



KPMG Sustainability Report 2018/2019

Creating value for our stakeholders



DIVERSITY

We are
even stronger
together

48% of women
on our team

More women
in leadership 30%

725 trainees +9%
FY2017

R\$ 403,000
invested in the Inclusion
& Diversity Committee

RECOGNITION

Building
trust in us
as The Clear Choice

95%*
of our clients
would recommend
our services
* of 2018 satisfaction
survey respondents

The media trust
our insights:
we were consulted
as a source for
5,635
news reports

16 awards
local and
international

1,800 executives
C-Level participated
in our events

FINANCIAL PERFORMANCE

Growing
in a crisis

KPMG International
US\$ 28.9 billion +7.1%
FY2017

KPMG in Brazil
R\$ 1.3 billion +9%
FY2017

ENVIRONMENTAL PERFORMANCE

Awareness,
eco-efficiency and
carbon neutrality

Carbon neutral:
10,242 units
carbon-neutralized

15.8 tonnes
of waste recycled

22% growth in
the demand for
sustainability services

100% of
eco-efficiency
goals surpassed

ONE AMERICAS

Making our
performance
Stronger

All member firms
from America working
together to expand the
solutions provided
to our clients

Highlights

DIGITAL TRANSFORMATION

Inside and outside of KPMG

LEAP

an ecosystem consisting of

10,000

startups

ready to serve our clients

KPMG Lighthouse

our environment of technology solutions development

COMUNITY INVESTMENT

Sharing resources and expertise for the development of broader society

R\$ 2.2 million

in social projects, campaigns and *pro bono* services

R\$ 3.4 million

in events for more than

4,000 people

PEOPLE

A growing talent pool, and diversity enhance our quality and respect for the individuality

IN BRAZIL

4,288

professionals



40%

of our professionals have been promoted

R\$ 28,9 million invested

in training and development



FACILITIES

Workplace KPMG synergies and quality of life

72% of our professionals are already benefiting from this new concept

SERVICES

Accelerated renewal

Services and innovative delivery models,

aligned with customers' needs and technology-intensive services

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Sustainability is at the heart of our business, in the way we manage our Human, Intellectual, Social, Environmental, Financial and Manufactured capital and in the way we address both the positive and negative impacts of our presence.

We welcome contributions to improve our Reports; please send any feedback, questions, suggestions or critiques to: comunidade@kpmg.com.br or +55 (11) 3736-1228.



Sustainability to empower change

Ten years ago, we structured our sustainability policy around a set of social, environmental and economic performance commitments.

Since then, we have annually published information about our performance and the commitments

we have undertaken for each new reporting cycle.

KPMG International has voluntarily subscribed to a number of initiatives, which are supplemented at KPMG in Brazil by national commitments.

DEVELOPMENT AND THE ENVIRONMENT



HUMAN RIGHTS



DIVERSITY



ETHICS AND INTEGRITY



We are grateful for the opportunity to report on progress over these ten years, and proud of how that progress has been achieved shoulder to shoulder with our key stakeholders.

Our stakeholders were involved in the process of selecting the topics addressed in this Report, which are listed together in our Materiality Matrix.

This is a summary of the KPMG in Brazil Sustainability Report, a combined effort involving our leadership and professionals from 13 practices. The reporting process is led by Corporate Citizenship, Inclusion & Diversity and validated by our Executive Committee.

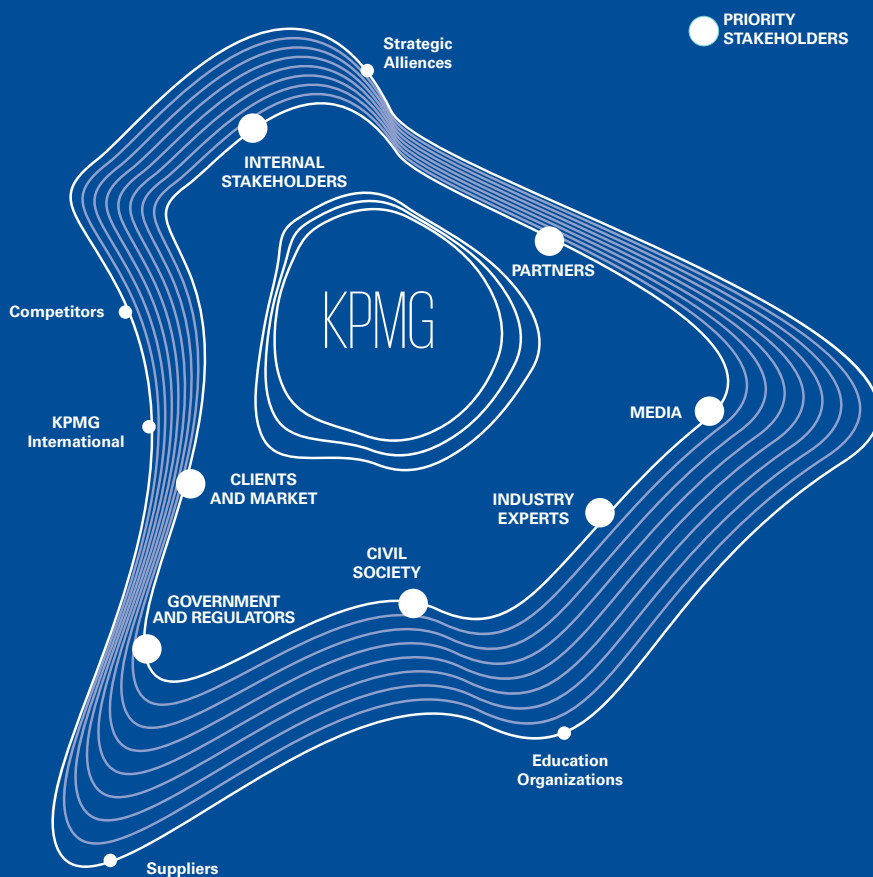
In this summary version, we describe key highlights illustrating the performance of the 24 offices that make up our network of independent firms in Brazil.

We hope you find our report useful and informative.

Luciene Magalhães
Partner, Head of the Human Capital Subcommittee

Eliane Momesso
Senior Manager, Corporate Citizenship, Inclusion & Diversity

KPMG IN BRAZIL STAKEHOLDER MAP



The full version of this report—which is “in accordance” with the GRI Standards, Core option—has been independently assured by Green Domus and is available on our website.

Innovation, extraordinary people and quality

Taking our solutions center to a new level

The future
is here,
and we're
ready for it.

Everyone ended 2018 with many stories to share. This was an (in) tense year, with many ups and downs, many lessons learnt and significant changes implemented. And all of these factors coincide with my first year leading KPMG in Brazil.

I was very proud to see how our people proved to be, once more, extraordinary in what they do. We have used our maturity to rejuvenate and reinvent ourselves, and enhance the trust our people, clients and communities place in us.

In a world of volatility, uncertainty, complexity and ambiguity, we need drive continuous transformation to succeed.

Digital transformation: technology and innovation

In addition to the wide range of technologies that have been implemented to streamline our management and communication processes, we also invested heavily in innovating our service offering during the year. We created LEAP, an open innovation platform connecting more than 10,000 startups at different maturity levels, which work together to develop unconventional solutions aimed at addressing enterprise issues of any nature.

Another important highlight in the year was the launch of **Lighthouse**, a hub that brings together the best innovation resources to develop

new, integrated solutions that our offices and clients can leverage. Lighthouse is also a gateway for new generations, who are changing the way KPMG and the market operate.

The digital transformation we have undertaken extensively involves **our people**. Our human development strategy has become more personalized and dynamic and has further cemented our pillars of innovation, quality and engagement. KPMG's performance assessment resources have also brought greater clarity and focus.

We have constantly challenged ourselves to further develop our diversity policy so that it fosters an increasingly diverse and respectful environment that allows professionals of all profiles to develop to their full potential.

We have also evolved our market approach, further establishing KPMG as a center for solutions to client requirements of all shapes and sizes. Our **Sector Leaders** are recognized as authoritative experts in their fields, who can be relied on to discuss and provide thought leadership in each market. With One Americas, we have served our clients in synergy with other KPMG member firms on the continent.

Outlook for the next cycle

To further establish KPMG as The Clear Choice, we are very well structured in terms of service quality

and delivery and closely aligned with the innovation and technology needs of each industry.

However, we cannot afford to become complacent. We will continue to sail—with tailwinds or headwinds—toward the next level of excellence and relevance.

Sustainability as the foundation of everything

Everything that we are transforming, both inside and outside of KPMG, is linked to our sustainability policies, which translate into the development of our Intellectual, Human, Financial, Social and

Relationship, Natural, and Manufactured capital.

I would like to invite each one of you to read this report and learn about our key initiatives focused on inspiring confidence and empowering change, laying the foundation for our vision for sustainability.

Thank you very much for one more year shared with KPMG in Brazil.

I hope you enjoy the report.

Charles Krieck
Chairman, KPMG in Brazil



We are transforming
our business,
**our offering, our approach,
our services and our people**
to address the current
and future challenges
facing our clients
and society.

This is KPMG. This is how we deliver

Quality and integrity with a transformation mindset

KPMG is a global network of professional firms providing Audit, Tax and Advisory services.

We are committed to making a positive contribution to the success of our clients, the development of broader society and the strength

of our global network. This commitment is why we attract extraordinary people to our teams, why our culture brings out the best in people, why clients see a difference in our quality and integrity, and why we succeed in building public trust.

We are The Clear Choice to assist clients in tackling challenges and capturing new opportunities.

This is what makes us different.



KPMG INTERNATIONAL

207,000
professionals

153 countries

The member firms of the KPMG network are independent and affiliated with KPMG International

US\$ 28.9
billion

**KPMG International
Combined Global
Revenues 2018**

KPMG IN BRAZIL

24
offices

in 22 cities

4,228
professionals

5,247
clients
across Brazil



- 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

Read our
**International
Annual
Review 2018**
to learn more
about KPMGI.



The path we travel

Solid commitments and continuous action are the foundations we build on to create value for stakeholders

At KPMG we believe sustainability is a shared journey and responsibility.

Sustainability governance, under the leadership of the chairman of KPMG in Brazil, ensures we take sustainability into account in each of our management decisions.

Our sustainability strategy is aligned with the issues that are most relevant to KPMG and our stakeholders, and with the national and international commitments to which we have voluntarily subscribed.

Translating our knowledge into sustainable approaches that support our stakeholders' development is a continuing pursuit.

OUR PURPOSE

Inspire Confidence.
Empower Change.

OUR VISION

The Clear Choice.

OUR STRATEGY

Excellence, consistency and efficiency. A long-term, sustainable vision. A multidisciplinary firm. Collaboration. A passionate focus on clients. Innovation.

OUR VALUES

We lead by example. We respect the individual. We work together. We seek the facts and provide insight. We empower communities. We act with integrity. We communicate openly and honestly.

OUR PROMISE

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

The path we travel

Sustainability management is an internal journey towards understanding how we can leverage each of our capitals to create value for all our stakeholders.

The path we help others travel

We create value by developing our professionals, clients, suppliers and broader society. Our actions to inspire and help our stakeholders operate responsibly and develop more sustainable business models.

KPMG CAPITALS



Intellectual Capital

World-class intelligence and technology supporting sustainable development.



Human Capital

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



Financial Capital

The value of the success we share with our stakeholders.



Social and Relationship Capital

Shared knowledge and resources creating value for our stakeholders and KPMG.



Natural Capital

Our commitment to leave the world better than we found it.



Manufactured Capital

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

VALUE CREATED

For our professionals [People]

Technical and human development; Career paths; Valuable experience.

Compensation and benefits; Professional development; A sense of KPMG pride; Work environment; Respect for diversity; Valuable experience.

Financial rewards for services.

KPMG pride; Community engagement; Membership of industry associations.

Environmental awareness and engagement at home and at work.

Efficiency; Integration; Information security; Occupational health and safety.

For our clients [Client]

Consistent decision making; Innovation; Efficiency; Governance; Access to new markets and resources; Risk and quality management.

Ethical conduct, integrity and high-performing professionals; Highly skilled professionals.

Investment in technology and knowledge that translates into superior performance.

Access to thought leadership and services aligned with our values and our approach of working shoulder to shoulder with clients.

More sustainable business models, policies and procedures.

High-quality and efficient delivery; Information security.

For society [Public]

More ethical and sustainable business; Highly skilled professionals; Access to thought leadership; Stakeholder trust.

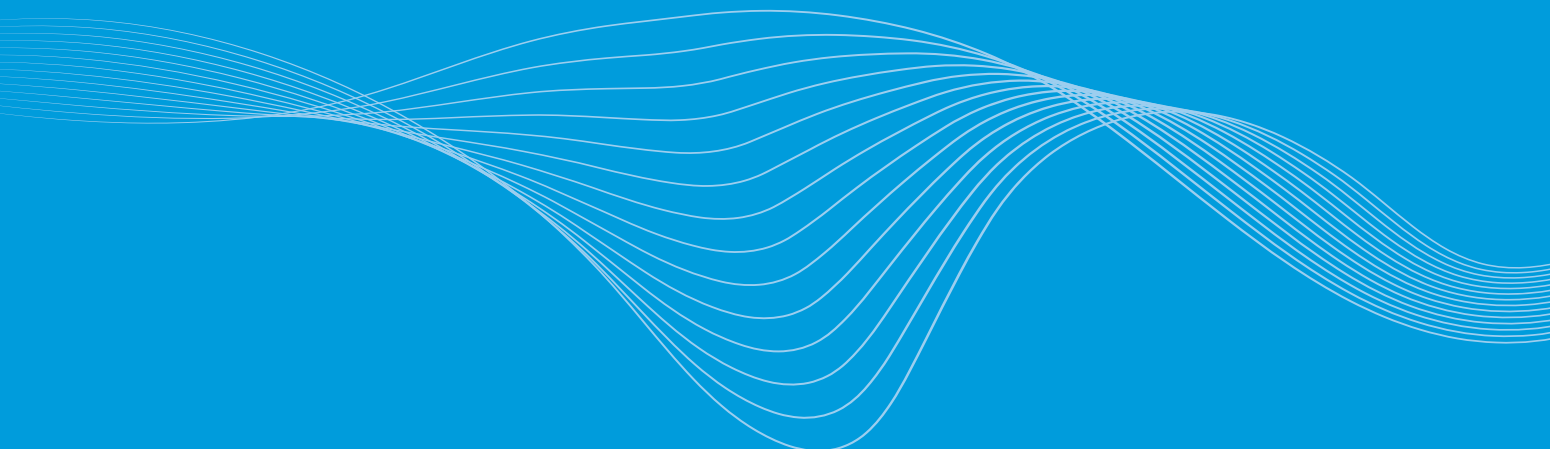
Best workplace, decent-work and corporate citizenship practices. Ethics and integrity.

Giving back to communities through taxes, salaries, payments to suppliers and community investment.

Pro bono services for social organizations; Shared knowledge; Promoting tax morality and compliance; Sustainable value chains.

Lower greenhouse gas emissions; Carbon neutralization; Resource efficiency.

Lower environmental impact from our offices and travel.



Intellectual Capital

Innovation drives business changes

MANAGEMENT

Intelligence and innovation are some of our Intellectual Capital trademarks, which we translate into solutions that make the difference in the lives of our stakeholders. And this inspires confidence, and empowers change.

ASSETS

Innovation to transform and meet the challenges

Strength of the network and its connections to be at the forefront of innovation

Extraordinary people to deliver extraordinary value

Quality and integrity in what we do to inspire confidence

Sharing relevant knowledge to foster development



Highlights

Leading

**Auditors for
Listed Companies**

5,247
clients served

**Strategic partner in the ERP
Cloud implementation in
Latin America** Oracle

**Partner of the Year in
Consulting and Systems
Integration Cloud
Innovation (KPMGI)**
Microsoft

**Recognized as a leading
service provider, earning
the “Winner’s Circle”
designation in the HfS
Blueprint Report, Smart
Analytics (KPMGI)**
HfS Research

**Best Business Partner in the
Retail Industry** BR Week

**Best Consultancy
in HR Management**
The Gestão RH Group

**Named one of the top three
global Robotic Automation
service providers (KPMGI)**
HfS Research

**Global leader in
Organizational Strategy
Consulting services and
capabilities (KPMGI)**
ALM Intelligence

**Leader in Procurement
Operations Consulting
(KPMGI)** ALM Intelligence

**Leader in Client Capability
Development (KPMGI)**
ALM Intelligence

**Leader in Change
Management and
Communications
Consulting (KPMGI)**
ALM Intelligence

**Leader in HR Operations
Consulting (KPMGI)**
ALM Intelligence

**Leader in the Microsoft
Dynamics 365 Services
solution for Digital
Transformation (KPMGI)**
Forrester Research



Innovation and quality

**For each challenge and opportunity,
solutions that deliver real results**

There is now unprecedented innovation and opportunity in the marketplace. Every industry and client KPMG serves is transforming, responding to new technologies and disruptive forces that are reshaping their businesses.

These same disruptive forces are impacting our business as well, requiring an increased capability to anticipate trends, learn continually and change.

We are responding by innovating, investing heavily in technology and artificial intelligence, renewing our service portfolio, transforming our people's skill set, working seamlessly across our practices and using lots of creativity.

Quality is at the heart of these changes and helps to steer all aspects of our practices toward a culture of integrity and shared responsibility across the member firms of KPMG International.

A TECHNOLOGY-INTENSIVE TRANSFORMATION

We recently created **LEAP**, an open innovation platform designed to generate insights, deliver agile and creative solutions to problems, and create business opportunities for our clients.

We have also invested in an innovation hub called **KPMG Lighthouse**, a center of excellence for D&A with more than 100 professionals, a tech

Much has changed at KPMG in recent years. But one thing has not changed: the rigorous focus on quality and integrity that enables us to continue to build trust each day.



Learn more about how we keep
this commitment alive in our
Transparency Report 2018.

lab and unique models and methodologies that leverage expertise in software and data engineering, data science, advanced visualization, artificial intelligence and robotics.

Our three practices are concurrently addressing and leading the transformation and adoption of new technologies. In **Audit**, we implemented **KPMG Clara**, an automated, agile, intelligent and scalable audit platform.

In **Tax**, we are leveraging a combination of expertise and technology to design tax strategies that explore opportunities, reduce costs and support our clients' commercial decisions.

In **Advisory**, we have developed solutions such as customer 'need detectors', which have helped companies to adjust their offerings to anticipate significant trends in consumer behavior.



Each day, we dedicate our energy to learn about the future in order to stay relevant and assist our clients in doing the same.

Alliances with leading innovators such as Microsoft, Oracle, IBM and Google are transforming our solutions center with innovative and scalable and platforms that help clients enhance the effectiveness and efficiency of their services and operations.

What we offer our clients

Decision-making support and access to new markets and resources

All companies recognize the need to change at least some aspect of their business. The challenge is knowing where to start. For this reason, we invest in solutions that provide clarity and guidance to decision makers.

MARKETS PROGRAM

Expertise and specialized approaches to each industry and segment.

- » PRIVATE EQUITY
- » FINANCIAL SERVICES
- » TECHNOLOGY, MEDIA & TELECOM
- » INDUSTRIAL MARKETS
- » GOVERNMENT & INFRASTRUCTURE
- » CONSUMER MARKET & RETAIL
- » ENERGY & NATURAL RESOURCES
- » AGRIBUSINESS
- » HEALTHCARE & LIFE SCIENCES
- » SME MARKET
- » EDUCATION AND NON-PROFIT ORGANIZATIONS



CUSTOMERS AT THE CENTER OF EVERYTHING

Our clients know that they can rely on our smart solutions for any type of demand, whether for Audit, Tax or Advisory services.

» **DIGITAL TRANSFORMATIONS**

With Leap's ecosystem and Lighthouse's new solutions, we combine disruptive technologies and strategies with our global experience to help our clients transform their business.

» **ACTUAL RESULTS**

Our professionals' varied and specialized expertise in markets, technology, management, economy, finance, logistics and taxes is the foundation for achieving actual results for clients operating in all industries.

» **CONNECTION WITH GLOBAL MARKETS**

Global expertise and structure are the main assets we place at our clients disposal in order to help our clients expand their business in Brazilian and foreign markets.

» **WE ARE WHEREVER THE CLIENT NEEDS US TO BE**

We are always ready to meet our clients' requirements, wherever those requirements take place. Our offices meet regional requirements. With One Americas, we are even closer to all countries in that region.

» **ENTREPRENEURIAL INITIATIVE AND ATTITUDE**

We have equipped our clients to seize current and future opportunities, make decisions and implement new practices that take their business to new levels.

» **AGILE DECISION-MAKING**

By using D&A technologies and artificial intelligence, we are able to help our clients make quicker and more assertive decisions.



Human Capital

MANAGEMENT

We are recognized both locally and internationally for our ability to attract and develop extraordinary people.

This is the essential condition for the excellence of our performance.

To achieve this, we place people management at the heart of our strategy, promote the continuous improvement to People Experience, and make substantial investment in the development of our talent.



Extraordinary
people
drives
business
changes

ASSETS

Strategic, technical and human development of our professionals to add more value

Investing in quality of life for our professionals' good health.

Praising and rewarding our people for their efforts in order to obtain their commitment

Praising our diverse and intergenerational talent to build expertise and provide innovative insights

Developing new talent to contribute to the market

Highlights

4,288
professionals

48%
of women
in our team

40% of
our professionals
have been promoted

R\$ 28,9
million invested in training
and development

421,000
hours of training

**Top Companies 2018 -
Where Brazilians dreams of
working for** LinkedIn

**World's Most Attractive
Employers 2018 (KPMGI)**
Universum

**Best Consulting Company to
Work for (KPMGI)** Consulting

Extraordinary people transforming business

Our people work to inspire confidence, pursue growth opportunities and make a positive impact on themselves, KPMG, the market, and the community

Better people management through a consistent People Experience that maximizes our professionals' creativity and talent.

DEVELOPING TALENT

In today's digital age, it is not only our business strategy that is changing. Our people are changing too. Digitization, robotics and artificial intelligence are helping us intensely transform our *modus operandi*, enabling us to customize our products and optimize the way we work.

We are adjusting our people's skill sets so they are equipped to meet these new requirements, abandon former practices, and embrace new ones in a faster and more creative, engaging and dynamic way.

With our new **MyPD**, the performance assessment cycle has become more objective and now provides a more consistent and clear line of site to targets covering all categories, from trainees to partners.

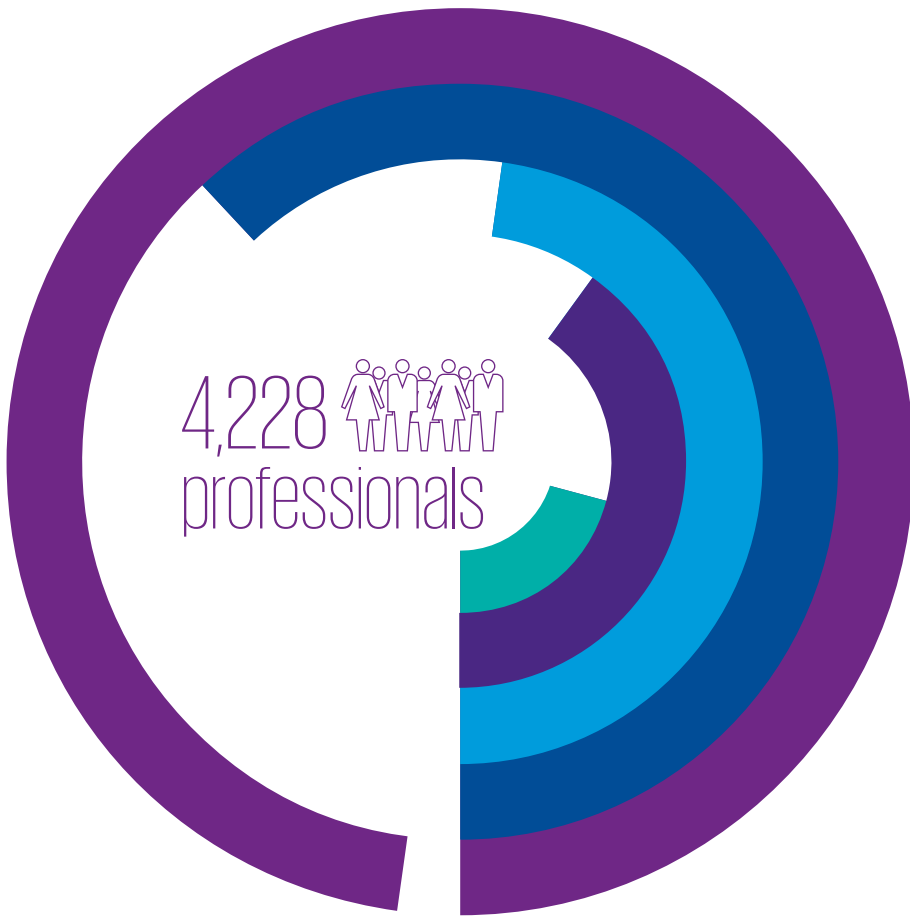
TRAINING AND DEVELOPMENT

Change is also a part of these efforts. We have developed an innovative training offering that is more interactive and customized to the profiles and needs of each professional wherever they are and whatever their learning preferences.

KPMG have invested in building leadership skills through training, development and succession planning programs with support from international programs and proprietary training courses.

And of course, we have continued our efforts to **attract and retain extraordinary talent** across all age brackets, and to invest in their health and well-being and recognize performance.

In this period of significant transformation, young talents have remained high on our agenda, and our Extraordinary Generation (**GenExt**) Program has continued to innovate in the ways we attract and develop them.



4,228 
professionals

98% have higher
or university education

62% are younger than 30

48% are women

40% were promoted in 2018

21% are people of color



We are a dynamic firm that continually transforms itself, demonstrates its values on a daily basis, has highly engaged leadership, fosters openness to discuss ideas, and provides the assurance from working as a team.

HEALTH AND QUALITY OF LIFE

Through our **MyLife** program, occupational health and safety programs, comprehensive employee **benefits** and our **KPMGPrev** private pension plan, we support the well-being, comfort and safety of our primary asset: our people.

ORGANIZATIONAL CLIMATE

In recent years, we have made an effort to ensure our people's voices are increasingly heard. KPMG's Global People Survey (GPS) is the primary tool we use to elicit feedback from our professionals. Based on GPS results we develop action plans to increase satisfaction and productivity levels, building a better KPMG each day.

INCLUSION AND DIVERSITY

Respecting individuality has been integral to our approach to creating 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.

Our **Inclusion & Diversity Committee (CID)** outlines strategies and actions to make KPMG increasingly open to, respectful of and attractive to all types of talent.

WOMEN/KNOW

The KPMG Network of Women (KNOW) coordinates initiatives focused on gender equality at KPMG and fosters gender equity among our stakeholders. The aims of KNOW initiatives include increasing the number of women in leadership, making the workplace more comfortable for women during and after pregnancy, and implementing policies and good practices relating to gender equality and women's development, within KPMG and across the broader market.

Follow facebook/
grouknow



RACE/EBONY

This initiative gives a platform to race and ethnicity issues to increase the number of black people working at KPMG and in the market. Program initiatives include developing internal policies for attracting, retaining and recognizing talent, and affirmative action and thought leadership to accelerate the inclusion of people of color in the market.

Follow facebook/
KPMGBrasilEbony



LGBTI+/VOICES

This initiative is dedicated to building an environment where our people feel included and supported, both within and outside KPMG. It is geared to all LGBTI+ professionals (lesbians, gays, bisexuals, transvestites, transsexuals and other forms of sexual orientation, identity and gender expression).

Follow facebook/
KPMGBrasilVoices



PWDs/BUDDIES

PWDs/BUDDIES promotes initiatives furthering the inclusion of people with disabilities in our staff and promoting a more diverse society. Activities include improving co-working and awareness raising, providing support to PWDs and their managers, building action plans to hire additional PWDs, and ensuring PWDs have adequate accessibility to and are well accommodated at our offices.

Follow facebook/
KPMGBrasilBuddies



Financial Capital



Leadership drives business changes

MANAGEMENT
Our financial strength is anchored in the professionalism and integrity that underpins our management of KPMG in Brazil. Our boldness is what makes us innovate and grow continuously.

ASSETS

Strategic management to generate growth and soundness

Long-term vision to strengthen and promote a sustainable development

Ongoing and smart capital investment to innovate and operate in a sustainable manner

Focus on integrity and quality to reduce risks

Recognizing professionals' efforts aiming at promoting commitment

Investing in our communities to promote development



Highlights

R\$ 1.3
billion revenue

R\$ 565
million in employee
wages and benefits

R\$ 287
million in payments
to government

9%
growth

Financial performance

Anticipating demand to support continuing growth



In our consistent financial results lies a complex underlying equation: our extraordinary professionals, our efforts to deliver quality in every engagement, client satisfaction, the trust our brand has earned from the market, the global strength of the KPMG network and our commitment to leaving a legacy to communities.

These attributes support our vision of being **The Clear Choice** for our clients and the market.

We have pursued growth through planning and management, and on the basis of innovation, integrity, quality and a relentless client focus.

To increase our relevance in the market, in 2018: we maintained our massive investment in developing and training our professionals; we retained our teams; and we invested in structural and technological capabilities that improve integration, reduce environmental impact, enhance our technical and operational efficiency, and enable us to remain a step ahead of clients' needs. We also acquired new clients by offering services that incorporate our deep expertise, while working hard to build loyalty among long-standing clients.

Audit We retained 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, and through our new KPMG Clara platform.

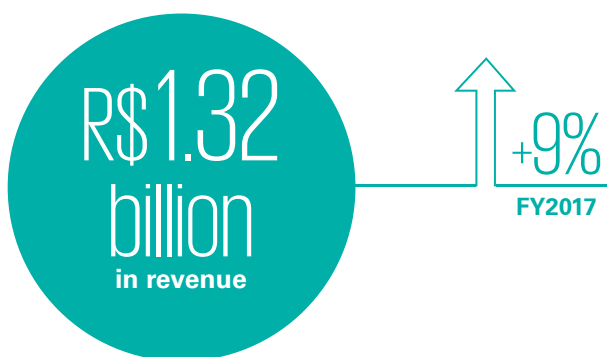
Advisory We expanded our staff and service portfolio across all areas, achieving significant success in engagements related to the Anti-Bribery Act, corporate reorganization and business transformation.

Tax Substantial technology investment in recent years has uniquely positioned us to advise our clients in dealing with new tax and filing requirements and international transactions.

In 2019, we will continue to work diligently to ensure that our management and investments, combined with our efficiency initiatives, enable us to achieve business targets to increasingly high standards of quality.

CONSOLIDATED REVENUE ACROSS PRACTICES

Independent firms operating in Brazil under the KPMG brand



* For the period from October 2017 to September 2018.

Statement of Added Value* (R\$)

	2018	2017	2016
Direct economic value created	1,326,244,706	1,215,405,417	1,137,360,064
a) Revenue	1,326,244,706	1,215,405,417	1,137,360,064
Economic value distributed	1,080,293,376	1,046,812,310	905,433,495
b) Operating costs	210,619,820	227,281,608	186,381,555
c) Employee salaries and benefits	565,532,704	519,559,888	497,661,451
d) Payments to providers of capital	14,333,427	20,602,785	18,169,712
e) Payments to government	287,519,950	277,223,521	200,564,514
f) Community investments	2,287,474	2,144,505	2,656,262
Voluntary contributions (including <i>pro bono</i> services) to social, environmental and cultural projects	2,287,474	2,144,505	2,149,719
Contributions to social, environmental and cultural projects under Tax Incentive Laws	-	-	506,542
Accumulated economic value	245,951,330	168,593,106	231,926,568

This information refers to the periods January to December 2018, 2017 and 2016, and represents the operations of all independent entities operating under the KPMG brand in Brazil. Pursuant to applicable regulations, these entities are exempt from publishing a statement of financial position.

Social and Relationship Capital



Engagement drives business changes

MANAGEMENT

We are here to serve our stakeholders, by seeking relationships that provide 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

Integrity and professionalism to act as catalysts for KPMG's business international reputation

Active participation in social discussions to exercise our responsibility

Sharing our knowledge to promote development

Consistent community-engaged work to promote social and mindset changes in our people

Monitoring of relationships with clients and suppliers to ensure quality and inspire confidence

Voluntary commitments to define our community-engaged work



Highlighted among
**The best companies
in Corporate
Citizenship 2018**
Grupo Gestão RH

Highlighted in the
dimension Corporate
Citizenship among
**The best companies in
IDHO 2018**
Grupo Gestão RH

Highlights

R\$ 2.28 million
in direct community
investment

R\$ 3.4 million
invested in 311 events

R\$ 737,000
invested in
pro bono services

Clients satisfaction:

95%*
of our clients would
recommend our services

*of satisfaction survey respondents

Source of

5,635
news reports

A member of

30 trade
associations

Relationships that create value

Our people are mobilized to contribute to society, share resources and expertise, and support the development of our stakeholders



CORPORATE CITIZENSHIP

Our corporate citizenship initiatives invested a total of R\$ 2.28 million in 2018, with a focus on Lifelong Learning as a strategy for:

Education

Helping youth and children to develop their skills and potential, and helping to build business and community integration.

- » **Direct social investment**
“Little Citizen”, Enactus and Junior Achievement, +Unidos and Akatu.
- » **Mobilizing our professionals**
KPMG Family for Literacy (KFFL) and KPMG Global Cyber Day.

Development

Investing in social justice and supporting sustainable ventures in the communities we operate in.

- » **Pro bono services/compensation**
The quality of our audit services in support of non-profit organizations.
- » **Volunteer work** Our 8+8 Policy encourages professionals to engage in volunteer work by giving them a day off to spend eight hours as volunteers on our projects.

- » **KPMG Community Outreach Day**
Each office engages in initiatives addressing the specific needs of their communities.
- » **Campaigns** Our professionals mark specific occasions and provide disaster relief by collecting and distributing donations.

Environment

Improving our environmental performance and business practices in aid of sustainability and raising the awareness of our professionals, clients and communities.

- » **Global Climate Response** Our global commitment to climate.
- » **Environmental management**
Raising awareness and setting reduction targets for water, electricity, GHG emissions and waste.
- » **Global Sustainability Services**
Our offering of specialized services.



The full version of our Sustainability Report provides detailed information about our Corporate Citizenship and Shared Expertise initiatives.

**INVESTMENT IN
COMMUNITIES**

KPMGI

US\$ 110 million

KPMG in Brazil

R\$ 2.38 million

R\$ 737,000

in *pro bono* services
for 17 organizations



"LITTLE CITIZEN" Annual visit from beneficiaries to our São Paulo office



JUNIOR ACHIEVEMENT Students receiving mentoring from KPMG leadership



ENACTUS The winning team in the national championship

2,139 people
reached

967 volunteers
composed of relatives
and friends actively

R\$ 33,000
invested



KPMG COMMUNITY OUTREACH DAY
Our purpose of serving communities in action



16 local and international awards for sustainability, human rights, management, human resources and audit

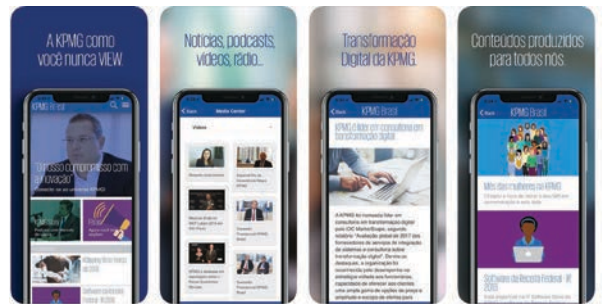


SHARED EXPERTISE

Part of the knowledge base we build across the KPMG network is made available to our stakeholders through continual collaboration with the media, research, studies, debates and sponsored events.

» **Audit Comittee Institute (ACI)**

A forum for disseminating best practice in corporate governance as well as political, economic, corporate, legal and tax trends affecting our business.



APP KPMG Brasil

1,800 c-level executives attended our 311 events



Private Equity Latin America Forum

50+ studies and research publications



Audit Committee Institute Forum

- » **Governance, Risk & Compliance (GRC) Forums** Where new market trends are discussed and shared by executives.
- » **KPMG Risk University** A dynamic executive education program on Governance, Risk and Compliance.



The future of Media



7th LatAm Energy and Natural Resources Conference



US Tax Reform for Brazilian Companies

CLIENT RELATIONS

Client agendas have led us to develop an increasingly diverse and comprehensive portfolio of solutions.

- » **11 strategic industries** Highly specialized Sector Leaders providing leadership on each topic.
- » **Being where clients need us** 24 offices with a deep understanding of local marketplace dynamics.
- » **Annual satisfaction survey** Driving continual improvement.

MEMBERSHIPS

Engaging around material issues. We are members of 30 trade associations and actively engage with regulators by sharing insights at events and in publications, or serving on boards, executive committees and working groups.

SUPPLIER MANAGEMENT

Responsibility across the value chain.

- » **Our Commitment to the UN's Guiding Principles on Human Rights** Human rights issues are addressed in our client and supplier policies.
- » **Supplier Code of Conduct** A commitment to disseminating best practices and developing our value chain.

95% of our clients would use other KPMG services

Manufactured Capital

Presence
drives
business
change

MANAGEMENT

Using new technologies, providing a comfortable working environment and fostering an efficient mobility program are essential measures to encourage our professionals to deliver the best work and contribute to our environmental performance



Highlights

24 offices

Corporate
fleet

578 cars

Offices in São Paulo (Morumbi) and Rio de Janeiro: Building facilities certified LEED CS Gold®

Morumbi office: Guia Rodas seal of accessibility

ASSETS

Physical facilities designed to promote well-being, safety, and integration among our professionals

New technologies to underpin innovation, efficiency, quality, safety, agility, and mobility

Accessibility to ensure the inclusion and well-being of our professionals

Corporate car that uses flex technology

Reduction and compensation of natural resources to mitigate our environmental footprint

The best infrastructure for optimal delivery

Office upgrades and investment in information management

KPMG WORKPLACE: IMPROVING SYNERGIES, SATISFACTION AND QUALITY OF LIFE

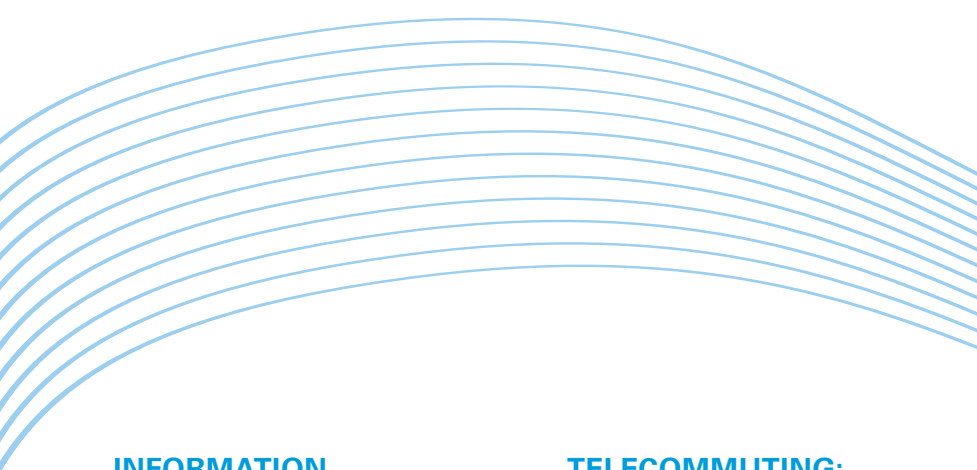
Our 24 offices in Brazil are located in cities that are business hubs in strategic regions, and provide the physical and technological infrastructure required for our professionals to deliver high-quality and efficient service to clients.

We are in the process of upgrading our offices into modern workplaces to improve synergies and satisfaction among our professionals and clients by optimizing occupancy, reducing electricity and water consumption, and improving accessibility for PWDs.

Co-working areas now support new approaches to collaboration. Quality of life is also addressed through investment in ergonomics and initiatives to encourage healthy nutrition. Accessibility, safety and technology are additional areas of focus at KPMG.

Outside the workplace, another benefit we offer—uniquely among the Big Four auditors in Brazil—is a company vehicle for managers—all company vehicles have flex-fuel engines as part of our sustainability policy.





INFORMATION TECHNOLOGY IMPROVING SECURITY AND EFFICIENCY

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.

In 2018, we invested in increasing link capacity to accommodate ongoing changes. Our plans for 2019 include further process robotization and automation, increased use of cloud solutions, further app development, and a chatbot for telephone service.

TELECOMMUTING: INCREASING FLEXIBILITY AND WELL-BEING FOR OUR TEAMS

Telecommuting gained traction in 2018 and is inspiring change at all firm offices in Brazil. Telecommuting improves quality of life for professionals, reduces environmental impact from commuting and reduces space requirements for professionals working in-house at our clients.

To provide an enhanced, efficient and secure telecommuting experience, we have invested in clouding, developing telecommuting apps and ensuring secure access for interactions between our teams and clients.

Full open space facilities

- + Socializing lounge
- + Accessibility
- + Mobile extension
- + Modern buildings

KPMG CENTRAL: FAST, SECURE FILE SHARING

A highly secure, online collaborative site which connects our local teams to clients and the global network of KPMG member firms.

This makes it possible to access and monitor working documents, manage projects, share files and information with clients, suppliers and across teams.



Natural Capital

Sustainability
drives
business
change

MANAGEMENT

We are committed to leave the world better than we found it.

To that end, we have developed global and local initiatives aiming at reducing the impact of our footprint on the environment and promoting more sustainable business models.

ASSETS

Eco-efficiency and carbon neutrality goals to reduce our impact on the environment

Local and global integration to provide support to the changes that need to be made

Awareness campaigns targeting our stakeholders to expand the positive effects of sustainability

Shared knowledge to inspire new models and behaviors



Highlights

100%
of eco-efficiency
targets exceeded

Accredited by INMETRO
as a Greenhouse Gas
Inventory Verification
Body (ISO 14065)

22%
growth in the demand
for sustainability services

Carbon Neutral:
10,242
tCO₂e neutralized

5,365
hours of
sustainability
education for

3,114
professionals

15.8
tonnes of
waste recycled

Our commitment to sustainability

Exceeding eco-efficiency targets and leveraging intellectual capital to improve our clients' environmental performance

REDUCTION

-23.2%

Plastic cups

-17.7%

Printing paper

-5.7%

Electricity

-5.7%

Printing

-0.3%

Water

RECYCLING

14.9 t

of paper

124 kg

of batteries

770 kg

of sealed UPS

batteries

GLOBAL CLIMATE RESPONSE (GCR) AND ENVIRONMENTAL MANAGEMENT

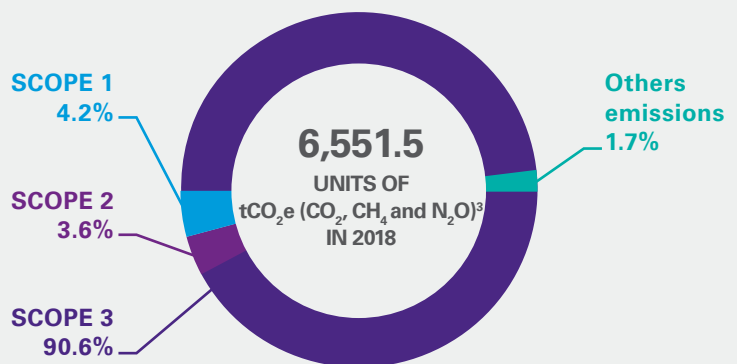
Our Global Climate Response (GCR) is aligned with the UN's Sustainable Development Goals and has evolved to ensure that the entire KPMG network implements efficient practices and technologies in order to reduce the use of natural resources.

As part of these efforts, our environmental management initiatives aim to continuously disseminate high-quality information to raise awareness and generate engagement. Our professionals, their family

members, clients, suppliers and communities are either directly or indirectly engaged in our campaigns, events and communications. Conscientious consumption has been strategically selected as the overarching theme in many of these initiatives, based on the Akatu projects we support.

Globally, we have committed ourselves to sourcing 50% of our electricity from renewable sources and reducing net GHG emissions by 10% per full-time equivalent by 2020.

GREENHOUSE GAS (GHG) EMISSIONS INVENTORY



SCOPE 1 Diesel combustion by generators at the São Paulo offices; fuel reimbursement for partners **SCOPE 2** Electricity consumption **SCOPE 3** Reimbursement for KPMG employees commuting to clients; transport of materials and documents between offices; motobike couriers (document transportation); and corporate air travel **Other emissions** HCFC-22 emissions¹

More than
1 million hours
per year spent
helping clients
to improve
environmental
performance



WE ARE CARBON-NEUTRAL

Our greenhouse gas emissions were neutralized in 2018 by purchasing **10,242 thousand carbon units** from the REDD Project + Jari Amapá in accordance with the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCBS).

The calculation we use to determine the number of units to be neutralized is provided by KPMGI and is always higher than the volume deriving from the Brazilian inventory approach due to a difference in methodology.

GLOBAL SUSTAINABILITY SERVICES

Climate change, environmental liability, depleting natural resources and a drive for more efficient consumption and production: public debate and pressures from public opinion on these issues have become increasingly intense, leading companies to seek progress toward sustainability.

KPMG has not only incorporated assessments of climate-change risks and opportunities in our business, but has been a pioneer in providing Climate Change and Sustainability advisory services, with more than 20 years of experience in the field.

Our Sustainability Services practice has a multidisciplinary team with the expertise to help organizations of all sizes and across industries to understand the sustainability context in which they operate and its related risks and opportunities, and plan their journey toward sustainability.

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Corporate Citizenship,
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GRI consulting, review and compilation of disclosures

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Design and layout

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Portuguese revision

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English version

Latin America Translations

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**The photos were shot at
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Thank you very much!

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