



# Sustainability Report 2015



[kpmg.com/BR](http://kpmg.com/BR)



# Contents

<b>FORWARD</b>	<b>5</b>		
<b>MESSAGE FROM THE CHAIRMAN</b>	<b>6</b>		
<b>ABOUT KPMG</b>	<b>11</b>		
OUR PURPOSE	12		
ABOUT US	14		
KPMG International	14		
KPMG in Brazil	18		
Market approach	20		
Our practices	24		
GLOBAL CONSISTENCY:			
UNDERPINNED BY GOVERNANCE	26		
Governance at KPMG International	26		
Governance at KPMG in Brazil	28		
<b>OUR SUSTAINABILITY STRATEGY</b>	<b>31</b>		
SUSTAINABILITY STRATEGY	32		
SUSTAINABILITY MANAGEMENT & GOVERNANCE	34		
GOVERNANCE	34		
MANAGEMENT	35		
Strategic objectives at KPMG in Brasil	35		
Policies & procedures	35		
Voluntary commitments	36		
KPMG capitals	37		
PRIORITY STAKEHOLDERS	40		
MATERIAL TOPICS	42		
<b>OUR PERFORMANCE IN 2015</b>	<b>47</b>		
INTELLECTUAL CAPITAL	48		
Expertise supporting development	50		
New technologies	52		
Geographic expansion	55		
Regulatory environment	56		
Pressure to deliver results	58		
Professional development	60		
Performance & development	62		
KPMG Business School	62		
Leadership development	63		
Reimbursement for external training programmes	64		
Trainee programme	64		
Mobility and secondment	64		
Risk and quality management	66		
Independence, integrity, ethics and objectivity	68		
People in quality and risk management	72		
Client and engagement acceptance and continuance	73		
Engagement delivery	74		
Oversight	75		
HUMAN CAPITAL	76		
Assessment and feedback/career planning and development	80		
Compensation	81		
Hiring/termination	81		
		Focus on individuals/health and quality of life	82
		Mylife	82
		Health & safety	83
		Rewards & benefits	84
		Internal environment/organizational climate	85
		Diversity	86
		KPMG's Network of Women (KNOW)	86
		Grupo Inclusão	89
		Local sourcing of senior leadership	89
		<b>FINANCIAL CAPITAL</b>	<b>90</b>
		Financial results	92
		<b>SOCIAL AND RELATIONSHIP CAPITAL</b>	<b>94</b>
		Brand and reputation	96
		Client relations	96
		Client and engagement acceptance and continuance	97
		Client satisfaction	97
		Shared expertise	98
		Events	98
		Media	98
		Risk University	98
		Studies and research	98
		Audit Committe Institute (ACI)	99
		Memberships	99
		Supplier management	101
		Corporate citizenship	102
		Global strategy	102
		Local strategy	102
		<b>NATURAL CAPITAL</b>	<b>106</b>
		Climate Change & Sustainability Services (CC&S)	108
		Environmental education	111
		Environment week	111
		Instituto Akatu	111
		Environmental indicators	112
		Greenhouse gas emissions	112
		Water consumption	114
		Electricity consumption	114
		<b>MANUFACTURED CAPITAL</b>	<b>116</b>
		Physical assets	118
		New offices in São Paulo	118
		Corporate fleet	121
		Technology	121
		Equipment and services	121
		Integrated Business Systems (IBS)	121
		<b>ASSURANCE STATEMENT</b>	<b>122</b>
		<b>GRI G4 CONTENT INDEX</b>	<b>125</b>
		<b>ACKNOWLEDGEMENTS</b>	<b>132</b>
		<b>CONTACT DETAILS AND ADDRESSES</b>	<b>133</b>





# Forward

G4-17 | G4-22 | G4-23 | G4-28 | G4-29 | G4-30 | G4-31 | G4-32 | G4-33

We are pleased to publish the KPMG in Brazil Sustainability Report for the sixth consecutive year. In it we describe our sustainability strategy and how it is connected to the value proposition that drives our interaction with stakeholders.

The 2015 edition of our Report is in accordance with the GRI G4 Core option, focussing on what is most material to KPMG and our stakeholders. Building on the exercise we initiated last year, we have perfected our KPMG Capitals analysis as we transition to IIRC's Integrated Reporting framework.

Another new feature is our Sustainability Report website **[Visit]** now a permanent, interactive accountability platform where we combine all previously published Report editions and provide sustainability news throughout the year.

## SCOPE

The social, environmental and economic performance of the 23 offices that make up our network of independent firms in Brazil.

## SOURCES OF DATA

The information in this Report has been provided by the various functions managing activities relating to the performance indicators presented. This information also draws on interviews with KPMG professionals to include strategic insights from our leadership.

## BASE YEAR

This Report is for the financial year of KPMG in Brazil, from 1 October 2014 to 30 September 2015. For simplicity, our financial year is referred to as "year 2015".

**Financial information** is presented on a calendar year basis (1 January to 31 December 2015) for compliance with regulatory financial reporting requirements. The financial information contained in this Report has been prepared in accordance with Brazilian generally accepted accounting principles, within the same scope and boundaries, and using the same measurement basis as for previous years. **Environmental** data is also presented on a calendar year basis for alignment with KPMG International.

## VERSIONS

Our Sustainability Report website **[Visit]**, provides stakeholders with access to the Complete Version and the Summary Version of our Report, in both Portuguese and English.

## INDEPENDENT ASSURANCE

BSD Consulting.

We work to continuously improve our reports and welcome your feedback and contributions. We hope you find this Report useful.

## Maria Cristina Bonini

Director, People, Performance & Culture

## Eliane Momesso

Manager, Corporate Citizenship & Diversity

Please send any comments, questions, suggestions or critiques on this Report to [comunidade@kpmg.com.br](mailto:comunidade@kpmg.com.br) or call +55 (11) 3736-1228

# Message from the chairman

G4-1

## **FOR 100 YEARS, WE HAVE CONSISTENTLY ACTED WITH A CLEAR PURPOSE.**

In 2015 we celebrated 100 years in Brazil. It was an extraordinary opportunity to bring together staff from across the country to share the inspiring stories of the men and women who founded and have led and helped make KPMG what we are today: one of the four leading Audit, Tax and Advisory firms in Brazil and globally.

Such a consistent and successful track record was made possible by our people's continuing focus on our purpose to Inspire Confidence. Empower Change. This purpose translates the reason we are here: to leverage our expertise to make a difference in the market and society.

Publishing a Sustainability Report is consistent with this objective. Six years ago we committed to publishing this Report on an annual basis. We were the first in our segment to do so because we believe that communicating our strategy widely helps our efforts to improve performance, strengthen our people's engagement and inspire others to adopt best practice.

### **2015: A COMPLEX, BUT VERY PRODUCTIVE, YEAR**

2015 presented us with challenges that tested our true commitment to sustainability. Economic instability led many firms to reduce investments and staff. Our strategy has taken an opposite course: we have retained our staff and invested in infrastructure, knowledge and technology to ensure that KPMG in Brazil is at all times prepared to meet clients' needs, now and in the future.

For many of our clients, 2015 was especially turbulent. Some faced new tax record-keeping obligations that required them to create and/or integrate information on business operations. Others faced issues stemming from corruption investigations and the entry into force of the Anti-Corruption Act. And many required orientation to deal with a range of financial issues.

KPMG worked shoulder to shoulder with each of these clients, assisting them in organizing information, ensuring consistency, assessing risks, developing innovative strategies, building teams, and advising leadership. In these efforts, we continually focussed on empowering our clients to incorporate best practices that have helped them operate with greater confidence and contributed to their sustainable growth. We translated our purpose into action, fully delivering on our commitment to sustainability.

The external turbulence also brought important learning opportunities internally. We are a firm that has long been characterized by our unique combination of people of all ages, because we believe that cross-generational experience makes us more complete. In 2015, many of our young talents experienced the first economic crisis in their careers. This offered a unique opportunity to combine the value of our more experienced leadership with the energy of our younger talent to deliver new solutions and approaches. Our focus on learning and development, drawing from both local and international insights and methodologies, remained as strong as ever. Our strategy has been

to navigate the headwinds while always continuing forward.

Our move to new offices in Morumbi, São Paulo, brought a breath of fresh air to KPMG as a whole. The LEED Gold®-certified office building, modern facilities and spacious, shared offices have given staff a greater sense of pride in receiving clients and colleagues from other offices, as well as raising morale and providing a more synergistic and agile working environment. The move and its positive effects have been a great experience for all.

The images in this report bring a sample of the new environment and, for the first time, are led by our professionals.

Our new offices in São Paulo, home to our largest operation in Brazil, have also improved our environmental performance – the facilities support the responsible use of natural resources and proper waste disposal. Although this cannot be replicated across the network at this time, it has been an inspiration to all offices to think about changes they can implement now.

More broadly, we have continued to consistently fulfil our environmental commitments. We made positive progress in 2015 in our efforts to reduce and ultimately neutralize our greenhouse gas emissions, reduce our paper usage by maximizing and expanding the use of available technology, and optimize water consumption. To achieve these goals, we have continued to raise awareness among our staff throughout Brazil.









**“KPMG is where we are today because our leaders imprinted in our DNA what really makes a difference in the long run: providing clients with unique solutions, investing within the Organization and galvanising the world and the market toward positive change.”**

Internationally, we have been actively engaged in cross-sector mobilization around climate change – an issue with a significant impact on the business world – especially in the context of COP21 and the Paris Pledge for Action. In collaboration with the UN Global Compact, we prepared a study to help companies address the 17 Sustainable Development Goals officially launched in September 2015. Alongside UN Women, we intensified our support for gender equality and the women’s empowerment movement #HeforShe – KPMG is a member of the movement’s National Committee for Brazil. More than simply keeping abreast of these developments, KPMG has always and will continue to play a leading role in advancing these initiatives.

## **RESULTS AND OUTLOOK**

When we think about what positive results or a good year looks like for KPMG, we use a comprehensive equation that goes well beyond the bottom line and includes indicators such as: the quality and relevance of our projects, client retention, client acquisition, profitability, talent retention, skills development, positive organizational climate results, revenue growth and the overall performance of social and environmental indicators.

We discuss each of these indicators throughout this Report, but I would like to highlight selected financial indicators to show that our responsible management strategy has proven successful for yet another year: 2015’s results were the strongest in the past five years. The Advisory practice grew 16%, the Tax practice 14.1% and the Audit practice regained market leadership in the Brazilian publicly traded segment, growing 14.5%.

Going forward, it is our view that the challenges of the local and global economy will increasingly require companies to implement more professionalized management and stronger compliance and technology adoption.

We will maintain our investment in Forensic, Restructuring, Insolvency, Mergers & Acquisitions, Financial Risk Management, Trade & Customs, Tax Controversy, Supply Chain and Information Technology solutions to support our clients in achieving management efficiency, business transformation, information security and compliance.

The Middle Market, or the unregulated business segment, which today accounts for 24% of our revenue in Brazil, remains high on our agenda. We recognize that Middle Market professionalization provides an important stimulus to the domestic economy.

Inspire Confidence. Empower Change: this is the daily fuel that inspires our people, clients, governments, trade associations, universities, social organizations and the media to meet their most critical challenges and operate at a new, more sustainability-centric level.

Thank you for working with us through another year of transformation. We look forward to 2016!

**Pedro Melo**  
Chairman, KPMG in Brazil

nos KPMG

voca

confidence

me

propósito

ção

nosso

# About KPMG

## **OUR PURPOSE**

### **ABOUT US**

KPMG International  
KPMG in Brazil

### **MARKET APPROACH**

### **OUR PRACTICES**

### **GLOBAL CONSISTENCY: UNDERPINNED BY GOVERNANCE**

Governance at KPMG International  
Governance at KPMG in Brazil





**KPMG IN BRAZIL**  
3,719 people with  
a purpose:

***Inspire  
Confidence.  
Empower  
Change.***

# Our purpose

**G4-56**

Our celebration of KPMG in Brazil's 100<sup>th</sup> anniversary centred around re-energizing our purpose. Throughout 2015, our leadership toured the entire KPMG network in Brazil to talk about why we are here.

Delegates at these meetings shared inspiring and often unknown stories about how KPMG began internationally and in Brazil, and about projects that ultimately led to new market practices, legislative changes and improved products for our clients. Each story brought to mind many more, demonstrating how our DNA is truly connected to our purpose of inspiring and empowering change.

Another two projects initiated in 2015 – KDNA and ELOS – are encouraging leaders to discuss the reason we are here, our strategies and how we can increasingly create shared value with our stakeholders, in line with our purpose.

We have deliberately taken the longest route of discussion, debate, engagement, crowd sourcing and many hours invested by our staff in the process of re-energizing our purpose. We believe this will ensure it is true to our nature and enduring, helping KPMG in Brazil to evolve maturely and consistently.

# This is KPMG

## This is why we're here

*Inspirar confiança.  
Empoderar a mudança.*

### **This is our Purpose.**

## This is what we believe in

- Lead by example
- Respect the individual
- Work together
- Communicate openly and honestly
- Seek the facts and provide insight
- Improve communities
- Act with integrity.

### **These are our Values.**

## This is what we want to be "The Clear Choice"

- Our people are extraordinary
- Our clients see a difference in us
- The public trust us.

### **This is our Vision.**

## This is how we'll get there

We will:

- Drive a relentless focus on quality and excellent service
- Take a long-term, sustainable view
- Act as a multi-disciplinary firm, collaborating seamlessly
- Invest together in our chosen global growth priorities
- Continuously improve quality, consistency and efficiency
- Maintain a passionate focus on our clients
- Deploy globally our highly talented people
- Bring insights and innovative ideas
- Build public trust.

### **This is our Strategy.**

## This is how we want the world to see us

With passion and purpose, we work shoulder-to-shoulder with you, integrating innovative approaches and deep expertise to deliver real results.

### **This is our Promise.**

# ABOUT US

## KPMG International

G4-3 | G4-4 | G5-5 | G4-6 | G4-7

KPMG International (KPMGI) is a global network of independent firms operating in 155 countries. As leaders in our segments, we are recognized for the quality of our services and the integrity of our professionals.

The KPMG network has more than 174 thousand professionals with multidisciplinary skills delivering Audit, Tax and Advisory services to private businesses and government agencies, helping them adapt to change, detect risk and capitalize on opportunities.

Organized in Switzerland under Swiss law, and headquartered in Amsterdam, KPMG International Cooperative (KPMG International) establishes and facilitates the implementation and maintenance

of uniform policies and standards and protects and enhances the use of the KPMG name and brand, ensuring the sustainable growth of the Organization as a whole.

KPMG International provides no client services and its activities are funded by member firms, each of which is an independent legal entity responsible for its own management and service quality. Operating under a common strategy, member firms are entitled to use the name, brand and methods of KPMGI, providing they commit to its policies and regulations, including the standards of quality that govern the mode of operation and the provision of services to clients.

---

KPMG International  
Combined Global  
Revenues 2015

US\$ 24.44 billion

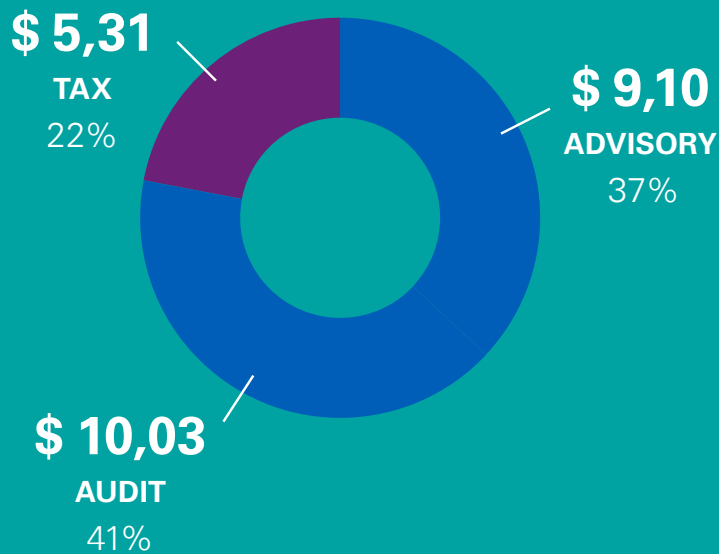
---



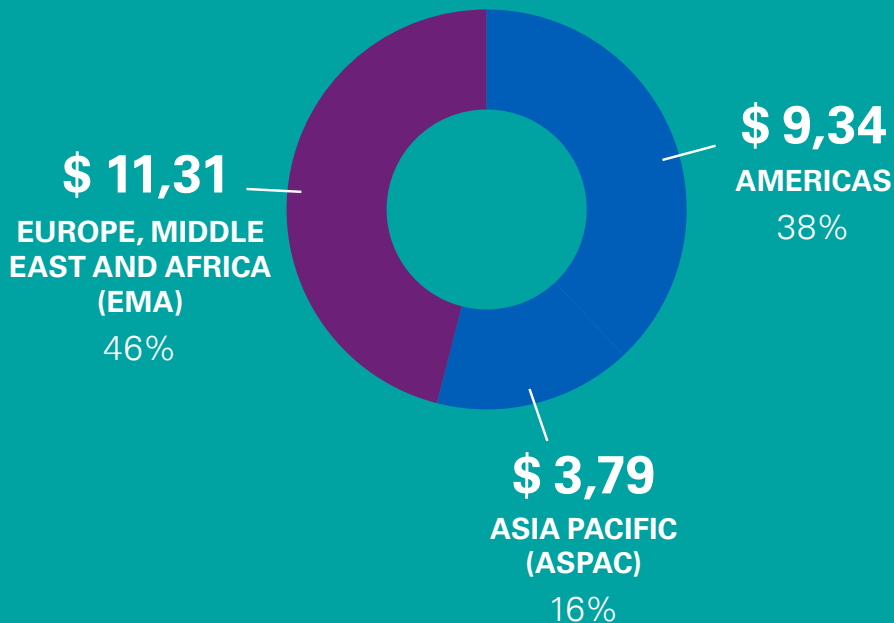
# KPMG International - 2015

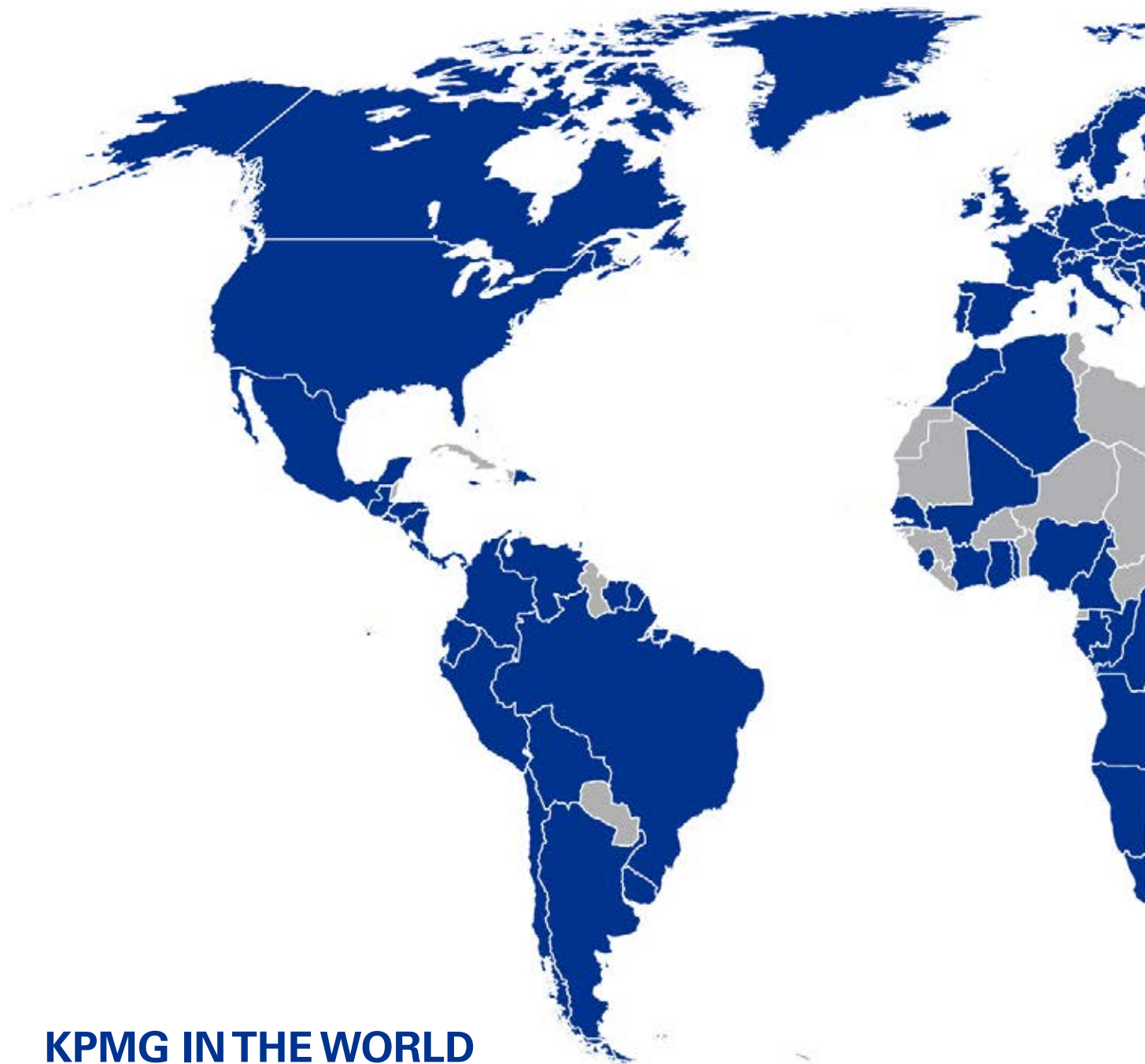
## Member firm revenues (US\$ billion)

### By Practice



### By Region



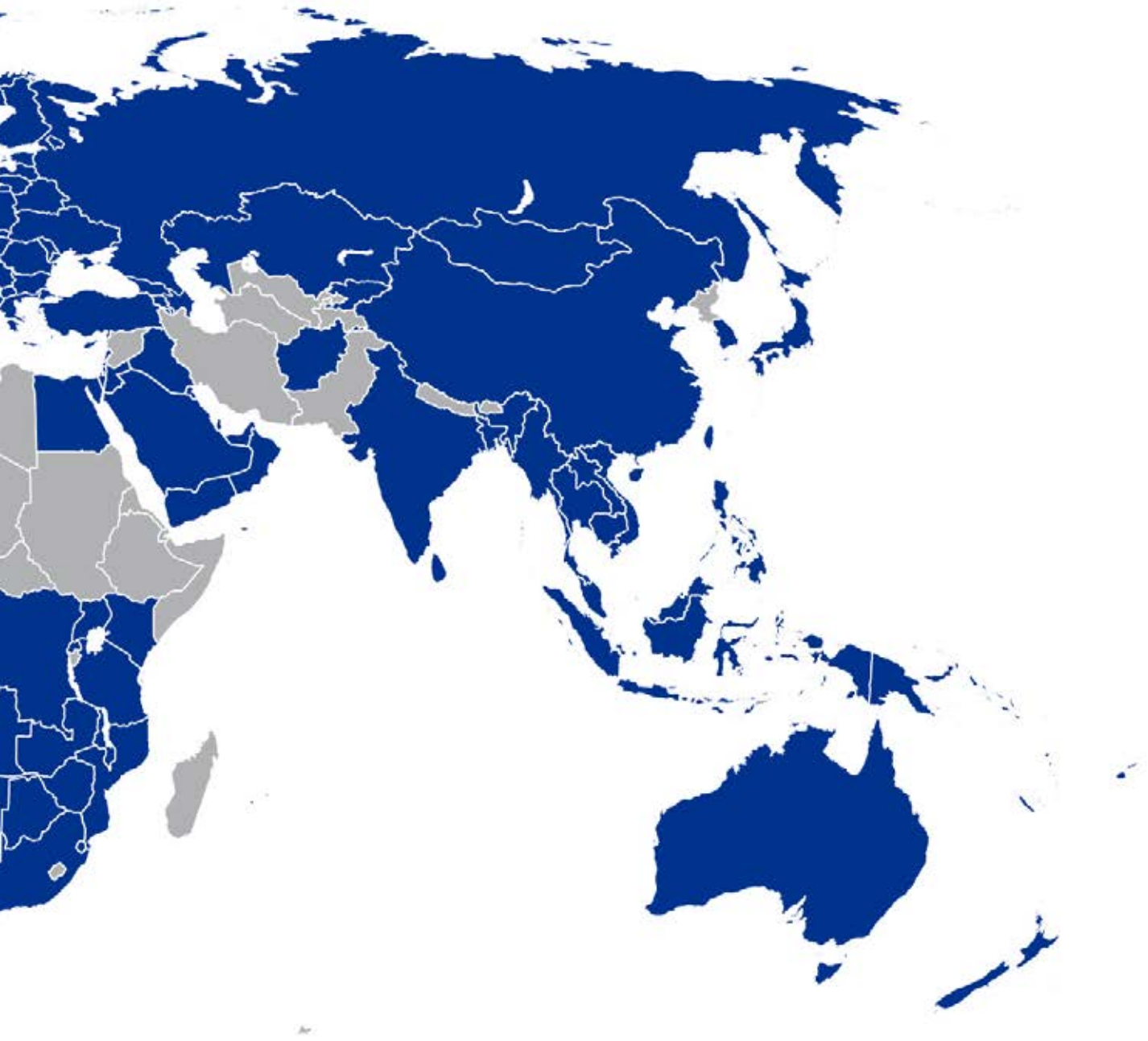


## KPMG IN THE WORLD

**155**  
**COUNTRIES**

**Andorra** Angola **Antigua and Barbuda** Argentina **Armenia** Aruba  
**Australia** Austria **Azerbaijan**  
Bahamas **Bahrain** Bangladesh  
**Barbados** Belarus **Belgium**  
Bermuda **Bolivia** Bosnia and Herzegovina **Botswana** Brazil **Brunei**  
Bulgaria **Cambodia** Cameroon  
**Canada** Kazakhstan **Chile** China  
**Colombia** South Korea **Ivory Coast**

Costa Rica **Croatia** Curaçao **Cyprus**  
Denmark **Egypt** El Salvador **United Arab Emirates** Ecuador **Slovakia**  
Slovenia **Spain** United States **Estonia**  
Philippines **Finland** France **Gabon**  
Ghana **Georgia** Gibraltar **Greece**  
Greenland **Guatemala** Guernsey  
**Honduras** Hungary **Yemen** Cayman Islands **Cook Islands** Fiji Islands  
**Isle of Man** Mauritius **British Virgin**



**Islands** Turks and Caicos Islands  
**India** Indonesia **Iraq** Ireland **Iceland**  
Israel **Italy** Jamaica **Japan** Jersey  
**Jordan** Kuwait **Laos** Latvia **Lebanon**  
Liechtenstein **Lithuania** Luxembourg  
**Macedonia** Malaysia **Malawi**  
Maldives **Mali** Malta **Morocco**  
Mexico **Moldova** Monaco **Mongolia**  
Montenegro **Mozambique** Myanmar  
**Namibia** Nicaragua **Nigeria** Norway

**New Caledonia** New Zealand **Oman**  
Netherlands **Pakistan** Panama  
**Papua New Guinea** Peru **French**  
**Polynesia** Poland **Portugal** Qatar  
**Kenya** Kyrgyzstan **United Kingdom**  
Dominican Republic **Democratic**  
**Republic of the Congo** Republic of  
the Congo **Czech Republic** Romania  
**Russia** Rwanda **Senegal** Saint Lucia  
**Saint Vincent and the Grenadines**

Sierra Leone **Serbia** Singapore **Sri**  
**Lanka** Saint Maarten **Swaziland**  
Sweden **Switzerland** Suriname  
**Thailand** Taiwan **Tanzania** Togo  
**Trinidad and Tobago** Tunisia **Turkey**  
Uganda **Ukraine** Uruguay **Venezuela**  
Vietnam **Zambia** Zimbabwe.





# KPMG in Brazil

G4-5 | G4-8 | G4-9



## 23 offices in 22 cities\* – the two largest in São Paulo

**Belém** Belo Horizonte **Brasília** Campinas **Cuiabá** Curitiba  
**Florianópolis** Fortaleza **Goiânia** Joinville **Londrina** Manaus  
**Osasco** Porto Alegre **Recife** Ribeirão Preto **Rio de Janeiro**  
Salvador **São Carlos** São José dos Campos **São Paulo**  
Uberlândia

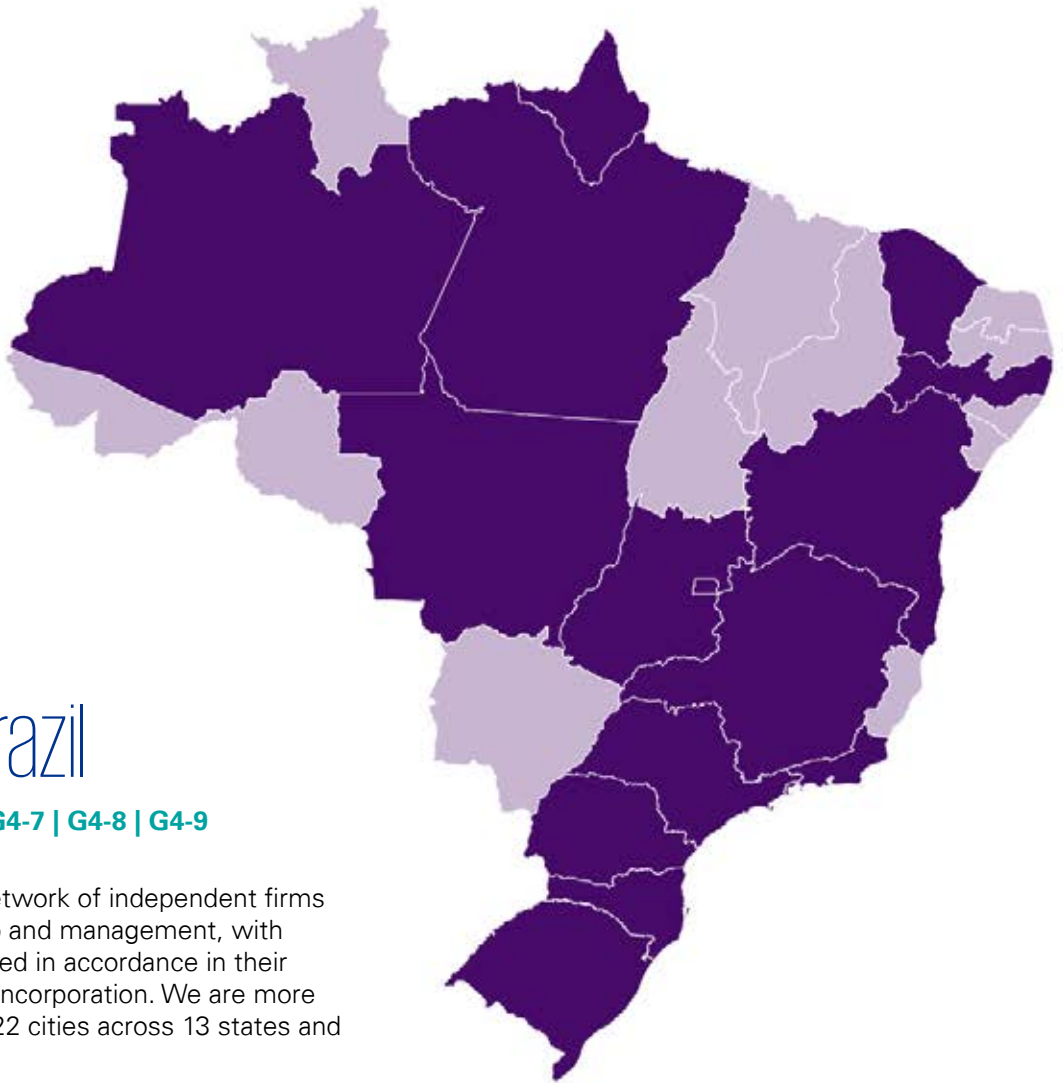


## 4,264 clients \* throughout Brazil, including private businesses in all industries, government bodies and non-profit organizations



## 3,719 professionals\*

\* As of period-end, 30 September 2015



## KPMG in Brazil

[G4-3](#) | [G4-4](#) | [G4-5](#) | [G4-7](#) | [G4-8](#) | [G4-9](#)

KPMG in Brazil is a network of independent firms under local ownership and management, with head offices established in accordance in their respective articles of incorporation. We are more than 3,700 people in 22 cities across 13 states and the Federal District.

Guided by our purpose to inspire confidence and empower change, we have become a leading provider of professional services and one of the Big Four in our industry. Our people develop innovative strategies in Audit, Tax and Advisory and offer comprehensive and specialist insights into each client's environment and industry.

Their work is supported by a range of initiatives, policies, proprietary methods and training provided by the KPMG International network. Through KPMG International, we tap into the knowledge generated by other member firms and adapt and perfect it to suit our clients' needs, opportunities and challenges.

KPMG in Brazil actively contributes to the development and dissemination of good practices across the network and in the market.

**For 100 years, we have inspired sustainable change in business, government, people and society.**

## MARKET APPROACH

### G4-8

KPMG's market approach in Brazil has been structured to provide comprehensive local and industry coverage, allowing us to provide bespoke services to businesses of all sizes and industries consistently and with the same quality as delivered globally.

Comprehensive expertise combined with multidisciplinary teams with in-depth knowledge of each industry are our greatest asset for creating meaningful value for our clients and society.

As part of our service offering we develop processes, people and information streams to meet legal, tax, accounting and financial requirements, helping our clients achieve efficient management and win the trust of stakeholders.

Our **Markets Programme** comprises a set of core strategies to deliver efficiency:

### SEGMENTATION

defines a set of market verticals by Industry, covering five Business Lines. These industries are further segmented into sectors in which our investment is prioritized according to KPMG's local and global strategy. This allows us to use a specialist and bespoke approach to each sector, bringing together high-performance, subject-matter experts in Accounting, Finance, Tax and Management. Since 2010, we have intensified investments in selected priority sectors, which has yielded above-average growth for our Financial Services, Government and Infrastructure, Energy and Natural Resources, Retail and Telecom teams.

### MULTIDISCIPLINARY TEAMS

combine professionals with in-depth knowledge in finance, technology, taxes and processes. Together, they have developed strategies tailored to the specific requirements surrounding the main business cycles of clients in all market segments.

### TAPPING INTO GLOBAL MARKETS

Connecting Brazil to global markets has been another focus area. Through the Global Brazil Group (GBG), we have brought together a team of specialists to assist global clients, whether Brazilian multinationals looking to expand their businesses overseas or foreign companies entering the Brazilian market. This team works closely with KPMG's global network to develop or expand inbound and outbound business.

Our approach is also in line with the International Corridors established for the KPMG network globally. We have mature desks that are market leaders in countries such as the Netherlands, Germany, China, Japan, Korea and France.

### SUPPORTING GLOBAL CENTRES OF EXCELLENCE

KPMG's Centres of Excellence around the world bring together leading subject-matter experts to identify the needs of specific markets, provide relevant insights, develop and improve methodologies and standardize the services we provide worldwide in:

- Audit • Tax • Advisory • Markets • Risk & Compliance • Insurance • Shared Services and Outsourcing • Cloud Computing • Defence
- Justice and Security • Infrastructure and Government • Climate Change & Sustainability • Oil & Gas • Telecommunications • Life Science

# Markets Programme







### **SPOTLIGHT ON THE MIDDLE MARKET**

We have worked closely with middle-market businesses that are leaders in their industries but not yet listed for trading on the stock market.

KPMG has provided these clients with a set of strategic and operational competencies enabling them to tap into the capital market, organize their information and perfect their corporate governance.

This valuable corporate support to the Brazilian market and its entrepreneurs confirms one of the primary aspects of our business vision: developing and maintaining lasting and productive relationships.

### **REGIONALIZATION**

Our 23 offices across 13 Brazilian states and the Federal District operate as a gateway into different economic and market segments.

Regional hubs (interior São Paulo/Campinas, South/Curitiba, Centre/BH and North and Northeast/Fortaleza) have local teams of specialists across the full range of Advisory services to meet region-specific demands.

Clients with a presence in Latin America are serviced seamlessly by a region-wide network of KPMG member firms.

### **INNOVATION**

Our portfolio of services is constantly evolving to meet clients' needs. We work to anticipate these requirements by developing solutions that combine technology, data & analytics and deep, global insights into our clients' business to help them grow, cut costs and manage business risks.

### **CLIENT RELATIONSHIPS**

We work shoulder to shoulder with clients, supporting their decisions, helping them implement new practices and build lasting and value-added relationships.





# Our practices

KPMG's VALUE PROPOSITION: Services for every stage of our client's lifecycle\*



► **Respond to administrative proceedings**

- Administrative and judicial tax litigation
- Advice and assistance in administrative proceedings
- Reviews of tax compliance reports
- Validation of internal processes and controls
- Contingency plans

► **Spin off or acquire a business**

- Assistance in integration and separation of assets, processes, people, departments, etc.
- Due diligence
- Investment analyses
- Synergy analysis
- Risk management and control
- Shared services centres

► **Dispose of a company**

- Legal, contractual, tax and corporate advisory
- M&A advisory
- Business valuation
- Property assurance
- Investor/buy-side financial, tax, labour, and legal due diligence
- Assistance in interpreting due diligence results and impacts on the valuation model

► **Improve performance**

- Financial statement reviews
- Audits on individual financial statement items, accounts or tables
- Assurance engagements other than audits or reviews
- Valuation reports
- Tax burden reduction
- Tax litigation
- Recovery of undue tax payments
- Middle market management
- Working capital
- Process redesign and improvement
- Cost management and reduction

► **Raise capital or restructure debt**

- Financial statement audits
- Fund raising and financing for investments and working capital
- Debt maturity lengthening and refinancing
- Assistance in securities issuances
- Funding options
- Cash management challenges

► **Avoid insolvency**

- Advice on insolvency
- Cash management challenges
- Funding options
- Assistance in improving the quality of results through cost reduction
- Fund raising

► **Assess technology risks**

- Assessment of IT risks and controls
- Information security
- IT Governance
- Contingency plan
- Internal IT audit
- Segregation of duties assessment
- Cloud readiness assessment
- Stress testing
- Process redesign and automation improvements

► **Professionalize my financial statements**

- Tax filing reviews
- Financial reporting support
- Financial reporting
- Training
- Processes, people and technology
- Compliance with Brazilian and international financial reporting standards
- Validation of internal processes and controls

► **Succession planning**

- Wealth preservation
- Succession planning
- Management transition assistance
- Corporate governance
- M&A advisory
- Business valuation

► **Structure a controllership department**

- Tax efficiency and planning
- Tax incentives
- Technological innovation
- Cash flow management
- Strategic cost and pricing management
- Budgeting
- Financial index and benchmarking analysis

► **Develop a business strategy**

- Strategy building
- Sustainability
- Supply chain
- Performance dashboards
- Balanced scorecard
- Goal setting and rewards





# Global consistency:

## Underpinned by governance

Our reputation as a globally leading organization in our industry is supported by our teams' strict adherence to the principles of ethics, integrity and quality.

Integrating principles, knowledge, methodologies, technologies and people across the member firms of KPMG International encourages our purpose Inspire Confidence. Empower Change is reflected in the quality of service we deliver wherever we operate.

This puts governance at the core of our business model, aligning and underpinning the value created by each of our Six Capitals, as detailed in the following chapters.

Governance is also considered central by our stakeholders, who have rated it as one of the most material topics for our Organization. [\[Read more\]](#)

## Governance at KPMG International

[G4-34](#) | [G4-38](#) | [G4-40](#) | [G4-42](#) | [G4-47](#)

The corporate governance structure at KPMG International is supported by six main bodies. Our Chairman in Brazil, Pedro Melo, is a member of four high-level bodies: the Global Board, the Americas Board, the South America Board, and the Americas Management Committee. In January 2015, he also became chairman of KPMG in South America.

### Global Board **Members of the Global Board of KPMG International**

**John Veihmeyer** [United States ]  
**Chairman, KPMG International**

**John Scott** [Spain]  
**Deputy Chairman, KPMG International**  
**EMA Chairman**

**William Thomas** [Canada]  
**Americas Chairman**

**Tham Sai Choy** [Singapore]  
**ASPAC Chairman**

**Abdullah Al Fozan** [Middle East and South Asia]

**Richard Cysarz** [Central and Eastern Europe]

**Seyi Bickersteth** [Africa]

**Oleg Goshchansky** [Commonwealth of Independent States (CIS)]

**Pedro Melo** [Brazil]

**Simon Collins** [UK]

**Jay Nirsimloo** [France]

**Klaus Becker** [Germany]

**Richard Rekhly** [India]

**Shaun Murphy** [Ireland]

**Domenico Fumagalli** [Italy]

**Tsutomu Takahashi** [Japan]

**Peter Nash** [Australia]

**Kyo Tae Kim** [South Korea]

**Guillermo Garcia-Naranjo** [Mexico]

**Stephen Yiu** [China]

**Stefan Pfister** [Switzerland]

**Lynne Doughtie** [United States]

### Global Council

This body focuses on strategy and governance, and performs functions equivalent to a shareholders' meeting for a public stock corporation. Among other things, the Global Council elects the chairperson of KPMG International for a term of up to four years (renewable for a further four) and approves the appointment of Global Board members, including representatives from the 56 member firms of KPMG International, in accordance with Swiss Law (sub-licensees are generally indirectly represented by a member firm). It provides a forum for discussion and communication among member firms. **G4-42**

### Global Board

This is the principal governance and oversight body, and is responsible for implementing strategies, protecting and enhancing the KPMG brand, overseeing management, and approving policies and regulations. It also admits member firms and ratifies the chairperson's appointment of the members of the Global executive team. Led by the chairperson of KPMG International – who is supported by the Executive Committee – this Board also includes the deputy chairperson of KPMG International and the chairperson of each of the three regions – the Americas; Asia Pacific (ASPAC); and Europe, the Middle East and Africa (EMA) – as well as senior partners from some of the largest member firms, including Brazil, totalling 21 members. **G4-42**

### Global Management Team

This team's responsibilities have been delegated by the Global Board and include working with the Executive Committee to support the execution of the global strategy approved by the Global Board and establishing processes to monitor and ensure compliance with global policies. It is led by the deputy chairperson of KPMG International and includes the global chairperson, the global heads of each practice, the heads of Operations, People, Quality, Risk and Compliance, and the General Council.

### Global Steering Groups

Global Steering Groups are responsible for supporting and driving the execution of the strategy and business plan in their respective areas (Global Audit, Tax and Advisory Steering Groups and Quality & Risk Management Steering Group), acting under the oversight of the Global Management Team.

### Regional Boards

Each region (the Americas, EMA and ASPAC) has a Regional Board comprising a regional chairperson, a COO, a representative from each sub-region, and other members as appropriate. Each Regional Board supports the global strategy and assists in the implementation of KPMG International's policies and processes with a focus on the needs of their region.

### Global Committees

The Global Board is supported by Global Committees responsible for implementing action plans that address the strategies determined for each specific business area. These committees are as follows:

- Executive Committee
- Governance Committee
- Operations Committee
- Investments Committee
- Quality & Risk Management Committee
- Professional Indemnity Committee.

# Governance at KPMG in Brazil

**G4-34 | G4-38 | G4-39 | G4-40 | G4-41 | G4-42 | G4-47**

Our local governance structure adheres to the standards established by KPMG International and has its own supplementary bodies for management coordination and oversight, in accordance with Brazilian law.

The model in place supports interaction between leaders and other partners and professionals, ensuring all areas are represented at the Organization's primary decision making bodies.

## **PARTNERS**

All partners attend quarterly strategy alignment and status meetings, as well as statutory annual meetings to approve reports and discuss other subjects related to the business. We also organize periodic business group meetings through bodies such as KPMG's Network of Women (KNOW) and the Profit Sharing Committee. **[Read more]**

## **CHAIRPERSON**

The chairperson is the principal local executive and is appointed by peers for a term of three years, renewable for a further two terms. Within this limitation, we promote leadership rotations and encourage partners to join senior management, maintaining our succession process. **G4-39** As part of the career development process, professionals showing outstanding performance become partners and can apply as candidates for chair, provided they meet the requirements established in our by-laws.

## **CHIEF OPERATING OFFICER (COO)**

The COO is responsible for the management and representation on the Executive Committee of each administrative area, including Corporate Citizenship & Diversity; Knowledge, Marketing & Communication; People, Performance & Culture; Learning & Development; Comptrollership; Financial; Facilities; and Information Technology.

## **EXECUTIVE COMMITTEE**

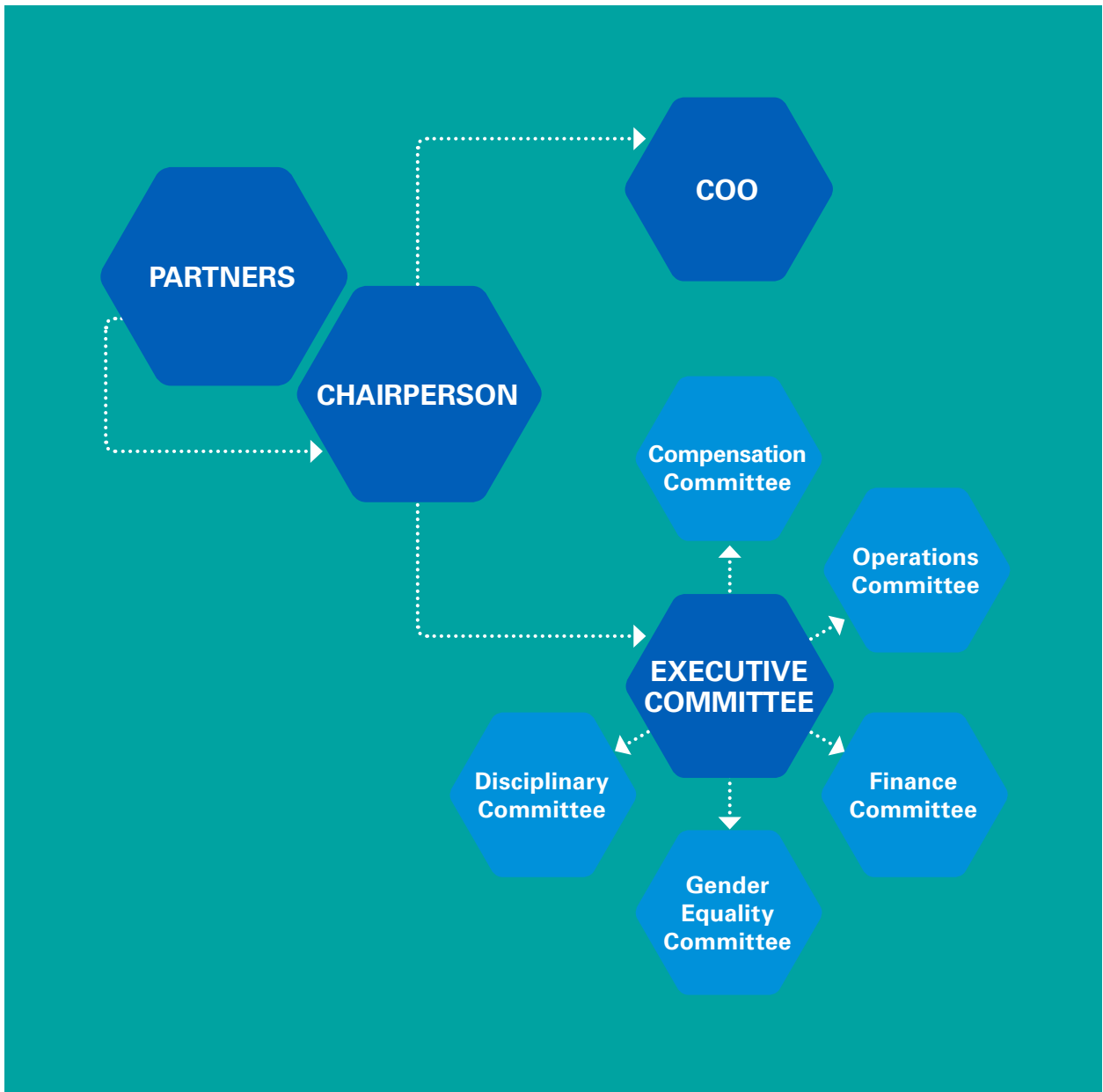
The chairperson and the Executive Committee are jointly responsible for reviewing the purpose, vision, mission and values of the Organization, as well as for the planning, supervision and general management of activities, including defining goals for local growth and directing the strategic management of business areas, ensuring consistency with global strategy.

**G4-42** The Executive Committee is composed of the chairperson and up to eight partners appointed by the chairperson, generally the heads of the relevant practices, who continue to perform their responsibilities in servicing clients. As an executive body with both management and strategy definition functions, its standing membership includes no independent, non-executive members. The Executive Committee is supported by the General Meeting in discussing and approving strategic and management guidance. **G4-38**

## **DISCIPLINARY COMMITTEE**

Investigates suspected violations of rules and policies by our professionals. This committee consists of practice heads and the heads of Human Resources, Performance and Culture, the Risk Management partner and the Chairperson.

**[Read more]** **G4-41**



**FINANCE COMMITTEE**

Responsible for the financial management of the organization, including short-and long-term investment and cash flow management.

**OPERATIONS COMMITTEE**

Consisting of the chairperson, the Audit, Tax and Advisory department heads, the COO and the head of Markets, the Operations Committee is active in the day-to-day conduct of business, working towards the goals set out in our strategic plan.

**COMPENSATION COMMITTEE**

Composed of three members of the Executive Committee (not including members of the Operations Committee), the Compensation Committee addresses the profit-sharing rules applying to partners.

**GENDER EQUALITY COMMITTEE**

Created in 2015, the Gender Equality Committee prepares, approves and monitors the Strategic Plan and budget for KPMG’s Networking Of Women (KNOW) programme, ensuring we progress on gender equity and women empowerment issues both within and outside the Organization.





Somos pessoas  
e com sinergia  
paixão pelos  
ultrapassar os



# Our Sustainability Strategy:

**Developing to create value**

## **OUR SUSTAINABILITY STRATEGY**

### **SUSTAINABILITY MANAGEMENT & GOVERNANCE**

Governance

Management

Strategic objectives at KPMG in Brazil

Policies & procedures

Voluntary commitments

KPMG capitals

### **PRIORITY STAKEHOLDERS**

### **MATERIAL TOPICS**



# Our Sustainability Strategy

## G4-1

Fulfilling our purpose to Inspire Confidence. Empower Change, our sustainability strategy has been designed to **create value through the development** of people, businesses and society.

The insights we have across the KPMG network into trends, specific markets, standards, laws and technology provide a comprehensive understanding of current challenges and the needs of businesses, governments and broader society. We believe this knowledge should be channelled not only into the services we offer, but also into developing our stakeholders.

Translating our knowledge into sustainable approaches is a continuing journey on two converging paths:

**The path we travel:** An internal journey towards understanding how we can create value for our stakeholders. This is our own homework assignment, one we complete each day and over the long term and which draws on our purpose, values, vision, promise, competencies and management approach to shape the way we interact with our stakeholders.

**The path we help others travel:** Our mission to inspire and help our stakeholders operate responsibly and develop more sustainable business models. Our growth can only be sustainable in the long term if it is synergistically linked to the development of the economy, the market and society, while respecting the limits of our planet.





# Governance and Sustainability Management

G4-1

## Governance

At KPMG we believe sustainability is a shared responsibility. Two of our teams have played an active role in providing leadership in two different dimensions of sustainability

**Corporate Citizenship & Diversity** Guided by our purpose, the team's mission is to encourage our people to make KPMG and society an even better place. It leads our sustainability engagement and awareness initiatives, monitors our social and environmental performance, ensures reporting transparency and manages community projects and investments. [\[Read more\]](#)

**Climate Change & Sustainability Services** Our consultants around the world spend over one million hours every year helping our clients improve their environmental and social performance. This includes supporting them in reducing greenhouse gas emissions, the primary cause of global warming. In Brazil, KPMG has a team of 16 professionals who, working alongside other practices, galvanise clients and society toward sustainable development. [\[Read more\]](#)

Sustainability performance is assessed at two levels by Corporate Citizenship & Diversity, which reports directly to the COO:

**Strategic** Performance is monitored against the goals and policies adopted globally and locally.

**Operational** An annual Action Plan and the relevant programmes are submitted to the COO, the chairperson and the Executive Committee.

Actions are followed up and reported on in monthly meetings with the relevant leaders and in quarterly meetings with the COO. In addition, members of the Executive Committee and regional leadership are involved at two stages of developing our Sustainability Report: during the initial interviews and in reviews of final versions for content validation. [G4-47](#) | [G4-48](#)

In 2016 our new **Sustainability Committee** will be in place. It has been approved by the chairperson and is currently in the process of being formalized. The committee will be responsible for making our sustainability approach further attuned to KPMG's strategy and will formalize the commitment of our senior leadership.

# Management

## G4-1

Sustainability management at KPMG in Brazil is coupled with KPMG's global direction [\[Read more\]](#) from which local strategic objectives are derived which, in turn, connect to internal policies and external voluntary commitments.

## STRATEGIC OBJECTIVES AT KPMG IN BRAZIL

Our Executive Committee has established short-term (2017), medium-term (2020) and long-term (2025) objectives that include:

- Investing in emerging markets
- Focusing on key sectors such as Financial Services, Life Sciences, Government, Infrastructure, Energy and Natural Resources
- Retaining an extensive pool of professionals specializing in these segments and their challenges
- Continually leveraging the depth of our unique industry expertise
- Conducting strategic acquisitions and investments to extend our capabilities in highly complex services
- Investing in developing our professionals' technical, commercial and behavioural skills
- Strengthening our global integration with other member firms to utilize their expertise and methodologies for the benefit of our clients
- Enhancing the use of our Delivery Centre across all practices to improve operating efficiency
- Improving the way our culture and motivation reflects our purpose in day-to-day business.

## POLICIES AND PROCEDURES

### G4-15 | G4-56

Our **Global Code of Conduct**, **Global Marketing Compliance Guidelines** and **Quality & Risk Management Manual** are international standards on ethics in relations with stakeholders and on KPMG's responsibility to actively foster sustainable business models. [\[Read more\]](#)

The **Global Green Initiative** (GGI) aligns the environmental management approaches of member firms around the world, and has the following three main pillars: Environmental Goals, Awareness and Engagement, and Sustainability Services. [\[Read more\]](#)

The **Global Development Initiative** (GDI) underpins member firms' approach to corporate citizenship, addressing issues related to development and social justice in the communities where we operate. [\[Read more\]](#)

Launched in 2015 in Brazil, our **Suppliers' Code of Conduct** establishes social and environmental criteria for the acceptance and continuance of suppliers. [\[Read more\]](#)

## VOLUNTARY COMMITMENTS

To ensure our member firms around the world are abreast of and in line with current developments, KPMG International has subscribed to a number of initiatives which are supplemented by KPMG in Brazil's local commitments. This set of initiatives underpins our policies and actions and helps us promote good practices throughout our value chain.

### LOCAL COMMITMENTS

#### Human Rights/Instituto Ethos

Signatories undertake to develop plans to support human rights in alignment with Instituto Ethos' Business and Human Rights Working Group.

#### Letter of Accession to the Business and LGBT Rights Forum

Created in March 2013, the Forum engages business around 10 commitments to respect and promote LGBT human rights.

#### Letter of Accession to the Business Initiative for Racial Equality

This initiative provides guidance and a platform for businesses to network, share insights, challenges and best practices, provide mutual support, and influence other companies and their value chains in addressing the 10 Business Commitments to Racial Equality.

### INTERNATIONAL COMMITMENTS

#### United Nations (UN)

**Global Compact** [Read more] Since 2002 we have worked to implement the 10 commitments established by the Compact. Every year KPMG International publishes a Communication on Progress (COP) report to demonstrate how we address commitments across our network of member firms. Read about KPMG's progress in implementing each of the Global Compact Principles in 2015: **Portuguese** and **English**.

**Guiding Principles on Business and Human Rights** [Read more] We have incorporated the five Human Rights principles into our Code of Conduct and our procedures and policies for accepting clients and procuring suppliers.

#### Sustainable Development Goals (SDGs)

In addition to supporting the 17 sustainable development goals, KPMGI and the Global Compact have jointly designed and led an **SDG Industry Matrix** study [Read more], that is helping businesses translate the SDGs into strategic industry activities which grow in scale and impact: by sparking new innovative approaches, replicating successful activities in new markets, catalysing new collaborations and increasing participation in existing collaborations.

#### Leadership Development Programme (LEAD)

[Read more] Since 2011, we have been a member of the platform for corporate sustainability leadership, focused on helping companies integrate the ten principles of the Global Compact.

#### Women's Empowerment Principles

[Read more] We adhere both globally and locally to the seven principles aimed at promoting gender equality and women's empowerment.

**#HeForShe** [Read more] A global effort launched in 2015 to engage men and boys in removing the social and cultural barriers that prevent women from achieving their potential, helping men and women craft a better society together. KPMGI supports the movement and KPMG in Brazil is a member of the movement's National Committee.

#### World Economic Forum

##### Partnering against Corruption Initiative

[Read more] KPMG subscribed to the initiative in 2007. We have implemented a zero-tolerance policy on bribery and corruption and provided evidence to Audit Management Committees,

regulatory bodies, governments and our clients of the measures we adopt to guarantee that we meet our professional anti-bribery and anti-corruption obligations and responsibilities.

**Principles of Responsible Capitalism** We signed this commitment – which is consistent with our practices and the values we seek to reinforce and disseminate – in 2010.

**Future Role of Civil Society** [Read more] We use this to develop comprehensive dialogue with non-governmental and faith-based organizations, unions and business leaders, international and government organizations in order to promote joint efforts to improve the state of the world.

**The Carbon Price Communiqué** [Read more] A commitment which unites 155 companies worldwide, including KPMG International, in the discussion on mechanisms for reducing and putting a price on global greenhouse gas emissions. KPMGI was the first of the Big Four to sign the document, in 2012.

**World Business Council for Sustainable Development** [Read more]

KPMGI has been a member of the Board of WBCSD since its foundation, working alongside around 200 organizations to develop sustainable business solutions and strategic positions for climate talks.

**CDSB Statement on Fiduciary Duty & Climate Change Disclosure** [Read more]

A statement released in 2014 by investors looking to develop strategies to provide the investment community with relevant information on companies' climate change-related performance, risks and opportunities, out of a sense of fiduciary responsibility.

**Paris Pledge for Action** [Read more]

By joining the pledge, businesses, cities, civil society groups, investors, trade unions and other non-government signatories promise to do their part to support the COP21 climate agreement and encourage that the ambition set out by the agreement is met or exceeded to limit global temperature rise to less than 2 degrees Celsius. KPMGI published a study titled *The COP21 Paris Agreement: A clear signal to business* [Read more] describing some of the primary impacts on businesses from the global agreement.

## KPMG Capitals

The Capitals Framework developed by the International Integrated Reporting Council (IIRC), and which KPMG in Brazil adopted in 2014, translates how our sustainability management connects to the resources and relationships used and affected by our activities.

A perusal of our capitals matrix below will show that sustainability is at the heart of our business. This is seen in the way we manage our Human, Intellectual, Social and Relationship, Environmental, Financial and Manufactured capitals and how we recognize both the positive and negative impacts of our presence.

## POSITIVE IMPACTS: VALUE CREATION





## POTENTIAL NEGATIVE IMPACTS

## KPMG INDICATORS

### BOUNDARY

Any loss of quality in services provided and/or data protection can have financial or confidence-related impacts (professionals, Organization, clients and/or market)

Hours and money invested in training and development; Trainees trained and hired; Mobility programme participants; Website access and downloads and social media interaction; Publications and events produced by the Global Network

Internal and External Stakeholders

For our professionals, the ability to balance their work and personal life during the busy season. For the Organization, turnover and potential loss of expertise and/or the need to invest in new personnel

Number of professionals; Education levels; Number of promotions; Global People Survey results; Staff diversity data; Health and safety targets; Benefits

Internal Stakeholders

Failing to achieve business performance targets can affect profit-sharing payments to partners and professionals, as well as investment capacity

Statement of Added Value; Investment and innovation in services

Internal and External Stakeholders

Negative exposure in the media as a result of providing services to clients under scrutiny

Client Satisfaction Survey; Media coverage; Client acceptance and continuity procedures; Suppliers' Code of Conduct (pro-Human Rights); Number of events organized and publications produced; Relevant memberships; Community investment

Internal and External Stakeholders

KPMG has no significant direct environmental impacts due to the nature of our business. GHG commissions are an indirect, but material, impact and we have therefore set global voluntary emissions reduction and offsetting targets

Environmental Policy; Management and measurement of local environmental targets; A global commitment to reducing GHG emissions; Environmental awareness initiatives

Internal and External Stakeholders

Urban mobility - impacts from commuting to and from the new building in São Paulo

Certification for new office building; Investment in IT; Helpdesk assessment by KPMG professionals; Deployment of IBS

Internal and External Stakeholders

# Priority Stakeholders

G4-18 | G4-24 | G4-25 | G4-26

KPMG, like all companies, is an ecosystem of relationships established with stakeholders – the group of people who influence or are influenced by our activities.

Our business is continually affected by the dynamics of the relationships we establish with each of our stakeholders, as well as by the regulations, standards and practices of the markets in which we operate.

We are therefore continually alert to and in search of new ways of interacting with each stakeholder to understand their needs, expectations, potential and limitations and where they intersect with our own interests.

KPMG in Brazil's first stakeholder mapping exercise was conducted in 2009, bringing together representatives from the different practices and offices of our Organization in Brazil.

Reviews conducted in 2011 and 2014 resulted in the current group of 12 stakeholders, seven of which are considered priority stakeholders for the business: Partners, Internal Stakeholders, Clients and the Market, Government and Regulators, Civil Society, Industry Experts and the Media.

Identifying these seven priority stakeholder groups was essential to developing increasingly effective management practices, and helped develop a forum for appropriate and targeted dialogue with each stakeholder, but without neglecting other stakeholders which contribute to consolidating our reputation.

**Our people**

**Media**

**KPMG  
International**

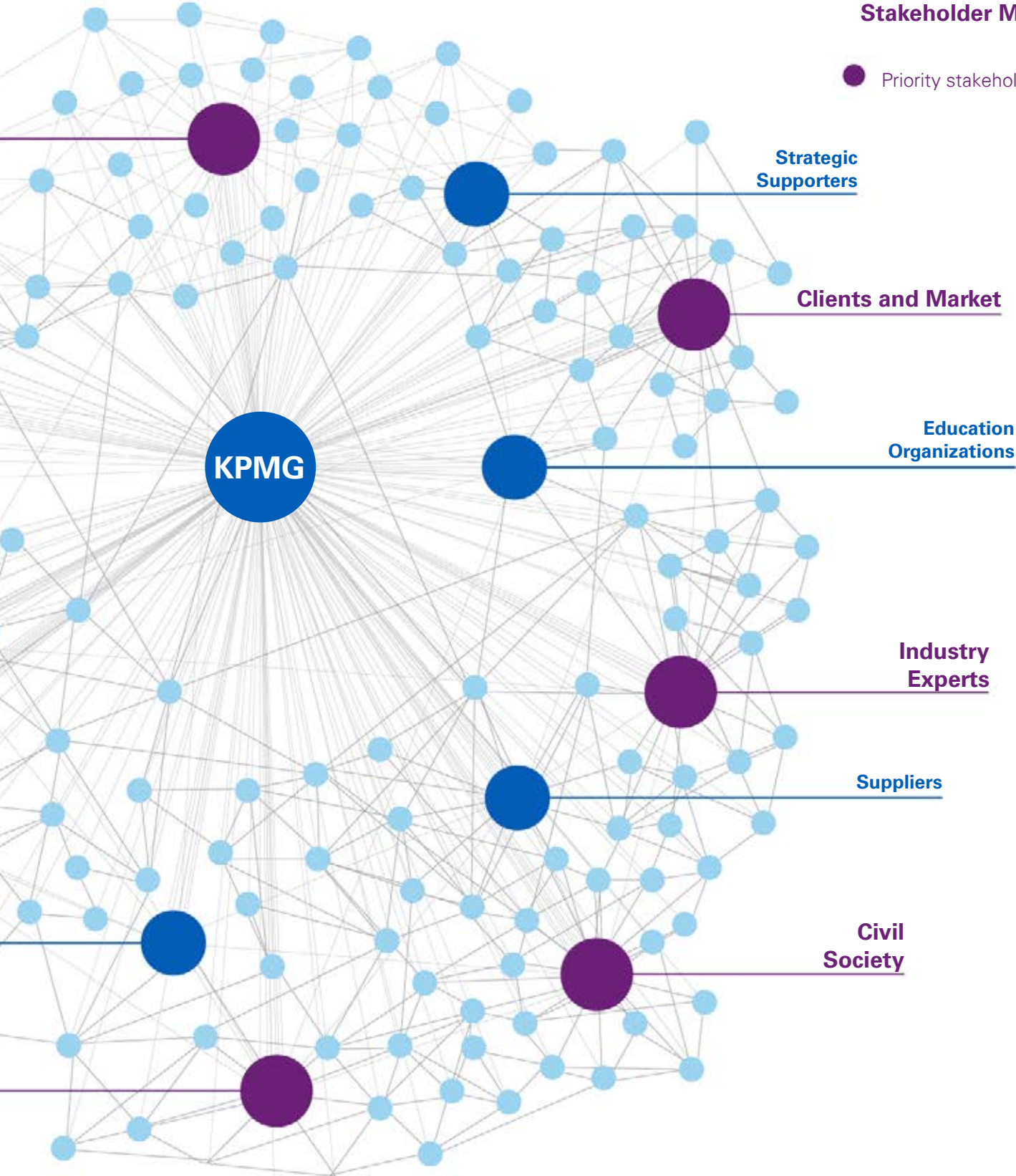
**Partners**

**Competitors**

**Government and  
Regulators**

# Stakeholder Map

● Priority stakeholders



# Material Topics

G4-18 | G4-22 | G4-23 | G4-26 | G4-27

## Materiality matrix

The process of building the KPMG in Brazil Materiality Matrix began in 2009. In 2011, an important review process by Good Business identified nine themes related to the roles and responsibilities of our services, involving the business world and society.

These nine themes were referred to representatives of our seven priority stakeholders, who identified which were most material to KPMG and our stakeholders. That process allowed us to get a consolidated view from our public.

In 2014, the year we transitioned to GRI G4, we revisited the Materiality Matrix using the following approaches:

**Reviews of external data** Industry benchmarking; GRI guidance on materiality for our segment, and the Capitals Framework (IIRC).

**Analysis of existing engagement mechanisms** Climate Surveys; Internal Client Satisfaction Surveys; Client Satisfaction Surveys, Whistleblowing hotline, and inputs from the Audit Committee Institute.

**KPMG strategy information** Review of strategic business objectives 2014-2025; interviews with leadership; Inputs from KPMG International's process of reaffirming our purpose, involving

interviews with 60 stakeholders; brand research; training materials; and engagement with global groups from the various practices within KPMG.

Based on this review, a new Materiality Matrix was developed and brought greater clarity and tangibility to the high-level topics originally defined in 2011. The matrix was then reviewed and validated by members of KPMG in Brazil's Executive Committee.

In 2015, we continued the materiality review process and performed a preliminary analysis of the limits of the impacts of the material aspects, both conducted by our Climate Change & Sustainability (CC&S) function. The review process used the KPMG Global Materiality Assessment Toolkit and Methodology through two approaches:









#### Direct sources G4-26

**Review of data produced by existing engagement channels** In addition to the discussions as part of the review process in 2014, we are actively engaged in discussions within the KDNA project (which will engage KPMG leadership and client and market representatives from 2014 to 2017) and the ELOS project around why we are here and the perception that stakeholders have of the value of our services. We are also reviewing the preliminary results from the Citizenship and Diversity Census launched in August 2015.

**Review of strategic objectives** Described under *Governance and Sustainability Management [Read more]*. In 2016 we will implement a Sustainability Committee and expand the scope of the Inclusion working group to include Sustainability, in support of the Sustainability Committee. The Citizenship and Diversity

Roadshows touring our offices in Brazil were suspended in 2015 due to the economic crisis, but should resume during 2016.

#### Indirect sources G4-26

We benchmarked our performance against industry leaders and reviewed studies, international indexes and news related to the Organization to identify topics of interest to stakeholders. Using predefined materiality criteria, the identified topics were scored and ranked. A comparison of these topics against the KPMG Materiality Matrix revealed that there are no new topics needing to be addressed. We have therefore maintained the topics addressed in the previous reporting cycle.

## MATERIALITY MATRIX

Specific material topics	MATERIAL ASPECTS (GRI) <b>G4-19</b>
Ethics & Integrity	Ethics & Integrity Compliance
Governance	Governance
Risk and quality management frameworks and systems	Anti-corruption
Client and engagement acceptance and continuity	Anti-corruption
Privacy and information security	Client Privacy
Client and Market Relations	Product and Service Labelling Antitrust Behaviour Marketing Communications
Client satisfaction	Product and Service Labelling
Economic performance	Business Performance
Investment & Innovation	-
Training & Development	Training and Education
Career Development	Training and Education
Attracting and Retaining Talent	Employment
Benefits	Employment
Organizational Climate	-
Quality of Life	-
Rewards and Compensation	Equal Pay
Diversity	Diversity and Equal Opportunity Non-discrimination
Voluntary, global and therefore material commitments (not prioritized by stakeholders): – Global commitment to GHG reduction targets	Emissions
-	Assurance

crescimento desenvolvimento  
transparência qualidade  
nos enfoque global  
**comprometimento**  
bilidade reputação sustentabilidade  
alto desempenho profissional





# Our performance in 2015

**This report on our sustainability performance in 2015 is structured around the Six Capitals that are used or affected by our activities: Intellectual, Human, Financial, Social and Relationship, Natural and Manufactured.**

**In detailing each Capital, we outline the following:**

**Headlines** Figures and awards related to that Capital

**Management** The principles that underpin the management of that Capital

**Assets** KPMG strategies for that Capital to deliver

**Value Creation** The primary value we create from invested Assets

**INTELLECTUAL CAPITAL**

**HUMAN CAPITAL**

**FINANCIAL CAPITAL**

**SOCIAL AND  
RELATIONSHIP CAPITAL**

**NATURAL CAPITAL**

**MANUFACTURED CAPITAL**



# Intellectual Capital

World-class intelligence and technology supporting the sustainable development of people, businesses and society

4.264 clients

served

Leading Auditors

for Listed Companies

364

thousand training  
hours

Brazil Business  
Worldwide M&A  
Awards 2015

Corporate Finance Advisory  
Firm of the Year

No. 1 in Transfer Pricing Services

International Tax Review

R\$ 22,6  
million

invested in  
training and  
development

Top HR Suppliers 2015-  
2016

Gestão & RH Magazine

Best Insurance  
Auditors 2015

Latam Insurance Review

Audit Innovation  
of the Year

Cyber Security Leader

Forrester Research Inc., Q1 2016



---

# Management

Our primary commitment is to **translate our Intellectual Capital** — a composite of our people and our local and global expertise — into **sustainable development solutions** for our clients. We do this by adhering to the principles of **professionalism** and **integrity** — on which KPMG International's reputation is built and which are connected to our purpose of making a difference in the lives of our stakeholders, inspiring confidence and empowering change.

---

## Assets

### Forward-looking

We continually renovate the strategies and technologies we offer to meet the needs of clients, the market and broader society at every stage of their lifecycle.

### Global links

We leverage the global insight we derive from the knowledge flowing through the global KPMG network to remain at the leading edge of market trends and developments.

### Knowledge

We continually invest in the strategic, technical and human development of our professionals and offer them career-advancing challenges.

### Integrity and responsibility

We strictly adhere to the principles of integrity based on an effective and comprehensive Risk and Quality Management system.

### Generating knowledge

We generate and disseminate knowledge and innovative solutions.

## Value creation

Creating value for clients and their networks through professionalization, advice on decision making and business innovation, and efficient process and risk management.

Attracting talent and building team performance.

Stakeholders' trust in our expertise and advice.

Innovation in professional and business practices.

Increased adoption of best-practice governance by clients.

Building market confidence and credibility through compliance strategies and financial-statement audits.

Thought leadership and insights provided in the research and publications we share with our stakeholders.

# Expertise applied to development

## How we help our clients address their challenges

In meeting the challenges of an unstable environment, we keep our focus on the current snapshot without losing sight of the bigger picture. We see the trees and the forest.

We prepare for the future by listening to market needs, interpreting market signals and helping our team to **translate knowledge into solutions**. An example of this is the study titled *Global CEO Outlook 2015 The growth imperative in a more competitive environment* [Read more], a KPMG survey of 1,200 chief executives from many of the world's largest and most complex companies.

In it, CEOs provide extensive insights on issues facing the global economy over the next three years, such as cyber security, regulation, geographic expansion and efficiency. Economic growth and the regulatory environment are seen as the two most impactful issues for their business.

Each of these issues is affecting companies of all sizes and segments, requiring managers to reinvent their businesses. It is in this environment that KPMG has provided increasingly comprehensive assistance to clients in meeting their most critical challenges. Below we summarize some of these challenges and how KPMG in Brazil has helped clients address them.

---

**“With so many challenges, transformation ultimately becomes a synonym for management.”**

**“Maintaining status quo, while incredibly comfortable, is the most risky thing you can do in today's world.”**

[Read more]

*Global CEO Outlook 2015 The growth imperative in a more competitive environment*

---



## NEW TECHNOLOGIES

A range of new technologies are disrupting the business environment, fundamentally changing the way things are understood, conceived, produced and/or consumed. New value chains are emerging and companies need to remain vigilant to stay relevant.

In addition to the cyber security threats to which all companies are exposed, much of the technology

necessary to stay relevant will be controlled by partners or vendors (the broader ecosystem). This increases companies' vulnerability and makes it crucial for them to seek reputable partners and develop preparedness, protection, detection and response procedures providing assurance to consumers, investors and employees that risks are being adequately managed.

### OUR APPROACH

Our staff brings together specialists in information protection, risk management, privacy, organisational design, behavioural change and intelligence management to help our clients safely navigate these uncharted seas.

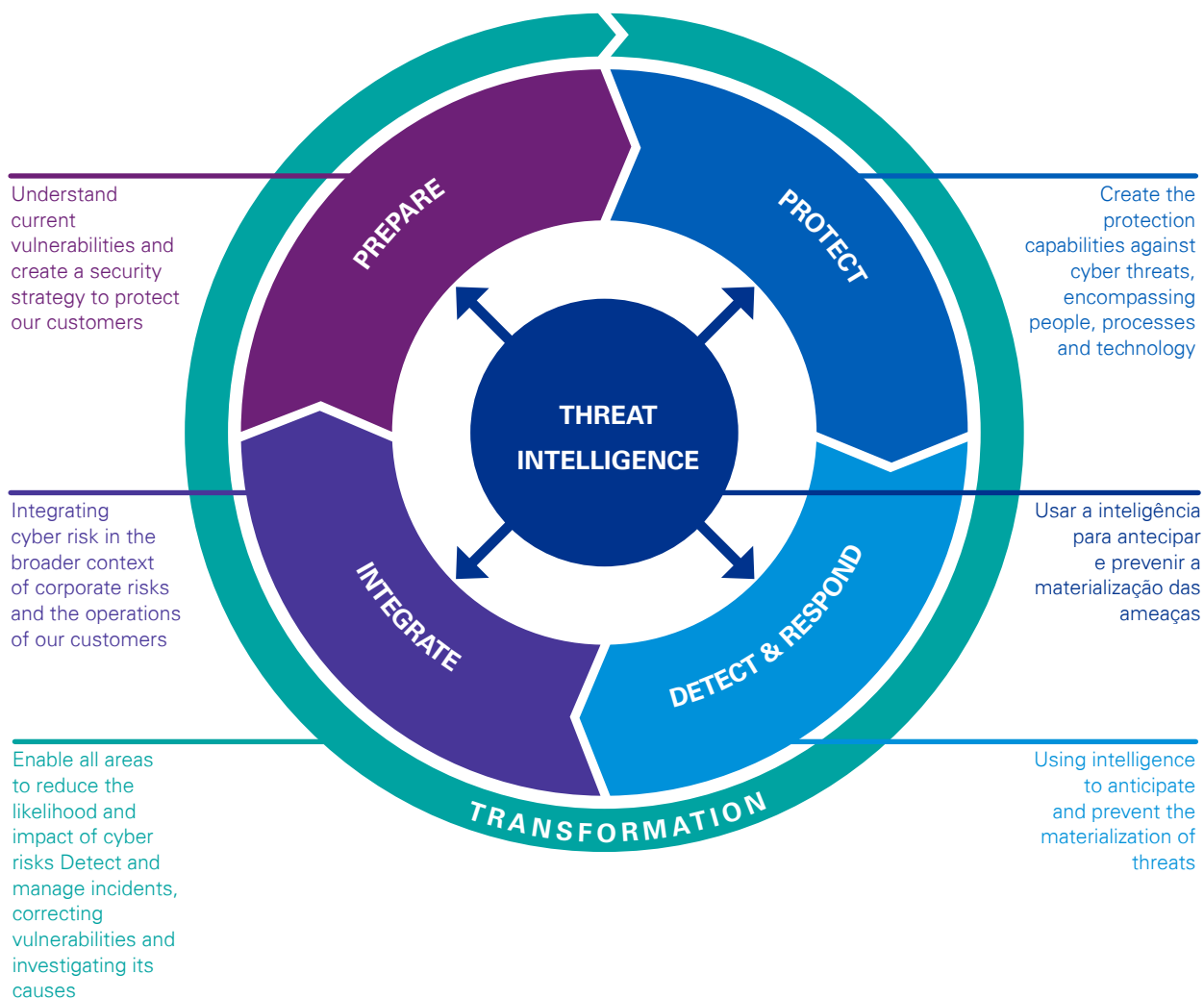
**Management Consulting** Our management consulting staff support clients in improving the performance and strategic use of technology and innovation, within an integrated approach to processes, information technology and people.

**Risk Consulting/Cyber Security** Cyber attacks are one of the most prevalent and high-impact risks that public and private organizations can face. Dealing with the cyber threat is a pressing challenge. The rapid evolution of IT with the proliferation of cloud services, virtual offices and connected devices is an inescapable reality. Intelligence and the insight that it brings is at the heart of next generation of Information Security. KPMG staff work to find smart, creative and forward-thinking strategies to cut through complexity and address cyber security challenges effectively.

**Data & Analytics** Globally, D&A is a key strategic priority for KPMG. It has become an integral part of solving business issues for KPMG professionals – combining innovative algorithms and technologies with in-depth business knowledge and experience to capture the value in the ever-increasing amounts and sources of data. In 2015 we launched 16 globally enabled D&A strategies, supported by an ecosystem of alliances and investments, that clients can benefit from today to turn their data into business value.

**Telecommunications** Telecom companies invest considerably into next generation technologies, new markets, innovative products and services, strategic alliances and fresh business models as they face up to the challenges of an insatiable demand for data, and intense competition from new players. KPMG specialists help clients implement capital management with the right mix of investments to maximize long-term shareholder value, by ensuring that expenditures are aligned to strategy and market demands.

# Cyber Security



**[Read more]**

*Connecting the dots: A proactive approach to cybersecurity oversight in the boardroom*

**[Read more]**

*Going beyond the data and analytics*





---

## GEOGRAPHIC EXPANSION

Geographic expansion will be a high priority as CEOs embark on more aggressive growth strategies. A complex web of international agreements and local regulations must be untangled to ensure compliance and profitability in these cross-border transactions.

The growing appetite for acquisitions expressed by many CEOs is likely to set its sights on Brazil in 2016, where assets are now attractively priced for international investors. In an economically unstable environment and with a downgraded risk rating, investors and sellers will require reliable and accurate valuation to support decision-making and greater confidence in negotiations, contracts and pricing.

[Read more]

*M&A Predictor*

[Read more]

*Global Transfer Pricing Review*

---

## OUR APPROACH

Supported by our international network of member firms, KPMG in Brazil is uniquely positioned to condense and translate the culture, legislation and markets of the countries in which clients are looking to operate, and to provide advice on strategic and operational decision making.

**M&A** KPMG staff have effectively worked on a range of engagements involving the acquisition, disposal and discontinuance of client businesses.

**Due Diligence** In addition to traditional due diligence covering financial, tax, labour, environmental, legal and other aspects, KPMG offers *Vendor Due Diligence* services that include advising clients on selling their business, setting up and managing data rooms and discussing deal-critical issues. For investors unfamiliar with Brazil and its business environment, *Strategic Commercial Intelligence* provides insight into the markets in which they are planning to invest.

**Tax Controversy** Our clients' local and multijurisdictional business activities can generate a range of tax disputes. KPMG tax experts help develop arguments based on deep insights into the local legislation involved.

**Transfer Pricing** The pricing service offered by our Tax practice supports continuous strategy management through planning and traceability, automated and periodic pricing computation (with dashboards), adjustment details by product, recommendations on optimal methods for taxpayers and projections. In 2014, the International Tax Review ranked KPMG as Number 1 in Brazil for Transfer Pricing services.

# Regulatory Environment Survey 2015

## The biggest barriers to compliance at your company:



## REGULATORY ENVIRONMENT

Internationally, the market has seen a growing cross-sector movement promoting tax morality and transparency. The regulatory environment continues to be increasingly intense, not just in highly regulated sectors, but across all industries that do business across borders. An example of this is the action plan on Base Erosion and Profit Shifting (BEPS) led by the Organisation for Economic Co-operation and Development (OCDE), which establishes principles to ensure that international transactions are fair and transparent.

Brazil is currently experiencing profound changes. The Anti-Corruption Act and the deep-reaching investigations by the Federal Police have created unprecedented pressure on Brazilian companies toward improved ethics and transparency. The implementation of Siscoserv under Act 12741, which requires the tax burden on goods and services to be stated on the relevant invoices, and tax recordkeeping within the SPED environment have created significant changes in the way companies organize and report transaction information to tax authorities. Electronic scrutiny processes have allowed large amounts of data to

be compared and analysed in depth, increasing the challenges for companies to ensure compliance.

As a result, companies are increasingly realizing that there are tax implications in almost every change in the business environment, and that considering tax practices earlier in the decision-making process can provide tax benefits and reduce losses deriving from tax, financial or reputation risk.

**[Read more]**

*Pesquisa Ambiente  
Regulatório 2015*



## OUR APPROACH

In addition to our Audit practice – which brings market credibility and confidence and ensures our clients are compliant with current regulations – we combine our tax, legal, consulting and technology expertise to create multidisciplinary approaches to address the structural changes arising in the new business environment. With these approaches we help our clients review their internal processes and implement the solutions needed to achieve compliance with local and international regulations.

**Electronic Tax Compliance** This service brings together our Tax and Advisory practices (tax, IT, tax law and internal process specialists) to assist our clients in achieving compliance in a complex regulatory environment. This entails process and system reviews, analysis of data conformity and deep insight into the risks inherent to Human Resources and compliance with tax, labour and social security regulations. KPMG's *KTAX* software runs digital analyses on clients' data files against the requirements of tax authorities. Data is validated, compared and reconciled and managerial reports and indicators are generated to allow tax data and information to be corrected prior to delivery.

**Dynamic Audit** Audit works in the public interest, organizing and reviewing information and bringing reliability to our clients' financial statements. We work closely with audit committees and managers in addressing their financial statements and challenging issues (detecting fraud, checking inconsistent

information or identifying weaknesses in internal controls). Audit is a dynamic process that evolves continually to meet the needs of investors and respond to changes in the market. Innovation is therefore essential. For the past several years we have transformed our audit approach using technology to enhance the value and relevance of the information we deliver to our clients. Our proprietary methodology has been enhanced by Data & Analytics (D&A) tools that provide the ability to analyse entire populations of data. Comparing this data with clients' internal data allows us to dig deeper to reveal more about a business and its risks. This helps us deliver analyses that are more accurate and connected to market information, providing greater insight and quality to our clients' decision-making.

**Forensic** Our Forensics practice helps clients map corruption risks in the business, and design and implement procedures, standards and controls for the entire value chain. In addition, our professionals conduct highly specialized investigations that support clients in preparing their defence in external investigations and have the capability to manage large projects involving large volumes of, often confidential, data.



---

## PRESSURE TO DELIVER RESULTS

---

Is as intense as it has ever been. The survey reveals that many CEOs are accelerating their growth strategies, seeking alliances and looking for new ways to reduce development cycles. As a result, operating models are evolving at an accelerating pace.

**[Read more]**

*Shanghai SSOA Roundtable  
Discussion*

---





## OUR APPROACH

Our Advisory and Tax practices convert the knowledge generated by our member firms globally into value by empowering our clients to implement the strategic and operational changes required in the short, medium and long term, contributing to their sustainable development.

**Deal Advisory** Our Deal Advisory team brings together multiple subject-matter experts to develop a comprehensive approach that helps our clients see beyond the immediate challenges to future business development opportunities. This approach covers each of our clients' typical transaction events, including selling, buying, partnering, fund raising or restructuring efficiently and effectively.

**Shared Services and Outsourcing Advisory (SSOA)** Helps our clients understand and address tax, regulatory, accounting and risk management, technology and other outsourcing issues.

**Middle Market** A methodology designed for small and medium businesses that integrates Audit, Tax and Advisory insights into high-value action plans for businesses to achieve their desired level of development. Sound advice supports managers in their decisions to go public, incorporate new partners and professionalize their management.

**Financial Risk Management** In today's complex and unstable business environments, concerns about financial risk have been increasing. KPMG's Financial Risk Management professionals help enterprises of all kinds and sizes to develop robust financial risk management frameworks that satisfy compliance demands, contribute to better decision making and enhance performance.

**Tax incentives** Federal and state governments offer a range of tax incentives that are often unknown to companies or not used to their fullest permitted extent. Two examples are the *Brazilian Tax Incentive programme*, which benefits companies investing in research, development and innovation, and *Inovarauto*, a programme designed to strengthen Brazil's manufacturing capabilities and support investments in research, development and innovation to improve vehicle efficiency. KPMG's multidiscipline team has worked closely with clients in applying for tax incentives, as well as advising on their tax reporting obligations.

**Supply-Chain Management** Supply chain management has become increasingly complex in an increasingly globalised world, with companies under pressure to reduce costs while delivering excellence in service to consumers. We undertake engagements that help companies improve the efficiency and effectiveness of key processes across all stages of warehousing and distribution, directly impacting their financial performance.

**Strategy** Our specialists provide managers with efficient, quick and meaningful analyses to support decision-making or other specific needs affecting future business results.

# Professional development

## High-performance Intellectual Capital

Intellectual Capital is directly linked to Human Capital, as we rely on people to realize our knowledge and action potential.

For this reason, we have chosen to report under Intellectual Capital the intensive investments we have made in developing and improving the skills of our professionals. This is crucial to maintaining the quality of our services, ensuring our growth and creating value for our clients.

We develop high-performing professionals by providing behavioural, technical and strategic training, reimbursement for undergraduate, graduate, specialist and language training programmes, and incentives for mobility and secondments throughout the KPMG network of member firms.

To address the breadth of our portfolio and regulatory requirements, programmes in this area are structured to develop general and specific skills according to our professionals' functions, capabilities, areas of expertise and where they are in their careers.

Since 2014, our education and development process uses the 70-20-10 model, with 70% of learning from on-the-job collaboration between professionals, improving their understanding and application of the vast-ranging knowledge we produce and disseminate. Another 20% comes from mentoring and coaching and the remaining 10% from formal training (including e-learning and classroom-based training).

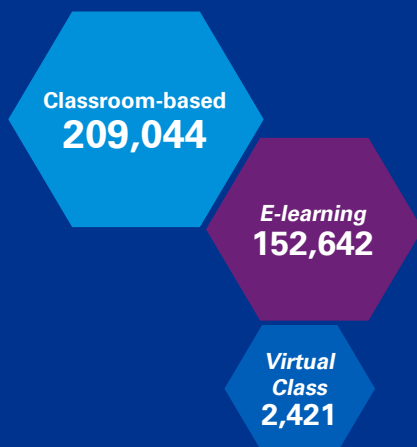
In 2015, we invested R\$ 22.6 million in training and developing our professionals, delivering an average of 98 hours of training per person. This is well above the average of 40 hours per year required by the Brazilian Federal Accounting Council, and 36% more than in 2014.

Total investment  
in training and  
development  
R\$ 22,6 million

### Total investment in training and development

	2015	2014	2013
Time (thousand hours) – not including item “b” below	364	253	243
Financial (R\$ million)	22,6	22,8	23,4
a) Specific investments in technical and behavioural skills	15,4	14,7	15,5
b) Investments in undergraduate, graduate, language, exchange and other programmes	7,2	8,1	7,9

## Training hours



Differentiated Learning & Development Methods

## Educational levels of KPMG in Brazil professionals

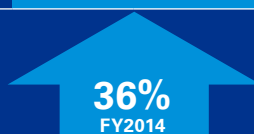
	2015		2014		2013	
		%		%		%
Higher or university education	3,674	98.8	3,431	98	3,331	96.9
Primary/secondary education	4	0.1	47	0.7	84	2.4
Technologist	41	1.1	26	1.3	24	0.7
<b>Total professionals</b>	<b>3,719</b>	<b>100</b>	<b>3,504</b>	<b>100</b>	<b>3,439</b>	<b>100</b>

## Average hours of training

per year per professional by gender, and by category **G4-LA9**

	2015		2014		2013					
	Average Men	Average Women	Average by professional	Average by professional	Average professional	Average professional				
Interns	-	50	88	45	88	47	41	56	34	44
Trainees	128	-	132	-	130	-	107	77	86	40
Staff	80	59	83	69	82	66	62	53	68	53
Managers	107	91	108	102	107	97	56	60	62	64
Partners	130	88	125	111	129	93	81	75	83	67
Subtotal	103	64	103	72	103	69	76	56	73	55
<b>Grand Total</b>	<b>99</b>	<b>96</b>	<b>98</b>				<b>72</b>		<b>70</b>	

Technical    Management



Only training hours actually taken are included. The gender cross-section is an improvement introduced in the 2015 reporting cycle, although we have maintained the historical series from previous years for comparison by professional. Annually, all processes at the KPMG Business School undergo a Quality Review, which is an internal audit.

# Performance & development (P&D)

The Performance & Development department offers opportunities to achieve a balance between specialist knowledge and the skills and experience each professional needs to excel in their careers.

A development plan is crafted based on performance assessment results (MyPD, My360 and Agility) and where a professional is in their career at KPMG (Staff, Lead, Manager or Partner).

The Performance & Development department contributes to KPMG's strategic objectives, strengthening our vision and values and delivering innovation, excellence and quality.

## KPMG Business School

Responsible for planning our training and development programmes, including both online and classroom-based activities.

Supporting this is KPMG in Brazil's Clix online learning management platform, which offers over 200 courses to our professionals.

Training Centres in São Paulo and Rio de Janeiro centralize classroom-based activities, facilitating access and reducing team travel requirements and expenses.

In general, our training and courses are divided as follows:

**Corporate training** Compulsory for all professionals. This training develops behavioural skills and disseminates corporate standards and policies, such as Risk Management, Ethics & Independence and Data Privacy.

**Core training** Develops technical knowledge and skills, by activity area, enhancing our standards of excellence in service provision. Mandatory for all professionals.

**Professional training** Teaches concepts related to delivery methodology for each practice.

**Specialist training** Covers specific subjects recommended by leaders to address professional requirements and interests.





## Leadership development

### G4-43

Members of KPMG’s senior leadership attend special training and development programmes which are also designed to prepare our professionals for the leadership succession process.

In addition to special programmes provided by prestigious universities or specialist consulting firms on subjects such as innovation, business management, international business, people management, sustainability, leadership styles, strategy and communication, partners also attend training for key leaders across the global KPMG network:

**Chairman 25** A group of KPMG partners in the Americas, Europe, Africa, Asia and Oceania, all

aspiring to key positions within the Organization. The group meets every quarter to discuss important issues and leadership responsibilities. The programme has a duration of one year and a half and also involves CEOs from other firms and external consultants, in an environment that is conducive to sharing professional experience.

**Latin America Leadership Development Program (LALDP)** A three-module strategy and leadership programme for partners in Latin America, the United States and Canada who have between three and five years’ experience in their positions and are key to the development and future of their member firms.

# Reimbursement for external training programmes

We have a policy of reimbursing professionals for undergraduate, graduate, specialist and language training programmes that are relevant to advancing their careers.

## Trainee programme

KPMG in Brazil invests consistently in developing young talent through *Novos Talentos*, one of the most attractive trainee programmes in our segment. In 2015, **around 49 thousand** candidates participated in the selection process and 461 were hired to work at the Audit, Tax and Advisory departments of offices across Brazil.

All trainees attend an intensive training programme before they begin work at our practices to ensure they understand our principles and quality standards, as well as our values in the context of corporate citizenship.

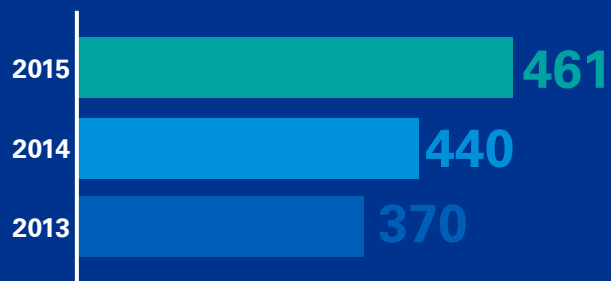
## Mobility and secondment

Our professionals are given the opportunity and encouraged by our leadership to take assignments throughout KPMG International's global network and experience other cultures.

Global Opportunities (GO) is a programme covering all forms of temporary assignments to KPMG member firms, with professionals retaining employment in their home country.

Four types of assignments are available, ranging from three months to two years, enabling our professionals to acquire international experience in emerging markets and new practices, and competencies to meet business demands and advance their careers. In 2015, 39 KPMG in Brazil professionals joined the GO programme.

*Novos Talentos:*  
trainees hired





### Global Opportunities (GO)

	Duration	Participating professionals		
		2015	2014	2013
Global Opportunities - Long Term	2 years	24	25	20
Global Opportunities - Short Term	6 months	2	1	0
United States Mobility Program (USMP)	2 years	2	3	1
Tax Trek	3 months	11	8	6

# Risk and quality management

G4-14 | G4-41 | G4-56 | G4-57 | G4-58 | G4-PR3 | G4-PR4 | G4-PR7 | G4-PR8 | G4-SO3 | G4-SO4

Managing risk and quality is strategic for any business, but for firms operating in the heavily regulated audit environment, concern about compliance is even greater.

Credibility is central to preserving our brand and the confidence of the markets we serve.

On a daily basis we come in contact with information that is crucial to our clients and their stakeholders. To protect this information, we have developed a complex system to organize, disseminate and monitor compliance with the guidelines and procedures in place to ensure our professionals work in an ethical manner and in a way that safeguards our independence, objectivity and integrity.

Our Risk and Quality Management department is a guardian for KPMG's culture of integrity, helping to disseminate it both internally and externally. Risk Management is directly related to sustainability and the very nature of our business. It entails analysis of information to anticipate any conflicts of interest or issues in complying with the rules, standards and policies established locally and globally by KPMG.

Alongside the Service Quality Control System, this function uses a precautionary approach, focused on our core business, to shape our policies, people development, client acceptance guidelines, engagement delivery and oversight across the network of independent firms operating under the KPMG in Brazil brand. **G4-SO3**

Our stakeholders recognize integrity and professionalism as two principles that are material to our performance.

To ensure compliance with the principles of professionalism and quality, our Quality and Risk Management System is structured into **five groups**:

- **Independence, integrity, ethics and objectivity**
- **People in quality and risk management**
- **Client and engagement acceptance and continuance**
- **Engagement delivery**
- **Oversight**

**All engagement proposals we submit are preceded by rigorous risk due diligence processes**

# Structure

---

**Our Risk Management function consists of partners, managers and technical staff whose mission is to manage risk, disseminate professional practices and accounting standards, provide technical support and coordinate the implementation of quality programmes across our 23 offices in Brazil.**

## **Professional Practices Department/DPP**

Provides technical guidelines and advice on professional practices and disseminates updates on emerging technical guidance, both local and international. Coordinates quality review programmes.

## **Risk Compliance**

The function responsible for matters related to management of regulatory risk, testing adherence to the Organization's practices and computer-based training.

## **Client Engagement Acceptance and Continuance/CEAC**

Manages a rigorous and systematic policy for accepting and continuing with clients and engagements, which includes background checks and evaluation of publicly available information about the business and management of a prospective client, including its financial health, the reputation of its management, its products and the technical risk of the engagement. Anti-money laundering legislation has led us to include system parameters to identify the ultimate beneficiaries of our services, which are supported by an internal whistleblowing policy for reporting concerns of this nature.

**G4-41**

## **Ethics & Independence**

Maintains controls and assesses the conformity of our professionals, operations and services to our policies and the procedures established by regulators with respect to independence.

## **Sentinel**

KPMG's global online system for screening projects against requirements and applicable standards on independence and identifying and preventing conflicts of interest. Where the system identifies an existing or potential conflict of interest that cannot be eliminated, our policy is to reject the engagement.

## **Office of General Counsel/OGC**

Advises KPMG on corporate matters, reviews our commercial relationships with clients and suppliers and monitors the standards established for service proposals.

## **Litigation**

Handles any judicial and administrative claims. During the period covered by this report, we were not subject to any award arising from disputes related to our services.

**G4-PR4**

## **National IT Security Officer/NITSO**

Responsible for policies that protect the confidentiality of information, whether in electronic storage or on paper. As part of the information security policy, all computers have data encryption software and password-protected access. In addition, all professionals commit to keeping confidential all client and former client information. Knowledge of, and compliance with, this commitment are confirmed annually by means of an electronic statement. Our e-learning about "Data Privacy" and "Information Security Basics" also addresses this issue and notices are routinely issued reinforcing the procedures. During the reporting period there were two information security incidents in which our professionals' backpacks were stolen. Legal steps were taken and the procedures established in our policies were followed to ensure no damages resulted for our clients.

**G4-PR8**



# Independence, integrity, ethics and objectivity

**This entails systematic information analysis that enables us to anticipate any conflicts of interest or issues in complying with established rules, standards and policies.**

The procedures and policies that underpin our efforts in respect of these principles are set out in our Code of Conduct, Global Marketing Compliance Guidelines (GMC) and Global Quality and Risk Management Manual (GQ&RM Manual).

These documents and guidelines require our professionals to comply with the requirements and rules established by local legislation, the Federal Accounting Council, the Brazilian Independent Auditors Institute, the National Monetary Council, the Securities Commission, the Secretary for Complementary Social Security and international bodies, such as the Public Company Accounting

Oversight Board and the US Securities and Exchange Commission.

The contents of these documents are transmitted to our professionals through our leadership, memorandums, systematic training on independence, anti-corruption and money laundering, as well as on the Intranet. After completing Independence Training, professionals sign an electronic agreement confirming their understanding and acceptance of KPMG in Brazil's policies and their independence in performing their duties.

## Attendance levels among professionals required\* to attend training on Independence, Acting with Integrity G4-SO4 and Money-Laundering

	Independence			Acting with Integrity			Anti-Money Laundering		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Non-management	<b>2,367</b>	2,289	2,256	<b>2,425</b>	2,235	2,084	<b>2,371</b>	nd	nd
Management	<b>545</b>	477	460	<b>568</b>	454	390	<b>521</b>	nd	nd
Partners	<b>294</b>	283	279	<b>298</b>	279	227	<b>279</b>	nd	nd
Interns	<b>2</b>	6	-	<b>2</b>	3	-	<b>2</b>	nd	nd
<b>Total</b>	<b>3,208</b>	3,055	2,995	<b>3,293</b>	2,971	2,701	<b>3,173</b>	nd	nd
	<b>100%</b>			<b>99,91%</b>			<b>99%</b>		

\* **Independence:** Professionals required to take training: partners, managers, professionals and client-facing technical staff interns, and administrative function heads. All professionals required to attend, did attend training. Professionals in the categories above are not required to attend training if they were on secondment or on leave during the relevant year.

\* **Acting with Integrity (titled "Anti-Corruption" up to the previous edition):** Professionals required to attend: technical departments and the leadership of administrative departments. Attended by 99.91% of professionals required to attend training.

\* **Anti-Money Laundering:** Professionals required to attend: technical departments and the leadership of administrative departments, according to Risk Management definitions. Attended by 99% of professionals required to attend training.

Note: KPMG also includes anti-corruption and anti-bribery clauses in all contracts with vendors. Our Supplier Code of Conduct also addresses the issue.

## GLOBAL CODE OF CONDUCT

### G4-56

Our Global Code of Conduct expresses our commitments to stakeholders and how our professionals must conduct themselves in their relations with KPMG in Brazil, their colleagues, clients and the community. It also describes the resources and channels available to provide assistance on the issues it addresses.

Updated in 2012 to reflect recent changes in standards, regulations, laws and codes of professional ethics, our Code of Conduct now addresses specific anti-bribery and anti-corruption commitments and provides clarity on KPMG's broader responsibilities, such as how we can contribute to development and sustainability.

[\[Read more\]](#)

## GLOBAL MARKETING COMPLIANCE GUIDELINES (GMC) AND GLOBAL QUALITY AND RISK MANAGEMENT MANUAL (GQ&RM MANUAL)

These provide guidelines to be followed by member firms to ensure global brand consistency, maintain ethical and effective communication with our stakeholders, control reputation risks and manage client expectations on services provided, by communicating clear and objective information. Below are a few of the salient features of these two documents:

**Marketing** All communication and marketing material prepared by KPMG is revised by qualified professionals accredited in GMC. In 2015 there were no instances of non-compliance or warnings related to our regulations or codes.

### G4-PR7

**Contracts** Underpinned by the GQ&RM, our contracts provide full transparency to clients about details of the engagement, including its scope, deliverables, schedule, fees, client responsibility, subcontracting and the responsibilities of KPMG in Brazil. **G4-PR3**

**People, Performance and Culture** KPMG in Brazil has a specific policy statement in place establishing rules on relations with stakeholders in order to avoid conflicts of interest and ensure we operate in an ethical and independent manner.

**Traceability and Independence** This system allows us to monitor compliance with our investment policies in the dealings of KPMG and our partners and managers. The system contains a list of public stock corporations, their branches and financial institutions and the types of securities they issue. It also includes a list of investments held by KPMG in Brazil and other financial relationships. System data is continuously updated by our Independence function and must be reviewed prior to acceptance of a new client. Prior to acquiring securities, all leaders must use the System to determine whether the investment is restricted. They are also required to communicate all movements in individual investments within 14 days of purchasing or selling investments. If a security subsequently becomes restricted, security holders receive an automatic notice stating that they must dispose of the restricted investment. **G4-41**

---

[\[Read more\]](#)

*Global Code of Conduct*

---

# Global Code of Conduct

G4-56

## OUR PROFESSIONALS

Professionals, partners, subcontractors, consultants and others with whom we work when providing or supporting professional services.

- Support our professionals in being objective, ethical and professional
- Encourage our staff to address ethical and professional concerns without fear of retaliation
- Invest in developing our professionals so they can achieve their full potential
- Cultivate an inclusive and collaborative culture which is free from intimidation, discrimination and harassment, where all are treated with respect and dignity
- Respect the confidentiality of our professionals' personal data
- Provide a safe healthy working environment
- Provide flexibility between professional/ private life
- Implement a fair approach for compensation

## OUR NETWORK

The organisational structure that connects KPMG International's member firms around the world

- Accept appropriate clients and only accept an engagement if we can complete it to our high standards of quality
- Work with clients, suppliers and subcontractors that meet KPMG's main ethical standards
- Improve quality by developing and applying KPMG methods and procedures
- Handle challenging situations correctly by using the professional ethics and consulting experience of KPMG personnel to draw the right conclusions
- Always strive to protect and enhance the KPMG brand and reputation
- Keep assets and resources secure and only use them for appropriate commercial purposes



### **CLIENTS OF MEMBER FIRMS**

Organisations and individuals to whom we – or any member firms of KPMG International – provide professional services

- Deliver high-quality services to clients, in line with our qualifications, experience, professional commitments and contractual terms
- Act legally, ethically and in the public interest
- Maintain independence and objectivity, avoiding real or apparent conflicts of interest
- Ensure client confidentiality and only use information for appropriate professional purposes
- Promote member-firm services honestly and in complete fairness
- Forbid bribery and acts of corruption by professionals and never tolerate illegal or unethical conduct by clients, suppliers or authorities

### **OUR COMMUNITIES**

Markets, locations, authorities and companies in which or with which we operate and to which we are committed

- Enhance the role of the accountancy profession and instil confidence in the global capital market
- Help improve operation of the market economy
- Act as a responsible corporate citizen – playing an active role in global initiatives related to climate change, sustainability and international development
- Manage our environmental impacts
- Follow high standards of ethical conduct globally, and uphold the ten principles of the United Nations Global Compact
- Work with other companies, governments and charities to build stronger communities



## People in quality and risk management

**Training and development ensure that our professionals strictly comply with our guiding principles.**

Our professionals are responsible for how we interact with stakeholders. They are therefore central to ensuring the effectiveness of our Quality and Risk Management programme.

We strive to prevent conflicts of interest from arising and to ensure our professionals operate in an independent, ethical and objective manner. This is supported by training and our Sentinel system. Managing conflicts involves a range of aspects, including partner admission, recruitment and induction, accreditation, training and development, project assignment, performance development, compensation and promotions.

We have also implemented Audit partner rotation, in compliance with applicable legislation, which limits the number of years that the leaders can provide this type of service to the same client. Leadership rotation helps us develop transition and succession plans, supporting the continuity of our business. **G4-41**



# Client and engagement acceptance and continuance

**Guidelines establishing whether to accept or continue a client relationship or engagement in accordance with our policies.**

Our policies and procedures also include assessing risk in support of decision making regarding the acceptance of and continuity with clients and projects. Strict compliance with these policies and procedures is essential for us to provide professional services with the quality and integrity necessary to build more ethical and sustainable markets.

## **Acceptance of prospective clients**

Identification of risks through background checks on the company, its management, its businesses and other relevant matters, with a focus on integrity.

Acceptance or otherwise of a client is determined by the evaluating partner, and approved by the risk management partner when necessary.

## **Acceptance of prospective engagements**

Evaluation of risks, the competence of the client's financial management team, and any additional

safeguards needing to be introduced to help mitigate the identified risks.

Assessment of other relationships and services provided by KPMG to the potential client to avoid potential conflicts of independence.

Acceptance of an engagement is approved by the potential engagement leader and another senior professional, when necessary.

## **Client and engagement continuance process**

The continuance of clients and engagements in our portfolio is assessed every 12 months, or less if specific integrity issues or circumstances potentially interfering with the commercial relationship are identified. The company's risk factors are reviewed, as well as any developments affecting the continuity of the services provided.

# Engagement delivery

**Risk and quality management applied to engagement delivery and oversight, with a focus on anti-corruption procedures. G4-SO3**

Our engagements follow methodological guidelines and policies that aim to maintain integrity, compliance with local and international regulations, and the incorporation of global best practice.

Professional practice, risk management and quality control are the responsibility of all professionals in the Organization, who are expected to adhere to our policies and procedures (including independence policies) and are supported by a range of tools in meeting these expectations.

## **Methodology and tools**

The policies and procedures we have established for Audit (and other practices where applicable) include requirements for accounting, audit, ethics and quality control and other relevant laws and regulations. The Audit practice is heavily regulated and under constant scrutiny. We therefore believe it is important to demonstrate how the approach and the tools we use ensure quality and integrity in delivery.

**Compliance** KPMG's global audit methodology was developed by the Global Services Centre and is described in the KPMG Audit Manual (KAM). The tool is based on International Standards on Auditing and includes requirements that go beyond established standards, particularly where KPMG believes this can increase the quality of

our analyses. KPMG member firms may add local requirements to comply with additional professional, legal, or regulatory requirements. The rules and procedures set out in KAM are supplemented by the requirements established in our Global Quality and Risk Management Manual, which is applicable to all member firms of KPMG International.

**Scepticism** Our methodology encourages engagement teams to exercise professional scepticism in all aspects, from audit planning to execution. To support them in this process, KAM provides procedures for identifying and assessing the risk of material misstatement and procedures for dealing with those assessed risks.

**Innovation** Our audit methodology is supported by proprietary electronic tools that provide auditors at member firms worldwide with the methodology, guidelines and industry knowledge necessary to conduct effective and high-quality audits.

# Oversight

**Controlling and monitoring factors that could affect our business, our professionals and clients, or the capital market and the environment in which we operate. G4-58**

## Reviews

Systematic internal and external review procedures are in place to assess the integrity and independence of our professionals and adherence to our practices, methodologies, training and internal controls. These include:

**Risk Controls Program (RCP)** An annual check performed by KPMG International on internal controls, procedures, practices and global training.

**Quality Review Programmes** Annual reviews performed on Audit, Tax and Advisory engagements to verify conformity to our standards and required professional regulations.

**Peer Review** A local review required by the Federal Accounting Council, which consists of an external review of our engagements every four years (i.e. conducted by another audit company of the same size, and supervised by representatives from Brazilian regulators).

**Review by the Public Company Accounting Oversight Board (PCAOB)** A periodic review established for all firms registered with this organization and providing accounting audit services. The review assesses compliance with the regulations of the PCAOB, a US regulator.

In the period covered by this report, KPMG in Brazil did not incur any sanctions or fines as a result of any of these reviews. **G4-PR9**

## Disciplinary Committee

The Disciplinary Committee monitors compliance with ethical standards and the integrity of our professionals and identifies any deviations in our procedures or the professional standards governing our services. The Committee is activated when information or documents indicate potential violations by any professional, including any partner.

If evidence of a violation is confirmed, it is qualified into one of four categories of seriousness (light, medium, severe or very severe) and results in disciplinary action ranging from a simple notice and additional training to financial penalties on variable remuneration and up to and including termination of employment or partnership.

## Confidential International Hotline

For reporting suspected legal, ethical or regulatory violations. Coordinated by an independent supplier, the hotline is open to all our stakeholders 24 hours a day, seven days a week.

All reports received are registered and trigger a confidential investigation process, which is also consistent with the legislation in force and our standards and procedures.

In the period covered by this report, KPMG in Brazil did not incur any sanctions or fines as a result of any reviews, nor were any corruption cases reported through our monitoring tools. **G4-SO5**

## Whistleblowing Hotline

**Brazil: 0800 891 7391 Other countries:**

**Online: [www.clearviewconnects.com](http://www.clearviewconnects.com)**

**Mail: P.O. Box 11017 – Toronto, Ontario – M1E 1N0, Canada**



# HUMAN CAPITAL

Continuing investment in our people with a focus on high performance and a deep sense of ownership and purpose

4 million hours

dedicated to our clients

1.791

professionals promoted  
in 2015

47% women on our team

professionals

3.719

(growth of 6%)

Corporate Citizenship Certification

São Paulo State Government

Decent  
Labour  
Practices

São Paulo State  
Government

Top 10 World's  
Most Attractive  
Employers to Work  
For 2015

Universum

---

# Management

People management is at the heart of our strategy, driving **excellence** in Intellectual Capital. We are recognized internationally for our **ability to attract and generate talent**, which encourages us to continue to deliver on our commitment to invest all resources necessary to train and develop our professionals and leaders. A **high-performance culture** is central to how we encourage our professionals to achieve their full potential to create value for our stakeholders. And **diversity** is a powerful ally, providing a combination of expertise and innovative insights.

---

## Assets

### Continuous development

We invest in the quality of our services through continuing training and development.

### Benefits

We encourage healthy habits and quality of life through campaigns, benefits and a collaborative environment.

### Career development

Professional achievement is recognized through a range of evaluation and feedback tools that inform each professional's career plans and development.

### Diversified talent

We draw on intraregional diversity and experience to deliver a combination of expertise and innovative insights in our engagements.

### New talent

We invest in new talents so that, whether or not they continue to work with KPMG, they will adhere to our principles of professionalism and integrity.

## Value creation

An inclusive environment that encourages work in diversified groups.

Health, well-being and a positive organizational climate.

Ethical and professional behaviour and integrity.

Personal and professional development.

Motivation to deliver high performance.

Leadership prepared for their roles.

Empowerment of women both within and outside KPMG.

Trainees and professionals trained by KPMG take our principles of integrity and high performance to other stakeholders and future job opportunities.





We ended financial year 2015 with **3,923 staff members**, including:

**3,719 KPMG in Brazil professionals:**

- 3,395 employees hired under the Consolidated Labour Regulations (CLT) and all covered by collective bargaining agreements. **G4-11**
- 300 partners
- 9 interns
- 15 temporary employees with no employment relationship with KPMG, mainly allocated to infrastructure support services

**204 outsourced workers:**

- With no employment relationship with KPMG (largely employed in infrastructure support services)

---

## Staff

All people working at KPMG in Brazil

## Professionals

Partners, employees of KPMG's technical and management functions (registered in accordance with Brazilian labour legislation), temporary employees and interns

---

## Distribution of KPMG in Brazil professionals by office (%)



\* Belém, Belo Horizonte, Brasília, Campinas, Cuiabá, Curitiba, Florianópolis, Fortaleza, Goiânia, Joinville, Londrina, Manaus, Osasco, Porto Alegre, Recife, Ribeirão Preto, Salvador, São Carlos, São José dos Campos and Uberlândia.

### Total KPMG in Brazil Staff G4-10

Cities/Offices	Partners	Permanent Employment CLT	Temporary Employment	Temporary employees	Third-Party Workers
São Paulo	203	2,062	8	12	165
Rio de Janeiro	38	472	0	2	16
Other locations	59	861	1	1	23
<b>Total 2015</b>	<b>300</b>	<b>3,365</b>	<b>9</b>	<b>15</b>	<b>204</b>

Gender	Partners	Permanent Employment CLT	Temporary Employment	Temporary employees	Third-Party Workers
Male	258	1,720	3	4	132
Female	42	1,675	6	11	72
<b>Total 2015</b>	<b>300</b>	<b>3,365</b>	<b>9</b>	<b>15</b>	<b>204</b>

<b>Total KPMG in Brazil professionals (except third-party workers)</b>	<b>3,719</b>
--	--------------

Because 75% of our professionals are based in the São Paulo and Rio de Janeiro offices, we have opted to present these indicators in three categories: São Paulo, Rio de Janeiro and other offices.

The categories "temporary" and "third-party" are not representative so we do not map gender amongst them.

For a detailed headcount by category, [Visite].

# Assessment and feedback/ career planning and development

G4-40 | G4-44 | G4-51 | G4-LA11

To support our professionals' development, we have established a robust career and development plan that provides continuous opportunities to experience challenges and innovation. The plan follows KPMG's global privacy guidelines and is based on the principles of merit and equal opportunity.

Performance assessments are conducted annually using tools that assist in identifying strengths and areas for improvement in both technical and behavioural aspects.

Among our senior leadership, those professionals whose performance most effectively contributes to the Organization's results are recommended as partners and are evaluated by an independent consultancy, by the members of the Executive Committee in Brazil and by Senior Partners at KPMG International.

In 2015, **85% of eligible professionals**, or a total of 3,165 people, participated in the **My Performance Development (MyPD)** assessment process. MyPD is supplemented by **My360**, a global platform for feedback by superiors, peers, subordinates and internal clients, providing inputs into our professionals' career development plans. Partners and managers across the KPMG network also participate in the **Agility** feedback programme for senior leadership.

## Number of promotions

Position	2015	2014	2013
Staff	1,597	1,840	1,900
Staff to Manager	106	105	86
Manager to Senior Manager	43	49	52
Senior Manager to Partner	45	38	23
<b>Total</b>	<b>1,791</b>	2,032	2,061

## Performance Assessment – MyPD G4-LA11

MyPD	Percentage of professionals receiving performance and career development feedback					
	% Men		% Women		% Average for Category	
Interns	0*	100	50	74	50	86
Trainees	67	0**	68	0	68	0
Staff	94	83	91	83	93	83
Managers	92	82	90	95	91	89
Partners	93	53	94	83	93	60
<b>Average for Organization</b>						<b>85%</b>

\* There were three professionals in this category, both female;

\*\* There were no administrative professionals in this category in 2015

● Technical Team

○ Management Team

# Compensation

MyPD and My360 are used as a basis for informing promotions and salary increases, as well as for the **Profit-Sharing Programme**, which also takes into account the general results of the Organization, the business unit and the professional. These principles are also used to define the compensation received by partners, including the chairman, alongside criteria such as KPMG's business profitability and social and environmental targets. **G4-51**

The Profit-Sharing Programme is self-funded (rewards are distributed when financial targets are achieved), transparent (with clear communication of the programme and interim results), participative (employees follow results and provide suggestions for improvement through the Employee Committee) and developmental (rewarding the best results and individual performance).

# Hires/turnover

## G4-LA1

In 2015 KPMG's hiring rate was 30%, with 67% of new hires at the São Paulo office.

Including voluntary terminations, our **turnover rate was 16%**. Terminations were largely of professionals under 30 (70%). There was no significant difference in turnover rates by gender, but voluntary terminations mostly involved men (62%).

In cases of voluntary termination, **Termination Interviews** were held to provide an understanding of what had led each professional to decide to leave KPMG. Qualitative data deriving from these interviews is submitted to partners to inform the development of action plans focused on continual improvement of talent retention rates.

## Hires and Turnover G4-LA1

Office	Hires	%	Voluntary termination	%
São Paulo	748	67	343	59
Rio de Janeiro	117	11	81	14
Other units	244	22	160	27
<b>Total</b>	<b>1,109</b>	<b>100</b>	<b>584</b>	<b>100</b>
Gender	Hires	%	Voluntary termination	%
Men	534	48.2	361	62
Women	575	51.8	223	38
<b>Total</b>	<b>1,109</b>	<b>100</b>	<b>584</b>	<b>100</b>
Age range	Hires	%	Voluntary termination	%
Up to 30	895	81	409	70
30 to 50	205	18	171	29
Over 50	9	1	4	1
<b>Total</b>	<b>1,109</b>	<b>100</b>	<b>584</b>	<b>100</b>

# Focus on individuals/ health and quality of life

G4-LA2

## Mylife

Our quality of life programme encourages healthy habits, well-being and care for body and mind, helping staff to balance their work and personal life.

Mylife has three pillars:

**Culture and Entertainment** Special programmes, options and discounts at artistic and cultural events, and classifieds for buying and selling products and services.

**Health** Special discounts at gyms and pharmacies, and an Intranet site and awareness campaigns on quality of life.

**Facilities** Day-to-day convenience services for our professionals, such as discounts at restaurants, stores, hairdressers and other service providers.

Of the initiatives being considered for feasibility in 2015, the following were implemented:

**Walking and jogging group** In 2013 we began supporting professionals participating in marathons and races. In 2015 we provided a coaching service to prepare our athletes in São Paulo and Rio de Janeiro for the 23rd Sugarloaf Marathon. In addition to coaching, we offered a 50% reimbursement of the entry fee and support during the marathon race, including a massage service and breakfast. After receiving positive feedback, we are currently planning annual circuits and will extend the initiative to other offices.

**Nutrition education programme** We are considering a proposal to hire a nutritionist or establish a partnership with a content portal for nutrition campaigns.

## Marathon team

A team of 248 people (225 professionals and 23 friends and relatives) represented KPMG at the 23rd Sugarloaf Relay Marathon in São Paulo and Rio de Janeiro.







## Health & safety

### G4-LA5 | G4-LA7 | G4-LA8

Our labour practices conform to the guidelines laid down by the International Labour Organisation and the regulations of the Ministry of Labour and Employment.

Programmes as part of the PPRA, PCMCO and in partnership with consultants Bioqualinet provide our employees with support and referrals and include health, safety and wellness campaigns which are disseminated through e-learning programmes, Accident Prevention Week (SIPAT), Intranet tips and the corporate magazine *KPMGente*. The health care benefit to our employees and their dependents complete this attention.

The **Medical Clinic** at the main office in São Paulo has a doctor and a nurse on duty who, in addition to providing occupational and medical care, run prevention and health campaigns and compile case statistics. These indicators inform our mitigation initiatives at a national level. **G4-LA8**

In 2015, our Labour Safety department developed procedures for action in response to occupational injuries and measures to prevent occupational injuries and illnesses. A safe behaviour campaign is being run through two-weekly Safety Tip pop-ups displayed to all staff.

Our **Internal Accident Prevention Committee (CIPA) represents 75% of KPMG in Brazil professionals** and is governed by a Master Plan encompassing accident prevention and health promotion initiatives throughout the year, integrated with MyLife and the Corporate Citizenship department. Representatives of CIPA are from the technical and administrative areas, and categories such as manager, staff and trainee. **G4-LA5**

None of our activities involve exposure to a risk of occupational illnesses. **G4-LA7**

# Benefits

## G4-LA2 | G4-EC3

In addition to immediate benefits such as physical wellness, health, comfort and safety, we also offer a Supplemental Pension Plan – KPMG Prev – that helps our professionals plan their future. Established and governed in accordance with applicable regulations, the Plan’s by-laws and rules are available to participants on the Intranet. News and guidance is provided periodically, ensuring participating professionals are given up-to-date and straightforward information.

### KPMG Prev G4-EC3

<b>Name</b>	KPMG PREV
<b>Type (Defined Benefit (DB), Defined Contribution (DC), Composite, other)</b>	Defined Contribution
<b>Eligible employees (CLT + Partners)</b>	3,695
<b>Total Participants (CLT Employees + Partners)</b>	762
<b>Participant contribution (voluntary)</b>	5% to 10% of basic salary
<b>Employer contribution (compulsory)</b>	8% of the amount exceeding the Pension Unit (PU) (R\$ 4,026.00)
<b>Level of participation in plan</b>	National/Annual
<b>Total KPMG contribution for financial year (R\$)</b>	3,271,183
<b>Closed-end fund?</b>	
<b>Yes/No</b>	Yes

The KPMGPrev pension plan has formal and documented management, structure and guidelines. A specific fund exists to pay plan liabilities, with dedicated assets set aside to cover 74% of plan liabilities. The calculation base for this estimate includes total salaries and management fees.

### Benefits provided

G4-LA2

Benefits provided	Beneficiaries
Fitness centres	All professionals
Health insurance	All professionals
Dental insurance	All professionals
Nursery allowance	Local collective bargaining agreement - available for mothers. Also for fathers who are legal guardians.
Wedding gift	All professionals employed under CLT
Birth gift	All professionals
Annual health check-up	Partners
Drugstore facility	All professionals other than partners
Payroll loans	All professionals other than partners
Parking	Leads and managers
Graduate education incentive	Managers
Language learning incentives	All professionals, except “E” level positions and temporary employees*
Financial incentive to achieve fluency in English, Spanish or Japanese	All professionals from the technical function who provide evidence of fluency
Undergraduate education incentive	Interns to managers
KFleet (corporate fleet)	Managers
Profit sharing programme (PPL)	All professionals except partners, conditional upon meeting performance targets and eligibility requirements
KPMG Prev Private Pension Plan	All professionals
Life insurance	All professionals
Subsidy for fees paid to professional organizations (registration fees, transfers and annuity)	Trainees to managers
Grocery vouchers	Leads and managers
Meal tickets	All professionals other than partners
Commuting fares	All professionals other than partners

\*Group “E” positions are as follows: catering staff, valet, telephone operator, messenger, receptionist, intern, assistant, office assistant, trainee, printer operator, computer operator I and II, and reviser.

# Internal environment/ organizational climate

Every two years we conduct a **Global People Survey** (GPS) to measure our performance against KPMG's People policies and processes.

Based on the results, each department's leaders and respective business partners (Human Resources) design specific action plans aimed at improving these indicators.

The most recent GPS survey was conducted at the start of the 2014-2015 financial year and enjoyed 83% participation, with 2,600 professionals responding. The results show that employee satisfaction has improved across virtually all indicators, and especially Vision and Strategy.

Responses to each edition of the survey support our efforts for continual improvement. Examples of initiatives implemented as a result of the survey include:

## Rewards and Compensation

- Seniority celebrations
- Grocery vouchers for engagement leads and managers
- Advances on first profit-sharing payments
- KFleet, a corporate car benefit that has increased total compensation for managers and is unique among the Big Four auditors.

## Communication

- Regular Partner meetings
- Leadership breakfast
- New São Paulo office layout for greater integration.

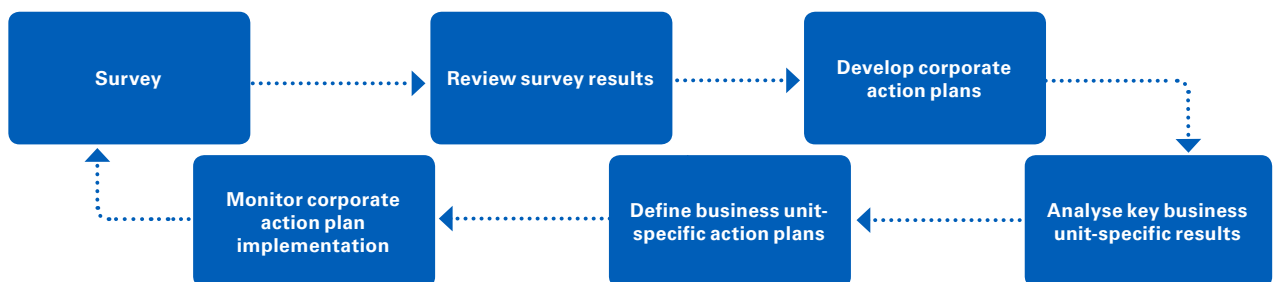
## Leadership and Management

- Vacation Management System
- Leadership programmes for engagement leads, managers, directors and partners
- The Purpose project to align our vision and create a sense of KPMG pride **[Read more]**
- Employee Coaching programme
- Trainee Welcome Functions for greater integration.

In non-GPS years, our **Pulse** survey provides an intermediate measure of whether we are on track or whether we need to adjust our course. In 2015, we recorded a 90% GPS-Pulse survey response rate, a highly representative figure that denotes our professionals' confidence in survey outcomes.

In 2015 we had to adopt the appointment of working hours on paper, given the determination of the Public Ministry of Labor, which did not recognize our electronic system. We are negotiating with some Trade Unions a new electronic system (approved by Public Ministry of Labor) which will facilitate both: employee compliance as well as the systematization of hours worked.

## Global People Survey phases



# Diversity

## G4-10 | G4-LA12

Our approach to diversity is guided by our value of **respecting the individual**. Its broader objective is to create a respectful environment that is free of discrimination, welcomes diverse opinions and safeguards the rights of each individual, regardless of their personal traits and beliefs.

These principles are further reinforced by our Code of Conduct and by merit-based compensation and promotion policies. The pillars of our Diversity policy are: Equality with respect to gender, religion, disabilities, apprentices, sexual orientation and ethnicity. Our Intranet provides information on each of these pillars and supports dialogue with our professionals.

In August 2015, we launched a **Citizenship & Diversity Survey** to map the profile and needs of KPMG in Brazil. Engagement levels were lower than expected, leading us to consider other methods of engagement to assess existing initiatives. Based on these methods, we will implement new programmes to enhance our

commitments in 2016. Among these initiatives are Citizenship & Diversity Roadshows that will tour all our offices in Brazil to share our values and gain an in-depth understanding of local realities.

## KPMG's Network of Women (KNOW)

### G4-15 | G4-LA3 | G4-LA13

Identified as one of our differentiators, which has earned us a Silver accolade in the WEPs 2014 Brazil awards (UN Women), KNOW encourages the professional development and retention of women at KPMG by offering the resources and conditions necessary to provide them with the opportunity to develop professionally.

### Breakdown of KPMG professionals by age and gender (%) G4-10 | G4-LA12

Technical Team	Up to 30				31 to 50				Over 50			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Interns	0	100	43	57	0	0	0	0	0	0	0	0
Trainees	47	53	0	0	0	0	0	0	0	0	0	0
Staff	53	47	35	65	51	49	30	70	100	0	11	89
Managers	68	32	50	50	68	32	43	57	50	50	67	33
Partners	0	0	0	0	87	13	67	33	84	16	90	10
<b>Total</b>	<b>51</b>	<b>49</b>	<b>35</b>	<b>65</b>	<b>67</b>	<b>33</b>	<b>34</b>	<b>66</b>	<b>80</b>	<b>20</b>	<b>41</b>	<b>59</b>

In January 2016, we launched a mandatory on-line registration system that will allow us to compile data on (ethnic and religious) minorities for the following reporting cycle.

KNOW has developed a range of initiatives such as our internal mentoring programme, rescheduling of client appointments for women during and after pregnancy, six-month maternity leave, milk dispensaries and the Motherhood Blog. **G4-15** This affirmative action has helped increase our retention rates after maternal leave.

In addition to these internal initiatives, KPMG is active in related forums such as *CRC Mulher*, *IBEF Mulher*, *Movimento + Mulher 360*, *LIDE* and *Women Corporate Directors (WCD)*. Our participation in these initiatives provides access to a broad network for sharing policies and good practices relating to gender equality and women's development.

Despite these efforts, there is still much to be done. KPMG initially set a 25% target for female partners by 2015. At the time of preparing this report, statistics indicate we will not meet the target.

Diversity therefore remains among our global strategic priorities in 2016, and a set of guidelines

has been established for the external and internal environment to help us progress in promoting gender equality at KPMG and among our stakeholders.

## Return to work and retention rates after parental leave

(Permanent Employees/CLT only \*) **G4-LA3**

**68 women took maternity leave. Of these:**







**53 of 54 returned to work after parental leave (98%)**

**14 women are now on leave and should return during the following reporting cycle, and will then be included in the return rate calculation**

**33 men took parental leave. All returned on the appropriate date.**

\*The methodology considers voluntary redundancies that occurred up to one month and one day after the date of license return.

## Ratio of basic salary of women to men\* (only professionals employed under CLT) **G4-LA13**

	2015		2014		2013	
						
Interns	1.00	1.00	**	**	1.00	1.00
Trainees	1.00	***	1.00	**	1.00	0.94
Staff	0.90	0.94	0.90	1.02	0.89	1.02
Managers	1.00	0.87	1.00	0.86	0.98	0.86
Partners	0.96	1.04	0.94	0.98	0.99	0.99

\*Uses the average basic salary for each category, by gender, and states the ratio of basic salary of women to men. \*\*There were no women in these departments/categories. \*\*\*In 2015 there were no management trainees.

Examples for data interpretation:

Ex1.: Technical Team / Intern Category 2015 / 1.00 = means the base salary of women is equal to men's.

Ex2.: Technical Team / Staff Category 2015 / 0.9 = means the base salary of women is 90% of (or 10% less than) men's.

Ex3.: Management Team / Partner Category / 1.02 = means the base salary of women is 0.02% greater than men's.

 Technical Team  Management Team



# #Heforshe

---

## **A global movement led by UN Women to encourage boys and men to act against the inequality faced by women and girls.**

Because this is an important cause for KPMG in Brazil, we have been invited to join the National Committee for the movement alongside representatives from governments, universities, civil society organizations and businesses.

As a firm, we have committed to leading affirmative action to empower women. In 2015 we launched an internal contest that will recognize the best case studies demonstrating how men at KPMG have contributed to developing women's careers at our Organization.

# KPMG studies inspire new practices

---

## **View From The Top: How CEOs are cracking the code on gender diversity within multinational organisations**

A survey by KPMG in the UK in collaboration with YSC and the 30% Club on the benefits of gender diversity in business, the myths and realities of women's aspirations and development, the views of CEOs and the rate at which changes are occurring. [\[Read more\]](#)

## **Women's Leadership Study: Moving Women Forward into Leadership Roles**

A study that encourages women to take decisive steps to develop their leadership potential, in a survey of 3,000 women exploring the qualities and experiences that contribute to developing women's leadership and advancement in the workplace. [\[Read more\]](#)

---

# Grupo Inclusão

This group unites the different practices at KPMG around attracting, retaining and developing **people with disabilities** within the Organization. In 2016, the working scope for this group will be expanded to include support for our Sustainability Committee.

This programme has generated the following initiatives:

**Co-working** A Co-working Manual for staff on appropriate ways to interact, disseminated via the Intranet, institutional videos and internal newsletters.

**Support** Provided individually by our Diversity function to people with disabilities, apprentices and their managers.

**Hiring** Since 2011, we have invested in programmes geared to employing people with disabilities. Although regularly contacting the appropriate organizations, we have encountered difficulty in finding qualified candidates. As a result, one of our member firms has signed Terms of Conduct with the Labour Prosecutor's Office. With support from our senior management, a programme is being prepared to enable us to conclude the number of hires required. The plan was hoped to be approved in 2015 so hiring could begin within that reporting cycle, but the unstable economic environment and the hires needed to make up for voluntary terminations required us to postpone the plan to 2016. **In 2015 we had 36 people with special needs: 11 on the Technical Team and 25 on the Management Team.**

**Accessibility** Physical and technological adaptations to ensure that professionals with disabilities are well accommodated at our offices.

**Awareness** A continuous effort involving a range of specific initiatives.

- Diversity Week, in which information is provided to raise awareness and massages are administered by professionals with visual disabilities at our offices in São Paulo
- The *Movimento Superação* street march in São Paulo
- *Virada Inclusiva* (Inclusive New Year) in São Paulo
- E-Learning on **Diversity and Inclusion (1,903 professionals trained** in 2015).

## Local sourcing of senior leadership

### G4-EC6

One of the ways in which we promote diversity, as well as the development of our communities, is by incorporating knowledge of local culture into our business and allocating members of our leadership to their regions of origin. At KPMG in Brazil, **89% of our leadership (partners) are Brazilian.**

### Local hiring G4-EC6

Location	Total partners			Partners working in their home States					
	2015	2014	2013	2015	2014	2013	2015	2014	2013
State of São Paulo*	<b>219</b>	218	197	<b>159</b>	<b>73%</b>	157	72%	149	71%
State of Rio de Janeiro*	<b>37</b>	34	29	<b>27</b>	<b>73%</b>	27	79%	27	75%
Other States*	<b>38</b>	38	37	<b>16</b>	<b>41%</b>	17	45%	17	50%

\*Because São Paulo and Rio de Janeiro account for the largest number of partners, we have presented these indicators in three categories: State of São Paulo, State of Rio de Janeiro and other States.



# Financial capital

The value of our success shared with our stakeholders

R\$ 908  
million

in revenue

R\$ 161  
million

in payments to government

R\$ 433 million

in employee wages and benefits

---

# Management

Our **positive financial results** are anchored in the **professionalism** and **integrity** that underpins our management at KPMG in Brazil. We want to remain a successful organization, but we want our success to return increasing value to our stakeholders. That way, profit will always be something rightfully earned as a result of the value we create for society, and not an end in itself.

---

## Assets

### **Strategic management**

We capitalize on our partners' expertise in management, strategic planning and scenario analysis to establish a clear direction for the business and correct our course in response to opportunities and threats.

### **Long-term vision**

We direct our services to the sustainable development of our business and our clients.

### **Capital**

We inject funding into the business through debt or equity funding.

### **Integrity and responsibility**

We strictly adhere to the principles of integrity based on an effective and comprehensive Risk and Quality Management system, which helps reduce the risks to which our business is exposed.

## Value creation

Financial stability ensures longevity.

Financial returns for partners.

Salaries, profit sharing and benefits improve the quality of life of our professionals and the economy.

Payments to the government return social benefits.

Payments to suppliers activate our value chain.

Empowering vulnerable communities through investments in educational, cultural and social projects.

Investments in technology improve management efficiency, deliver integrated solutions for clients and ensure we are aligned with the global KPMG network.

# Financial results

G4-9 | G4-17 | G4-EC1 | G4-EC4 | G4-EC7

The various resources (or Capitals) available to our business are continuously converted into a range of value outputs which we share with our stakeholders.

Although 2015 was a challenging year, we recorded our best results in the past five years thanks to excellence in delivery, strategic initiatives, long-term investment and the fact that we are full-service firm, which allows poor performing segments to be offset by better performing segments, ensuring our sustainable growth.

Our long-term strategy is focused on accelerated growth in both crisis and non-crisis periods. Over the past two years:

- We have maintained our investments in training and developing our professionals on technologies and tools to make our services yet more efficient.
- We have retained our teams, re-managing those less in demand to better performing segments. This has allowed us to retain our Human and Intellectual Capital for a quick and efficient response to economic recovery.

– We have invested in new offices in São Paulo, improving team integration and reducing environmental impact.

– We have implemented SAP technology so our management is seamlessly aligned with the KPMG network of member firms, improving our technical and operational efficiency. These forward-looking investments have helped us navigate with greater confidence through difficult periods.

– We have invested in client acquisition and loyalty.

These strategies have helped us to maintain our leading market share in several segments and to meet the financial targets for profit-sharing payments to our professionals. The Mid Market segment delivered exceptional performance, accounting for 24% of revenues.

## Consolidated revenue by region and practice\* (%) Independent firms operating in Brazil under the KPMG brand

Regions	Audit	Tax	Advisory	Brazil – By region
São Paulo and Rio de Janeiro	71.9	73.6	93.4	<b>79.2</b>
South	8.4	9.4	2.3	<b>6.6</b>
Midwest	15.5	14.5	3.4	<b>11.4</b>
North/Northeast	4.2	2.5	0.9	<b>2.8</b>
<b>Brazil - Share of revenue by practice</b>	<b>47.7</b>	<b>19.7</b>	<b>32.6</b>	<b>100</b>

\* For the period from October 2014 to September 2015.



## AUDIT

We reclaimed our market leadership in the listed companies segment and remain firm in our strategy of developing new clients through a centralized Audit team supporting the broader organization. Accelerated investment in Dynamic Audit has improved efficiency and quality, supporting **growth of 14.5%**.

## TAX

Investment in technology over the past three years proved to be crucial in preparing and equipping us with the expertise and technology to advise our clients in dealing with the new requirements of tax authorities. **Growth in this segment was 14.1%**.

## ADVISORY

We expanded our staff and service portfolio across all areas, achieving significant success in engagements related to the Anti-corruption Act, corporate reorganization and business transformation. This supported **growth of 16%**.

## STATEMENT OF ADDED VALUE 2015

Economic Value Distributed through employee wages and benefits increased by 13%. Operating costs increased by 8.8%, still affected by investments in the new São Paulo office. These costs, combined with poor economic performance in 2015, reduced our direct contribution to community projects and our Accumulated Economic Value for the year.

## OUTLOOK 2016

In 2016, we will continue to work diligently to ensure that our management and investments, combined with our efficiency initiatives, enable us to achieve business targets. Our growth projections are 12% for the Audit practice, 18% for Tax and 18% for Advisory.

### Statement of Added Value\* (R\$) G4-EC1 | G4-EC4 | G4-EC7

	2015	2014	2013
<b>Direct economic value created</b>	<b>907,706,802</b>	<b>898,559,330</b>	<b>799,436,864</b>
a) Revenue	907,706,802	898,559,330	799,436,864
<b>Economic value distributed</b>	<b>775,929,579</b>	<b>701,794,065</b>	<b>650,729,691</b>
b) Operating costs	177,422,897	148,951,352	149,266,106
c) Employee wages and benefits	433,204,153	382,254,266	366,690,234
d) Interests payments to financial institutions	1,860,658	nd	nd
e) Payments to government	160,956,840	166,771,920	132,469,321
f) Community investments	2,485,030	3,037,371	2,304,029
<b>Voluntary contributions (including pro bono) to social, environmental and cultural projects G4-EC7</b>	<b>2,014,014</b>	<b>2,367,371</b>	<b>2,020,957</b>
<b>Contributions to social, environmental and cultural projects under Tax Incentive Laws G4-EC4</b>	<b>471,016</b>	<b>670,000</b>	<b>283,072</b>
<b>Accumulated economic value</b>	<b>131,777,223</b>	<b>196,765,265</b>	<b>148,707,173</b>

This information refers to the periods January to December 2015, 2014 and 2013, and represents the activities of all independent entities operating under the KPMG brand in Brazil. Under current legislation, the independent firms operating under the KPMG brand in Brazil are exempt from publishing statements of financial position.



# Social and relationship capital

Our shared knowledge and resources to create value for our stakeholders and KPMG

Client satisfaction:

98%

would recommend our services

Membership of over

60

associations

R\$ 480 thousand

invested in *pro bono* services

R\$ 2,39 million

invested in 192 events

Cited as source in

5.392 news reports

R\$ 2,48 million

in community investments

---

# Management

Our purpose calls for us to make our Intellectual Capital available to our stakeholders in a relationship based on **professionalism**, ethics and **integrity** that creates value for all parties. To achieve this, we translate our professionals' knowledge and expertise into **dynamic and meaningful services** that inspire confidence, strengthen our reputation and empower change in society.

---

## Assets

### Reputation

We catalyse the international reputation of the KPMG brand for integrity and professionalism.

### Active participation

We actively participate in discussions within trade associations in our segment and regulators on our responsibilities and on tax morality.

### Generating knowledge

We share the knowledge we produce with clients, governments, regulators, associations, universities, the media and, through them, society.

### Corporate citizenship

We maintain lasting partnerships with organizations that promote development and education.

### Oversight

We monitor the quality and integrity of our relationships with clients and suppliers.

### Commitments

Our policies are aligned with a set of national and international voluntary commitments to support human rights, sustainability and a low-carbon economy.

## Value creation

Strengthening the KPMG brand.

Contributing to the market's journey towards good practice.

Providing clarity to society and the market on the role of Audit.

Generating discussion in different segments through the content we provide through our website, publications and events.

The credibility and professional management of organizations receiving pro bono services.

Empowering vulnerable communities.

Sustainability policies and commitments positively influencing the value chain.

# Brand and reputation

The KPMG brand carries the initials of our four founders. Though from different countries and professional backgrounds, they all shared a common set of values that can be best translated as 'Inspire Confidence. Empower Change'.

For over a century, our global track record has been characterized by a forward-thinking service offering, responsible professional conduct, business integrity and helping shape a better future by sharing our knowledge with businesses, governments, the media, unions and trade associations, and voluntary sector organizations.

This combination of attributes has long sustained our position among the global Big Four and secured our prestigious position as leaders in a number of our segments.

The local and international accolades with which we have been honoured each year are also a measure of the market's positive perception of our performance. In 2015 alone, KPMG received ten local and international awards linked to aspects such as sustainability, human rights, management, human resources and audit.

The way we enhance the KPMG brand is expressed in a set of documents and procedures that guide the actions of all member firms worldwide. [\[Read more\]](#)

# Client relations

## G4-26

Our relations with clients, the market and society are underpinned by ethics and independence and are part of our basis for ensuring the quality of our work and the sustainability of the business.

This interaction takes place directly between clients and professionals on the ground, through satisfaction surveys and through the various channels we have created to share the knowledge flowing through KPMG International's network of member firms, such as research and publications, events, seminars and roadshows.

Our brand is our seal of confidence.

**For clients,** it is what inspires them to trust KPMG to solve their most complex business challenges.

**For our people,** it is why they devote a significant portion of their career to KPMG.

**For member firms,** it is what makes them connect with and invest in our global priorities.

**For our other stakeholders,** it is synonymous with a commitment to integrity and high performance.

Our brand is our passion;  
it is what drives us  
to be our best.

# Client and engagement acceptance and continuance

Our **Risk and Quality Management System** [Read more] establishes stringent policies and procedures to ensure we associate with the right clients. Regardless of the financial returns that a potential new engagement could generate, it will only be accepted after background checks have been performed to assess its implications. The same care is taken in conducting systematic assessments as to whether to continue with engagements.

## Client satisfaction

Gauging the satisfaction of our internal and external clients is an essential part of how we build our reputation and ensure the quality of our services.

### CLIENT SATISFACTION SURVEY

Conducted annually, client satisfaction surveys help us identify the most material issues from the perspective of our stakeholders, as well as strengths and opportunities for improvement in our work dynamics. **G4-PR5** We use two criteria to determine the sample of clients responding to the survey: engagements completed in the relevant financial year and clients paying remuneration above R\$ 50 thousand across all practices in Brazil. These are sent an e-mail questionnaire that rates us on a series of standard indicators and has a dedicated field for additional comments.

The fact that 97% of respondents would use other KPMG services and 98% would recommend KPMG demonstrates recognition of our quality and integrity.

### Client Satisfaction Survey **G4-PR5**

Dimensions	2014/2015	2013/2014	2012/2013
Expectation	<b>9.2</b>	9.1	9.4
Technical quality	<b>8.2</b>	7.9	7.9
Technical quality	<b>7.9</b>	7.8	7.8
Professional conduct and service	<b>8.5</b>	8.3	8.5
Form of delivery	<b>7.9</b>	7.7	7.6
Timely delivery	<b>6.7</b>	6.7	6.9
Would use other services	<b>97</b>	92	93
Would recommend KPMG	<b>98</b>	95	97
Total respondents	<b>145</b>	313	186

**98%** of our clients would recommend KPMG and **97%** would use other services we offer.

### INTERNAL CLIENT SATISFACTION SURVEY

Intended to assess the support provided by our Operations and Infrastructure functions, this survey measures our professionals' satisfaction levels and supports the development of action plans to improve services.



# Sharing knowledge

G4-26

Every day, our professionals are supported by a robust database of information that is essential to maintaining excellence in service and ensuring high-quality delivery.

Part of the repertoire we build across the KPMG network is made available to our stakeholders in order to enhance the debate around the complex issues we address.

Continual collaboration with the media, research, studies, debates and sponsorship of events provide clarity and guidance about complex issues and are some of the strategies for disseminating this expertise.

## Events

Another way we foster the generation and dissemination of knowledge is by sponsoring events, conferences and lectures. In 2015, we invested **R\$ 2.39 million in 192 events** in Brazil.

## Media

In 2015 we were directly or indirectly cited in **5,392 news articles**, most of which reported on studies and research carried out by us or in consultation with our professionals as a source of reference for market assessments.

## KPMG Risk University

Designed to provide executives with an innovative platform for sharing experience and learning about best practice, corporate governance, and risk and compliance tools, and for enhanced networking among participating companies. Over a period of four years, about **150 executives participated in the programme**.

In 2015, KPMG launched the **Risk University for Women**, a skills building programme for women aspiring to positions in senior leadership and corporate boards. This is another way we have contributed to the empowerment of women.

[\[Read more\]](#)

## Studies and research

Our research covers a variety of topics concerning our activities and is used to update our professionals worldwide and the broader market.

Download our thought leadership app to get access to our publications

---

## Audit Committee Institute (ACI)

The Audit Committee Institute (ACI) – one of our most important initiatives – is a forum for disseminating best practice in corporate governance as well as political, economic, corporate, legal and tax trends affecting our business. Maintained by member firms of KPMG International, the Institute is open to the members of the boards of directors and audit committees of companies in more than 30 countries. In 2015 KPMG in Brazil held six meetings attended by 554 people.

Supplementing ACI activities are **GRC Forums** at all regional offices to provide our Governance, Risk and Compliance professionals with information on identifying risks, control processes, anti-corruption procedures and other matters.

[\[Read more\]](#)

*A Governança Corporativa e o Mercado de Capitais*

[\[Read more\]](#)

*Pesquisa Global 2015*

---

# Memberships

**G4-16 | G4-26**

We are members of 60 trade associations and actively engage with regulators, where we share insights in debates or serve on boards, executive committees and working groups to further our professions and to ensure the sustainable development of our business.

On the KPMG Sustainability Report website **[Visit]**, we provide a complete and updated list of associations and their activities.



## Advocacy: auditors as agents of governance

---

**With every report involving mismanagement of large corporations, Audit faces the scrutiny of public opinion: shouldn't auditors detect irregularities? Did they turn a blind eye?**

These questions show that there are still many misconceptions about the role of auditors, and especially that an audit is meant to detect irregularities.

To address the expectation gap, KPMG works with associations such as Instituto dos Auditores Independentes do Brasil, Conselho de Contabilidade, Instituto de Auditores Internos do Brasil and Associação Nacional dos Executivos de Finanças, Administração e Contabilidade

to prepare studies and organize events and forums to help the market and society make better use of audit deliverables.

Internationally, KPMG has been active in broadening this discussion through a range of initiatives. As an example, in 2015 the Value of Audit round table series brought together audit committee members, representatives from regulators and CFOs for a series of clarifying discussions in London,

Johannesburg, Singapore, Toronto and Frankfurt. Topics included the impact of corporate governance on audit quality and ways to improve financial reporting to better meet the needs of stakeholders. The next series of meetings will focus on the financial reporting changes that investors believe can be made so disclosures are more beneficial to the capital market.

---

**“With the important role they play in ensuring the accuracy and integrity of financial information, independent auditors not only provide confidence to investors, but also act as gatekeepers and allies to regulators in ensuring compliance.**

**Timely and accurate disclosures, efficient and adequate internal controls and a truly independent audit are essential requirements and should be prioritized in order to ensure a more reliable, responsible, transparent and efficient business environment.”**

Leonardo Pereira, Chairman of the Brazilian Securities Commission, 5<sup>th</sup> Ibracon Conference, 2015

---

[\[Read more\]](#)

*Value of Audit*

# Supplier management

## G4-12 | G4-HR10

Following the commitment undertaken by KPMG International to the UN's Guiding Principles on Human Rights, the subject of human rights has featured in KPMG's strategy, and has also influenced relations with clients and suppliers.

Standard draft contracts have incorporated anti-bribery and pro-human rights provisions since 2012. To date no contract has been rejected due to human rights violations. **HR-10**

Supplier management is largely centralized at our Procurement department in São Paulo, which interacts with the Risk Management department to avoid any conflicts of interests involving suppliers who are also clients. However, when economically feasible, suppliers are sourced regionally for items such as cleaning services and materials.

The service provision agreements (facilities maintenance and management, reception, cleaning, catering, dispatch, couriers, technical support and property protection services) in São Paulo account for around 70% of total outsourced staff in Brazil. We require these suppliers to properly register their employees in accordance with Brazil's legislation. Payment of these suppliers is only made upon submission of monthly documents that provide evidence of the employment relationship.

While our business does not involve a complex and high-impact supply chain, in 2015 we implemented a Supplier Code of Conduct, to further deliver on our commitment to disseminating best practices.

We also progressed further in defining criteria for identifying business-critical suppliers. Out of our database of **1,968 suppliers**\*, 30 were prioritized largely in the IT equipment and services sector. These suppliers mainly provide: (i) benefits for

KPMG professionals such as medical and dental care, meals and company vehicles; (ii) business-essential services on which there is a monopoly in Brazil, such as telecommunications, water/sanitation, electricity and mail; (iii) services required for the daily operation of the Organization, such as IT help desk service, data centres, printing and travel services; (iv) services involving access to the confidential information of KPMG and our clients, such as archiving, lawyers and data centres; and (v) the lease of the new KPMG offices in São Paulo.

Beginning in the following reporting cycle, the chosen criteria – and which will be continually refined – will help us better identify the risks and opportunities inherent to each supplier and design engagement and monitoring processes to create value for both KPMG and our suppliers. **G4-12**

\* For confidentiality reasons we do not disclose the amounts paid to suppliers.

---

**[Read more]**

*Código de Conduta do  
Fornecedor*

# Corporate citizenship

G4-EC4 | G4-EC7

## Global strategy

Our role in society is defined by the way we engage with our stakeholders. The Corporate Citizenship team is responsible for influencing the sustainable development strategy of KPMGI member firms.

Their activities are guided by a set of international commitments **[Read more]** promoted by the United Nations, the World Economic Forum and other relevant organizations, to which KPMG International has voluntarily subscribed and which also extend to KPMG member firms around the world.

The external commitments undertaken by KPMG International directly affect our global strategy for Corporate Citizenship, which is under the responsibility of the International Corporate Citizenship Board. This board is responsible for defining, organizing and disseminating guidelines and monitoring the performance of sustainability practices at member firms, including action plans and targets appropriate to local circumstances.

Two KPMG International programmes align our Corporate Citizenship initiatives with international commitments: the Global Development Initiative (GDI), which deals with issues related to development and social justice; and the Global Green Initiative (GGI), which addresses issues related to the environment and climate change.

## Local strategy

In Brazil, our Corporate Citizenship strategy has three pillars articulating our initiatives and often creating positive cross effects in locations where we operate: Education, Development and Environment. Practices related to the environment are reported under Natural Capital **[Read more]**.

---

### Pillars of KPMG in Brazil's Corporate Citizenship strategy





---

## EDUCATION

We provide support through private social investment in ongoing programmes.

Beneficiaries in 2015:

### “LITTLE CITIZEN” PROJECT

We have invested in this Project for the past 19 years, providing supplementary educational activities, medical and nutritional supervision, daily meals and sports and art activities to 220 teenagers from impoverished neighbourhoods in São Carlos/SP. The aim is to improve self-esteem, strengthen family ties and develop students' intellect, offering them a brighter future.

The Project also catalyses strategic partnerships with Núcleo Aprendiz to offer teenagers free professional training.

Our contribution includes an investment of R\$ 727 thousand/year, advice for pedagogical and coordination teams, pro bono auditing of the project's accounts and financing of the Bessan Award, which offers secondary education grants to top-performing students in the Project.

In 2015, three students received grants, an investment of approximately R\$ 44 thousand. One student, Rodrigo Azevedo, was admitted to Unesp.



### +UNIDOS (BRITCHAM)

KPMG sponsors the +Unidos (Britcham) initiative, which sponsors education projects teaching English in partnership with the Ministries of Education (Language Laboratories) and Science, Technology and Innovation (Online English platform). We provided sponsorship of R\$ 25 thousand in 2015.

### ENACTUS

KPMG International is an official sponsor of the World Championship, which mobilizes universities to develop programmes for the benefit of their communities, with a focus on sustainability and social empowerment. In addition to an annual donation of R\$ 60 thousand, KPMG professionals in Brazil are members of the board, audit the championship results and advise the participating teams. In 2015 we also invested R\$ 26 thousand in the KPMG Ethics and Integrity Award contest for teams qualifying for the Championship finals, in addition to R\$ 9 thousand in air tickets for the winning team to represent Brazil in the world championship in South Africa.

### JUNIOR ACHIEVEMENT (JA)

Since 2002, we have supported Junior Achievement's work with youth from public schools to stimulate their personal development and to provide a clear vision of the business world, supporting their entry into the job market. For the past six years we have been one of the project's national sponsors, and have encouraged our professionals to be volunteers in administering the programmes. In addition to sponsorship of R\$ 200 thousand, 148 volunteers from 19 KPMG offices in Brazil donated 1,192 hours to the project in 2015, benefiting 1,489 students. This is helping us achieve our target of including all of our offices in the programme's activities.

In October, 47 children from the “Little Citizen” project added new colour to our head office in São Paulo

## DEVELOPMENT

Our initiatives within this pillar are based on the principles of KPMG International's **Global Development Initiative (GDI)**, which focuses on promoting social justice and supporting sustainable projects.

The aim is to help improve the conditions of our communities through the following initiatives:

### PRO BONO SERVICES OR COMPENSATION

Among our most important initiatives for communities is the provision of pro bono audit and consultancy services to non-profit organizations, incorporating professionalism into management, and credibility and transparency into their financial statements.

These services are subject to KPMG's standard procedures for acceptance of clients and offer the same methodology, quality and independence offered to other clients.

Consideration for the services provided is paid by the Corporate Citizenship team to the technical team that delivered the services. The organization benefited agrees to undertake an initiative previously agreed as compensation for the services provided. **G4-EC7**



KPMG sponsored the book *Rock in Rio 30 anos*

## INCENTIVE LAWS

### G4-EC4

KPMG in Brazil keeps abreast of the opportunities offered by the Government to provide incentive-backed funding to cultural projects and organizations providing services to communities.

Every year we select projects that are aligned with our Corporate Citizenship and Marketing strategies. In 2015, however, the economic environment affected the availability and allocation of funds to this type of support.

### Non-profit organizations benefited in 2015

Organization	City	Amount R\$
Fundação Gol de Letra	São Paulo	73,000
Instituto Ling	Porto Alegre	18,000
AACD SP	São Paulo	52,000
Ação Comunitária	São Paulo	45,000
Instituto Reciclar	São Paulo	38,000
Sorri Bauru	Bauru	52,000
Lar Paulo de Tarso	Rio de Janeiro	60,000
Yunus Negócios Sociais	São Paulo	51,000
Médicos Sem Fronteiras	Minas Gerais	63,000
Instituto Embraer	São José dos Campos	28,000
<b>Total</b>		<b>480,000</b>

### Projects benefited under the Rouanet Cultural Incentive Act 2015

Organization	Purpose	Amount R\$
Rock in Rio	Cultural Book Titled <i>Rock in Rio 30 anos</i>	101,000
Federal University of Rio de Janeiro	INTERCOM	20,000
Teatro Alpha Dance Season in São Paulo	Exclusive performance by Cirque Plume	350,000
<b>Total</b>		<b>471,000</b>



## VOLUNTARY WORK

In addition to working in the Junior Achievement programmes, our professionals can also participate in two other annual initiatives.

### KPMG Community Day

KPMG Community Day is an initiative that involves professionals from all KPMG offices in Brazil in activities targeted to specific needs identified in their communities, including donating blood, clothes, food and personal care products, helping the elderly, youth and children, education, revitalizing common areas in public and private institutions and environmental awareness. In 2015, KPMG invested approximately R\$ 20 thousand to cover part of the expenses of coordinators and their teams in activities at the 21 organizations benefited by 19 offices.

### Campaigns

Our professionals also mark specific occasions like Easter, winter, children's month or Christmas by collecting and distributing donations. Events involving natural disasters and other emergencies are evaluated and can receive our assistance.

**Winter Campaign** In São Paulo we donated R\$ 13 thousand to the Soup Group in items that included 1,700 blankets and 930 kilos of food items, in addition to nearly 900 pieces of clothing. Approximately 44% of this total was donated by our professionals. The Soup Group assists people living in the streets who are at risk, carries out assessments and makes referrals for treatment and detoxification for substance dependents. The Rio de Janeiro and São José dos Campos offices also participated in similar activities benefiting other local organizations.

**Christmas Outreach** The Campinas, Curitiba, Goiania, Joinville, Rio de Janeiro and São Paulo offices distributed grocery hampers, gifts, personal care items, food and money for Christmas celebrations. In total, 401 people were benefited.

### Campaign for Syrian refugees in Brazil

Staff in São Paulo and Rio de Janeiro collected donations of powdered milk, nappies, shoes, clothing and toys to distribute to refugees.



# Natural capital

Our commitment to leave the world better than we found it

## The Sustainable Firm of the Year 2015 Award

Carbon Neutral:

6,352 t CO<sub>2</sub>  
offset

Advocacy for a low  
carbon economy:

Carbon Price

Communiqué and the  
Paris Pledge for Action

14% growth

in demand for sustainability services

7,7

thousand  
hours

of sustainability  
education

Accredited by INMETRO as a

Greenhouse Gas  
Inventory Verification  
Body

(ISO 14065)

---

# Management

Although firms in our segment are less dependent on Natural Capital than on Human and Intellectual Capital, we undertook a **global environmental commitment** in 2008 (in line with our Code of Conduct) to our vision of leaving the world in a better state than we found it, to the principle of offering services which encourage more sustainable business models and to other international commitments to which we have subscribed. Environmental management at KPMG in Brazil is based on the **KPMG Global Green Initiative (GGI)**, focusing on our **environmental goals** and **awareness raising and engagement** with stakeholders.

---

# Assets

## **Environmental indicators**

We set global and local eco-efficiency targets.

## **Engagement**

We subscribe to national and global commitments to empower positive change.

## **Raising awareness**

We invest in raising awareness among or teams, clients, suppliers and communities.

## **Knowledge**

Our environmental and climate change expertise is made available to our clients and broader society.

# Value creation

Reduced environmental impact and neutralization of our carbon emissions.

Raising awareness across KPMG and among our stakeholders on the responsible management and use of natural resources.

Services that help clients identify challenges and opportunities and adopt more sustainable business models.



# Climate change & sustainability services (CC&S)

## G4-EC2

This function is home to the portion of our Intellectual Capital that is dedicated to sustainability issues. KPMG International has a multidisciplinary team, consisting of more than 350 experts in 40 countries, to help organisations of various sizes and sectors to understand the context of sustainability, to engage in it, and to identify the best strategy for engagement and reporting, including risk management.

The group at KPMG in Brazil has 17 professionals, which is responsible for the practice in South America region and has a seat in the Global Leadership Team. Revenues from these services at KPMG in Brazil grew 14% in 2015, reflecting

increased demand as a result of greater awareness among businesses and increased regulation on these issues.

Examples of CC&S services include:

- Assessment of risks and opportunities related to climate change
- Support in consolidating information and completing reference questionnaires proposed by the Business Sustainability Index, Dow Jones Sustainability Index, Carbon Disclosure Project, amongst others
- Assessment of greenhouse gas emissions across the supply chain and/or by product

## 4x The Sustainable Firm Of The Year



In 2015 we received the Sustainable Firm of the Year award from the International Accounting Bulletin (IAB) for the fourth consecutive year, acknowledging our global network's success in meeting greenhouse gas emission reduction targets, the significant investment made in supporting communities, especially Enactus, and the contribution of our services to the sustainable development of business in several countries.

- Definition of socio-environmental Key Performance Indicators (KPI's)
- Assessing the social and environmental performance of the supply chain
- Environmental assessment and due diligence
- Developing waste management strategies
- Assessing impacts on and consumption of water resources by product (water footprint)
- Preparation and independent assurance of Greenhouse Gas Inventories
- Independent assurance for sustainability reports, social balance sheets, and other documents

## Advice on water crisis management

As the water crisis intensified in the South East of Brazil, many companies began to realize how vulnerable they were to the risk of shortage of essential resources.

KPMG's ITAS team offers services that include reviews of the business impacts of resource crises, development of policies and procedures for crisis prevention and management (including mitigation and/or source of supply replacement actions) and monitoring the crisis response.

## Environmental Management at KPMG: Global Green Initiative (GGI) Framework

### Environmental targets

Cut Net Greenhouse Gas Emissions per employee (FTE) by 10% by 2015 (baseline year: 2010)

By 2020, 50% of electricity purchased by member firms (scope 2) should be from renewable sources

### Sustainable IT

### Carbon Offsets

### Community and the Market

Be a leading service provider in Climate Change and Sustainable Services

Collaboration with and support for environmental NGOs

Contribution through sector initiatives and leadership in climate change and sustainability

### Energy-Efficient Buildings

### Awareness raising and engagement

Raising awareness about climate change amongst our professionals

Encouraging our professionals, suppliers and clients to commit to improving environmental performance

Communication and disclosure of our environmental performance

### Responsible Purchasing

### Responsible Travel

---

## 2015: a landmark in sustainable development

**LONDON, SEPTEMBER 2015:** UN member states launched the **17 Sustainable Development Goals (SDGs)**, establishing a universal agenda that will shape the engagement of companies, governments and civil society around eradicating poverty, building sustainable cities, managing climate change, ensuring universal access to health care and women's empowerment by 2030.

**PARIS, NOVEMBER 2015:** after decades of talks, COP21 witnessed the signing of the historic **Paris Agreement**, entitled *Transforming our world: the 2030 Agenda for Sustainable Development*. Signatories recognize that climate change represents an urgent and potentially irreversible threat to human societies and commit to a joint international emergency response to reduce its progression. The primary focus is on holding the increase in the global average temperature to below 2 °C above preindustrial levels.

KPMGI was actively involved in these two landmark initiatives. In the 70<sup>th</sup> UN Assembly our

leadership attended 30 events as panellists, moderators and hosts, all with a focus on sharing solutions to make the SDGs a reality at organizations in all industries and segments.

We also invest continuously in producing publications that share insights with stakeholders.

We are investing in a series of seven studies that will provide priority sectors with advice on how to implement the SDGs. The first was the **SDG Industry Matrix – Financial Service**, launched during the UN Sustainable Development Summit in New York. This publication provides examples of how companies have addressed the SDGs and of partnerships that can help them put each goal in practice, creating value for their business while also creating a more inclusive and sustainable model for economic development and welfare.

**The COP21 Paris Agreement: The clear signal to business**, published during the COP21, provides a summary of the key points agreed in Paris and their implications. It discusses

how the economy might evolve from a low carbon model and how investors will look more closely at climate-related risk and opportunity.

The ninth edition of **Currents of Change – The KPMG survey of Corporate Responsibility Reporting 2015**, launched during COP21, reflects on the current state of non-financial reporting worldwide, with a focus on the quality of carbon inventories. In it, we analyse what best-practice reporting looks like and key criteria for measuring emissions in reporting among the world's 250 largest companies.

---

*SDG Industry Matrix – Financial Services*

*Currents of Change – The KPMG survey of Corporate Responsibility Report 2015*

*The COP21 Paris Agreement: A clear signal to business*



# Environmental education

We continually engage with our stakeholders to disseminate relevant information and encourage changes in habits.

## Online sustainability training

	Hours
Introduction to Sustainability	8
Corporate Social and Environmental Responsibility	1,526
Corporate Social and Environmental Responsibility	1,914
Living Green Quiz	939
Diversity and Inclusion	1,903
KPMG, Our Purpose and Sustainability	1,508

# Environment week

We organized a range of awareness raising initiatives during the year, including the launch of a new e-learning programme titled KPMG, our Purpose and Sustainability, which was attended by 754 professionals. In total, **our professionals dedicated 7,798 hours to six online sustainability training programmes in 2015.**

# Instituto Akatu

KPMG in Brazil sponsors and maintains Instituto Akatu, an organization that works to raise awareness and mobilize society around conscientious consumption for a sustainable future. In previous years our support went to helping the organization develop an e-learning programme on conscientious consumption and implement Edukatu, an online consumption education platform used by 2000 schools in Brazil. Our sponsorship totalled R\$ 110 thousand in 2015.

# Environmental indicators

## G4-EN29 | G4-EN34

We have set local targets to encourage the adoption of more sustainable habits at KPMG and in our professionals' personal lives. To further solidify our environmental commitments, in 2015 the five targets were incorporated into our corporate goals within MyPD, a performance assessment tool that is directly linked to profit-sharing payments.

In 2015 there were no reported cases of non-compliance with environmental laws and regulations (**G4-EN29**), or complaints related to environmental impacts (**G4-EN34**) at any offices within KPMG in Brazil.

## Greenhouse Gas Emissions (GEE)

### G4-EN15 | G4-EN30

KPMG is clear that climate change is happening and that urgent action by government, business and civil society is needed to tackle it. We subscribe to the scientific view that human activity is one of the primary causes of climate change and that irreversible impacts will occur if global temperatures increase by more than 2 °C above preindustrial levels.

The World Business Council for Sustainable Development (WBCSD), of which KPMGI is a member, has established a goal of achieving net

zero emissions by 2100. This is the agenda we, too, are advancing by undertaking international commitments [**Read more**], actively contributing to discussions around climate change and implementing new practices across the KPMG network of member firms.

Our carbon footprint has the greatest indirect environmental impact due to the constant travel and commuting of our professionals on business.

We undertook a global environmental commitment to reduce these emissions by 25% between 2007 and 2010. After exceeding our phase one reduction target, at 29%, we initiated the second phase of our commitment with a new target to reduce net carbon emissions per capita by 15% from 2010 to 2015. **In the third phase of the commitment (2015-2020), our target is to further reduce our emissions by 10%.**

In Brazil we undertook a commitment to neutralize our greenhouse gas emissions by 2014. We have also compiled a Carbon Inventory since 2007 and monitor emissions annually. Our greatest impact is described in scope 3 (indirect emissions), over which we have limited or no control.



## We Are Carbon Neutral **G4-EN19**

Our Greenhouse Gas Emissions were neutralized in 2015 by purchasing 6,352 thousand units of carbon reduced from the REDD+ Project Maisa, verified in accordance with the Verified Carbon Standard (VCS) and with gold label in the Community, Climate and Biodiversity Standard (CCBS).

This project conducts conservation activities in nearly 30 thousand hectares of native Amazon forest in Baixo Tocantins region, working to curb the historic deforestation that has resulted in the loss of an estimated 0.71% of native forest per annum, placing risk to endemic species. [\[Read more\]](#)

### Greenhouse Gas Inventory (GEE) at KPMG in Brazil

**G4-EN15 | G4-EN16 | G4-EN17 | G4-EN19**

Scope	Emissions tCO <sub>2</sub> e (CO <sub>2</sub> , CH <sub>4</sub> , e N <sub>2</sub> O) year						Weight of each scope in emissions (%)
	2015	2014	2013	2012	2011	2010	
<b>Scope 1</b> Diesel consumption by generators at the São Paulo offices; Fuel reimbursements for partners	248.29	73.08	188.85	182.12	404.65	183.71	<b>3.9</b>
<b>Scope 2</b> Power consumption	362.87	485.07	325.99	237.57	90.60	136.66	<b>6.0</b>
<b>Scope 3</b> Reimbursement for KPMG employees commuting to clients; Transport of materials and documents between offices; Motobike couriers – Transport of documents; Corporate air travel	5,566.65	4,747.03	5,514.69	5,602.70	5,544.34	4,681.01	<b>87.6</b>
Other emissions HCFC-22 <sup>1</sup>	154.39	147.77	162	200.25	220.25	229.76	<b>2.4</b>
<b>Total emissions</b>	<b>6,352.20</b>	<b>5,452.94</b>	<b>6,191.53</b>	<b>6,222.63</b>	<b>6,259.64</b>	<b>5,231.14</b>	<b>100</b>
<b>Emissions per capita (per professional)<sup>2</sup></b>	<b>1.88</b>	<b>1.66</b>	<b>1.80</b>	<b>1.80</b>	<b>1.90</b>	<b>2.20</b>	

This data is for the period January to December of each year. The method for this inventory was developed by KPMG International based on the GHG Protocol and Defra Reporting Guidance.

<sup>1</sup> Following GHG Protocol guidelines, these emissions were not included in Scope 1, as HCFC -22 gas is not included in the Kyoto Protocol .

<sup>2</sup> The average headcount used in the calculation of per capita emissions is provided by KPMG International for all member firms.

tCO<sub>2</sub> e = tonnes of CO<sub>2</sub> equivalent

### Local environmental goals

Indicator	2010		Targets for 2015 (as % of FTE*)	2015		Result
	KPMG in Brazil	Per capita (FTE*)		KPMG in Brazil	Per capita (FTE*)	
Disposable plastic cups /unit.	1,056,859	445	Maintain	1,157,000	342	<b>Exceeded</b>
Electricity/GJ	9,684	4	Maintain	12,182	4	<b>Met</b>
Paper/sheets	10,614,400	4,467	Reduce by 5%	8,203,950	2,423	<b>Exceeded</b>
Water/cubic meters	16,545	7	Maintain	20,516	6	<b>Exceeded</b>
Printed material/sheets	12,834,348	5,402	Reduce by 5%	13,101,690	3,869	<b>Exceeded</b>

\*FTE = Full Time Equivalent, a metric adopted by KPMG International to indicate consumption per capita. The average number of employees used in the calculation was provided by KPMGI.

# Water consumption

G4-EN8 | G4-EN10 | G4-EN22

Since 2009, our infrastructure department has worked to improve our performance in this indicator by raising awareness and through plumbing improvements.

Dual flush toilet kits and tap flow reducers are being installed at our offices in Brazil. In addition to water-efficient fixtures, the new office building in São Paulo, home to our largest operation in Brazil, is equipped with rainwater harvesting tanks with a capacity of approximately 432 cubic meters of water for plant watering and washing applications. We have no available data from the condominium to compare the impact of this in the total consumption.

The water used at our 23 offices is supplied by local public utilities and our wastewater is collected by public sewage collection systems in accordance with the environmental regulations applicable to our segment.

In 2015 we planned to implement a contingency plan at the Vila Mariana office in São Paulo to address the water shortage. Contingency measures included a rainwater harvesting system, a water recycling tank, and a feasibility study for an artesian well. However, these actions were postponed to 2016 due to priority requirements relating to the new office in São Paulo and renovations at six offices throughout the network in Brazil. Overall, our offices have no water system for reuse or recycling. **G4-EN10**

## Water withdrawal and disposal (m<sup>3</sup>)

G4-EN8 | G4-EN22

	Water withdrawal and disposal (m <sup>3</sup> )		
	2015	2014	2013
Withdrawal	20,516	24,829	26,966
Disposal	20,516	24,829	26,966
<b>Withdrawal per capita</b>	<b>5.52</b>	<b>7.09</b>	<b>7.84</b>

# Power consumption

G4-EN3 | G4-EN4

In January 2016 KPMGI announced a new global eco-efficiency target aligned with the UN sustainable development goals. By 2020, 50% of electricity purchased by member firms (scope 2) should be from renewable sources.

KPMG in Brazil already meets this target by purchasing electricity from public utilities, which source 74.5% of electricity from renewable sources. In 2015, however, this percentage declined slightly compared with the previous period due to unfavourable hydrological conditions resulting in the dispatch of thermal power stations.

In addition to initiatives that encourage habits that avoid waste, we have adapted our premises to avoid unnecessary consumption (such as installing motion sensors) and we consider power consumption when acquiring new electronic equipment.

## Energy Sources in Brazil (%)

<b>Non-renewable</b>	<b>25.6</b>
Natural Gas	13
Oil Products	6.9
Nuclear	2.5
Coal and Coal Products <sup>1</sup>	3.2
<b>Renewable</b>	<b>74.5</b>
Hydro <sup>2</sup>	65.2
Biomass <sup>3</sup>	7.3
Wind	2

Source: Balanço Energético Nacional 2014 – BEN 2015

1 Includes coke oven gas; 2 Includes imports; 3 Includes firewood, sugarcane bagasse, leachate and other recoveries

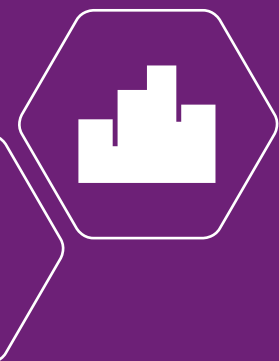
The calculation of withdrawal per capita at KPMG in Brazil takes account of the total headcount as in G4-10.



### Power Consumption - Gigajoule (GJ)

	2015	2014	2013
<b>Inside the Organization G4-EN3</b>			
Petrol	1,014.34	1,434.13	1,755.34
Diesel	48.44	74.59	24.30
Electricity	12,182.50	12,780.51	12,301.40
<b>Total</b>	<b>13,245.28</b>	<b>14,289.23</b>	<b>14,081.00</b>
<b>Per capita</b>	<b>3.56</b>	<b>4.10</b>	<b>4.09</b>
<b>Outside the Organization G4-EN4</b>			
Petrol*	27,234.06	21,847.89	nd
Diesel	12,395.82	9,423.09	nd
<b>Total</b>	<b>39,629.89</b>	<b>31,270.98</b>	nd

\* The premise for the calculation of fuel consumption outside the Organization was revised using the average consumption of light vehicles of the Ministry of the Environment - MMA, 2014.



# Manufactured capital

Physical, material and technological assets supporting quality of service and reducing environmental impacts

ABRAFAC Best of the Year 2015:  
KPMG Workplace of the future

Space Planning

Corporate fleet

23 offices

New offices in São Paulo:  
Building facilities certified

LEED CS Gold<sup>®</sup>

LEED ID+C Gold<sup>®</sup>

---

# Management

Excellence in delivery depends to a great extent on the **quality of the technology assets** we provide to manage and ensure the security of information that is relevant to our work. Technology assets are also critical to our innovation processes internally and for the benefit of our clients. **Physical and mobility** assets complete the equation of how we **support our professionals in delivering their best**. All investments related to this capital are consistent with our established environmental targets.

---

## Inputs

### Physical assets

Ergonomically designed, functional and comfortable offices furnished with appropriate materials to ensure the health, safety and well-being of our professionals.

### Technology

Equipment and systems to enhance engagement efficiency, information security and mobility.

### Mobility

Offices accessible by public transport and a corporate car benefit contribute to better mobility.

## Value creation

Information Security Management.

Greater productivity and efficiency.

Greater integration, collaboration and synergy between teams.

Comfort, health and safety for our professionals and visitors.

An increased sense of KPMG pride.

Reduced environmental impact from the construction, furnishing and use of the São Paulo office.



# Physical assets: new offices

G4-13

Our 23 offices in Brazil are located in cities that serve as business hubs for strategic regions and provide the physical and technological infrastructure required for our professionals to deliver high quality and efficient service to clients.

Since 2009, our Facilities function has worked to adapt our facilities to the needs of professionals with physical disabilities. Facilities maintenance and performance items are also covered by this function.

In 2015 we renovated four offices to optimize space utilization in Salvador, São Carlos, Fortaleza and Manaus.

## New offices in São Paulo: *workplace of the future*

A highlight last year in the infrastructure dimension was our move to new offices in São Paulo, our largest operation in Brazil. In May 2015, all 1,698 professionals from the Audit, Tax and Advisory practices, which were previously located at three separate sites, were carefully transferred to new

office space. Sited in Morumbi, near the Berrini Business Park, the new offices occupy seven floors of the EZ Towers.

Management staff will continue working from the, also strategically located, Vergueiro Office.

The new office address was selected out of 30 options on the basis of KPMG's sustainability principles. The decision was supported by studies and extensive discussion among our leadership on aspects such as layout, location, surrounding facilities, access to public transport and corporate image.

The building has been certified LEED® CS Gold by the Green Building Council for creating minimal environmental impact throughout construction and usage.

In addition to helping deliver on our global environmental commitment to facilities efficiency and sustainable technology, our new offices are in line with KPMG International's Workplace of the Future initiative. More than new office space, the new facilities are supporting our high-performance culture, helping us work together more effectively by combining the right technology, working environment and processes to support our growth, productivity and efficiency. Inspired by the new office in São Paulo, other offices are considering renovations within the same concept.

Our facilities have been certified LEED® ID+C Gold for sustainable technologies and materials.



**Waste** During construction, 75% of construction waste was sent for recycling

**Water** Estimated water savings of 40%

**Electricity** Estimated electricity savings of 50% compared with the old office facilities (high-efficiency air conditioners, LED lighting, all lights operated by motion detectors, energy-saving equipment)

**Materials** Locally sourced materials with high recycled content (42% recycled carpet), low VOC content (a common cause of allergies and irritation) and FSC-certified wood

**Air-conditioning** Air change rate at least 30% above the regulatory minimum limit

**Layout** Full open space for better staff interaction, a view of the skyline and natural lighting



**“After we had moved and settled, the change was even more impactful than we expected: an environment flooded with natural light, a stunning view of the São Paulo skyline, the Audit, Tax and Advisory teams collaborating more effectively and able to meet around their desks, or over coffee, or in a meeting room, in a creative and synergistic environment. We can tell from clients’ expressions how impressed they are and our leadership really feels privileged to be closer to our teams.”**

**Ricardo Anhesini**  
COO, KPMG in Brazil

.....

## The move

### G4-LA4

The move was announced to our staff in June 2014, eleven months ahead of the event, and was supported by a comprehensive communication and clarification process.

Planning for the move was coordinated by a Managing Committee consisting of partners, the COO and the Administrative Director, who ensured that employees received clear and transparent messages and answers to any questions, helping them adapt to the new environment and emphasizing the improvements and benefits of the move.

Despite the steps taken to ensure the impacts from the move were mostly positive, some of our professionals were affected by new commuting routines.

.....

# Corporate fleet

In 2014 we implemented a new company vehicle benefit programme for managers, called KFleet – the first of its kind among the Big Four. More than 80% of our leaders have subscribed to the benefit and chosen among four available models (all of them flex-fuel vehicles).

# Technology

## Equipment and services

The volume of information that our teams must access and process, both locally and globally, requires state-of-the-art infrastructure and effective hardware and software solutions. We are equipped with 100 servers and 4,000 computers, as well as help desk support for fast troubleshooting.

Some of the improvements implemented in 2015 included:

- Implementation of a new hoteling system at the new offices in São Paulo. The entire telecommunications system has now been incorporated on Internet links so that all communications devices used by our professionals – including mobile phones, tablets and computers – are connected to their individual extensions. They now enjoy high-quality connections whether at the office or outside the building.
- The data centre was moved to an outsourced colocation site, significantly reducing power consumption.

- Our offices in Fortaleza, Curitiba, Porto Alegre, Rio de Janeiro, Belo Horizonte and the two offices in São Paulo were equipped with state-of-the-art videoconferencing capabilities to improve productivity and reduce commuting between units.
- We have increasingly invested in technology and security to allow our professionals to remotely access the information and systems they need to complete their engagements with optimum efficiency and quality.

## Integrated business system (IBS)

In a growth environment such as KPMG's, investments in improving the efficiency of our management and internal governance processes are crucial.

KPMG's new SAP-powered business management system was piloted throughout 2014 and rolled out in 2015 to support the integration, reviewing, standardization and combination of our processes with KPMGI systems.

# Assurance Statement

BSD Consulting performed an independent assurance process for KPMG Brazil's Sustainability Report 2015, which was developed according to the Global Reporting Initiative (GRI) G4 guidelines, following the in accordance option "Core". The fifth year of the assurance process continues to provide KPMG's stakeholders with an independent opinion about: the quality of the report, the stakeholder engagement process, the adherence to the three principles of the AA1000 Assurance Standard (2008) and the management processes for material sustainability aspects.

## Independence

We work independently and ensure that none of the BSD staff members maintains business ties with KPMG. BSD Consulting is licensed by AccountAbility as an assurance provider (*AA1000 Licensed Assurance Provider*), registered under No. 000-33.

## Our Qualification

BSD is a consulting firm specialized in sustainability. The verification process was conducted by a qualified team of professionals with long-standing experience in independent assurance.

## Responsibilities: KPMG Brazil and BSD Consulting

KPMG has prepared the Sustainability Report and is responsible for all its content. Our work did not include the verification of historical financial data. The report was evaluated against the AA1000AS principles and the GRI G4 adherence checked against the "Core" in accordance option.

## Scope and limits

The scope of our work covers all information included in the KPMG 2015 Sustainability Report, full version, referring to the period from October 1st, 2014, through

September 30th, 2015 (presented as 2015), and the total Emissions (CO<sub>2</sub>e tons/year) and DVA (value added statement) data refer to the period from January 1st, 2015, through December 31st, 2015.

The assurance process was conducted according to the *AA1000AS (2008) (AA1000 Assurance Standard 2008)*, type 1, moderate level of assurance. The Assurance Statement aims to inform stakeholders about BSD's conclusions about the assessment of adherence to the three principles of AA1000AS: inclusivity, materiality and responsiveness. The verification of financial data was not object of BSD Consulting's work.

## Methodology

The approach and procedures developed during the AA1000AS verification process include:

- Sustainability Report 2015 content review;
- Understanding the process of generating information for the Sustainability Report;
- Research of public information about the company and industry (media, websites and legal bases);
- Interviews with managers from key areas regarding the relevance of information for reporting and sustainability management;
- Interviews with the company's partners;
- When relevant, confronting the sustainability performance information with the company's effective management;
- Review of evidences for the selected indicators and for the consultations with external stakeholders conducted at distance, when applicable;
- Assessment of the relevance of the Sustainability Report information from the perspective of external stakeholders;



- Based on sample testing, confirmation of the Sustainability Report information with supporting documentation, management reports, internal controls and official correspondences.

## **Main Conclusions on Adherence to AA1000AS 2008 Principles**

### **1. Inclusivity – addresses the stakeholders’ participation in the process of developing and implementing a transparent and strategic sustainability management process.**

- KPMG has conducted a research with secondary sources for the materiality review process, using existing communication channels in the firm, sectorial studies, a media research and a benchmark analysis. Thus, in 2015, a direct consultation with external stakeholders was not conducted, although the company publicly committed to it in the last report. It is important to emphasize the relevance to update the stakeholder map, and also conduct a new direct consultation process with the external stakeholders to identify new expectations as well as relevant impacts and issues for KPMG and its sector, in the several regions where its activities occur.
- As in the previous year, the Corporate Citizenship area conducted an internal consultation via a kick-off workshop for the reporting process, where the sustainability report was evaluated through activities with the participation of several areas. The engagement activities with the reporting team can be improved by deepening staff knowledge on the concept of sustainability and impacts of the KPMG’s material issues.
- Continuing the process of the rescue and reaffirmation of the KPMG Purpose (Inspire Confidence Empower Change) started in 2014, KPMG conducted in 2015 workshops in all Brazilian offices. There was a relevant participation of employees, encouraged by the leadership. The highlights in 2015 are the KDNA and ELOS projects at KPMG Brazil, with the aim of promoting the engagement of leaders, professionals and KPMG clients on issues related to the purpose and values of the services provided, and the way they are perceived by its stakeholders. The projects aim to act as ways of an organizational transformation focusing on the company’s future perspectives. The inputs of both processes were considered in the materiality review process for the 2015 reporting cycle.

### **2. Materiality (or Relevance) – issues required by stakeholders to make decisions on the organization’s economic, social and environmental performance.**

- The materiality process was reviewed in 2015, based on a research with secondary sources and the company’s existing relationship channels. The material issues were maintained and are aligned with the KPMG Strategy. Cross-referencing of the relevant issues with the Capitals of the Integrated Reporting (IIRC) and aspects GRI G4 were also maintained.
- Cross-referencing of the relevant issues, both with the IR capitals and with the GRI G4 aspects can be improved by providing more clarity of the relationship between these elements. It is important to reassess the link with the GRI G4 aspects, especially those related to the topics focusing on the workforce, such as “Quality of Life” and “Organizational Environment”. Aspects such as “Occupational Health and Safety”, “Labor practices Grievance Mechanisms” and “Human Rights Grievance Mechanisms” are related to these topics, but were not listed as material aspects in this report cycle (G4-19).
- The process of evaluating the boundaries of the company’s impacts (within and/or outside the organization) did not progress in this cycle. The boundaries can be presented related to each material topic, as well as its positive and negative impacts. It is important to improve the impact analysis in the subsequent cycles, in order to completely attend GRI G4 requirements (G4-20, G4-21 and the DMA “a” item)

### **3. Responsiveness – addresses the actions taken by the organization as a result of specific stakeholders’ demands.**

- In 2015 a Gender Equality Committee was created, linked to the KNOW program (KPMG’s Networking of Women) focusing on monitoring the program’s action plans, covering topics such as: turnover, compensation and succession plans for women. KNOW has expanded its operations as well as monitoring indicators that will meet other GRI requirements in the future. Within the gender equality issue, KPMG International and KPMG Brazil joined the movement for the empowerment of women #HeforShe, launched by UN Women. KPMG in Brazil is part of National Impulse Committee of the initiative, which has the objective to develop affirmative action, for example, engage men to contribute to the development of women’s careers,

preventing cultural and social barriers for women to reach their potential. The KNOW program and the #HeforShe movement represent topics which are relevant for the organization leadership and also count with the involvement of the presidency.

- A significant change that stands out in 2015 is the unification of KPMG’s offices in São Paulo, with the inauguration of the new headquarters, involving the use of new technologies, sustainability aspects and contracting of goods and services in compliance with LEED certification criteria (Leadership in Energy and Environmental Design). The new building was planned within the concepts of use of space, comfort, technology, sustainability and obtained the LEED “Gold” certification. The change of the headquarters has approximated areas that were in different buildings, increasing interaction between them and creating synergies in the company’s activities.
- In 2015 the process of mapping and definition of KPMG priority suppliers was completed. As a result, a supplier classification into four groups was carried out, according to an analysis of: risk of impact on the operation; dependence on and easy replacement of suppliers; risk of impact on the reputation or brand and on the well-being of KPMG employees. Additionally, in the 2015 cycle the code of conduct was released for the company’s suppliers. The code is attached to all KPMG purchasing processes in Brazil.
- The human resources data collection process has been improved in this cycle, with the implementation of the IBS system, which allows links between information related to financial controls and data used by the human resources department. The data on the total number of employees, rates of new hires and turnover by age, gender and region (G4-10 and G4-LA1) are collected by the HR department based on controls of the management system that are standardized. The process to consolidate the information for the report can be improved by strengthening the alignment between the responsible areas for data collection and the sustainability report consolidation team.

- As in previous years, the internal controls were maintained for the G4-SO4, indicator related to training on anti-corruption issues, independence and combat of money laundering. The monitoring of such information is standardized and there is traceability in the company’s information management system. There is an opportunity to improve the flow of information between the areas responsible for the indicator collection and the focal point of the company responsible for consolidation and reporting. It is noteworthy that information about the company’s training on combating money laundering related to the material topic “Ethics and integrity” has been added to this indicator in 2015.

### Final considerations

We highlight the efforts undertaken by KPMG for improving their management and reporting of sustainability under the scrutiny of a continued assurance process. In BSD Consulting’s view, KPMG has procedures and practices in place related to material issues of ethics, independence, quality, transparency and personnel management. There are opportunities for improvement in further developing the company’s vision on sustainability impacts related to the material issues as a way to evolve in the level of adherence to GRI G4 guidelines.

There is also an opportunity to deepen the implementation of the IIRC framework, including in the report the IR-principles and elements of content, as well as the perspective of the six capitals. We emphasize the evolution in the HR indicators management and the importance of continuing the improvement of internal control processes, collection and consolidation of data for the sustainability report, ensuring continuity and assertiveness regarding monitored information.

São Paulo, March 7th, 2016.

**BSD Consulting - Brasil**



# GRI

# Content Index



## GRI G4 CORE CONTENT SUMMARY

STANDARD DISCLOSURES		PAGE	COMMENT
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the Chair	6, 32, 34, 35	
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of Organization	14, 19	
G4-4	Primary brands, products and services	14, 19, 24	
G4-5	Location of Headquarters	14, 18, 19	
G4-6	Countries where we operate	14	
G4-7	Nature of ownership and legal form	14, 19	
G4-8	Markets served	19, 20	
G4-9	Scale of Organization	19, 92	
G4-10	Employee Profile	79, 86, 115	
G4-11	Percentage of employees covered by collective bargaining agreements	78	
G4-12	Supply chain	101	
G4-13	Significant changes during the reporting period	118	
G4-14	Precautionary Approach	66	
G4-15	Charters, principles, or other initiatives to which the Organization subscribes	35, 86	
G4-16	Memberships	99	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	5, 92	
G4-18	Process for defining the report content and aspect boundaries and implementation of the reporting principles for defining report content	40, 42	

STANDARD DISCLOSURES		PAGE	COMMENT
G4-19	Material Aspects identified	45	
G4-20	Aspect Boundary within the organization	38, 39	
G4-21	Aspect Boundary outside the organization	38, 39	
G4-22	Restatements of information provided in previous reports	5, 42	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	5, 42	
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged	40	
G4-25	Basis for identification and selection of stakeholders	40	
G4-26	Approach to and frequency of stakeholder engagement	40, 42, 44, 96, 98, 99	
G4-27	Key topics raised by stakeholders	42	
REPORT PROFILE			
G4-28	Reporting period	5	
G4-29	Date of most recent previous report	5	Previous report published March 2015
G4-30	Reporting cycle	5	
G4-31	Contact point for questions regarding the report	5	
G4-32	'In accordance' option chosen	5	Essencial - G4
G4-33	Policy and current practice with regard to seeking external assurance for the report	122, 123, 124	
GOVERNANCE			
G4-34	Governance structure of the Organization	26, 28	
G4-38	Composition of the highest governance body and its committees	26, 28	
G4-39	Whether the chair of the highest governance body is also an executive officer	28	
G4-40	Nomination and selection processes for the highest governance body and its committees	26, 28, 80	
G4-41	Processes to ensure conflicts of interest are avoided	28, 66, 67, 69, 72	
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, and strategies	26, 28	
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	63	
G4-44	Processes for evaluation of the highest governance body	80	

STANDARD DISCLOSURES		PAGE	COMMENT
<b>G4-47</b>	Frequency of the highest governance body's review of impacts, risks, and opportunities	26, 28, 34	
<b>G4-48</b>	The governance body that formally reviews and approves the sustainability report	34	
<b>G4-51</b>	Compensation policy	80, 81	
<b>ETHICS AND INTEGRITY</b>			
<b>G4-56</b>	The Organization's values, principles, standards and norms of behaviour	12, 35, 66, 69, 70	
<b>G4-57</b>	The mechanisms for seeking advice on ethical and lawful behaviour	66	
<b>G4-58</b>	Mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity	76	
SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT
<b>CATEGORY: ECONOMIC</b>			
<b>ASPECT: ECONOMIC PERFORMANCE</b>			
<b>Management approach</b>		38, 39, 92, 93	
<b>G4-EC1</b>	Direct economic value generated and distributed	92, 93	
<b>G4-EC2</b>	Financial implications and other risks and opportunities due to climate change	108	
<b>G4-EC3</b>	Coverage of the Organization's Defined Benefit Plan Obligations	84	
<b>G4-EC4</b>	Financial assistance received from government	92, 93, 102, 104	
<b>ASPECT: MARKET PRESENCE (NON-MATERIAL)</b>			
<b>Management approach</b>		89	
<b>G4-EC6</b>	Proportion of senior management hired from the local community on important unities	89	
<b>ASPECT: INDIRECT ECONOMIC IMPACTS (NON-MATERIAL)</b>			
<b>Management approach</b>		92, 102, 104	
<b>G4-EC7</b>	Development and impact of investments and services supported	92, 93, 102, 104	
<b>CATEGORY: ENVIRONMENTAL</b>			
<b>ASPECT: ENERGY (NON-MATERIAL)</b>			
<b>Management approach</b>		114	
<b>G4-EN3</b>	Energy consumption within the organization	114, 115	
<b>G4-EN4</b>	Energy consumption outside of the organization	114, 115	



SPECIFIC STANDARD DISCLOSURES	PAGE	COMMENT
<b>ASPECT: WATER (NON-MATERIAL)</b>		
<b>Management approach</b>	114	
<b>G4-EN8</b> Total water withdrawal by source	114	
<b>G4-EN10</b> Water recycled and reused	114	
<b>ASPECT: EMISSIONS</b>		
<b>Management approach</b>	38, 39, 112	
<b>G4-EN15</b> Direct greenhouse gas (GHG) emissions (scope 1)	112, 113	
<b>G4-EN16</b> Energy indirect greenhouse gas (GHG) emissions (scope 2)	113	
<b>G4-EN17</b> Other indirect greenhouse gas (GHG) emissions (scope 3)	113	
<b>G4-EN19</b> Reduction of greenhouse gas (GHG) emissions	113	
<b>ASPECT: WASTEWATER AND SOLID WASTE (NON-MATERIAL)</b>		
<b>Management approach</b>	114	
<b>G4-EN22</b> Total water discharge	114	
<b>ASPECT: COMPLIANCE (NON-MATERIAL)</b>		
<b>Management approach</b>	112	
<b>G4-EN29</b> Sanctions for non-compliance with environmental laws and regulations	112	
<b>ASPECT: TRANSPORT (NON-MATERIAL)</b>		
<b>Management approach</b>	112	
<b>G4-EN30</b> Significant environmental impacts of transport	112	
<b>G4-EN34</b> Complaints	112	
<b>CATEGORY: LABOUR PRACTICES AND DECENT WORK</b>		
<b>ASPECT: EMPLOYMENT</b>		
<b>Management approach</b>	38, 39, 78	
<b>G4-LA1</b> Total number and rates of new employee hires and employee turnover	81	
<b>G4-LA2</b> Benefits awarded	82, 84	
<b>G4-LA3</b> Return to work rates after parental leave	86, 87	
<b>ASPECT: LABOUR/MANAGEMENT RELATIONS</b>		
<b>Management approach</b>	120	
<b>G4-LA4</b> Minimum notice periods regarding operational changes	120	No minimum period is established in our collective bargaining agreements with trade unions

SPECIFIC STANDARD DISCLOSURES	PAGE	COMMENT	
<b>ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>Management approach</b>	83		
<b>G4-LA5</b>	Percentage of workforce represented in formal health and safety committees	83	
<b>G4-LA7</b>	Workers with high incidence or high risk of diseases related to their occupation	83	
<b>G4-LA8</b>	Health and safety topics covered in formal agreements with trade unions	83	The matters addressed in collective bargaining agreements with trade unions include health certificates and temporary leave
<b>ASPECT: TRAINING AND EDUCATION</b>			
<b>Management approach</b>	38, 39, 61		
<b>G4-LA9</b>	Average hours of training per year per employee by gender, and by employee category	61	
<b>G4-LA10</b>	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		KPMG has a consolidated programme for continual skills development, which prepares our professionals both for our strategic challenges and also for those of the sector and market where we operate, supporting employability. Training focused on managing career endings has not yet been implemented.
<b>G4-LA11</b>	Percentage of employees receiving regular performance and career development review	80	
<b>ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>Management approach</b>	38, 39, 86		
<b>G4-LA12</b>	Composition of governance bodies and breakdown of employees per employee category according to gender, age group and minority group membership	86	
<b>ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN</b>			
<b>Management approach</b>	86		
<b>G4-LA13</b>	Ratio of basic salary and remuneration of women to men	86, 87	
<b>CATEGORY: SOCIAL – HUMAN RIGHTS</b>			
<b>ASPECT: NON-DISCRIMINATION</b>			
<b>Management approach</b>	38, 39, 70, 71, 86		
<b>G4-HR3</b>	Total number of incidents of discrimination and corrective actions taken		No instances of discrimination were identified by our monitoring mechanisms
<b>ASPECT: FREEDOM OF ASSOCIATION</b>			
<b>Management approach</b>	70, 71		
<b>G4-HR4</b>	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated		KPMG offers freedom of association and collective bargaining to all professionals, including reimbursement for union fees. No violations of this right were identified within our Organization, and we have not mapped our supply chain, although we apply our Supplier Code of Conduct, which requires freedom of association, to all suppliers.

SPECIFIC STANDARD DISCLOSURES	PAGE	COMMENT
<b>ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT (NON-MATERIAL)</b>		
<b>Management approach</b>	70, 71, 101	
<b>G4-HR10</b> Suppliers screened using human rights criteria	101	
<b>ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>		
<b>Management approach</b>	38, 39, 86, 87, 101	
<b>G4-HR12</b> Number of grievances about human rights impacts		No instances were identified by our monitoring mechanisms.
<b>CATEGORY: SOCIAL – SOCIETY</b>		
<b>ASPECT: ANTI-CORRUPTION</b>		
<b>Management approach</b>	38, 39, 66, 75	
<b>G4-SO3</b> Operations assessed for risks related to corruption	66, 74	
<b>G4-SO4</b> Communication and training on anti-corruption policies	66, 68	
<b>G4-SO5</b> Confirmed incidents of corruption and actions taken	75	
<b>ASPECT: PUBLIC POLICY</b>		
<b>Management approach</b>	70, 71	
<b>G4-SO6</b> Total value of political contributions		KPMG makes no donations to political parties.
<b>ASPECT: ANTI-COMPETITIVE BEHAVIOUR</b>		
<b>Management approach</b>	38, 39, 70, 71	
<b>G4-SO7</b> Legal actions for anti-competitive behaviour		No instances were identified by our monitoring mechanisms.
<b>ASPECT: COMPLIANCE</b>		
<b>Management approach</b>	38, 39, 66	
<b>G4-SO8</b> Fines and non-monetary sanctions for non-compliance with laws and regulations		No instances were identified by our monitoring mechanisms.
<b>CATEGORY: SOCIAL – PRODUCT RESPONSIBILITY</b>		
<b>ASPECT: PRODUCT AND SERVICE LABELLING</b>		
<b>Management approach</b>	38, 39, 66	
<b>G4-PR3</b> Product and service information	66, 69	
<b>G4-PR4</b> Non-compliance with regulations and voluntary codes concerning labelling	66, 67	
<b>G4-PR5</b> Customer satisfaction surveys	97	

SPECIFIC STANDARD DISCLOSURES	PAGE	COMMENT
<b>ASPECT: MARKETING COMMUNICATIONS</b>		
<b>Management approach</b>	38, 39, 69	
<b>G4-PR7</b>	66, 69	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications
<b>ASPECT: CUSTOMER PRIVACY</b>		
<b>Management approach</b>	38, 39, 66	
<b>G4-PR8</b>	66, 67	Substantiated complaints regarding breaches of customer privacy and losses of customer data
<b>ASPECT: COMPLIANCE</b>		
<b>Management approach</b>	38, 39, 75	
<b>G4-PR9</b>	75	Significant fines for non-compliance with laws and regulations concerning the provision of products and services

# Acknowledgements

## **General coordination**

Corporate Citizenship, KPMG in Brazil

## **GRI consulting, review and compilation of disclosures**

Climate Change & Sustainability  
Services – KPMG in Brazil

## **Writing and editing**

Jô Mainardi

## **Design and layout**

Carla Arbex

## **Revision**

Aleixo Guedes

## **Images**

Christian Parente

**The images were made in the new São Paulo office, with participation of KPMG professionals. We thank all of them for the contribution!**

## **Independent assurance**

BSD Consulting

## **Working Group**

Adélia Belo

Ailton Souza

Alessandra Fernandes

Alex Santana

Ana Paula Izu

André Bibo

André Furian

André Moraes

Andreia Kakazu

Angela Machado

Antônio Carlos Rodrigues

Armando Oliveira

Carlos Gatti

Carlos Pires

Carlos Eduardo Munhoz

Cecílio Schiguematu

Charles Kriek

Cilene Rodrigues

Claudia Salomão

Daniele Silva

Danilo Vieira

Sheila Câmara

Dyane Silva

Eduarda Bueno

Elaine Santos

Eliane Momesso

Elisangela Gilberti

Elizabeth Zambori

Elizabeth Fontanelli

Felippe Lopes

Fred Coutinho

Gilberto Munhoz

Graciela Pereira

Katia Ueda

Katia Yumi

Letícia Duarte

Lucimara Augusto

Manuel Fernandes

Marcela Navarro

Marcia Santos

Maria Cristina Bonini

Maria Sílvia Vianna

Mariana Cherobim

Mariane Sá

Marlene Silva

Pablo Araújo

Paula Decomi

Paula Massini

Paulo Shinohara

Pedro Melo

Reginaldo Marcelino

Ricardo Anhesini

Ricardo Zibas

Rodrigo Roque

Ronaldo Rodrigues

Sílvia Rocha

Thais Shinobara

Tháise Ebessu

Yasmin Lima

Yuri Pereira



# Contact details and addresses

## São Paulo/Morumbi

Rua Arquiteto Olavo Redig de Campos, 105  
6th to 12<sup>th</sup> floor - Tower A  
04711-904 - São Paulo, SP  
Tel: 55 (11) 3940-1500  
Fax: 55 (11) 3940-1501

Rua Vergueiro, 3111  
04101-300 - São Paulo, SP  
Tel: 55 (11) 3736-1000  
Fax: 55 (11) 3736-1001

## Belém

Tv. Dom Romualdo de Seixas, 1476, suites 1506 and 1507  
Ed. Evolution - Bairro Umarizal  
66055-200 - Belém, PA  
Tel: 55 (91) 3321-0150

## Belo Horizonte

Rua Paraíba, 550, 12<sup>th</sup> floor  
Edifício Renaissance Work Center - Bairro Funcionários  
30130-140 - Belo Horizonte, MG  
Tel: 55 (31) 2128-5700  
Fax: 55 (31) 2128-5702

## Brasília

SBS Quadra 2, Bloco Q, Lote 3  
Suites 708 to 711 - Ed. João Carlos Saad  
70070-120 - Brasília, DF  
Tel: 55 (61) 2104-2400  
Fax: 55 (61) 2104-2406

## Campinas

Av. Barão de Itapura, 950, 6<sup>th</sup> floor  
Ed. Tiffany Office Plaza  
13020-431 - Campinas, SP  
Tel: 55 (19) 2129-8700  
Fax: 55 (19) 2129-8728

## Cuiabá

Av. Historiador Rubens de Mendonça, 1894, suites 204 and 205  
Edifício Centro Empresarial Maruaná  
78050-000 - Cuiabá, MT  
Tel: 55 (65) 2127-0342

## Curitiba

Al. Dr. Carlos de Carvalho, 417, 16<sup>th</sup> floor  
80410-180 - Curitiba, PR  
Tel: 55 (41) 3544-4747  
Fax: 55 (41) 3544-4750

## Florianópolis

Av. Prof. Othon Gama D'êça, 67  
Ed. The Office, suites 603 to 605 - Centre  
88015-240 - Florianópolis, SC  
Tel: 55 (48) 3205-5300  
Fax: 55 (48) 3205-5301

## Fortaleza

Rua Desembargador Leite Albuquerque, 635  
Suites 501 and 502 - Aldeota  
60150-150 - Fortaleza, CE  
Tel: 55 (85) 3307-5100  
Fax: 55 (85) 3307-5101

## Goiânia

Av. Deputado Jamel Cecílio, Quadra B22, Lote 4E, s/n  
Suites A-103 to A-106, Cond. New Business Style - Jardim Goiás  
74810-100 - Goiânia, GO  
Tel: 55 (62) 3604-7900  
Fax: 55 (62) 3604-7901

## Joinville

Rua São Paulo, 31  
1<sup>st</sup> floor - Bucarein  
89202-200 - Joinville, SC  
Tel: 55 (47) 3205-7800  
Fax: 55 (47) 3205-7815

## Londrina

Avenida Higienópolis, 1100, 6<sup>th</sup> floor, suite 62  
Edifício Pioneiros do Café  
86020-911 - Londrina, PR  
Tel: 55 (43) 3301-4250  
Fax: 55 (43) 3323-4751

## Manaus

Av. Djalma Batista, 1661, suite 803  
Millenium Center - Torre Business  
69050-010 - Manaus, AM  
Tel: 55 (92) 2123-2350  
Fax: 55 (92) 2123-2367

## Osasco

Av. Dyonysia Alves Barreto, 500, suites Suite 1001, 1002, 1003, 1004, 1009 and 1010  
06086-050 - Osasco, SP  
Tel: 55 (11) 2856-5300  
Fax: 55 (11) 2856-5320

## Porto Alegre

Av. Borges de Medeiros, 2233, 8<sup>th</sup> floor  
90110-150 - Porto Alegre, RS  
Tel: 55 (51) 3303-6000  
Fax: 55 (51) 3303-6001

## Recife

Av. Eng. Domingos Ferreira, 2589, suite 104  
51020-031 - Recife, PE  
Tel: 55 (81) 3414-7950  
Fax: 55 (81) 3414-7951

## Ribeirão Preto

Av. Presidente Vargas, 2121, suites 1401 to 1405, 1409 and 1410  
Edifício Times Square Business  
14020-260 - Ribeirão Preto, SP  
Tel: 55 (16) 3323-6650  
Fax: 55 (16) 3323-6651

## Rio de Janeiro

Av. Almirante Barroso, 52, 4<sup>th</sup> floor  
20031-000 - Rio de Janeiro, RJ  
Tel: 55 (21) 3515-9400  
Fax: 55 (21) 3515-9000

Rua Rodrigo Silva, 26, suite 501  
20011-902 - Rio de Janeiro, RJ  
Tel: 55 (21) 3128-2061  
Fax: 55 (21) 3128-2090

## Salvador

Av. Tancredo Neves, suites 2308 to 2312  
Edf. CEO Salvador Shopping - Torre Londres - Caminho das Árvores  
41820-021 - Salvador, BA  
Tel: 55 (71) 3273-7350

## São Carlos

Passeio das Castanheiras, 431  
4<sup>th</sup> floor (Suites 407 to 411)  
Condomínio Triade - Torre Nova York  
Parque Faber Castell  
13561-384 - São Carlos, SP  
Tel: 55 (16) 2106-6700  
Fax: 55 (16) 2106-6767

## São José dos Campos

Avenida Alfredo Ignácio Nogueira Penido, 255, 22<sup>nd</sup> floor, suites 2.207, 2.208 and 2.209  
Edifício Le Classique  
12246-000 - São José dos Campos, SP  
Tel: 55 (12) 2138-5030  
Fax: 55 (12) 2138-5031

## Uberlândia

Avenida dos Municípios, 146, Suite 3 - Tabajaras  
38400-254 - Uberlândia, MG  
Tel: 55 (34) 3303-5400  
Fax: 55 (34) 3303-5405

## Contact person

**Ricardo Anhesini**

COO

**Maria Cristina Bonini**

Director, People, Performance & Culture

**Eliane Momesso**

Manager, Corporate Citizenship & Diversity

comunidade@kpmg.com.br

Phone: + 55 11 3940-1500

The KPMG logo is displayed in a stylized, green, sans-serif font. It is positioned on a white horizontal band that spans across the middle of the page. The background of the entire page is a photograph of a man in a dark suit and vest walking through a modern office hallway with large windows and wooden floors.

[kpmg.com/BR](http://kpmg.com/BR)



© 2016 KPMG Auditores Independentes, a Brazilian limited liability company and a member firm of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All Rights Reserved. Printed in Brazil.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

All information set out in this document is of a generic nature and does not address the circumstances of any specific individual or entity. Although we aim to deliver accurate and timely information, we do not guarantee that the information in this document is accurate at the time and date that it is received or that it will continue to be accurate in the future. This information should not be relied upon for any decision without qualified professional advice preceded by a careful assessment of the situation in question.