our Renewable Energy Supply Agreement, and we continued to source 100% renewable energy for KPMG tenancies. Conscious of the impact of emissions of big data and AI, we've also pledged to move to 100% renewable energy for our offsite data centres ahead of our 2030 target.

Internal Price on Carbon against our air travel

Our Internal Price on Carbon (IPC) was established two years ago by placing a fee on our national and international air travel emissions which was anchored to the market price for Australia Carbon Credit Units (ACCU). The intent was to make the impact of our business air travel more visible to the firm and to encourage our teams and leaders to consider alternatives to flying.

In 2023, our IPC fund generated almost \$500,000 from the firm. The funds went towards purchasing carbon credits and initiatives focused on biodiversity conservation and regrowth of native forest. Importantly, we increased the proportion of Australian Carbon Credit Units (ACCU) in our portfolio from 8% last year to 35% this year, making strong progress towards our target of procuring 100% offsets from the countries we operate in (namely Australia, Fiji and PNG) by 2030.

This year, to further support our decarbonisation efforts, we reviewed our IPC by carrying out a scenario analysis which led to the decision to increase the price from AU\$35.00 to AU\$45.00 per tonne of CO₂-e.

Supply chain carbon impacts

Our purchased goods and services constitute a large proportion of our Scope 3 emissions, second only to air travel. We proactively engage with our supply chain to monitor our suppliers' decarbonisation performance, as it directly relates to meeting our own targets.

We've significantly increased the percentage of our suppliers that have set Science Based Targets initiative (SBTi) or equivalent carbon reduction targets from 40% to 59% (by spend) this year, towards our 80% target by 2025. This is part of our efforts to ensure that the goods and services we procure are delivered by organisations aligned to our ambitions.

We also refreshed our Procurement Agreements to include ESG obligations that include clauses that encourage our suppliers to implement Science Based Targets, set waste, packaging or circularity targets and comply with our new Zero Deforestation Policy.

Through our Sustainable Procurement Framework, we continue to work directly with our suppliers to assist in identifying and implementing opportunities for better environmental practices and to promote knowledge sharing.

Sustainable offices

Ensuring that the buildings where we work reflect our commitment to decarbonisation is also critical to achieving our targets. This year, we renewed the lease for our Sydney offices in Barangaroo until 2034. The sustainability credentials and net zero carbon goals of our offices have been a driving factor in our commitment to call the Barangaroo precinct home for our 4,000-strong staff and partners. This urban precinct is the first mixed-use precinct in Australia to be awarded carbon neutral status under Climate Active.¹⁷

KPMG also opened its new Heritage Lanes office in Brisbane in September 2023, the first building to receive a 6 Star Green Star rating from the Green Building Council of Australia.

As at 30 June 2024

59%

of our suppliers
(by spend) had
science-based carbon
reduction targets

up from 40% in 2023 towards
our 80% target by 2025

¹⁷ <https://www.climateactive.org.au/be-climate-active/climate-active-stories/barangaroo>

OUR PLANET PROGRESS

Climate risk and opportunity



Our commitment: Support our clients' and Australia's transition towards net zero

As providers of ESG services, we recognise that the largest impact we can have is through the work we do with our clients. Our people are uniquely placed to advise clients around sustainability risks and opportunities, reporting and strategies that support and accelerate their own decarbonisation journey. We continue to invest in growing our knowledge, expertise and technology solutions around ESG to embed climate change and decarbonisation in everything we do.

Building trust in climate-related disclosures

As an auditor of financial statements and an assurance provider, we also have an important responsibility in auditing the climate-related risks and opportunities shared by our clients, and in building and maintaining trust in the ESG disclosures provided by businesses to the investment community, the general public and other stakeholders.

These services continue to be core to the work we deliver for clients and to our contribution to the public interest. As more and more organisations share their ambitions towards net zero, it is critical that their disclosures and transition plans inspire confidence and align to evolving global expectations and standards. For more information, please see [Our Commitment to lead the profession in audit quality](#).

Supporting innovative eco-startups

Through KPMG High Growth Ventures (HGV), our team dedicated to startups, we actively engage and collaborate with the eco-startup community in Australia. This year, our client portfolio has grown to 72 startups in the climate and nature space. The HGV team is highly engaged with the Climate Salad network of over 600 climate tech startups and the Greenhouse Tech Hub.

In May this year, our team was invited to join the organising committee for the inaugural Climate Action Week Sydney, during which we hosted an event showcasing our work with climate-focused founders across the firm, including High Growth Ventures, KPMG Futures and through the KPMG Nature Positive Challenge.

Demonstrating leadership on climate risk

Publishing our own [Climate Risk Report](#) this year was an important step to meet our own firm's responsibility to transparently report on our exposure to physical and transition risks from climate change and how we can support our clients. Globally, KPMG has been an active proponent of stronger sustainability metrics and we have worked alongside the Task Force on Climate-related Financial Disclosures (TCFD) since 2017.

In Australia, we've been supportive of the consolidation and standardisation of climate-related financial disclosures with the publication of the draft Australian Sustainability Reporting Standards (ASRS), focusing on climate first. We have made regular contributions to government consultations on the topic.

We have also refreshed our [Climate Change Reporting insights centre](#) with regular updates and resources to help our clients and stakeholders navigate the Australian and global regulatory landscapes and the increasing focus on climate change and sustainability with financial reporting.

Monitoring the carbon intensity of our client portfolio

Building trust in climate transition plans also requires accountability. For the past three years, we have been monitoring and disclosing the carbon intensity of our client portfolio. We are committed to actively supporting and accelerating our clients' unique decarbonisation journeys – and this includes those in carbon-intensive industries.

We continue to use and to refine the methodology that we developed in 2021, which helps us assess the carbon emissions generated through the work we do for clients for every dollar of revenue. This process helps us understand the nature of the industries that form part of our client portfolio and the extent to which they are positive, neutral or negative to our economy's decarbonisation.

Through our clients and engagement acceptance processes, we also consider the potential negative environmental impacts of prospective clients and engagements on climate, which factored into our decisions about the work we choose to deliver. This year, we also updated our firm-wide risk guidance procedures to align how we work in energy transition.

OUR PLANET PROGRESS

For FY23, we have estimated that our client-related emissions were at 0.17 kg for every dollar of revenue generated, compared to 0.18 kg in FY22. A summary of our methodology is included in our [Databook](#).

Analysis of the emissions from our revenue streams showed that there had been decreases in sector emissions intensity across the board. For example, the carbon intensity of the Energy & Utilities sector – our most emissions intensive sector – saw a decrease due to both our clients’ emissions coming down and lower revenue generated from higher emissions intensive clients. Other sectors, including Banking & Capital Markets and Property, Construction & Logistics also saw a significant decrease in sector intensity from 2022 to 2023.

For the second year we have also monitored the percentage of our ASX 200-listed clients which have publicly set science-based net zero targets:

- 19% have publicly set science-based Targets initiative (SBTi) approved targets (vs 32% last year).
- 69% have set net zero targets that have not been publicly approved or validated by the SBTi (vs 57% last year).
- 12% have no publicly set targets (vs 11% last year).



Our commitment: Strengthen climate resilience with our people, clients and community partners

We believe everyone at KPMG Australia has an important role to play in the transition to a net zero future. Making progress against our Climate Action Plan commitments involves building the knowledge and expertise of our people and clients and strengthening our collective engagement and collaboration with NGOs and community partners.

Empowering our people to act on climate

Climate Action Survey 2024

Through our annual Climate Action Survey, we asked people across the firm to give us their views on our approach to climate action and environmental sustainability and share feedback and ideas. Pleasingly, we received over 1,150 responses – well over 10% of our workforce. Overall, we found that:

- 89% of our people agreed that KPMG Australia’s commitments to Climate Action are ambitious (12% disagreed).

- 61% agreed that KPMG Australia fosters best practice environmental sustainability in our operations and supply chain (7% disagreed).
- 42% of our people were aware that we published our second [Climate Action Plan 2023–2030](#).

The results are encouraging as we continue to educate and engage our people on the firm’s targets and initiatives on a regular basis.

Engagement on climate across the firm

For the first time this year, we asked our people if they participated in climate-related engagements or initiatives with the firm, in line with our Climate Action Plan target of engaging 50% of our people by 2030.

Overall, 42% of our people and partners reported that they had been involved in climate action in one or more ways. Of those, 29% took part in volunteering organised by the firm, 23% attended ESG and climate-related training, 23% worked on client or pro bono engagements, and 10% engaged in research or thought leadership.

As at 30 June 2024

42%

of our people reported being involved in climate-related engagements or initiatives against our 50% target by 2030

Leveraging our networks for climate action

COP28 participation

Leveraging our global scale, reach and breadth of service offerings, KPMG member firms continue to play an active role in driving conversations that help to address the challenges faced by our clients and the planet. In 2023, a multidisciplinary team collaborated on key events and initiatives in support of the 28th Conference of the Parties (COP28) and its goals, working with clients to expand the reach and increase awareness of the conference.

In September, we launched [KPMG’s 2023 Net Zero Readiness Report](#) which looks into the possible barriers to meeting net zero by 2050, such as global public debt, domestic tensions, increased opposition to decarbonisation plans, and the need to guarantee energy supply.

OUR PLANET PROGRESS

KPMG Australia provided regular updates to our partners and staff on key achievements and progress from COP28 and what these mean in practice – for example, the COP28 Agreement calls to double energy efficiency and triple renewable energy by 2030.



Our commitment: Advance our commitment to circularity

We've invested significantly in better understanding and monitoring our waste streams and in engaging our people, suppliers and community partners on fighting waste and trialling new initiatives.

Our roadmap to zero waste

Monitoring our waste streams

This year, we increased our waste to landfill rate to 79%, up from 71% in 2022, making progress towards our 90% waste diversion target. We have also seen a 54% reduction of office waste to landfills.

This improvement is due in part to new waste streams added across multiple office locations, and to improved signage for dry waste streams in our Barangaroo office in Sydney.

Our waste management strategy includes a wide range of streams which we continue to expand on to minimise landfill impacts including organics and coffee grounds, dry waste, carbon, paper towels and secure documents as well as e-waste and batteries.

79%

waste to landfill rate

up from 71% last year against our 90% target by 2030

Bintracker

We implemented Bintracker, a cloud-based waste measurement and reporting platform. For the first time, Bintracker allows us to collect real-time waste data by scanning and weighing our bins, and helps us effectively track and report waste management habits on every floor of each office building.

After an initial pilot which delivered promising results, the platform was officially rolled out in April this year across our 14 offices in Australia.



CASE STUDY

Rolling up our sleeves with Landcare

This year, 355 KPMG people in 14 locations across five states swapped laptops for gardening tools for a day volunteering with local community landcare groups, helping to manage landscapes sustainably and build resilient ecosystems in Australia.

Together, we learnt about First Nations culture, propagated up to 2,000 native plants, and helped to plant over 2,300 native seedlings. The on-the-ground teams also removed invasive weeds from urban bushland and parks, cleaned litter from waterways and coastlines and analysed data for monitoring water quality in urban creeks. A small group at Mullaloo Beach in Perth removed seven cubic metres of invasive Sea Spinach and Dune Onion Weed in preparation for the planting of local provenance seedlings.

KPMG's partnership with Landcare Australia was established in 2018, and since then, over 1,000 of our people have volunteered in landcare activities.

OUR PLANET PROGRESS

This technology solution is an improvement on our previous approach which was based on estimates and manual audits. These insights helped us roll out an internal campaign to raise awareness of key problematic areas (such as disposable cups), refresh our signage to support behaviour change and keep us accountable when it comes to putting our rubbish in the right bins.

Working with our suppliers on circularity

Through our Sustainable Procurement Framework, we are continuing to work with our suppliers to reduce packaging waste and have started to engage with our major suppliers of purchased goods to discuss waste, packaging and circularity targets by 2025.

In June this year, we ran a session with key suppliers to collaborate specifically on sustainable procurement, waste and the circular economy, building on the need to exchange ideas and work together to implement leading practice.

Single use plastics for serving were eliminated last year from our in-house catering and hospitality services and are being progressively eliminated from our operations and events.

New office buildings and office fit-outs are also a significant opportunity to advance our circularity commitment. At our newly opened Heritage Lane building in Brisbane for example, 90% of construction waste was recycled to stop it from ending up in landfill – this was an important positive impact from our move to the 6 Star Green Star rated building.

Nature and biodiversity



Our commitment: Understand and improve our impact on nature and biodiversity

This year we've stepped up our progress on understanding and improving our impact on nature and biodiversity with practical achievements. We also continued to work closely with innovative eco-ventures on their journey to scale their solutions to improve biodiversity and the blue economy.

Taskforce on Nature-related Financial Disclosures

KPMG continues to be actively involved in the Taskforce on Nature-related Financial Disclosures (TNFD) which officially launched in late 2023. KPMG Australia's Natural Capital & Biodiversity National Lead represents our global firm as a Member on the Taskforce. KPMG International implemented

a biodiversity plan as part of its global journey toward a nature positive future, which includes KPMG operations and office footprint, supply chain and work for clients.

The KPMG Nature Positive Challenge

Throughout the year, experts in our client teams across the firm have worked alongside the finalists and winners of our [2023 KPMG Nature Positive Challenge](#) to deliver pro bono advisory engagements.

In October 2023, we welcomed back the founders of the Australian startups who led the Challenge – Xylo Systems, Hullbot, Restore Blue and Wilderlands – for a networking event to showcase their solutions and their impact, as well as to help facilitate key connections with potential investors, customers and supporters.

The event also provided a platform for a panel discussion on the state of the biodiversity market, the impact of the Taskforce on Nature-related Financial Disclosures (TNFD) and how we expect to see nature positive following a similar path to carbon and net zero commitments by business.



Tackling deforestation

In line with our [Climate Action Plan 2023–2030](#) target, KPMG Australia developed and published our first [Zero Deforestation Policy](#) to promote more sustainable sourcing and consumption practices and minimise the environmental impacts associated with specific sectors of purchased and capital goods in our supply chain.

OUR PLANET PROGRESS

This policy reflects our expectations for the conduct of major suppliers and their affiliates, who provide goods to KPMG offices including furniture, printing and stationery, electronic equipment, and food and catering products. We will monitor and assess supplier compliance with sustainable sourcing practices and provide guidance and support to help them meet the commitments set out in this policy by 2025.

Investing in reforestation and natural habitat restoration

Carbon credits supporting nature and biodiversity

The international carbon credit market is complex and facing increasing scrutiny. We have increased our focus on ensuring that the carbon credits purchased to offset our residual emissions come from trustworthy, high-impact providers and projects. Following our purchase two years ago of a small amount of carbon credits from a project which came under investigation (Kariba REDD++), we have reviewed our due diligence approach and set new, more stringent criteria.

This year we have increased the proportion of Australian-based projects (ACCUs) as part of our carbon offset portfolio from 8% last year to 35% in 2024, including an Indigenous-led savanna-burning carbon abatement project anchored in biodiversity conservation that seeks to deliver co-benefits for threatened species, habitats, and First Nations communities.

Partnering with WWF-Australia on reforestation and biodiversity

This year, we further strengthened our engagement with WWF. In line with our target to plant a tree annually for each KPMG Australia staff member, we donated funds to WWF's 'Towards Two Billion Trees' and 'Koalas Forever' programs. This donation is the equivalent of planting 12,000 trees.

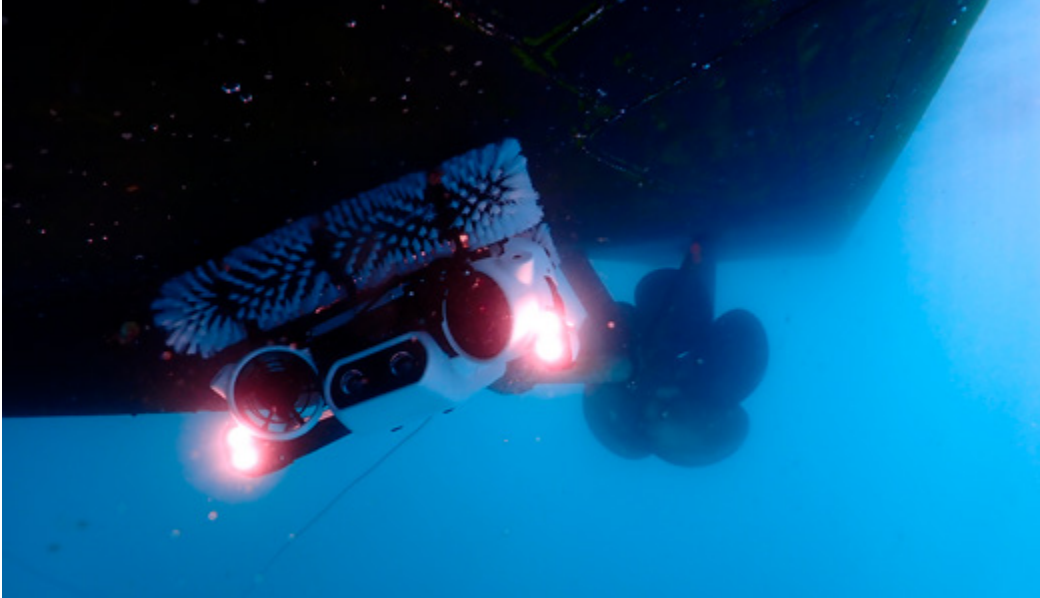
In May, we hosted a WWF-Australia conservation scientist to hear about how the Koala Friendly Carbon project has progressed, how it is helping support and restore critically endangered koala habitat, and ways we can get involved.

For the first time, we also explored ways for our people to volunteer directly with WWF-Australia. Through the Eyes on Recovery project which monitors the ongoing impact of the 2019/2020 bushfires in Australia on wildlife and biodiversity, a group of KPMG volunteers participated in an image tagging session to help conservation scientists tag nearly 2,000 images of wildlife. This opportunity creates a new and more inclusive way for our people to volunteer in support of our Climate Action commitments, from their home or office.

We donated funds to WWF's 'Towards Two Billion Trees' and 'Koalas Forever' programs. This donation is the equivalent of planting 12,000 trees.



OUR PLANET PROGRESS



CASE STUDY

Decarbonisation in the maritime industry: the Hullbot solution

KPMG 2023 Nature Positive Challenge finalist Hullbot designs, builds and deploys autonomous underwater robots that clean and inspect vessel hulls to maintain them in a clean state at all time. The technology is commercially deployed on fleets of ferries and is applicable to all categories of vessel.

The free swimming drone navigates around the hull autonomously with an in-house developed camera and sensor suite, and a payload of rotating cleaning brushes that gently removes fouling from all areas of the hull.

Hullbot's frequent proactive cleaning removes the need for toxic anti-fouling coatings which are harmful to marine ecosystems, extends the time between reapplications of coatings, and reduces the biosecurity risk of the transfer of invasive marine species on vessel hulls.

KPMG has been engaged by Hullbot to independently verify and evaluate the performance of the technology-driven hull cleaning service, particularly its impact on the fuel efficiency of the vessels, and associated carbon emissions reductions. The robot has demonstrated the long-term potential to decarbonise the traditionally carbon-intensive maritime sector by providing cost-effective robotic solutions with no upfront capital costs.

Through a case study approach, KPMG is also helping measure the impact of the hull cleaning service to maximise the commercial benefits to the vessel operators through measured and validated fuel and carbon emissions savings, while reducing the environmental impact of the maritime sector. Our teams collaborated to identify and communicate the strategic opportunities for Hullbot clients to align and contribute to international ESG frameworks and globally recognised maritime industry environmental targets.

Early impacts of Hullbot's cutting-edge technology include:

- Significant fuel savings and emissions reduction granted by the reduced fuel consumption of proactively cleaned vessels.
- Early identification of the vessels' maintenance needs in typically inaccessible in-water areas through the robot's built-in cameras.
- Improved health and safety of hull cleaning by eliminating the need for divers in-water.
- Reduction of the vessel's idle time due to the reduction in dry-docking time, flexibility of the timing of the service.

Prosperity

Making a positive social and economic impact

Our commitments



Strong economic contribution



Exceptional client outcomes through work that matters



Build a thriving technology business and innovate with our clients, alliance partners and the startup ecosystem



Create a fairer, more inclusive and more sustainable future for our communities



Advocate on the issues that matter

OUR PROSPERITY PROGRESS

Purposeful growth



Our commitment: Strong economic contribution

Employment

At 30 June 2024, the firm employed 9,602¹⁸ people across Australia, Fiji and PNG. 463 were employed in Fiji and PNG (up from 353 the previous year).

700 graduates were hired during the year – 69 of these in Fiji and PNG. We also appointed 54 new partners and executive directors (including 2 in Fiji), bringing the total partnership to 691 (15 from Fiji and PNG). Of our new partners, 54% are women and 23% identified as culturally diverse.

Refer to our [Databook](#) for more information about our People.

KPMG Australia financial results

Going into FY25, KPMG Australia has launched a new strategy for building its future, with AI and technology at its core. The firm is streamlining its operations and focusing on new priorities around its workforce, clients and innovation following a year of subdued market conditions and changes in the profession.

KPMG Australia CEO, Andrew Yates said: “2024 was a year of consolidation. There have been difficult operating conditions globally as well as in Australia in the past 12 months. Overall, I’m pleased with the strength and resilience of our business and performance across our multidisciplinary firm. I am also very proud of how we’ve continued to invest in our business, notably in the development of our profession-leading AI platform, KymChat.”

Key financial metrics independently assured: a first for a Big 4 firm in Australia

This year, KPMG continued improvements in transparency and the integrity of the data it publishes. In a first for a Big 4 firm in Australia, Grant Thornton Australia has completed limited assurance over firm-wide revenue and taxes paid by the firm and partners.

As part of this process, for the first time revenue was determined in accordance with IFRS global accounting principles, representing an important step in the firm’s progression towards fully audited financial statements.

Financial results

A\$bn	FY24	FY23	Change %
Total revenue*	\$2.386¹⁹	\$2.484	-3.9%
Recoverable expenses	\$0.155	\$0.169	-8.3%
Revenue	\$2.231	\$2.315	-3.6%

*Includes KPMG PNG and KPMG Fiji \$41m for FY24, \$34m for FY23. FY24 figures have been prepared in accordance with IFRS Principles, with FY23 comparatives presented on a consistent basis to allow a direct comparison.

For the year ended 30 June 2024, the firm posted total revenues of \$2.386 billion (including recoverable expenses), a 3.9% decline compared to the previous year.

Andrew Yates said: “We continue to build a balanced portfolio across the firm, under our multidisciplinary model. Our mid-market Enterprise business was the fastest growing, with revenue up by 13%. Audit & Assurance grew by 9% and I’m pleased that we won several landmark audits including Westpac²⁰, Dexus²¹ and Iluka. Tax grew by 4% as we sought to reinvest in that business; and Deal Advisory & Infrastructure was flat year-on-year. Understandably, our Consulting business was most impacted by difficult conditions, declining by 14% against the prior year. However, as we communicated in June, we are reshaping and simplifying this business to have a strong focus on technology and transformation.”

Under the firm’s new operating model introduced early in the year, contributions from the businesses were: Audit & Assurance \$340 million; Consulting \$915 million; Deal Advisory & Infrastructure \$349 million; Enterprise \$385 million; Tax & Legal \$242 million.

¹⁸ Includes full-time, part-time and casual employees in Australia, Fiji and PNG. Excludes partners and contingent workers.

¹⁹ Revenue has been stated in accordance with the recognition and measurement requirements of AASB15 Revenue from Contracts with Customers. The FY23 comparative has been presented on a consistent basis. Total revenue includes the results of KPMG Fiji and KPMG PNG, which are consolidated in accordance with the accounting principles. This metric is subject to limited assurance by Grant Thornton. Please see Independent Auditor’s Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

²⁰ Subject to shareholder approval.

²¹ Subject to shareholder approval.

OUR PROSPERITY PROGRESS

Economic contribution

KPMG Australia’s economic contribution for FY24 included:



*Grant Thornton has completed limited assurance over Total Revenue and Taxes Paid by the firm and Partners FY24 – Please see Independent Auditor’s Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

Investment

Andrew Yates commented: “We continued to invest in our business via new technologies, and our people through our Eclipse Learning Academy. We have committed more than \$80 million on AI and technology platforms in FY25, including the launch of our AI Eclipse Learning Academy to upskill our people, and further development of KymChat, our KPMG AI platform.”

Alliance relationships were deepened, including through enhanced collaboration with Microsoft in Australia as part of a US\$12 billion global commitment to reshape professional services across business-critical areas. KPMG continued to invest directly in the strategic adoption of AI across the firm’s operations. KymChat, the secure and bespoke KPMG AI tool created in 2023 that leverages the Microsoft Azure

OpenAI platform, is enhancing efficiency and decision-making capabilities. A client version of KymChat was launched, and KymTax was introduced to support KPMG Tax professionals prepare tax advice.

Outlook

KPMG expects the tough economic environment will carry into FY25, with tight monetary policy settings continuing to reduce demand throughout the economy. The firm expects the RBA will cut the cash rate in early 2025, which should create slightly more expansive growth conditions for the Australian economy going forward, and help drive ongoing growth for KPMG, albeit still in a constrained manner.

Taxes Paid

We have a responsible approach to tax, strong governance and policies and are committed to transparency around tax. KPMG has a global policy to set the standard and expectations around member firm and partner tax affairs. There are also risk management practices in place to help ensure that tax affairs have been conducted in accordance with the relevant local laws and regulations and in harmony with global tax principles.

Total Taxes Paid by the Australian firm and its partners on income generated from the firm totalled \$425 million²³ in 2024 (down from \$444 million in 2023). This included goods and services tax, fringe benefits tax, payroll tax and tax payable by partners on income generated. (Note: Taxes deducted from employee salaries are no longer included in the calculations of Total Taxes Paid. The FY23 comparative has been presented on a consistent basis).

Grant Thornton has completed limited assurance over Total Taxes Paid by the firm and its Partners for FY24 – please see Independent Auditor’s Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

Partners paid on average an effective tax rate on profits of 36.7%.

²² Includes full-time, part-time and casual employees Australia, Fiji and PNG. Excludes contingent workers

²³ The total taxes paid by KPMG Australia to Australian Government authorities includes corporate income taxes, net goods and services tax payable, fringe benefits tax, payroll tax, stamp duty and estimated tax payable by Partners on income generated from KPMG Australia. This metric is subject to limited assurance by Grant Thornton. Please see Independent Auditor’s Assurance Report page 31 of [Our Impact Plan 2024 Databook](#).

OUR PROSPERITY PROGRESS

Responsible and sustainable supply chain

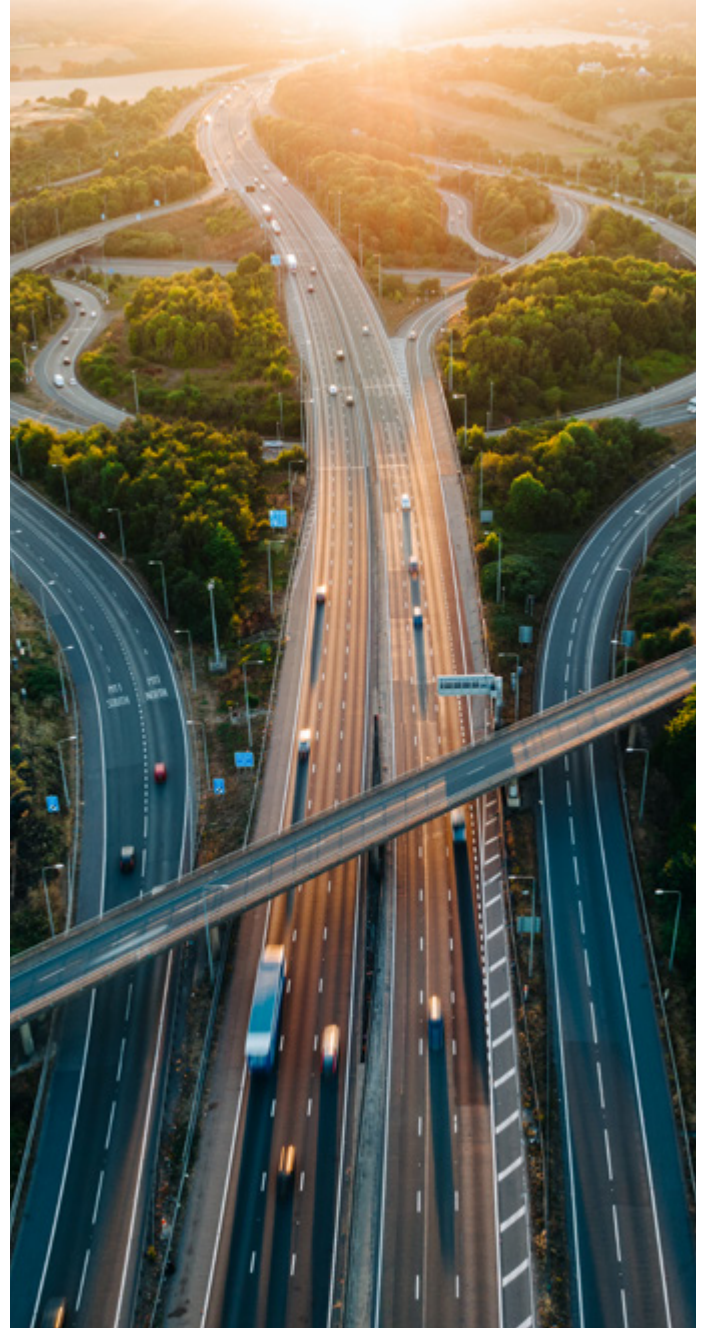
This year, KPMG Australia procured over \$400 million in goods and services from over 2,000 suppliers, working with a range of small, medium and large businesses.

As a signatory of the Australian supplier payment code, we know how important cash flow is for all businesses; we have an ongoing focus on prompt payment and continue to report against the Payment Time Reporting Scheme. **We currently pay 98% of our Small Business Supplier invoices within 30 days, up from 95% last year.**

We are dedicated to sourcing goods and services in a responsible, fair, and sustainable manner. We work collaboratively with our suppliers to identify and manage potential negative impacts, such as climate and modern slavery risks, while also exploring opportunities for positive impacts. For instance, we actively support social and Indigenous procurement, women-owned businesses, and small enterprises. We remain engaged members of Supply Nation and are proud to have surpassed our Indigenous procurement commitments once again this year, continuing our journey of long-term partnerships with key suppliers.

Throughout the year, we have updated our Supplier Due Diligence Questionnaire, Procurement Policy, and Internal Contract Templates to more clearly articulate our expectations of suppliers regarding ethical conduct and integrity, modern slavery and human rights, inclusion and diversity, and environmental stewardship.

We also implemented a new cloud-based supply chain management platform to enhance our existing Supplier Risk Management Framework, which is a key component of KPMG's human rights due diligence approach.



OUR PROSPERITY PROGRESS

Impact of our client work



Our commitment: Exceptional client outcomes, through work that matters

We engaged with over 15,000 clients this year to deliver work that matters to their business, their customers, stakeholders and communities. To achieve exceptional client outcomes means genuinely understanding the needs and challenges of our clients, their operating environment and the sectors they work within. It means putting their success at the heart of everything we do and bringing our depth of experience and capability to deliver high quality work, help solve complex problems, and anticipate their challenges.

Work that matters across our firm

Purposeful client work

In 2024, our client-facing divisions moved to a new operating model, to support the execution of our KPMG LEAP strategy, remove internal structural barriers and enhance our alignment with the global firm. What has remained consistent is our dedicated focus on bringing the best teams to our clients at the right time to support their needs, and deliver purposeful work to clients across corporate, government and not-for-profit sectors.

- Our **Audit & Assurance** practice helps clients navigate the regulations and societal expectations that require businesses to disclose information about their financial information, governance, and sustainability reporting. Our team is dedicated to making sure integrity, transparency and reliability remains at the centre of clients' financial and ESG reporting, thereby inspiring confidence and building trust in capital markets. KPMG Australia is the financial statement auditor for approximately 22% of ASX 200 companies.
- Our **Consulting** practice partners with organisations to navigate their transformation journeys and solve their most complex problems. Our focus is on leveraging new technologies, such as AI and cloud-based solutions, to empower our clients, while enabling improved and innovative customer and employee experiences. The division also helps them manage their current and emerging risks, in an evolving and complex regulatory landscape, across a diverse range of industries.
- Our **Deal Advisory & Infrastructure** division is comprised of two service groups: Deal Advisory and Infrastructure, Assets & Places. Our integrated team of specialists in Deal Advisory help clients to find and drive value throughout the deal and transformation lifecycle – from strategy through to deal execution. Our Infrastructure, Assets & Places group supports clients to meet challenges at any stage of the asset lifecycle and assist in the delivery of projects that are environmentally sustainable, socially impactful and drive lasting economic growth.
- Our **Enterprise** division is dedicated to advising emerging, private, family, regional and mid-market businesses. It offers an extensive range of audit, tax, accounting, deals and advisory services to support clients at every stage of the business lifecycle. Our teams provide tailored solutions to complex challenges, steer change, disrupt sectors, and help our clients to grow.
- Our **Tax & Legal** division helps clients meet their regulatory requirements, comply with and navigate constantly evolving and complex tax landscapes.

OUR PROSPERITY PROGRESS

Case studies

We are motivated to be part of the solutions to the biggest challenges and opportunities that clients and their industries are facing – whether they stem from meeting new compliance or regulatory requirements, scaling their operations or embedding ESG and emerging technologies within their business. Here are a few examples from across the firm, which you can read more about [here](#).



Growing and retaining talent in the Northern Territory with Charles Darwin University



Sukin: restoring an accessible and sustainable Australian beauty brand



Bolstering Australia's manufacturing capabilities and the deployment of green energy technology globally



Working with the Department of Fire and Emergency Services (DFES) to enhance emergency response capabilities in WA



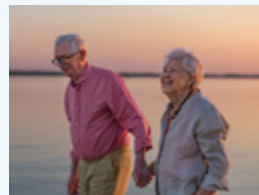
Helping Resources Safety & Health Queensland (RSHQ) reduce the risks of sexual harassment in the resources industry



Supporting the mining and metal industry's contribution to sustainability



Driving systemic change in tertiary training on eating disorders with the National Eating Disorder Collaboration (NEDC)



Instilling confidence in Australian Unity's community and social value

OUR PROSPERITY PROGRESS

Voice of the Client program

Our Voice of the Client program is our formalised mechanism for listening to and hearing feedback from our clients. It helps us ensure we are delivering impactful and valued work to our clients and remain well-aligned to their needs. As part of this program, we received feedback for over 800 client engagements across all our divisions.

This year, our client satisfaction metric remains high at 8.7 out of 10, consistent with our FY23 result.

Common themes through the feedback is that we deliver value through our collaborative work practices, our expertise and knowledge, our proactivity and responsiveness to client needs and requests. Areas where we continue to focus is ensuring we consistently bring the best of our global insights and network, and our technology and innovation to our clients.

As a result, along with continued investment in technology and innovation, we have also evolved our client-facing digital channels and tools, and reviewed and strengthened the quality of our insights and thought leadership.

Meaningful client insights

Our clients and their industries face complex, unprecedented challenges. It's our role to help them digest and navigate the emerging issues and regulatory changes impacting their people, markets and operating environments.

This year, we've continued to refresh our online resources centre to provide the latest thinking from our experts, with a focus on what clients need to know, including forward-looking articles and practical research on pressing issues that keep us up at night, such as ESG ([Sustainability and Climate Change Centre](#)), [Financial Reporting](#), [Digital Transformation](#) and [Cyber Security](#).

Our economic and commercial analysis remain sought after by the market, and more than ever we've focused on providing timely analysis and outlining the practical implications for businesses, for example with the [Australia Federal Budget 2024](#), and through our [KPMG Tax Now](#) podcast series.

Maintaining high quality

Our Operational Risk and Resilience Centre of Excellence has supported the achievement of multiple internationally recognised ISO certifications this year, showcasing our commitment to maintaining quality, sustainability, and health and safety, as well as the resilience to deliver to client commitments across all locations for KPMG Australia. These include:

- ISO 9001 for quality management and consistently meeting customer and regulatory requirements.
- ISO 14001 for establishing, implementing, maintaining, and continually improving an Environmental Management System (EMS).
- ISO 45001 for our Occupational, Health and Safety (OH&S) Management System.
- ISO 22301 for our Business Continuity Management System (BCMS), intended to safeguard the firm from a wide range of potential threats and disruptions that could impact day-to-day operations including client work.

Delivering on our ESG ambition

Supporting organisations to achieve their own ESG goals is integral to the impact of our work, and our clients look to us to provide global and local market insights, solutions, and capabilities to support them.

This year, we continued to contribute to government submissions and consultations on [ESG topics](#) and to support the consolidation and standardisation of climate-related financial disclosures globally and in Australia – also issuing our first [Climate Risk Report](#).

ESG insights and tools

We continued to provide updates through our [Sustainability and Climate Change Centre](#), and published thought leadership reports exploring practical considerations facing our clients and their industries as they navigate their ESG journeys.

OUR PROSPERITY PROGRESS

Technology and innovation



Our commitment: Build a thriving technology business and innovate with our clients, alliance partners and the startup ecosystem

Over the past two years, our newly formed Connected Technology Group (CTG) has helped us to accelerate the adoption of innovative technology solutions, and is redefining how we engage with our clients, how we collaborate with our partners, and how we enrich the professional lives of our people.

Our investment in technology also includes creating new solutions to empower clients, as well as championing the ethical and responsible adoption of revolutionary technologies such as artificial intelligence (AI).

Strategic alliances

Acknowledging that no single organisation can solve all the challenges that our clients are facing, technology is a critical component of any transformation and to support that we've accelerated our work with our eight strategic alliances in technology: Appian, IBM, Oracle, Microsoft, Salesforce, SAP, IBM, ServiceNow and Workday.

This allows us to respond to fast-paced changes in the market and bring a more complete solution to the complex challenges facing our clients.

This year we have deepened our alliances, including enhanced collaboration with Microsoft in Australia as part of a global US\$12 billion commitment to reshape professional services across a number of business-critical areas including workforce modernisation, safe and secure development, and use of AI solutions for clients, industries and society more broadly.

Artificial intelligence

KPMG is an early and active user of AI and an active participant in advancing learning, research and thought leadership on AI, including safe and responsible AI.

Staying ahead of rapid AI innovations and developments requires ongoing investment in targeted learning, to enable our people to acquire the critical skills to work smarter and drive innovation and value for our clients.

KymChat

Since its launch in March 2023, KymChat has swiftly become a cornerstone of innovation for KPMG, reflecting our dedication to adopting AI strategically across our operations. KymChat was used by approximately 9,000 of the firm's professionals during the year, enhancing efficiency and decision-making capabilities. A client version of KymChat was launched and KymTax was introduced to support KPMG Tax professionals prepare tax advice.

OUR PROSPERITY PROGRESS

Trusted AI

KPMG also developed Trusted AI, a multifaceted strategic approach and framework for delivering values-led, human-centric, and trustworthy AI solutions, which we are starting the design and deployment of AI within the firm.

A key element of this approach is our Trusted Artificial Intelligence Internal Framework, developed by KPMG Global and KPMG Australia (see image below) to support us in building, deploying and using AI solutions in a responsible and ethical manner, both internally and with clients.

In Australia, we appointed a dedicated Trusted AI Lead and a KPMG Trusted AI Council, with leaders from across our divisions and functional areas, as well as an independent external expert. The Council provides oversight of all AI-related strategies, policies, and their operations.

Our impact on Trusted AI extends into the ongoing debate and submissions on the topic. Earlier this year, we provided a submission to the Department of Industry, Sciences and Resources' [Safe and Responsible AI in Australia discussion paper](#).



CASE STUDY

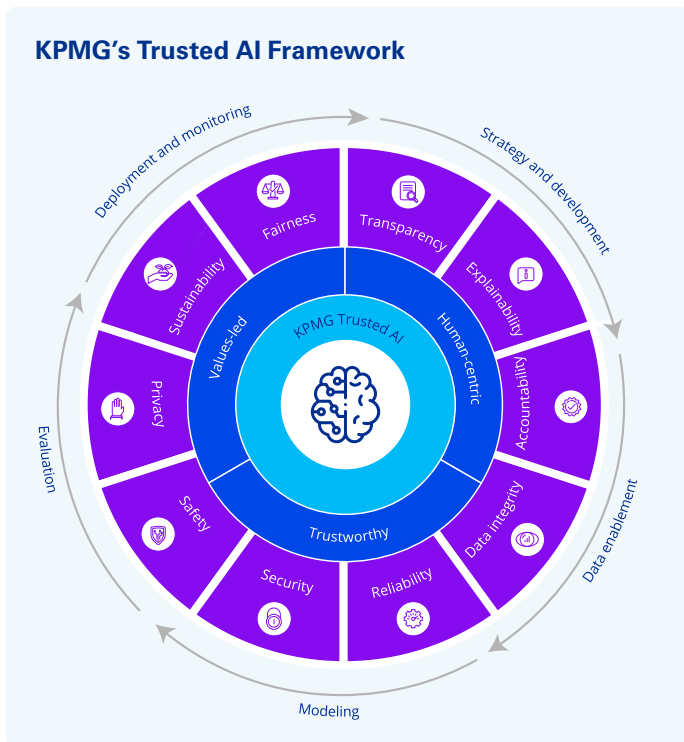
AI governance in practice: KPMG's KymChat

KPMG has taken a phased approach to the build-out of KymChat, applying it to an ever-wider range of uses over time. On any given day, our people might now use KymChat to answer questions about internal policies, compile thought leadership, and in approved cases prepare an initial draft tax advice to clients for human review and refinement.

In the development of KymChat, we applied multiple guardrails, including:

- Careful use of data, with all data included in KymChat assessed for ownership rights, lineage, provenance, and bias.
- Policies and disclaimers focused on acceptable use, privacy and data.
- Capability building and user-focused design, including training for all staff on prompt engineering.
- Impact assessment of KymChat, which resulted in new features to mitigate potential harm such as increased transparency and greater alignment to business process.
- Monitoring, reporting and evaluation, with a key metric being the KPMG Prompt Confidence Index, which measures KymChat's response against the correct answer. KymChat is now answering with over 90% confidence.

John Munnely, KPMG's Chief Digital Officer, said, "Through KymChat, we're paving the way for advanced AI integration in professional services, demonstrating that robust governance and innovative user engagement can harmoniously drive the future of work."



OUR PROSPERITY PROGRESS



The Human Technology Institute

KPMG's partnership with the Human Technology Institute (HTI), now in its second year, is a cornerstone in our pursuit of Trusted AI. HTI plays a key role as the first external member of KPMG's Trusted AI Council, providing an independent voice and expert advice on the implementation of KPMG's AI management system and Trusted AI framework.

Through the partnership, KPMG also contributed to state-level operationalisation of human-centred AI approaches.

KPMG Futures

Looking further ahead, the KPMG Futures team has been building out our dedicated capacity in next gen AI and quantum, helping to educate colleagues and stakeholders on these emerging shifts, and how to prepare.

Next Gen AI Lab

Our Next Gen AI Lab was launched in January 2024 to explore and accelerate the application of AI, with the vision to reinvent professional services through AI products and new businesses. The Lab intends to rapidly bring new AI tools from idea through to trials, to best understand the impact and opportunity of AI for both clients and the firm.

Advancing quantum computing and responding to the quantum threat

KPMG is part of the growing investment into quantum technologies in Australia and around the world. This year, the firm joined the IBM Quantum Network and we are using this and other platforms to test and scale our quantum solutions.

We have started our own journey to quantum resilience and are also responding to the increasing quantum cyber security risk and its potential impact to the market and to our clients. We have developed Quantum Care, a framework and approach to help organisations understand and manage the cyber security risk resulting from broken encryption due to quantum computing – collaborating with KPMG cyber security teams, we are well-positioned to help our clients remediate these substantial risks.

OUR PROSPERITY PROGRESS

FutureSphere

KPMG Futures has been working to increase the awareness of the impacts of emerging technologies with a series of events helping C-suite executives to understand how today's businesses will be disrupted, and how they can respond. In addition, KPMG developed and published our first KPMG FutureSphere [Annual Foresight](#) report, featuring new research and insight that takes a 10-year outlook to help support organisations in this transition.

Building an innovation culture

KPMG Futures launched the Futures Foundry, a hackathon and 12-week accelerator program targeting the development of new AI-centric business concepts. Ideas and participants came from all parts of the firm and through leveraging proven startup methodology and venture-building skills, dozens of concepts were designed, tested and validated. A shortlist of teams presented to the firm's leadership team. Some of the notable outcomes included a concept co-designed with Microsoft addressing the challenge of ESG-related compliance; and another AI concept for the ageing population challenges has been placed directly into our dedicated AI Lab for further incubation.

Future Technology Program with Stone & Chalk

KPMG's Future Technology Program is delivered in conjunction with Stone & Chalk, a leading innovation and scale-up hub. Now in its second year, the program is helping 20 startups by providing dedicated workspace and network connections at Stone & Chalk locations across Australia. KPMG matches this with access to our deep subject matter expertise and dedicated mentoring to create a bespoke program covering areas such as go-to-market planning, investor readiness, product development and client connections.

The program's second and third cohorts are currently underway, focused on space technology and workforce, respectively.

Wiise

KPMG also incubates tech startups inside KPMG in a protected environment to allow them to scale quickly and accelerate technology solutions for our clients and our firm.

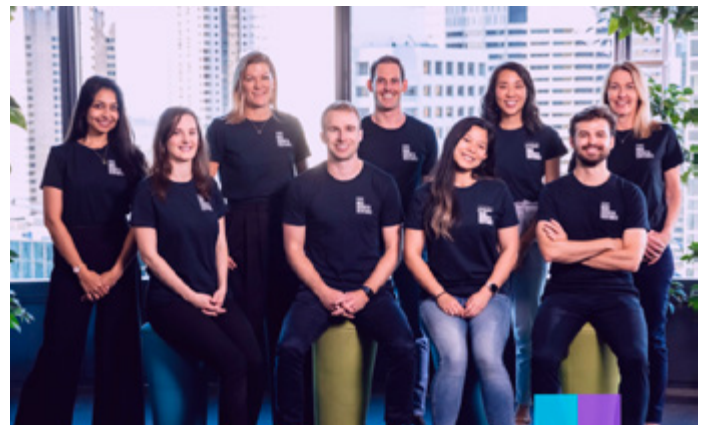
Launched by KPMG in partnership with Microsoft in 2018, Wiise is a standalone ERP business-to-business SaaS startup. It has been developed for small to medium businesses (SMBs) experiencing growth that are ready to move beyond accounting and invoicing software, looking for a robust solution as they scale their operations. KPMG Futures has incubated the Wiise team as they have worked with several partners and resellers in Australia and this year helped the business expand into its first international market, New Zealand.

Through Wiise, hundreds of Australian and New Zealand SMBs are able to access enterprise-grade business software to help them better manage their operations and set themselves up for sustainable growth.

KPMG High Growth Ventures

KPMG High Growth Ventures is the dedicated team within KPMG focused on helping Australian startups. KPMG HGV fosters startup innovation across Australia and brings the expertise of the KPMG network to Australian fast-growth businesses, helping founders build robust, capital-efficient and profitable companies. In the past year, we added 69 new Australian startups to its portfolio of over 300 ventures. These startups benefit from a bespoke range of services specially developed to help new technology companies grow and scale their businesses.

Last year, KPMG HGV hosted over 15 free knowledge-building events for Australian startup founders, and supported programs and events by a host of startup ecosystem partners including Climate Salad, Startmate, Fishburners, The Sunrise Festival, Climate200, Angel361, and FolkloreVC.



OUR PROSPERITY PROGRESS

Societal impact

Community Impact Strategy

PEOPLE

Reducing inequalities by enabling fairer and more inclusive access to opportunities



PLANET

Accelerating climate action and solutions for a sustainable, nature positive world



SOCIETY

Promoting community wellbeing, resilience, and sustainable futures



Our commitment: Create a fairer, more inclusive and more sustainable future for our communities

Every part of the firm is involved in making a real, tangible difference through sharing their passion, time, skills and expertise through pro bono work, involvement on not-for-profit Boards, mentoring, skills exchange and volunteering. In total, our community impact contribution is valued at \$9.78 million for 2024.

We work in partnership with impactful NGOs, community organisations and social enterprises to create meaningful and lasting positive change in our communities and invest in building deep and ongoing relationships with national organisations such as ABCN, Jawun, Landcare, OzHarvest and the Social Impact Hub.

People-powered impact

This year we've provided even more year-round opportunities for our people to get involved in community action.

Overall, 2,641 people engaged in over 37,294 community impact hours, with 89% more individual volunteers giving their time. In addition, our people held over 456 Board roles with not-for-profit organisations.

This year, over 117 people have been involved in our state-based committees working together to help organise events, raise awareness of key societal issues, and fundraise for not-for-profit organisations.

\$9.78m

in community impact contribution

2,641

people involved in community impact in FY24
up from 1,399 last year

89%

increase in community impact involvement since FY23

37,294

community impact hours

5,517

young people reached through our Global 10by30 program

OUR PROSPERITY PROGRESS

Making an impact with our national community partners

Cooking for a Cause with OzHarvest

This year, 630 of our people volunteered with OzHarvest across our offices, spending nearly 2,000 hours 'Cooking for a Cause'. Together, they prepared 6,300 meals and helped save almost 2,000 kg of food waste from landfill.



For each volunteer, KPMG donated \$175 to OzHarvest, supporting the delivery of an additional 245,000 meals to people in need across Australia. Our people also helped OzHarvest by making direct food donations, providing 18 boxes for the free food pantries across the country at a time of unprecedented need. Through our pro bono program, we also provided fleet-management and job tracking advisory support to the OzHarvest team.

Transformative experiences with Jawun

This year, 19 people took part in six-week Jawun secondments with Indigenous organisations within Jawun's networks, and eight returned from transformative executive visits across Australia. We also worked alongside Jawun directly, sharing insights through its emerging leaders' program and providing pro bono services to undertake strategic risk and social impact advisory support.

Australian Red Cross Lifeblood

KPMG's BloodWell club's mission is to encourage more of our people to roll up their sleeves and donate blood for Australian Red Cross Lifeblood. This year, over 460 people gave 1,254 blood-product donations, to potentially save 3,762 lives at a time of high demand for blood products in Australia.

Reducing inequalities: fairer and more inclusive access to opportunities

KPMG's Global 10by30 program

KPMG globally has an ambition to economically empower 10 million young people by 2030, in support of the UN Sustainable Development Goals ensuring quality education and lifelong learning opportunities for all. In its first two years, KPMG's 10by30 program focused on helping underserved communities across the globe, reaching 1 million young people.

In Australia, we are committed to creating a more equitable future by empowering young people experiencing disadvantage with the knowledge, skills, connections and resources they need to thrive in the new world of work.

Our contribution to the Global 10by30 goal is delivered through our [Lifelong Learning Action Plan FY22–FY26](#), through which we aim to impact over 11,000 young people by June 2026. To date, we have reached 5,517 young people through our various lifelong learning mentoring, workshops, online skilling, digital inclusion programs and scholarships, and via our new AI Amplified program, in partnership with Microsoft and Year13.

We have also continued to invest in young First Nations talent through our work with the [GO Foundation](#) and [AIEF](#).

Reducing the digital divide with KPMG's Laptops for Lifelong Learning

We've continued to increase digital literacy, safety and inclusion in under-served schools and communities, by supporting 282 high school students through our Laptops for Lifelong Learning program in FY24. Each student from low socio-economic areas and regional Indigenous communities through the ABCN and Jawun networks received a refurbished laptop and personalised technology support from WorkVentures. The impact of this program was assessed, with 83% of surveyed students reporting improvement in their grades after their laptop donation.

Our new technology vendor Hewlett Packard (HP) will also be donating 250 refurbished HP ProBooks to KPMG's Laptops for Lifelong Learning program in FY25, and include an additional 5% of our HP leased laptops donated at the completion of our leasing period in 2028. This showcases the value of social procurement and our joint ambition to help accelerate digital equity.

KPMG also prepared WorkVentures' [Technology Donation Impact Report](#) pro bono, to track the progress of students who received devices through the Laptops for Lifelong Learning program. The report contributed to advocating for a National Device Bank in support of people who are digitally excluded.

OUR PROSPERITY PROGRESS

Empowering young women with ABCN

In March 2024, aligning with International Women’s Day (IWD), we launched this year’s ABCN Focus Leadership program to support young women’s leadership skills. In total, 62 KPMG women joined young women from seven high schools in low socio-economic areas from around Australia, and 118 young women took part in the program. They reported a notable shift in their confidence in their leadership skills, with the proportion who see themselves as leaders increasing from 29% to 92%.

We also piloted the KPMG IT’s Her Future program in Brisbane, with 25 young women from high schools in the ABCN network taking part in the two-day Digital Leaders program, supporting our ambition of inspiring and empowering young girls to consider technology as a career in the future.

CASE STUDY

AI Amplified: Preparing young people for the AI revolution

KPMG Australia and Microsoft partnered with Year13 to create a joint AI skilling program, AI Amplified, to help young people access free, relevant AI learning to foster their AI fluency and gain essential AI knowledge, skills and confidence in emerging technologies like generative AI. Year13 is an organisation dedicated to enhancing the school-to-work transition via empowering young people to discover meaningful career pathways and enabling them with fundamental life skills.

The [free learning modules](#) were launched in Australia in March 2024 and promoted to schools and through social media, aiming to reach young people and those who are currently under-represented in the technology sector to help them.

AI Amplified also produced a thought leadership report focused on Gen Z’s attitudes towards AI, with one of the most significant findings to emerge that low-SES (socio-economic status) youth and culturally and linguistically diverse (CALD) youth are more likely to be interested in and have a better understanding of AI than average.

The [report](#) provided practical insights that informed the development of the learning modules.



Since releasing the program, over 1,490 young people have completed the AI Amplified skilling modules.

Results from the AI Amplified post-uplift survey* show that:

- 82% of post-academy learners say they definitely or probably will use gen AI within their work or study.
- 50% of post-academy learners’ understanding of using AI improved a moderate amount or more after taking the course.

AI Amplified in-school workshops will take place later this year to connect with youth in regional areas directly and provide applied learning opportunities.

*Based on 374 AI Amplified post uplift survey respondents.

OUR PROSPERITY PROGRESS

Fostering resilient and sustainable communities

Sharing our skills and our expertise with the community sector is central to our societal impact contribution.

Our approach to pro bono and skilled volunteering

Pro bono@KPMG

This year, our teams delivered 116 pro bono engagements to over 98 organisations, including advisory, tax and audit services valued at approximately \$3.97 million.

Advancing research into community wellbeing

This year we also continued to make an important contribution to groundbreaking research into community health and wellbeing, including through supporting the Australian Mental Wellbeing Index in its third year, and through our ongoing efforts towards Indigenous suicide prevention.

Social Impact Hub: RISE

The RISE Volunteering program is a skilled volunteering collaboration with Social Impact Hub, which connects social enterprises with KPMG volunteers to work on projects that can help them build resilience, address business challenges and scale their societal impact.

Over 20 people have become RISE volunteers delivering advisory engagements to social enterprises including technology-for-good ticketing platform Humanitix, and Meals with Impact, an organisation that supports women from migrant and refugee backgrounds to find sustainable and meaningful employment.

KPMG's Human Rights Innovation Challenge

To mark the 75th anniversary of the Universal Declaration of Human Rights, KPMG launched the firm's first Human Rights Innovation Challenge.

The challenge was part of our ongoing Human Rights Action Plan commitment to promote human rights in the community, and provided an opportunity for our people to collaborate, innovate, and learn with two leading Australian not-for-profit organisations.

It culminated in a day of action in February, when 30 people from across the firm participated in a virtual hackathon to tackle unique problems faced by the Modern Slavery Team at Australian Red Cross and Jawun's Collaborative Futures team.

Several solutions harnessed the potential of technology: artificial intelligence, data visualisation, and chatbots were among the ideas pitched in the final session. KPMG experts are supporting Australian Red Cross and Jawun to consider how to incorporate elements of the proposals into their business.

Reconciliation

This is the second-to-last year of KPMG Australia's 2021–2025 Elevate Reconciliation Action Plan. It was a challenging year for Reconciliation, marked by the Voice to Parliament Referendum, which KPMG proudly supported. Now more than ever, we are committed to continuing to be an active part of the national conversation on Reconciliation and to accelerate our efforts as an Elevate RAP organisation.

Engaging our people is an important part of our approach. In addition to our mandatory Arrilla Digital Cultural Awareness Training in Reconciliation, we offer our people opportunities for cultural learning and exchange throughout the year including secondments and executive visits with Jawun, mentoring with Australian Indigenous Education Foundation (AIEF) and regular communications, events and panels to learn about our nation's Reconciliation journey, such as the one we hosted for National Reconciliation Week 2024, which over 450 of our people joined.

We also work closely with First Nations partner organisations to raise awareness of and contribute to tackling important issues such as Indigenous suicide prevention, access to education and supporting Indigenous business. We report annually on progress with Reconciliation through our [RAP Progress report](#).

Investing in First Nations talent

For more than a decade, KPMG has partnered with impactful community organisations that support access to education and employment opportunities for First Nations students. These partnerships play a significant role in helping us to achieve the ambitions set out in our [Reconciliation Action Plan \(RAP\) 2021–2025](#) and [Lifelong Learning Action Plan 2022–2026](#), and contribute towards progress on Closing the Gap by supporting Aboriginal and Torres Strait Islander youth to be engaged in employment or education and helping students to achieve their full learning potential.

OUR PROSPERITY PROGRESS



This year we have continued to fund two Australian Indigenous Education Foundation (AIEF) scholarships, enabling First Nations students to pursue their education at leading Australian boarding schools and to receive support to make a successful transition from school to further studies or employment. We also provided pro bono support to AIEF by reviewing the resumes of 50 students and sharing insights from the professional services sector to support AIEF's team. In Sydney, we co-hosted 20 AIEF scholarship students in Years 10 and 11 to expose them to a range of career opportunities and experiences.

We funded a tertiary scholarship through the Adam Goodes and Michael O'Loughlin Foundation (GO Foundation), to provide wraparound assistance to First Nations students, including cultural support, internships and work experience opportunities, and financial support for educational needs. To mark National Reconciliation Week this year, we supported three additional scholarships to further support the GO ecosystem, helping empower First Nations youth to change their own lives.

Accelerating Indigenous procurement

We are proud to have continued to focus on increasing our procurement from Indigenous suppliers, achieving 3.25% against our 3% of addressable spend target. We also continued to advocate for [Indigenous Procurement Policy reform](#).

In Sydney, we co-hosted 20 AIEF scholarship students in Years 10 and 11 to expose them to a range of career opportunities and experiences.

OUR PROSPERITY PROGRESS

Our commitment: Advocate on the issues that matter

During the year, we looked to engage beyond our colleagues and our clients by building strong relationships with key policymakers and stakeholders (such as investors, directors, analysts, business associations, NGOs, academics and other thought leaders), ultimately building trust among key audiences and strengthening the foundation for sustainable growth.

KPMG Australia is an active member of the Australian Public Policy Committee (APPC), which brings together leaders from the six large international accounting networks, as well as the professional accounting bodies, CA ANZ and CPA Australia. The APPC's objective is to promote positive public policy outcomes with respect to audit, accounting and related regulated financial services. KPMG is the current Chair of the APPC.

Issues that matter

Equal opportunity

KPMG continues to promote greater equality in society via contribution to a series of 'Gender Equity' papers, in which the firm has made a suite of recommendations, in the public interest, to government and policymakers. We welcome the government's call for Super Guarantee Contributions (SGCs) to be levied on Paid Parental Leave (PPL). Our argument was that time spent out of the workforce exacerbated a super gender imbalance, as well as the gender pay gap, and since super is part of remuneration, SGCs should apply to PPL. We were delighted when the Australian Government agreed in March 2024 to adopt this policy.

The paper also urged consideration of extending SGCs to the Commonwealth Carer Payment, based on analysis by our tax and economics teams, which showed that the proposals could be done at a cost-neutral basis to the public purse over time. We welcomed our income tax offset proposal for carers being included in the final report from the government's Women's Economic Equality Taskforce. We were also pleased to see Carer Payment concessions in the recent Federal Budget which would allow carers greater flexibility in working additional hours before their payment was impacted.

We have continued to build on our 'Gender Equity' papers with submissions to a number of consultations, including the ACCC Childcare Inquiry Interim report and the Productivity Commission's Early childhood education and care inquiry.

This year, KPMG made 49 submissions to government, parliamentary inquiries and policy papers.

Climate and sustainability

KPMG is also active in contributing to government submissions and consultations relating to climate action, in line with the commitments in our Climate Action Plan 2022–2030, including:

- AASB – exposure draft on climate-related financial disclosures.
- AUASB Consultation Paper: Assurance over Climate and Other Sustainability Information.
- Climate-related financial disclosure: second consultation.
- Climate-related financial disclosure: exposure draft legislation.
- National framework for recycled content traceability.
- Sustainable Finance Strategy.

KPMG's proposal for a food donation tax incentive to reduce food waste has become the subject of a Private Member's Bill, and we look forward to seeing the draft legislation. [Food Donation Tax Incentive: Reduce food waste – KPMG Australia](#). Our team will continue to contribute strongly to KPMG's public policy advocacy.

OUR PEOPLE PROGRESS



CASE STUDY

Celebrating our Values with KPMG Limelight Awards

Following feedback from our people, KPMG introduced the Limelight Awards this year to recognise and reward the efforts of our employees who embody our firm's Values and make a significant contribution.

More than 180 nominations were received and Sam Gathercole, a Senior Consultant from our Tax & Legal division, was named the overall winner.

Sam taught himself to use an automation tool that streamlines fringe benefits tax compliance. Through experimentation and learning, Sam was able to improve the tool, making it easier and quicker for his team to use, which boosted productivity by 50% and delivered results for clients faster and more efficiently – even bringing in new client work.

Sam was recognised for his commitment and drive to go above and beyond for his team and clients.

'The awards really encourage behaviours that align with the firm's values and seeing some of these values recognised in me, and my work, reinforces my feeling of belonging in the firm,' Sam said. 'I hope the awards continue for many years to come as, for me, it's been life-changing and definitely opened doors.'

OUR PEOPLE PROGRESS



CASE STUDY

Our first Global Values Week

In November 2023, KPMG Australia participated in an event for 270,000+ people in our global organisation to celebrate our shared culture and Values. Each day of this week-long event we spotlighted a different Value, with world-renowned external speakers – including Jacinda Ardern and Louis Theroux – reflecting on the significance of these values in their personal and professional lives.

In addition, our senior leaders from across the business in Australia shared personal reflections about our Values through internal news stories and videos. This was supported by an end-of-day reflection from our Chief Purpose Officer, further strengthening the connection between our Values and Purpose. Our employees also shared their perspectives.

Global Values Week energised our people around our Values. We saw strong employee engagement through active participation in the speaker sessions, large readership of our leaders' stories and interaction with the Purpose reflections. Going forward, we are encouraging continuing engagement with the Values and intend to run Global Values Week again next year.

MATERIAL TOPICS ASSESSMENT

Understanding the material topics that matter to our business and our stakeholders

Our approach to materiality

Each year, to determine the topics against which we report and provide a detailed update on our firm's most significant impacts, we refresh our materiality assessment in line with the Global Reporting Initiative guidance.

In 2023, we carried out a comprehensive assessment to inform a deeper understanding of our current and emerging ESG impacts. We consulted senior leaders and subject matter experts within KPMG Australia and interviewed external stakeholders including clients, suppliers, alliance partners, and representatives of non-governmental and community organisations. We then reviewed the outputs of our materiality assessment and prioritised our most significant impacts for reporting with the support of our Impact Plan Steering Group, which is composed of senior representatives from each of our four reporting pillars: Governance, People, Planet and Prosperity.

We collected a range of inputs to inform the material topics assessment:

Clients and markets

- Review of our latest CEO survey, ESG reports from Australian industry leaders, and client interviews.

Employees

- Review of internal engagement surveys including our Global People Survey, research to inform our People Promise and engagement with the leadership of our People & Inclusion team.

Peers

- Review of the topics raised by our international KPMG member firms, including KPMG International and our domestic and international competitors.

Regulators and standard setters

- Review of guidance available from WEF ICB Stakeholder capital metrics, GRI, ISSB as well as ASIC and CA ANZ on the topics that impact professional services firms.

Senior leadership

- Review of strategic risk documents and consideration of ESG risks, interviews with our National Chairman and National Executive Committee (NEC) members.

Society

- Review of media and public commentary, including monitoring emerging ESG topics of importance to society and our industry, review of independent trust research, and interviews with non-governmental and community organisations.

For this reporting year to 30 June 2024, we re-examined the list of impacts prioritised in Our Impact Plan 2023, taking into consideration recent events, our stakeholders and business priorities as well as KPMG International's Our Impact Plan 2024 material topics and those of selected peers and clients in our geography.

The review found that all material topics for 2023 continue to be relevant for 2024. We are now providing additional disclosures within existing material topics as a result of emerging impacts identified through this year's review, including a description of our approach to risk governance, public policy engagement, ethical and trusted AI, as well as responsible and sustainable supply chain.

Our Board and NEC reviewed this year's material topics and associated commitments as part of their review and approval of KPMG Australia's Our Impact Plan.

OUR 12 MATERIAL TOPICS FOR 2024

Governance

1

Purpose, values and culture

Our Purpose – inspire confidence and empower change – is underpinned by our Values: Integrity, Excellence, Courage, Together and For Better. These guide our culture, the decisions we make, the work that we do and the way we behave with each other, our clients and all our stakeholders.

Our commitments:

- Always act with a clear Purpose.
- Drive a responsible tax practice.
- To lead the profession in audit quality.

2.

Trusted and trustworthy

Through clear and fit-for-purpose governance and by exhibiting the highest standards of personal and professional integrity in everything we do, we continue to build, preserve and strengthen trust.

Our commitments:

- Act lawfully, ethically and in the public interest.
- Respect human rights and work against corruption and modern slavery.

3

Information protection, data privacy and security

Our people, clients and other stakeholders entrust us with sensitive data and information. We continue to invest in the policies, processes, controls, training and capabilities to maintain stakeholder trust by ensuring we protect data and information against loss, misuse and exploitation.

Our commitment:

- Uphold the highest level of data and information protection, privacy and security.

People

4

Employee engagement and experience

We continue to put our people at the heart of what we do through our ongoing listening strategy and act on opportunities to support and inspire them throughout their career at KPMG.

Our commitment:

- Provide a great people experience, built on our People Promise.

People

5

Inclusion, diversity and equity

We continue to actively support and accelerate inclusion, diversity, equity and belonging across our business – encouraging our people to ‘come as they are’.

Our commitment:

- Champion gender equality and create an inclusive and equitable culture for all.

6

Employee health and wellbeing

Our holistic wellbeing approach provides the programs, resources, and tools for each person to achieve optimal health and sustainable performance in their personal and professional lives.

Our commitment:

- Protect the health and wellbeing of our people.

7

Continuous learning and future-ready talent

We focus on upskilling, reskilling and creating opportunities for our people to develop the critical skills they need to grow, lead and thrive in the future of work.

Our commitment:

- Foster a continuous and future-fit learning and development culture.

8

Talent attraction

We continue to reimagine our talent attraction, recruitment and onboarding process to deliver an exceptional and seamless experience and access new, skilled and diverse talent.

Our commitment:

- Simpler, more inclusive recruitment processes to attract world-class talent.

OUR 12 MATERIAL TOPICS FOR 2024

Planet	Prosperity		
<p>9</p> <p>Climate change and environmental sustainability</p> <p>We continue to collaborate and advocate alongside our people, clients, alliance partners, community organisations and NGOs to support our transition towards net zero and build a more sustainable and resilient future.</p> <p>Our commitments:</p> <ul style="list-style-type: none"> - Decarbonise our operations and supply chain towards net zero. - Support our clients' and Australia's transition to net zero. - Strengthen climate resilience with our people, clients and community partners. - Understand and improve our impact on nature and biodiversity. - Advance our commitment to circularity. 	<p>10</p> <p>Impact of our client work</p> <p>We continue to deliver relevant, quality services that help build trust, transform businesses and create sustainable value for people, clients, communities and the environment.</p> <p>Our commitments:</p> <ul style="list-style-type: none"> - Strong economic contribution. - Exceptional client outcomes, through work that matters. 	<p>11</p> <p>Technology and innovation</p> <p>We are developing future capabilities, leveraging emerging technologies and investing in cutting-edge research and startups to help tackle complex business, societal and sustainability challenges.</p> <p>Our commitment:</p> <ul style="list-style-type: none"> - Build a thriving technology business and innovate with our clients, alliance partners and the startup ecosystem. 	<p>12</p> <p>Societal impact</p> <p>Leveraging our people's passion, expertise and time, we strive to create meaningful and lasting opportunities and positive change in our communities and to advocate for issues that matter most.</p> <p>Our commitments:</p> <ul style="list-style-type: none"> - Create a fairer, more inclusive and more sustainable future for our communities. - Advocate on the issues that matter.

The UN Sustainable Development Goals (SDGs) most relevant to us:



SDG 5: Gender Equality



SDG 8: Decent Work and Economic Growth



SDG 10: Reduced Inequalities



SDG 13: Climate Action



SDG 17: Partnerships for the Goals

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August 2024. 1251831363CA