



TRANSFORMATION.
RESILIENCE.
LEGACY.

Sustainability KPMG in Brazil

2019 Highlights



ECONOMIC PERFORMANCE

Revenue of R\$1.4bn
+7.3% FY2018



SHOULDER-TO-SHOULDER WITH THE CLIENTS

24 offices
with regional expertise

KPMG One Americas
providing continent-wide coverage

15 international desks
serving our clients' businesses globally

93% client satisfaction



PUBLIC TRUST

R\$2.4mi of direct investment in the community and pro bono projects

R\$8,5mi invested in knowledge sharing events

6,955 mentions in the media, with involvement of 215 KPMG spokespersons

83 publications in magazines, research and studies



ENVIRONMENTAL COMMITMENT

Carbon neutral:
100% of GHG Emissions offset

Decrease in per-capita energy consumption of:

- Sheet paper -22.9%
- Printing -20%
- Water -12.8%
- Energy -3.3%

+18t of office waste recycled



PEOPLE DEVELOPMENT

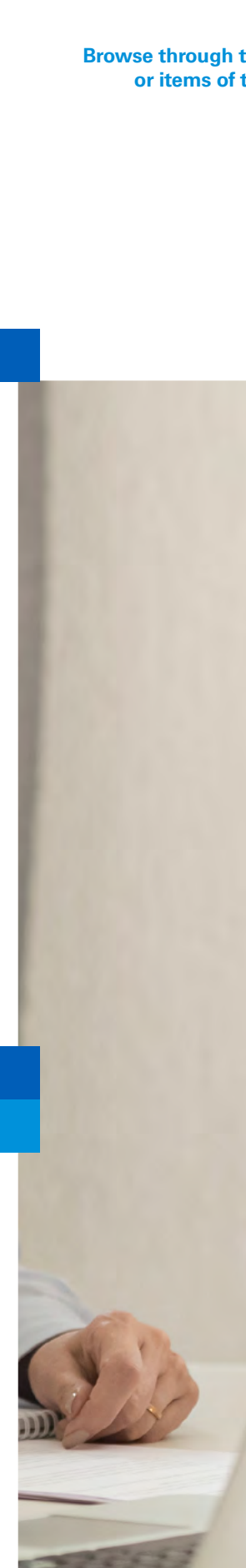
4,609 employees
+7.4% FY2018

R\$27,3m invested in training and development

401 thousand hours of training delivered

45.8% of our professionals have been promoted

Ipsos Women in Leadership Award 2019
Best practices in promoting gender equality in the Consultancy segment



Browse through the top menu or items of the summary



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See our new report

GRI 102-48 | 102-50 | 102-51|102-52 | 102-53 |102-56



People familiar with KPMG know we see transformation as an essential asset, which unleashes our potential to deliver innovation and instill a positive legacy in everything we do.

In a year marked by deep transformation processes on all levels at home and abroad, it was only natural for this 11th edition of the KPMG Sustainability Report to also undergo a transformation.

Now more than ever is the time to communicate our actions and thoughts with greater clarity and objectivity, for which we require greater freedom. See below what this means in practical terms:

GRI: REFERENCING

Over the last ten years we have reported our annual information in close alignment with GRI guidelines. This contributed greatly to our process of determining priorities, devising policy and making monitoring strategies and organizing our expertise and our actions.

However, we realize that this process was making our Report evermore dense, with a mountain of details clouding our data.

We accordingly decided to keep referencing GRI whilst taking the liberty of streamlining the information, to only include core references.

NEW FRAMEWORK

Another feature of the Report was ordering sections based on the capitals of the International Integrated Reporting Council (IIRC). It helped further our understanding of the impacts our operations have in each of the capitals, but it was not instilled in our culture or the perception of our stakeholders.

This led us to return to our essence and we have structured this edition based on the **pillars of our strategy and our vision of being The Clear Choice**. Our leaders, employees and clients are more than familiar with them, and it will help them take meaning from the content.

Another change is our explicit citation of the UN's **Sustainable Development Goals** through the chapters. Mobilizing our internal and external endeavors around the SDGs has become a key component of our sustainability strategy in recent years.

Our systemic look as to how the SDGs are related to our service and our management model found that SDG#4 Education is the most heavily interwoven into our operational essence. KPMG treats quality education, life lessons and knowledge as catalysts for economic growth, social mobility and the well-being of all of our stakeholders.



See our new report

SCOPE AND REPORTING PERIOD

The Report presents the social, environmental and economic performance of the 24 offices making up the KPMG International network of member firms in Brazil over the course of the fiscal year October 01, 2018 to September 30, 2019.

The financial information and environmental data adheres to the calendar year (January 01 to December 31, 2019) to assure compliance with KPMG's international practices and its financial reporting practices.

VERSIONS

Our stakeholders can view the 11 editions of the Report on the KPMG Sustainability **website**, in both complete and summary versions, in either Portuguese or English.

IMAGES

For the first time in several years we have been unable to use pictures of our people to embellish our report. We were unable to take these pictures because of the lockdown initiated in March in response to the COVID-19 pandemic. These familiar faces will be missed, but they will make a welcome return in future editions.

INDEPENDENT ASSURANCE

Green Domus.

Enjoy the report!

Luciene Magalhães

Partner, Head of the Human Capital Subcommittee

Eliane Momesso

Senior Manager of Corporate Citizenship

Please feel free to send us any queries and contributions by e-mail: **comunidade@kpmg.com.br** or **+55 (11) 3736-1228**.

DATA SOURCES



10 operating practices



48 data sheets



10 interviews with KPMG in Brazil leaders to instill their strategic vision into the Report



50 national and international KPMG and third-party publications

SDGs at KPMG

A comprehensive mapping of our operations identified touchpoints with 14 Sustainable Development Goals. The figure below shows the three levels of intensity of these touchpoints.

Move your cursor over each SDG to reveal the topics involved.

Message from the Chairman

**INTEGRITY. EXCELLENCE.
COURAGE. TOGETHER. FOR BETTER**

GRI 102-14

We are producing this Report in the middle of an unprecedented situation: working from home, where we have been sheltering from the COVID-19 pandemic since March 16. We are still working to deliver our engagements with excellence, but are also looking out our people and their families and finding ways of harnessing our networks, skills, technologies and intelligence to help as much as possible.

We lost no time in responding to the lockdown. In two days, nearly five thousand employees began working full-time from home. Our team is drawing heavily on an increasingly precious asset: our capacity for mobilization, adaptation and working together in the face of any situation that arises.

This situation compels us to think about how we achieved this maturity and serenity: the major investments we have been making in nurturing technical and behavioral skills on all levels, building an efficient, friendly and secure technological structure to enable our teams to work in synergy, hiring people used to new technologies, attracting new partners, and our insatiable appetite for innovation... There are multiple variables, a great deal of hard work and a real willingness to reinvent ourselves with each new cycle.

We have been constantly renewing our culture for years. This was also accompanied by two more assets: resilience and legacy. The former makes us strong, the second makes us responsible for leveraging everything we receive and learn and to look after what we deliver. We even revisited our values in 2019 - which have not changed for decades, and have helped shape who we are and how we act. In essence they remain unchanged, but we have

made them simpler, more memorable and more topical: **Integrity, Excellence, Courage, Together** and **For Better**.

These few words speak volumes about who we are, our commitment to doing what is right (**Integrity**), and that we never stop learning and improving (**Excellence**), we think and act boldly (**Courage**), we respect each other and draw strength from our differences (**Together**), in addition to doing what really matters to make things better for our employees, partners, clients, governments and communities (**For Better**).

These are the values that underpin our global strategy on two fronts: **Trust** (to be the most trusted and trustworthy firm) and **Growth** (the results of our work should create value in everything we do), which come together to form our vision of being **The Clear Choice**.

It is from the four pillars around which this report has been structured – Innovation, Extraordinary people, Commitment to clients and the market and Public trust – that the effort emerged of instilling in each partner, employee, trainee, young apprentice and service provider of KPMG in Brazil our sustainability policy: development to create value.

Throughout this Report you will find the initiatives we carried out in each of these pillars, but I take the liberty of drawing your attention to a number of them here: We are really excited about the results of our **Innovation** work. Through Lighthouse and the partnership with Leap, we have developed and rolled out technologies and upgraded our operating management models which have been exceeding

our clients' expectations, raising their performance to unprecedented heights.

We continue nurturing the development of our **Extraordinary people**. A highlight has been the KPMG Business School, which has developed dynamic, personalized and engaging learning journeys which have proved to be a roaring success amongst teams from all levels.

Our **Commitment to clients and the market** is based around client centricity, which enabled us to grow by 7.3% in what was a tough year. Our contribution to market development, sharing our expertise and opening up channels for dialog and mutual learning, is as intensive and productive as ever.

The **Public Trust** pillar embraces everything we do, but above all in our commitment to quality and integrity when engaging with the communities our offices are based in and our commitment to mitigate our environmental footprint and to strive for our clients to do the same. We invested so heavily in each of these areas that this chapter really is essential reading.

Summarizing into a single document what nearly five thousand professionals do every day on so many fronts is no easy task, but I do hope that with this new format the information we provide will be even more relevant and accessible to each and everyone of you. Take care and until the next time!

Charles Kriek
Chairman of KPMG in Brazil
and South America



“Every time we have the opportunity to serve a client, a community, an entity and a government, our commitment is to leave them better than when we arrived.”

This is KPMG

**ALWAYS DOING BETTER.
ALWAYS DOING BEST.**

GRI 102-16

**The world is in
constant transformation.
So is KPMG.**

**We are here to support
companies, governments
and communities in
sustainable growth,
transformation and
innovation processes with
our insatiable appetite for
learning and improvement.
To always be best.**

**We are Reliable.
Innovative. Specialists.
Digital. Transparent.
Present.
Extraordinary.
Enterprising. Resilient.
Inclusive. Global.**

We are KPMG.



This is KPMG

Our shared vision is to be The Clear Choice in the services we provide. The foundation of this vision is the high quality and integrity that permeates all aspects of our business and the **commitment to making a positive contribution to the success of our clients, the development of the broader society, and the strengthening of the KPMG International network of member firms.**

That is how we attract extraordinary people to our teams; clients see a difference in us and we help to build public trust.

Everything we do is underpinned by a shared set of values that guide our every action and behavior, building the integrity to support our vision and our purpose.

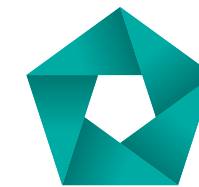
In a world of disruptive change and technological progress, KPMG's values nurture a culture that brings out the best in our people:

Our Values



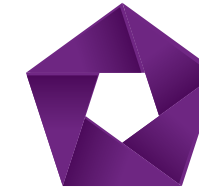
Integrity

We do what is right.



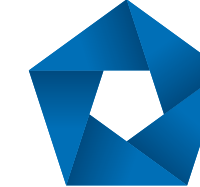
Excellence

We never stop learning and improving.



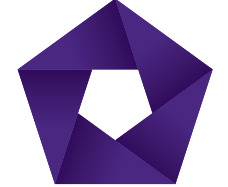
Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.



This is being KPMG.
This is what makes us different.

This is KPMG

KPMG INTERNATIONAL

GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-6 | 102-7

A leading brand in its segment worldwide, KPMG International (KPMGI) is a global network of professional firms providing Audit, Tax and Advisory services. We have **219,000 professionals** working in **147 countries** worldwide.

Guided by our purpose to inspire confidence and empower change, during its 150 years of existence KPMG has left a positive imprint on the market, the communities it operates in and the organizations that mobilize society and companies around important issues such as sustainable business models, governance, financial reporting credibility, climate change, business ethics, human rights, inclusion and diversity.

Translated into KPMGI's initiatives, guidelines, methodologies and policies, our member firms collaborate across the globe, addressing the needs of clients, making bold decisions on investing for growth, and creating the best experiences for our professionals.



Please read our **Global Annual Review 2019** to find out more about KPMG International's performance and initiatives.



CONECTIVITY

a hub where our professionals have everything they need to excel - strategic partnerships, shared investments, sound practices, policies, methodologies, technologies and inspiration.

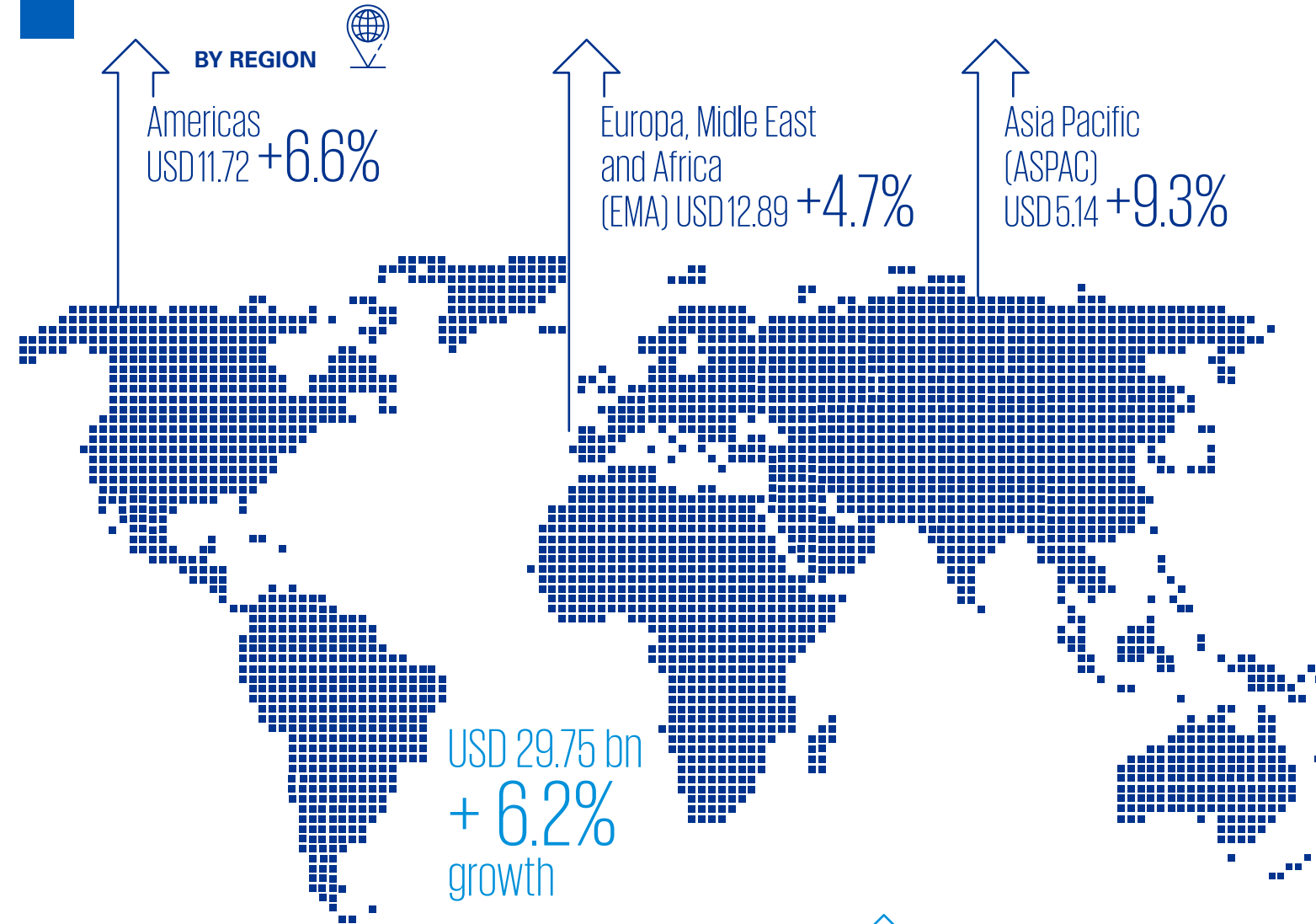


219 thousand professionals working alongside our clients in **147 countries**. The highest number of employees in our 150-year history. **Women** make up **52%** of this total.



FINANCIAL RESULTS KPMG INTERNATIONAL 2019

(in billions of dollars)



KPMG AMERICAS

One Americas was put into practice in 2019 to enhance our regional synergy. This program brings together KPMGI member firms in 20 countries, so that our clients have access to consistent services and the best resources wherever they may be.

We use One Americas to share human resources, technologies, investments, best practices, consistent quality initiatives for risk management, whilst offering our professionals new experiences, greater expertise and richer opportunities.

BY PRACTICE



Advisory	USD 11.95	+7.9%
Audit	USD 11.18	+3.7%
Tax	USD 6.62	+7.8%

This is KPMG

KPMG IN BRAZIL

GRI 102-1 | 102-2 | 102-3 | 102-6 | 102-7 | 102-45 |
201-1 | 201-4 | 203-1

Throughout our trajectory in Brazil we have striven to deliver the most innovative, meaningful and transformative insights to the market, governments and communities we operate in, coupled with efficient implementation in Advisory, Audit and Tax.

In a market where no leaders have escaped from relentless pressure for change, we are steering our ship to make sure we are recognized as the most trusted and trustworthy firm; as being a safe harbor offering quality advice and guidance, where experience and technologies come together to produce the best results.

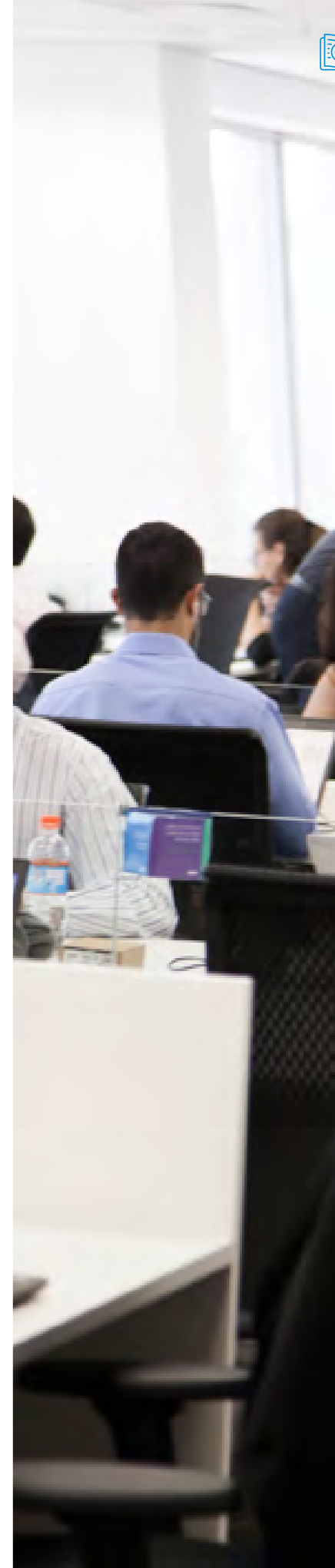
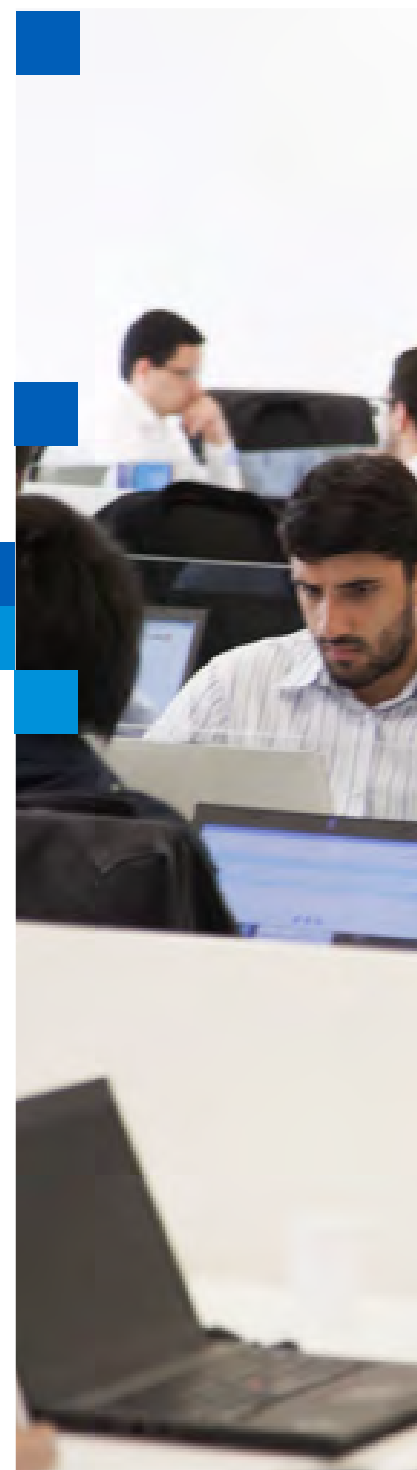
We are one of the big four, which also means we have responsibility regarding the influence we exert over market practices and mindsets.

This is a commitment we take very seriously, actively participating in debates, complying with national and international treaties in line KPMGI guidelines.

-  24 offices in 22 cities
-  4,609 professionals
-  6,017 clients throughout Brazil including private companies in all industries, government agencies and mixed capital entities and non-profit organizations.



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



This is KPMG

KPMG in Brazil's financial results for 2019

GRI 102-7 | 102-45 | 201-1 | 201-4 | 203-1

The engine that has driven our positive financial results over the years is our vision of being **The Clear Choice** for our clients, our professionals and society.

This is because, by achieving this, we action a set of assets that underpin **our mindsets and positions**:

Managing KPMG in Brazil with professionalism and integrity

Our extraordinary professionals and their professional dedication at all times

The trust that our brand has earned from the market

The commitment to the legacies left by everything we do



The boldness that makes us innovate, learn and grow continuously

Customer centricity

The strength and intelligence of KPMG's global network

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



KPMG IN BRAZIL
 R\$ 1.4bn in revenue **+7.3%**
 R\$ 622m for employees **+10%**
 R\$ 283m in payments to the government

Statement of Added Value* (R\$)
 GRI 102-7 | 102-45 | 201-1 | 201-4 | 203-1

	2019	2018	2017
Direct economic value created	1,422,918,875	1,326,244,706	1,215,405,417
a) Revenue	1,422,918,875	1,326,244,706	1,215,405,417
Economic value distributed	1,175,763,185	1,080,293,376	1,039,735,076
b) Operating costs	253,963,776	210,619,820	227,281,608
c) Employee wages and benefits	622,166,157	565,532,704	519,559,888
d) Payments to providers of capital	13,761,010	14,333,427	13,525,551
e) Payments to government	283,419,358	287,519,950	277,223,521
f) Community investments	2,452,882	2,287,474	2,144,505
• Voluntary contributions (including pro bono) to social, environmental and cultural projects GRI 203-1	2,452,882	2,287,474	2,144,505
• Contributions to social, environmental and cultural projects under Tax Incentive Laws GRI 201-4	-	-	-
Accumulated economic value	247,155,691	245,951,330	175,670,340

*This information refers to the periods January to December 2019, 2018 and 2017, and represents the activities of all independent entities operating under the KPMG brand in Brazil. Under the legislation in force, these entities are exempt from publishing statements of financial position.

Underpinned by sustainability

DEVELOPING TO CREATE VALUE.

GRI 102-14

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 channel this knowledge not only into the services we offer, but also into developing our stakeholders.

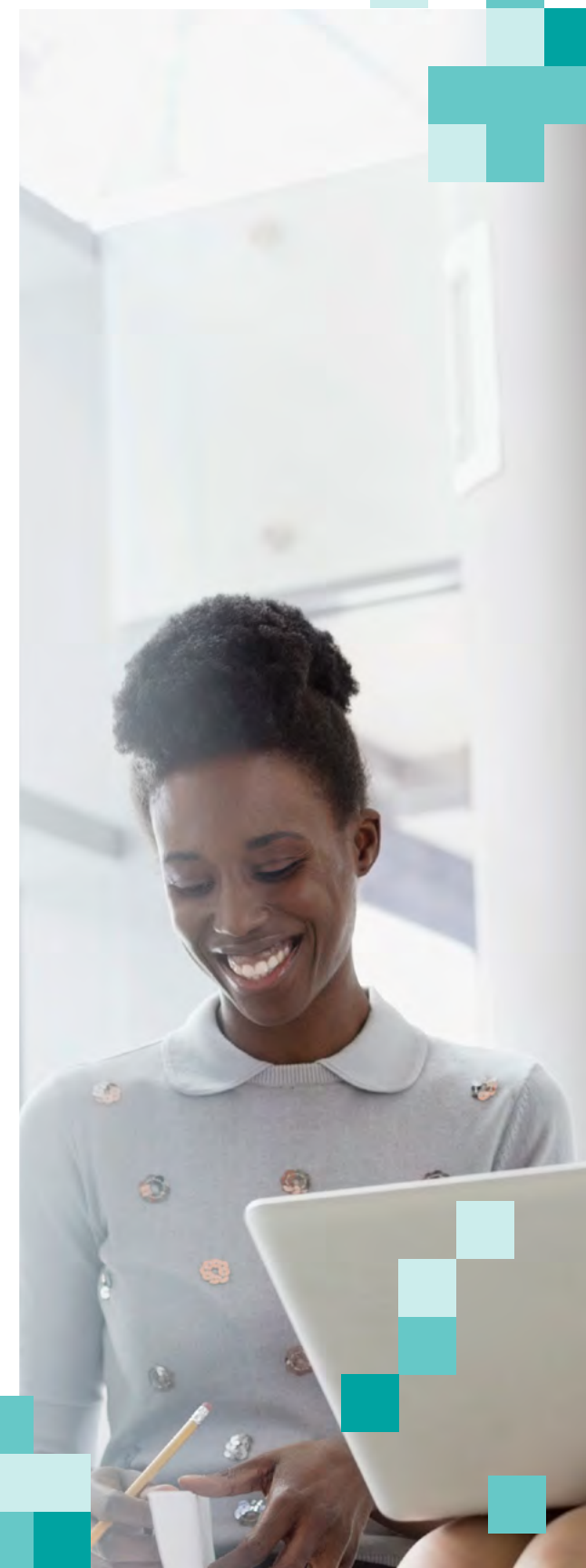
Converting all this expertise into innovative and sustainable approaches that create value for all stakeholders and for KPMG forms our sustainability strategy.

Inspired by the dialog with our stakeholders, by tracking market practices and the various national and international commitments we undertake, we strive to cement our sustainability strategy as a business asset and the foundations of our *modus operandi*.

At KPMG in Brazil our sustainability strategy is supported by initiatives developed and implemented by our corporate citizenship practice, focusing on the global pillars “**Lifelong Learning**” (SDG#4) and **The Environment and Combating Climate (ODS#13)**, in accordance with its importance to our communities and the essence of our operations in Brazil.

Our internal and external sustainability engagement and awareness initiatives, monitoring our social and environmental performance, coordinating our Sustainability Report and managing community projects and investments are all under the auspices of this practice. **Read more about Corporate Citizenship here in this Report.**

Our **Environmental, Social & Governance (ESG) Advisory Services** practice plays a crucial role in promoting sustainable development to our clients and the market. A multidisciplinary team trained to help organizations of all sizes in multiple sectors understand the sustainability reality in which they operate and its related risks and opportunities, and thus plan and make this journey. **[Read more]**



Underpinned by sustainability

Global and national commitments

GRI 102-12

Understanding trends, monitoring and effectively contributing to transformation and reflecting all of this in our work and raising awareness among stakeholders: these are the reasons that lead us

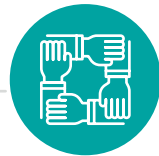
to be volunteer signatories to major domestic and global initiatives. The Global Compact and the Sustainable Development Goals play a key role in this alignment.

Click on each initiative to get to know it better



DEVELOPMENT AND THE ENVIRONMENT

- The UN Global Compact
- UN Sustainable Development Goals
- The Carbon Price Communiqué
- World Business Council for Sustainable Development
- Climate Disclosure Standards Board
- Paris Pledge | COP 21



RIGHTS TREATIES

- Guiding Principles on Business and Human Rights
- Ethos Human Rights



DIVERSITY

- Women's Empowerment Principles – UN Women
- HeforShe – UN Mulheres
- Business and LGBTI + Rights Forum
- Business Initiative for Racial Equality
- Business coalition for the end of Violence against women and girls



ETHICS AND INTEGRITY

- Partnership against corruption initiative / World Economic Forum



Read about KPMG's progress in implementing the Global Compact Principles in 2019. **Portuguese** and **English**.



Our Materiality Matrix compiled from our stakeholders **GRI 102-47**

Topics considered by our stakeholders as most relevant about our performance

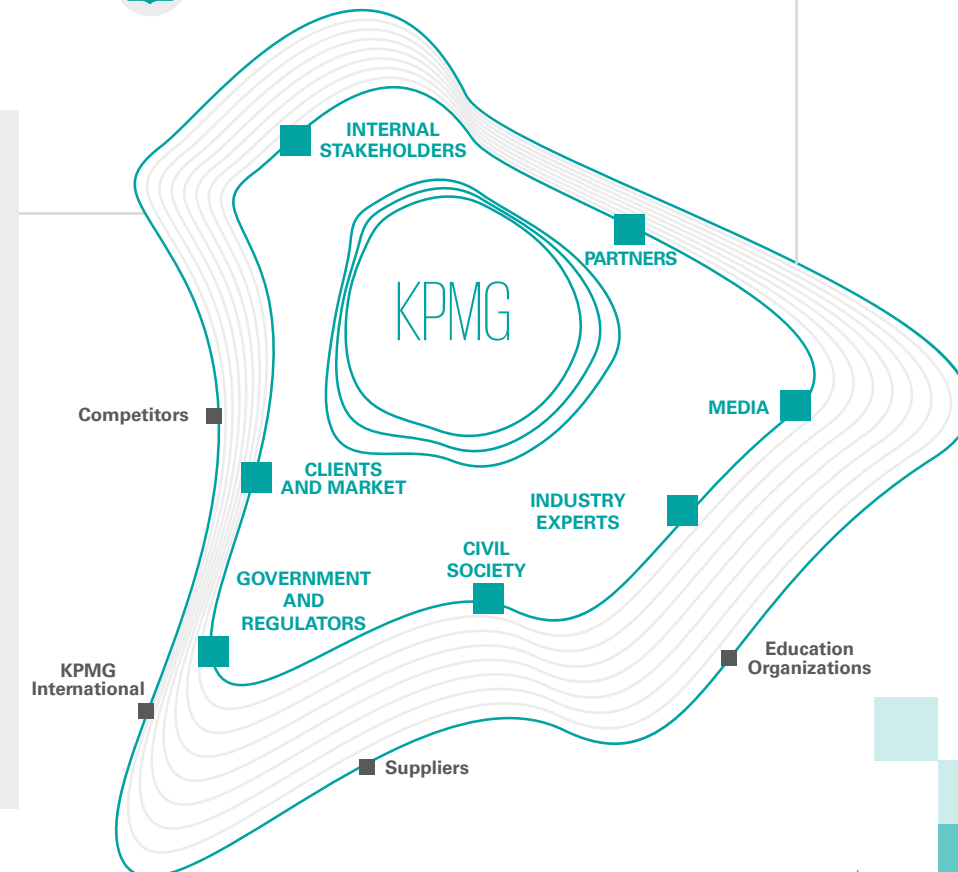


OUR STAKEHOLDERS **GRI 102-43**

Our ecosystem relies on the dynamic interactions we establish with each group of people who influence or are influenced by our activities. For each stakeholder, we develop forms of action that encompass our joint interests and specific requirements.

Strategic supporters

PRIORITY STAKEHOLDERS



Underpinned by sustainability

Our vision: THE CLEAR CHOICE

 Our people are extraordinary

 Our clients see a difference in us

 The public trust us



Innovation and technology

- Ongoing internal and external transformation
- Partnership with innovation ecosystems



Extraordinary people

- Training and development
- Attraction and retention
- Inclusion and diversity
- Health and safety
- Physical and technological structure



Commitment to clients and the market

- Customer centricity
- Sharing with the market



Public Trust

- Economic performance
- Quality and Integrity
- Involvement with communities
- Commitment to the environment

Innovation and technology

ALWAYS DELIVERING THE BEST.

MANAGEMENT

Innovation and expertise are the hallmarks of the solutions we create to deliver the very best to our stakeholders.

ASSETS

- Innovation to transform and solve
- The strength of ecosystems to always be ahead
- Extraordinary professionals to deliver the best
- Quality and integrity in what we do to inspire confidence
- Sharing relevant knowledge to foster development



Magic Quadrant and Critical Capabilities for D&A Service Providers 2020 Gartner

Now Tech: Insights Service Providers Q12020 Forrester

RPA C&SI and Managed Services Competitive Landscape 2019 Gartner

Wave Robotic Process Automation Services 2019 Forrester

AI Services Top 10 2019 HFS Enterprise

2020 HITEC 50 Award Winners HITEC



2,829 appearances in the press relating to innovation



116 events about innovation promoted for the market



27 MVPs (minimum viable products)/ POCs (proofs of concept)



R\$ 203.4 million in revenue

Innovation and technology

KPMG Digital

BUSINESS SOLUTIONS SUPPORTED BY INNOVATIVE TECHNOLOGY FOR ALL PHASES OF OUR CLIENTS' TRANSFORMATION JOURNEY

GRI 102-2 | 102-14


Just like our clients, in recent years we have been experiencing deep disruption across our business. A series of learnings has helped us transform our modus operandi and help our clients to do the same, for them to remain relevant and competitive.


The seamless use of disruptive technologies and the open digital transformation approach, coupled with our extensive experience in our clients' business and the markets they operate in, have been major assets in developing high-impact projects combining management and innovation. A fast process of


developing our supply and delivering our services, taking place at the same pace in our Advisory, Audit and Tax practices. Under the leadership of our Enterprise Solutions and Innovation Committee, we are continually upgrading our technical and operating capabilities and our appetite for transformation and transforming our clients responsibly and efficiently.

See below a small selection of the innovation fronts aimed at our clients. To find out more **please contact our team** and in the other chapters see how the innovation process is being implemented ubiquitously in our actions.

KPMGI: USD 5 billion to be invested in technology, people and innovation in the next five years

 **Technology** Consistent, global cloud-based platforms to drive the quality of service delivery and new client-facing business solutions and managed services.

 **People** Augmenting the digital skills of KPMG's global workforce and expanding talent in areas such as data science and digital architecture.

 **Innovation** Extending the range of digital offerings and winning work through a diversified ecosystem of strategic alliances and a global innovation network.

PRODUCING TRAILBLAZERS


We have invested heavily in retraining our professionals so that they can learn how to use the technologies at our disposal and harness them to deliver quality and efficient engagements and create new models and services.

JOURNEY TO DIGITAL

FUNDAMENTALS

 909 people
 16,000 hours

INTERMEDIATE

 787 people
 6,100 hours

ADVANCED

 314 people
 4,700 hours

 + 2,600 hours in internal events

 **KPMG:**
 experience and know-how about our clients' business and the markets they operate in

 **startups ecosystems:**
 comprehensive portfolio of opportunities and solutions

alliances with bigtechs: 
 smart automation technology to capture, analyze and manage data

high-impact roll-outs and insights for our clients and KPMG 

Innovation and technology

STRATEGIC ALLIANCES: EXPEDITING OUR TRANSFORMATION

Due to the intensification of the digital transformation, the services model based solely on proprietary solutions is no longer sufficient to meet the challenges presented by the market and our clients.

Alliances with bigtechs, such as Google, Microsoft, IBM and Amazon, has been one of the most efficient answers for transforming our business, our clients' businesses and consumer experiences through new predictive and artificial intelligence, clouding and robotics technologies.

Alongside our collaboration with the bigtechs, through **LEAP** – our strategic partnership with the District – we also have access to an ecosystem with upwards of 12 thousand technology and innovation start-ups, segregated by sector and type of offerings and solutions. See more about Leap on page 38.

Diving into this ecosystem has made us increasingly agile, open and creative to produce unorthodox solutions and overcome challenges.

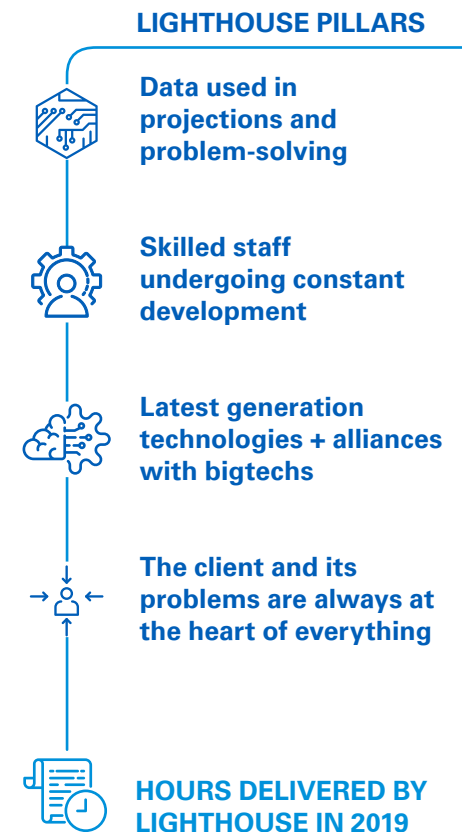
LEAP: CONNECTING BUSINESS PROBLEMS WITH OPEN INNOVATION

LEAP harnesses the best of the start-up ecosystem to solve corporate problems, combining kpmg's business expertise with district's disruptive technologies. Business Hacking and Reality Transformation are two of the core products that transform the way clients see their problems and solutions. **Learn more below.**

LIGHTHOUSE: DISRUPTIVE SOLUTIONS FOR OUR CLIENTS' CHALLENGES

Our Artificial Intelligence and Data&Analytics center has more than 120 staff using the latest disruptive technologies available in the market to create client-facing solutions.

A unique project-focused environment, it empowers, nurtures and inspires technological creativity and fosters inventive technology-driven solutions in partnership with all KPMG teams. This benefits our teams and our clients, who harness the real applicability of the technologies in each situation.



20 thousand Innovation development

25 thousand Developments/ Maintenance (AS/IS)

108 thousand Chargeable hours

KPMG SOFY SUITE

A comprehensive business analytics solution that provides information so our clients can make better business choices, manage risks, and improve overall performance using dashboards that are easy to control, assess and mobilize.


KPMG IGNITE

An Artificial Intelligence platform to help our clients accelerate their strategies for intelligent automation, cost management, growth, customer engagement and risk and regulatory policy.

KPMG SIGNALS REPOSITORY

A machine learning and artificial intelligence platform that places at the disposal of our clients an extensive repository of internal and external data and signals that makes it possible to understand and evaluate highly predictive variables for the business.



 **Artificial intelligence generating new business and greater efficiency in management and operation processes:** listen to the interview with Frank Meylan, our lead partner for AI, Cognitive & Customer Experience.

 **Digital transformation:** watch the interview with Carlos Gatti, Head of Advisory and the Enterprise Solutions and Innovation Committee with the journalist Ricardo Amorim.





Innovation and technology

Innovation in Advisory

The main resources we have added to our traditional capabilities include the entire spectrum of digital transformation solutions recognized globally by analysts - including Cyber Security –, in addition to the advanced use of AI and smart automation in Regulatory Driven Transformation and Deal Advisory solutions.

KPMG’s professionals have access to globally consistent tools and solutions, benchmarks and sector analyses to provide consistent support for clients wherever they do business.

KPMG CONECTED ENTERPRISE

A digital transformation framework that helps clients connect their functions throughout the enterprise to improve customer experience, achieve business goals and accelerate return on investment.

KPMG POWERED ENTERPRISE


Solution focused on results that uses Cloud technology to help our clients transform all of their back office functions (Purchasing, Sales and Services, IT, HR, Supply Chain and Finance), promoting more agility and speed and, with that, better performance.


THIRD PARTY RISK MANAGEMENT (TRPM)


The TRPM platform aids the management of the progressive contingent of third parties and associated risks, enabling simultaneous accesses to public and private information sources for a complete, efficient and high-added-value evaluation of third parties.

COGNITIVE SOLUTIONS

We combine artificial intelligence technologies with our in-depth knowledge of our clients’ business and markets to automate processes, increasing by up to 50% the efficiency and productivity of teams, cutting costs in multiple areas and enhancing quality standards.

 **Purchases** Onboards suppliers and materials in record time

 **Contract compliance** Makes contract compliance analysis processes faster and more efficient

 **Taxes** Monitors whether tax risks are being addressed at the source of transactions

RECOF AND RECOF-SPED

Helping clients join SPED to enhance their financial performance.

M&A PLATAFORM

Open to the market, it uses cognitive intelligence technology to bring stakeholders together and create more M&A opportunities.

Innovation in Tax

We continue investing in Tax Transformation, our innovation initiative focused on the digital transformation of the tax practices of KPMG and its clients, with the optimal combination of people, processes, data and technology.

We help our clients rethink their tax practices, to make them more digital, agile, strategic and innovative. We participate in the design and implementation of this transformation journey, combining our solid Tax expertise with the latest technologies and tools (Lighthouse) and our expertise in management, risks, people and processes (Advisory).

In addition to determining tax goals and strategy, we apply agile methodologies to identify ideal governance and operational frameworks, challenges and points of improvement and respective solutions (proprietary or market).

We harness a sophisticated Tax Data & Analytics platform, which enables the smart use of company data so that managers can add value to their business by taking data- and insight-driven decisions.

We advise the market on the formation of Data Lakes for Tax, devising data strategy and creating dashboards that can identify credits and other opportunities, obtain meaningful improvements in compliance and better ascertain the impacts of taxes on the company’s operations.

We harness smart automation and other advanced technologies to facilitate specific Tax projects involving substantial data volume with quality, reliability and agility. As an example, we cite our documents and contracts reader (OCR), a tool which amongst other things enables constant cross-referencing of auxiliary obligation data (K-Tax) and the development of specific platforms to meet specific project requirements (such as: CAT-42).

We have also progressed in the digitization of our processes and methodologies, introducing several tools into our engagements.

We have invested heavily in ongoing technology training for our tax professionals, to make them more digital, agile, strategic and innovative.

Our performance as tax consultants is based on principles that aim at the best functioning of tax systems in each country and jurisdiction. Guided by these principles, we advise our clients to provide the information in a complete and clear manner as required by legislation and by the Tax Administrations and to determine and pay the fair value of taxes vis-à-vis the legal system. Meet our Global Tax Principles.

Innovation and technology

Innovation in Audit

Continuously innovating is essential to enhance audit quality and consistency.

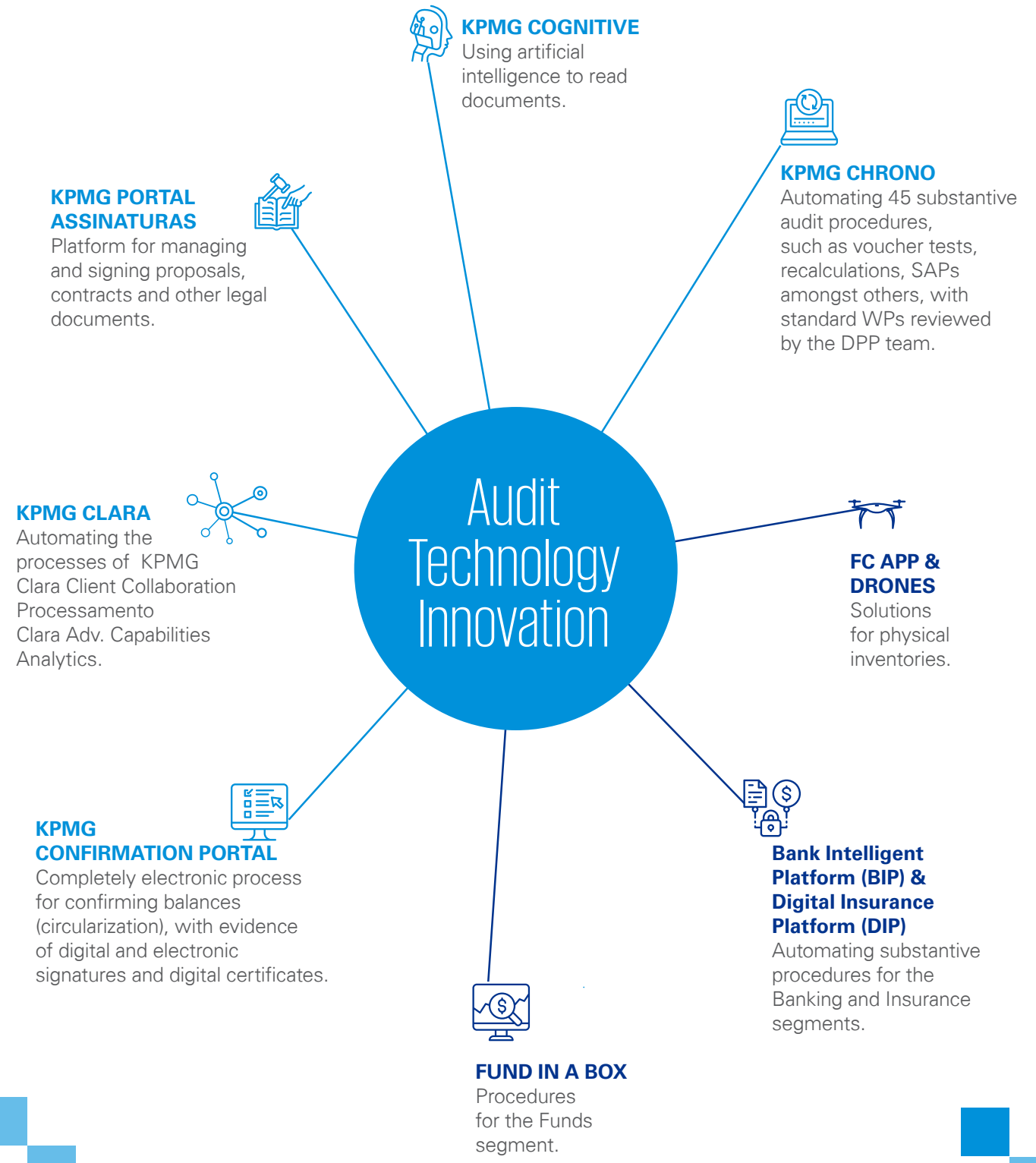
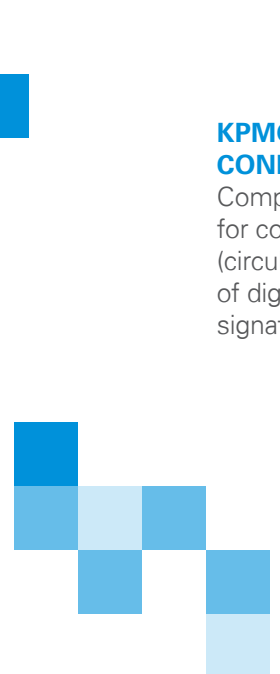
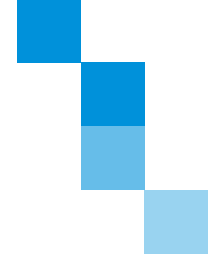
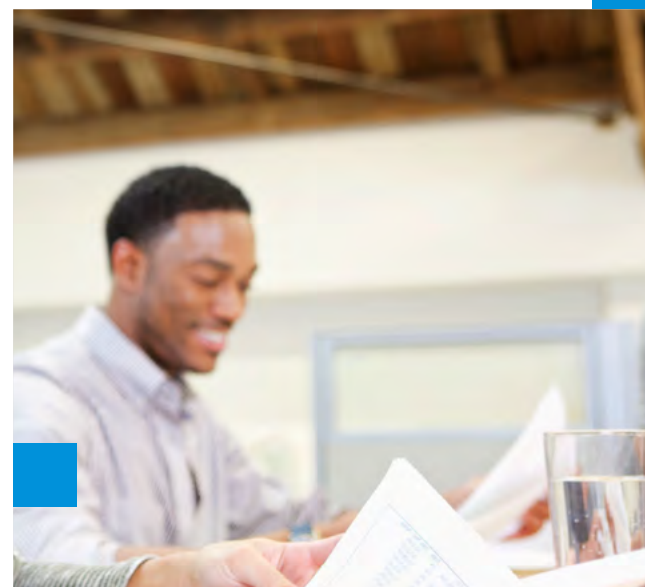
In the fiercely competitive and disruptive market we operate in, our strategic choice has been to combine the best talents with latest technologies to deliver high quality audits that achieve deeper, more agile and more transparent insights into risk informed to clients.

KPMG Clara is our automated, agile, smart and scalable global audit platform which takes the quality of our deliverables to a new level. Launched in 2017 as the first global Big Four audit platform, it has been developing each year and houses advanced, predictive analytics capabilities within a single, cloud-based source.

KPMG Clara enables real-time collaboration and online interaction with your engagement team, with your clients throughout the audit process, in an experience completely overhauled for both.

In Brazil, our Audit Technology Innovation (ATI) practice alongside our Enterprise Solutions & Innovation Committee spearheads audit innovation processes, developing new products that add quality, consistency and efficiency to our audits, creating an exceptional experience for clients and cultivating a continuous learning and process improvement culture.

To the same extent we invest in new technological tools and resources, we are committed to equipping our professionals with the expertise and confidence they need to fully harness the opportunities offered by innovation. Our teams have on-demand access to training and guidance whenever and wherever they need it.



■ DEPLOYED
■ TO BE DEPLOYED



At LEAP, we love problems. The more complex the problem, the more valuable it is to instigate new mental models and business models.

Our challenge is to produce new models of thinking and acting for all manner of organizations, that can easily adapt to the profound disruption we are currently experiencing.

Our approach is inspired on the hackers' approach: We dismantle the problem to see how the components interconnect and break down. From this new perspective emerges the opportunity of creating unorthodox solutions.

We harness the latest digital technologies in these processes, painstakingly chosen from an ecosystem boasting 12 thousand Brazilian and nearly 150,000 global start-ups, developing functionalities that our solutions can draw on.

With our end-to-end approach, we deliver not only new business models, but also new operating models and digital operations already encoded and working for the client's teams.

This is the true digital transformation we believe in: that which transforms company architecture so they can deliver their best in these new times.

Case

EMBARCAÍ: door-to-door journeys, without frontiers

The diversification of intercity and interstate transportation alternatives has seen bus ticket sales plummet to historically low levels.

The Paraná and Santa Catarina State Federations of Passenger Transportation Companies (FEPASC) approached us seeking a solution to the problem.

In a deep dive into the economic, social, technological and emotional components of this situation, Leap captured the transition from the experience model desired by users: they want to get from A to B quickly and safely, regardless of how they do so.

Reframing the problem went beyond the client's experience and included analyzing the charter and objects sectors, which can harness the same buses, lines and points of departure for passenger transportation.

What started off as a ticket sale issue evolved into the opportunity to design a new model for the entire highway transportation ecosystem of people and objects.

This opened up a whole new world for the client. The first step was creating the new company Arca, which currently comprises 14 transportation companies working in synergy within a new business model, where the operators now also provide solutions for the movement of people and objects.

Embarcaí is the platform we created with the client to run this new model. The software recreates the experience of passenger and object transportation across Brazil, handling its door-to-door trajectory, without frontiers.

The aim is for the user to simply enter the place of departure and destination, with the platform then presenting options based on the best types of transportation for each section of the journey - Uber, taxi, bus, plane and boat. After selecting the routes, times and preferred means of transportation, the user pays for everything through the application and is given the complete schedule and tickets.

Users can also request specific services such as transportation of pets and disabled access.

Embarcaí enables operators to meet all their customers' requirements, with unrivaled convenience, agility, intelligence and safety, focusing on the client and not just the type of transportation.

Despite the complexity, coding the software produced an open and expansible architecture in three months. This architecture is already performing tentative sales activities and is starting to expand through connections with partners (which expedite the process and reduce development costs) en route to the platform's core purpose.

Embarcaí was launched in June this year directly as the sixth largest intercity transportation operator worldwide, and promises to unleash highly positive disruption in a crisis ridden segment.

Extraordinary people

TOGETHER. FOR BETTER

MANAGEMENT

We are recognized both locally and internationally for our ability to attract and develop extraordinary people. This is the fundamental condition for us to become The Clear Choice.

ASSETS

- Strategic, technical and human development of our professionals to add more value
- Investing in quality of life for our professionals' good health
- Praise and recognition for engaging our people
- Praising our diverse and intergenerational talent to build expertise and provide innovative insights
- Nurturing new talent



Women in Leadership 2019

Best practices in promoting gender equality in the Consultancy segment
Ipsos

Most diverse companies in Brazil

Guia Exame de Diversidade

WEPs Award 2019 - Ouro

UN Women



4,609 professionals



48% women in our team



45.8% of our professionals have been promoted



R\$ 27.3 million invested in training and development



401 thousand training hours

Extraordinary people

People management

GRI 102-8

Globally, our Talent Strategy aims to maximize the creativity and talent of our people, creating an extraordinary experience which includes an innovative and flexible work place, stimulated by an inclusive, ethical and collaborative culture, in which everyone learns on an ongoing basis and all are encouraged to be inspiring and purposeful leaders.

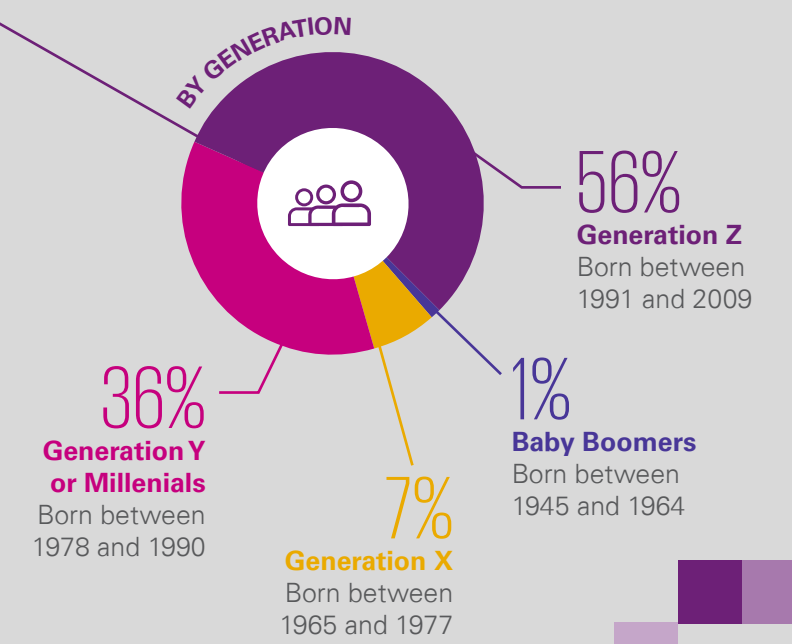
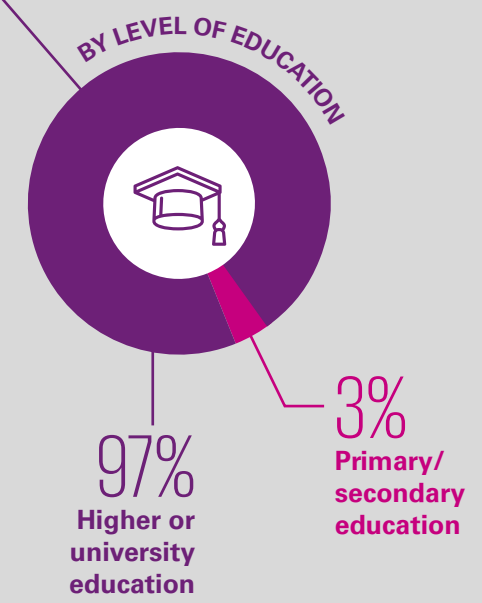
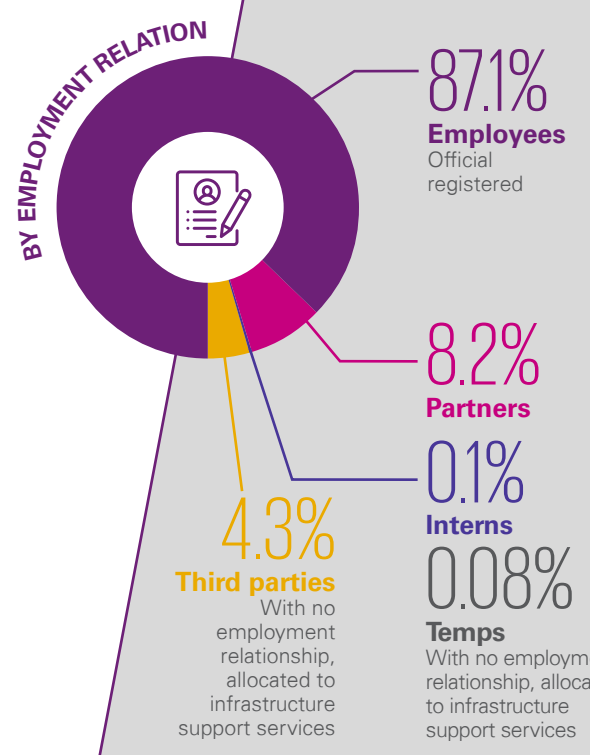
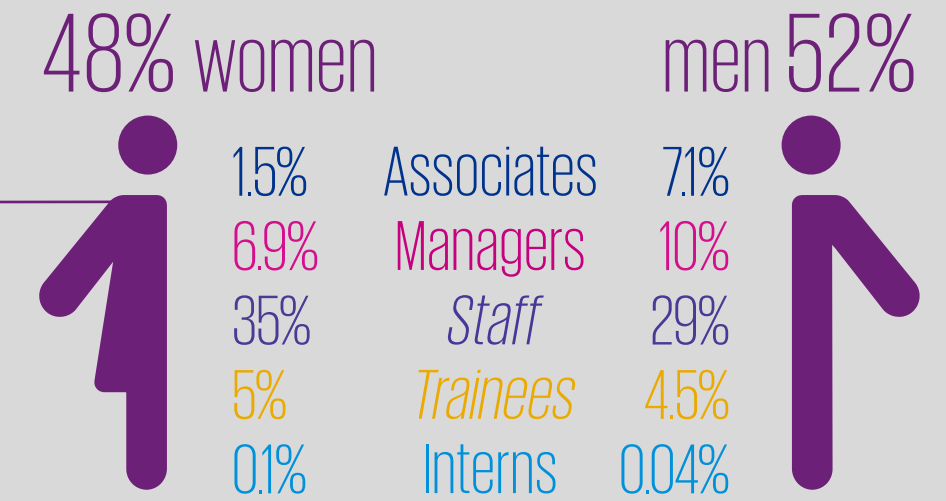
In Brazil our People, Performance & Culture strategy was co-created by our professionals, stitched together from KPMG in Brazil's processes of learning and development, performance and talent, mobility, quality-of-life, organizational climate, corporate citizenship and inclusion and diversity, which we have summarized below.

The People, Performance & Culture department promotes and leads all these processes; however, in practice, each one of our leaders is responsible for people management. That is why they are constantly challenged to develop their capabilities in this area.

RG of our diversity



66% São Paulo 9% Rio de Janeiro 25% Elsewhere



People development: watch the interview by Luciene Magalhães, Head of our Human Capital Subcommittee, with journalist Ricardo Amorim.

Extraordinary people

Training and development

Training is one of our people strategy pillars and helps us produce exceptional talent, support the Organization to deliver its best, makes us more flexible and prepared to deal with heightened market insecurity and makes our brand more attractive.

To cultivate the skills our people need to conduct and manage innovation and transformation in the world, anticipate challenges and propose solutions that help form the new models that are arising and will arise, we are fortunate to have the **KPMG Business School (KBS)**, the nerve center of this ongoing talent renewal process.

KBS churns out knowledge that promotes learning experiences geared to the profile and requirements of our professionals and our clients, wherever they are and however they want to learn it.

A team of 30 instructional design, marketing and sales experts work tirelessly to map out the most important content and package it in interesting, instigating and agile products. Internal training (classroom-based and online training), in-company courses, courses available to the market and the well-known **Risk University** are the main areas of activity.

For employees, soft and hard skill mandalas lead to journeys to multiple careers in all sectors, for all professionals. Our training policy requires at least 40 hours/year be dedicated to technical learning, but in practice our professionals usually double this target.



Extraordinary people

The leading highlight of 2019 was the launch of **Journey to Digital**, our learning-based transformation program. The way we learn is changing and aligned around this premise, the Journey provides user-friendly interactive learning available at all times. It addresses the leading expertise in topics that impact business, such as Data Analytics, Cyber Security and Emerging technologies.

We also offer several external learning platforms, such as LinkedIn Learning, Coursera and Intuition.

Certain strategies enhancing KBS learning experiences, making them more consistent and efficient, include:

Reverse mentoring Platform in which younger professionals holding certain positions are mentoring partners, creating and deepening relations and promoting a new collaboration and learning mindset.

Live TV broadcasts Carried out in person in São Paulo, this training is broadcast live to employees in all offices, generating immediate alignment.

Webcasts The platform allows 500 professionals to watch the training live, who can seamlessly interact with the instructor, including by phone, and access additional materials and activities, such as videos and quizzes etc. Participants report satisfaction levels at least as high as the ones reported by those participating in classroom-based training courses.

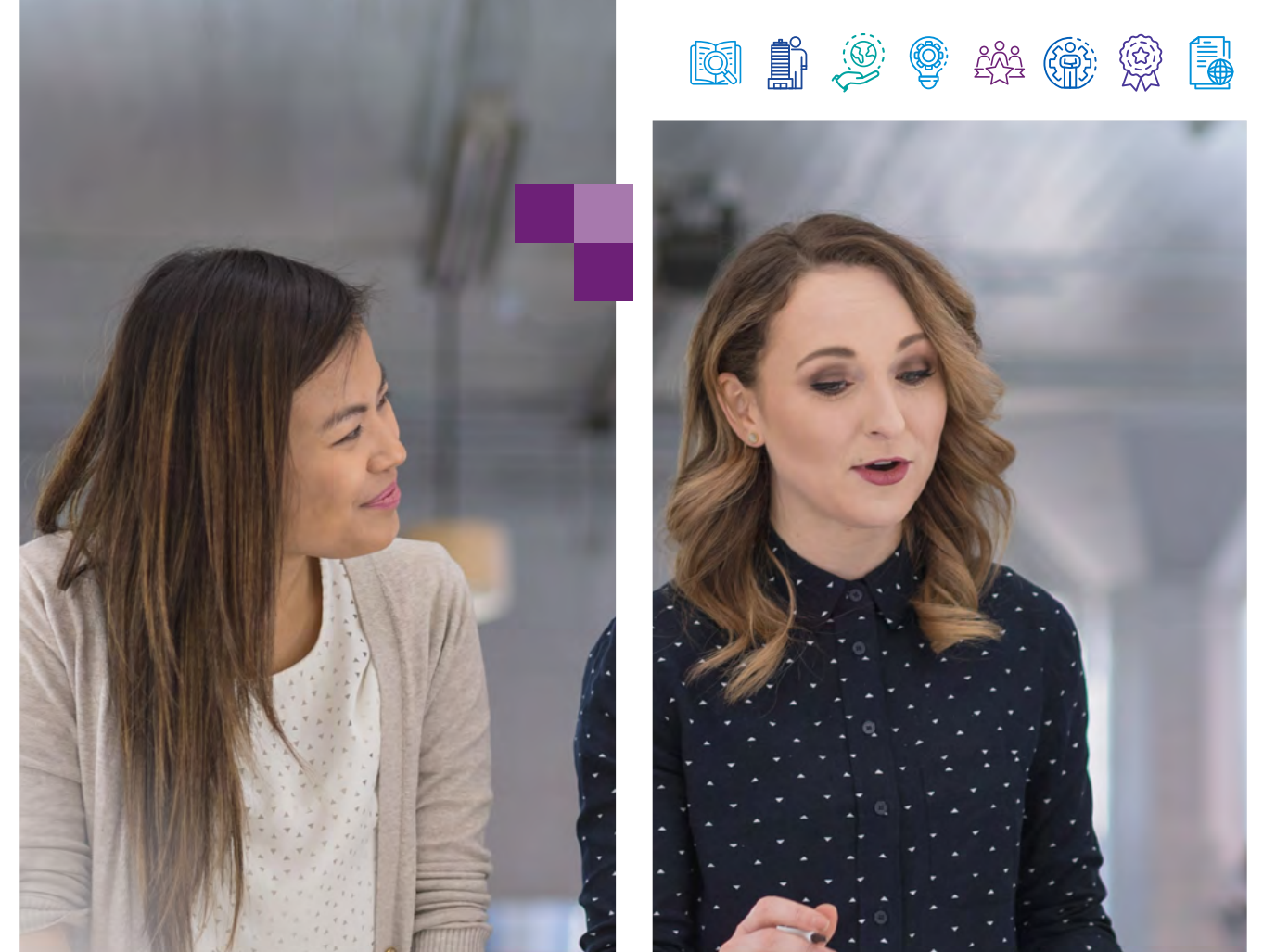
Games We have drawn heavily on this strategy because it enables us to engage a great number of people, and to receive immediate feedback from the participants on what they learnt.

Virtual coach RUI is our first knowledge bot using artificial intelligence. It sends daily knowledge pills in the form of videos, gifs, research and reading materials, all in line with the courses provided and monitors which parts of the content the professional is keeping through quizzes.

Investment in learning and development

	2019	2018	2017
Training	19,937,925	22,433,839	16,637,321
Funding for professional development	7,423,765	6,479,840	7,059,442
Total amount invested in learning and development (R\$)	27,361,690	28,913,679	23,696,763
Time dedicated to training courses (hours)	401,000*	410,000	410,000

* We offered a total of 401,000 training hours and our professionals attended 373,000 hours of training.



R\$ 27.3 million
19.9 million
in training

(specific investment in technical and behavioral skills)

R\$ 7.4 million in professional development financing

(reimbursement of graduation, post-graduation and language courses and secondment programs)



401 thousand hours*
of training, 81 hours on average,

per professional – double that established by the Federal Accounting Council

GRI 404-1

Extraordinary people

Attraction, performance and talents

**DYNAMIC CAREER PATHS
DRIVEN BY FEEDBACK AND
FRESH CHALLENGES**

To attract and retain the best talent, we invest in a People Experience that promotes professional development from selection processes, going through countless training sessions, the global mobility network and a wide range of career growth opportunities.

TALENT ATTRACTION: ONBOARDING IN OUR CULTURE

The processes in place to attract talent are the first touchpoints between new talent and our People Experience. There are accordingly designed to give applicants a notion of what it is like to be a part of a company whose founding principles include innovation.

As part of the digital transformation we are experiencing, our attraction and selection process is being fine-tuned by using state-of-the-art technology to make us more dynamic, interactive and efficient.

We have also invested in internal recruitment to give our professionals the chance to fulfill their wish of experimenting new areas and positions.

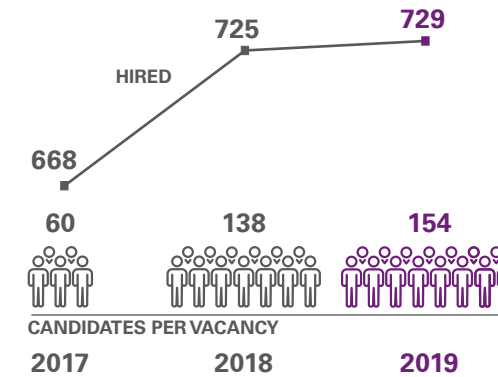
LEADERSHIP DEVELOPMENT: PROPELLING TRANSFORMATION

Leading a standard-setting firm like KPMG in a world undergoing intense transformation requires our leaders to constantly hone their skills and capabilities.

To do this they have access to exclusive international programs and courses created for KPMG in Brazil by renowned universities and specialized consultancy firms.



Managers Meeting 2019 Alignment and engagement of managers in 2020 strategies



GENEXT: EXTRAORDINARY TRAINEES

Extraordinary Generation has always been recognized as one of the most attractive training programs in the market. In the last cycle it was entirely reformulated to become even more efficient for KPMG and applicants.

The selection process now takes place over a month to assure that the applicants truly understand KPMG and have the soft skills and capabilities to work with us and to meet the profiles desired by business units. Unsuccessful applicants are given a certificate of participation in the KPMG learning process. These measures are used to help qualify these young people and expand retention of those approved.

Approved trainees participate in a challenging dynamic process which hones their overall skills to become extraordinary professionals.

MOBILITY AND SECONDMENT: THE RIGHT PEOPLE, WITH THE RIGHT SKILLS, IN THE RIGHT PLACE AND AT THE RIGHT TIME FOR EACH OF OUR CLIENTS

Global Opportunities (GO) is the program that catalyzes all types of international transfers of professionals between member firms so that they experience working in other countries, acquire new practices and capabilities to meet business demands, further their careers and become leaders.

We also provide each client with the most qualified assets to address their challenges, wherever they are needed.



GLOBAL OPPORTUNITIES

26 professionals transferred and received
6 programs

USA, Japan, Mexico, Thailand and Turkey.

Extraordinary people

PERFORMANCE ASSESSMENT: EVERYONE IS A LEADER GRI 102-35 | 404-3

MyPD is our Performance Assessment tool, which clearly and consistently aligns targets for all categories, from trainee to partner.

Partners have a BSC that alongside financial targets sets out qualitative targets related to endeavors to align their performance around our The Clear Choice strategy - time dedicated to our people, our clients and to building public trust in KPMG's brand.

Each leader customizes their goals together with the performance manager, updates the tasks performed in the system, and monitors the progress of their score through an individual dashboard, the MyPD Metrics.

The model is extended to the entire Organization, with individual goals set, in a process which spurs positive behavior and more frequent feedback, including online.

The learning is extensive, especially about leadership skills, which should be nurtured in all, and the need for discipline when managing your own performance.

Hires and Turnover Turnover is a reality in our segment, where professionals are always looking for new development opportunities. Despite this, we believe that our average turnover is reasonable, and in line with market reality. In the last year it was pressured by a positive factor: we hired twice as many people than we let go.

Compensation MyPD is used as a basis for informing promotions and salary increases, as well as for the **Profit-Sharing Program**, which also takes into account the general results of the Organization, the business unit and the professional.

These very principles are also used to define the compensation received by partners, including the chairman, alongside criteria such as KPMG's profitability and business targets. **GRI 102-35**

TALENT SCHEDULE: HARNESSING OUR POTENTIAL BETTER

Talent allocation has a great influence on the lives of KPMG's professionals, and especially for those who work in the Audit practice. This is why our main department assigns the right talent to each project, focusing on leveraging their potential in engagements which are more suitable to their profiles, thus enabling a better people experience and client experience.

In 2020 the practice launched the People Plus platform, which allows managers to put together their teams more easily, blending the skills and experience of each professional with the specific demands of the projects and assessing the distance from the professional's home to the client.

MyPD GRI 404-3

MyPD	Employees receiving performance and career development feedback					
	% Men		% Women		% Average for category	
	♂	♂	♀	♀	♂♀	♂♀
Interns	N/A	0%	67%	N/A	67%	0%
Trainees	N/A	92%	80%	100%	80%	97%
Staff	87%	94%	85%	91%	86%	93%
Managers	96%	91%	97%	88%	97%	90%
Partners	90%	92%	43%	95%	82%	92%
KPMG in Brazil average						91%

¹The percentage is calculated based on the number of active professionals as of 9/30/2019, not including professionals hired from 5/1/2019 onwards, who did not participate in the performance assessments for the current year. The 9% that did not receive a performance analysis include: professionals on medical leave, mobility, unpaid leave and maternity leave for more than six months in the year, in addition to interns, who are not required to participate. Performance assessments are not required for catering staff, messengers, waiters, valets, interns, janitors, apprentices and temporary workers.

● Administrative team ● Technical team

Professionals promoted

Cargo	2019			2018	2017
	♂	♀	♂♀	♂♀	♂♀
Staff	907	965	1,872	1,757	1,826
Staff to Manager	69	54	123	118	86
Manager to Senior Manager	55	19	74	73	47
Senior Manager to Partner	29	15	44	34	38
Total	1,060	1,053	2,113	1,982	1,997

Turnover in recent years GRI 401-1

	2019	2018	2017
Hiring rate	48%	42%	35%
Termination rate	21%	18%	14%
Turnover rate	35%¹	30%	21%

¹ The higher turnover rate was due to the increase in the number of recruitments, which was more than double the number of severances in the period.



Extraordinary people

Quality of life

HEALTH AND WELL-BEING AT AND OUTSIDE THE WORKPLACE

Our quality of life programs encourage our professionals to adopt healthy practices and to balance their work and personal life and physical and mental health, and to work safely and comfortably.

ENCOURAGING EXERCISE: BETTER HEALTH AND WELL-BEING

This program allows our professionals to engage in more than 350 sporting interests at more than six thousand facilities in Brazil, every day. Professionals can simply access the application, select a location, interest and time, and they're good to go.

PROMOTING HEALTH: MORE CARE, MORE CONVENIENCE

The **Medical Clinic** at our Morumbi office, home to 66% of our professionals, 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.

In 2019, we launched the **Therapy Program** to provide greater emotional comfort to our professionals. The offices in Morumbi, Rio de Janeiro and Belo Horizonte provide on-site therapy services.

Another major development is the provision of **Dr. Aon**, a 24h online psychological and medical service for employees from all offices and their families. This service has afforded comfort and reassurance to our professionals, especially during this pandemic, reducing hospital trips.

OCCUPATIONAL SAFETY: PREVENTION THAT YIELDS RESULTS GRI 403-1

In line with International Labor Organization guidelines and the standards of the Ministry of Labor and Employment, our labor practices include a set of initiatives to promote the health, safety and well-being of our professionals.

Occupational safety is managed by the **Safety Labor** Department, embracing the Environmental Risk Prevention Program (PPRA), Occupational Health Control Program (PCMSO), Ergonomics Survey and internal surveys (CIPA and SESMT) and initiatives developed by an independent consultancy firm.

Disclosing these initiatives is essential. Training, printed materials and pop ups of health and safety tip in our intranet encourage safe conduct, disclose procedures to prevent and deal with work-related accidents and measures to prevent occupational illnesses.

BENEFITS: WELL-BEING NOW AND IN THE FUTURE

We are always striving to better the benefits offered by other companies as a means of compensating our professionals for the quality of their work and engagement. In addition to the more than 20 **benefits** such as physical wellness, health, comfort, safety and education, our professionals are also offered a Private Pension Plan—**KPMG Prev**—that helps them plan their future.

KFLEET: COMFORT AND SAFETY

Our company vehicle benefit program for managers, called KFleet, is the first of its kind among the Big Four. In 2019, **626 leaders (87% of eligible beneficiaries)** entered the program, receiving automatic flex-fuel vehicles.

TELECOMMUTING: LESS UPHEAVAL, MORE QUALITY-OF-LIFE

Given the need to be flexible and adapt to market changes, in 2018 we implemented tele-work routines, structuring systems, equipment and training that assure our professionals and clients quality, comfort and security. This experience gave us a huge head start when responding to the lockdown triggered by the Covid-19 pandemic, and will be ramped up to new levels over the course of this cycle.

TRADITIONAL AND REMOTE WORKPLACES: ASSETS FOR QUALITY OF LIFE

Most of our activities - except for exceptional periods such as a quarantine we are experiencing - are still taking place at our **offices**. We are therefore investing to make sure our professionals' experience always improves.

By adopting an open space layout, we generate more comfort and ergonomics, nurturing synergy in the teams, using space per employees more rationally and improving accessibility for PwDs.

To usher in **virtual workplaces** we have invested heavily in systems, technology and training that enable remote work excellence, with gains in terms of agility, comfort and quality of life for our employees.

OFFICE LAYOUT BENEFITS



Full open space facilities and shared desks



+ interaction among teams



A socializing lounge where people can have coffee or water, and use the tables and chairs to hold informal meetings

+ flexibility + convenience



Accessibility + inclusion possibilities



Mobile extensions + mobility

■ Extraordinary people

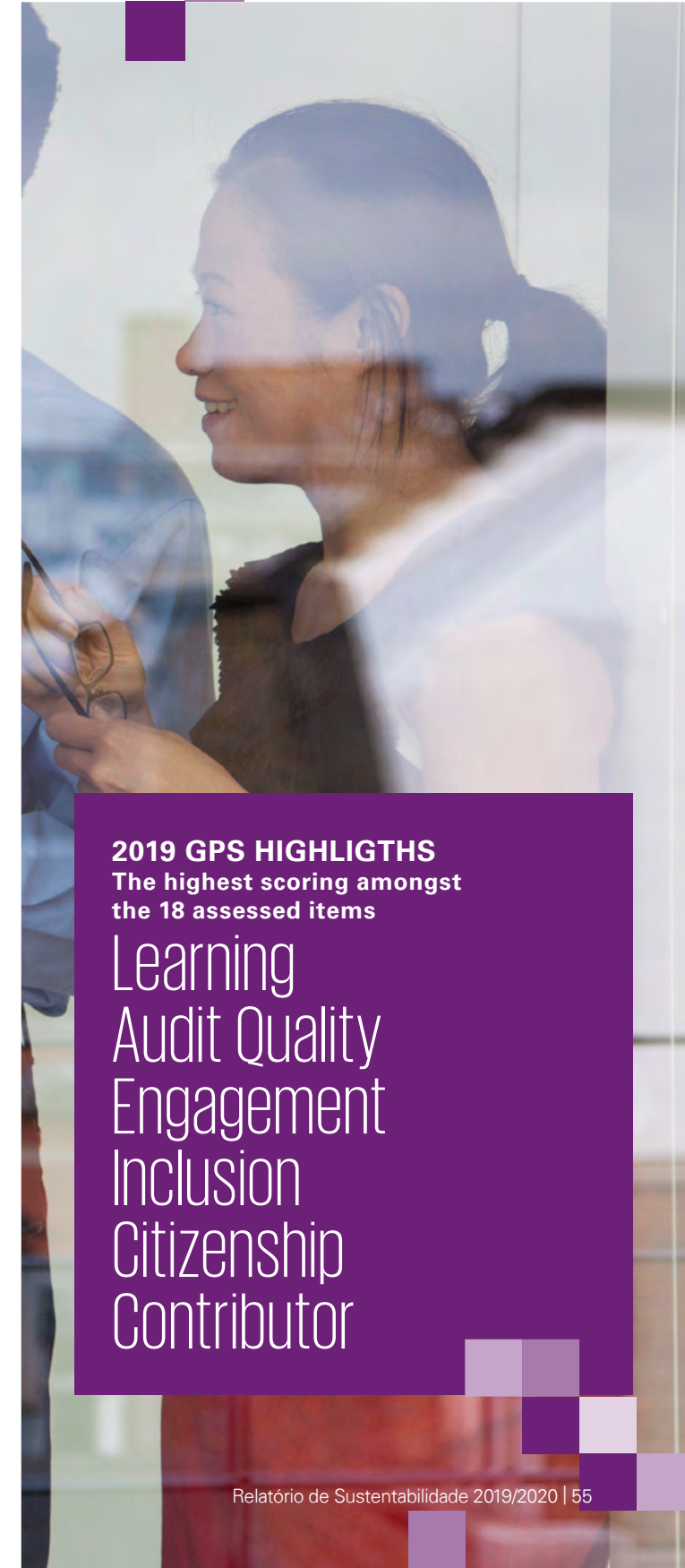
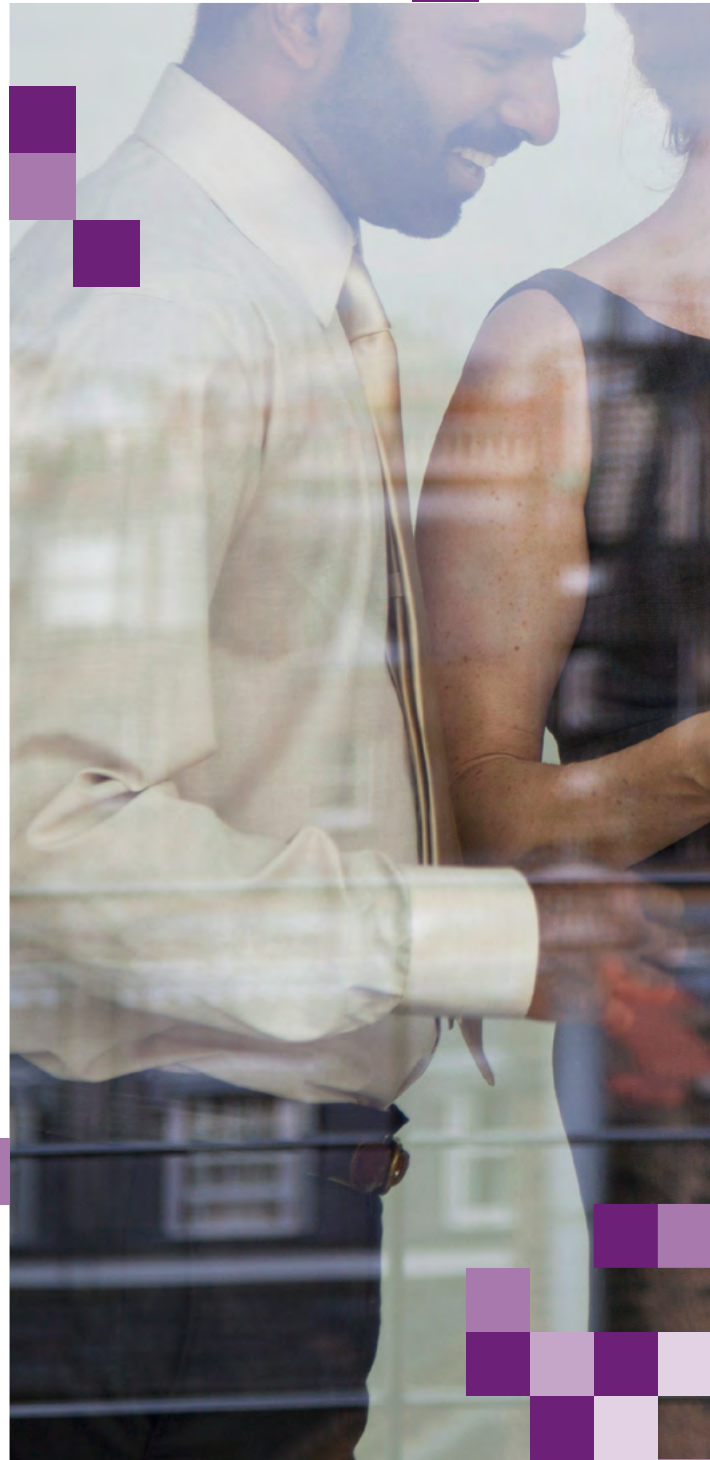
Organizational climate

ACTIVELY LISTENING DRIVES CONTINUOUS IMPROVEMENT

The **Global People Survey (GPS)** is the main tool we use to obtain feedback from our professionals, trainees and partners on various topics. This survey is used to make action plans to raise satisfaction and consequently productivity, building a better KPMG with each day that goes by.

Besides assessing specific items, the GPS produces the Engagement Index (EI), which enables us to obtain more comprehensive and accurate perceptions of people experience, including: Commitment (being rationally, emotionally and behaviorally committed to KPMG); **Qualifying/Enabling/Supporting** (a work environment that provides support to productivity and performance); and **Motivating** (physical, interpersonal and emotional well-being within the work environment).

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



2019 GPS HIGHLIGHTS
The highest scoring amongst the 18 assessed items

Learning
Audit Quality
Engagement
Inclusion
Citizenship
Contributor



■ Extraordinary people

Inclusion and diversity

STRONG INDIVIDUALLY. EVEN STRONGER TOGETHER

GRI 102-8 | 102-12 | 401-3 | 405-1 | 405-2

Respecting differences and nurturing empathy has been integral to our approach to creating a respectful, safe, welcoming, discrimination-free environment, which welcomes diverse opinions and safeguards the rights of each individual, regardless of their personal traits and beliefs.

This is aligned not only with our approach to corporate citizenship, but also with our core business as it underpins the three pillars of our journey to being **The Clear Choice** for our clients:



Our people are extraordinary because of their diverse backgrounds, perspectives, beliefs and styles.

Our clients see a difference in us because our quality of delivery reflects this diversity and because our policies are aligned with their initiatives in this respect.

Our diversity discussions and initiatives, both internally and externally, help to develop a fairer society and, ultimately, to build public trust.



Our vision of inclusion and diversity

We aspire to have a diverse workforce in which each professional can achieve their full potential in an engaging and inclusive workplace.

We aspire to harness the collective power of our diversity to drive innovation in the market.

Extraordinary people

INCLUSION AND DIVERSITY COMMITTEE

Our CID works across four dimensions: Women, LGBTI+, Race/Ethnicity and People with Disabilities, prioritized due to the urgent need to change the mindset and behavior towards them both within and without our organization.

Our fifth working pillar, Synergy, is dedicated to ensuring that all of our initiatives are cross-cutting and the same experiences are accessible to all of our people, regardless of the office they work at and regardless of whether the experiences are in person or virtual.

Alongside each pillar's leaders, the CEO of KPMG in Brazil and the Human Capital leader in the Executive Committee dedicate time every month to the CID's work.

MULHERES/KNOW (KPMG's Network of Women) Coordinating initiatives focused on gender equality at KPMG and fostering gender equity among our stakeholders since 2009.

KNOW includes initiatives for:

- **Women's careers** Internal program for mentoring, networking and internal and external meetings.
 - **Parenting** Extended maternity and paternity leave, reorganizing client schedules during and after pregnancy, active paternity courses, support groups and lactation rooms.
 - **HeForShe** We are a member of the Brazil National Committee for this global movement led by UN Women to encourage boys and men to act against the inequality faced by women and girls. We promote initiatives and campaigns to get the buy-in from men needed by the transformation.
 - **Metrics** We monitor salaries and pay rises, recruitment, promotions, talent pipeline and percentage of women in departments and levels.
 - **Influence in the community** We promote policies and good practices via Women Corporate Directors (WCD), we encourage the engagement of clients and suppliers to meet commitments (UN Women-WEPS) and participate in groups and alliances such as CRC Mulher, IBEF Mulher, Movimento + Mulher 360 and LIDE Mulher and the Women's Empowerment Alliance.
- GRI 102-12**

Ratio of basic salary of women to men* GRI 405-2

Category	2019		2018		2017	
	♀	♂	♀	♂	♀	♂
Interns	=	=	=	=	=	=
Trainees	=	=	=	=	=	=
Staff	-7%	-7%	-4%	-5%	-2%	-8%
Managers	+2%	-7%	-3%	-4%	-12%	-3%
Partners-directors	-1%	-2%	+5%	-2%	+15%	-1%

● Administrative team ● Technical team

*Uses the average basic salary for each category, by gender, and states the ratio of basic salary of women to men. Examples for interpretation of data for 2019/Administrative Team:

- Interns: means the base salary of women is equal to men's.
- Staff: -7% means the base salary of women is 7% less than men's.
- Managers: +2 means the base salary of women is 2% higher than men's.

KNOW achievement:
for the first time,
45% of KPMG managers are women.

33% of our leadership positions are held by women.
+10% FY2018

Six-month maternity leave and 20-day paternity leave

To support this all-consuming time that is the arrival of the child (following childbirth or adoption), we have extended leave to all registered employees. If the mother and father are partners, maternity leave can at the couple's discretion be divided between the mother and the father on different dates.

The parents attend the Active Parenting course in order to qualify for the benefit.

LGBTI+ VOICES This initiative is dedicated to issues of sexual orientation and gender identity, with a view to furthering inclusion of LGBTI+ professionals (lesbians, gays, bisexuals, transvestites, transgender, intersex people and other forms of sexual orientation, identity and gender expression) at KPMG and elsewhere.

Our approach is to have more than 50% of the firm vocally supporting the LGBTI+ cause. To make this happen, our main focus is on training allies, who will join forces with our Voices and Allied Voices groups to disseminate this culture.

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE GRI 401-3

84 women took maternity leave	♀	73 men took parental leave	♂
55 of 58 women returned to work after parental leave on the agreed date ¹	93%	65 of 73 men returned to work after parental leave on the agreed date ¹	89%
Retention rate after 12 months of parental leave	69%²	Retention rate after 12 months of parental leave	79%²

¹In collecting data for the report (December/19), a number of men and women were still on leave, expected to return in 2019, whereupon they will be included in the rate of return. ²All professionals who returned to work after parental leave up to 09/30/2018 were included in the calculation of the Retention Rate.

Extraordinary people

RACE AND ETHNICITY/EBONY Gives a platform to race and ethnicity issues to increase the number of black people working at KPMG and in the market. There are two pillars:

■ **Internal policies for attracting, retaining and valuing our ethnicity**

We have expanded representation and empowered black people at KPMG, on all rungs of the career ladder.

■ **External involvement to expedite the inclusion of black professionals in the market**

We participate in groups of companies to develop internal affirmative action and influence industries, partners and clients on race issues, participating in the All Colors Alliance and the Business Initiative for Racial Equality.

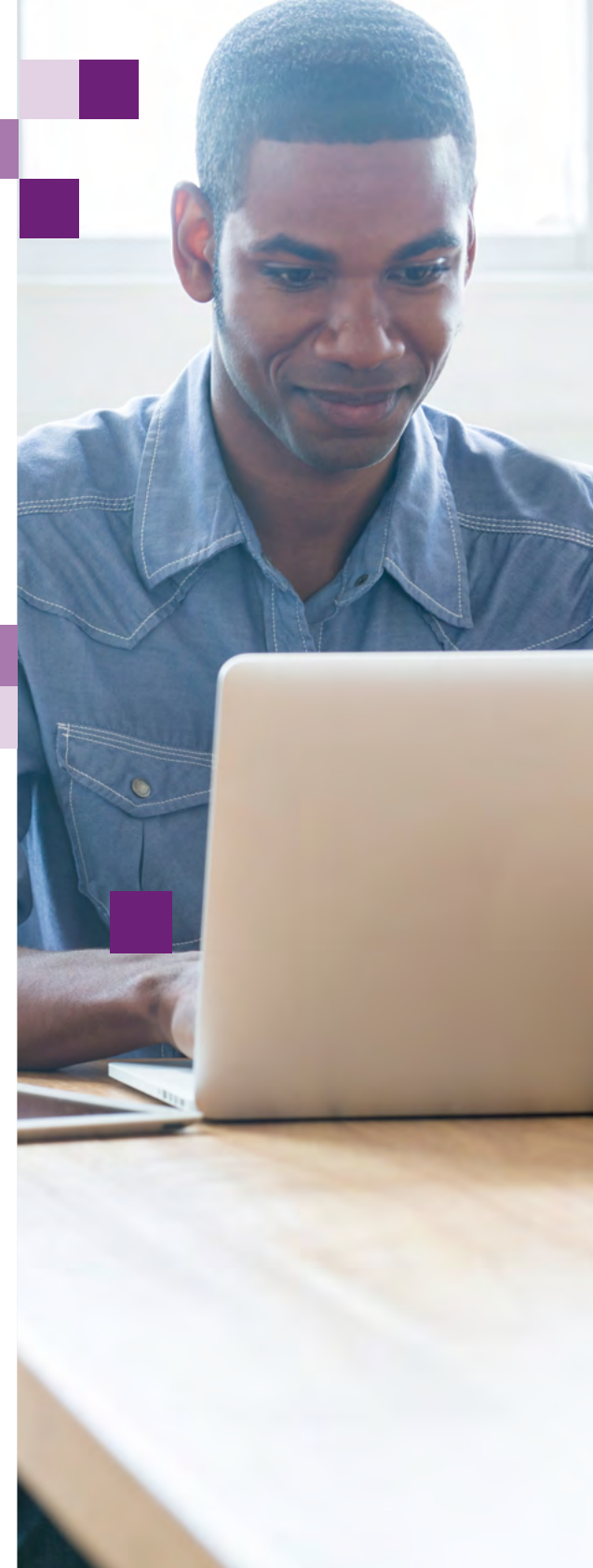
PWNs/BUDDIES Promotes initiatives furthering the inclusion of people with disabilities in our staff. These include the following:

■ **Interaction and awareness raising** We work continually to promote reflection and to change mindsets in our teams. Internal events, communication through our channels and the Co-working Manual for Staff disseminate appropriate ways to interact.

■ **Monitoring** PwDs hired and their respective managers are monitored by a Pillar representative to see their reality, their connection to the firm and to help knock down any barriers. We accordingly enhance our processes to provide the best experience for our professionals.

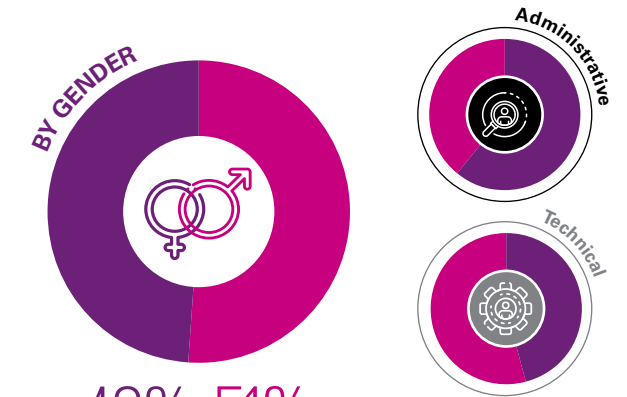
■ **Hiring** In response to a Corrective Settlement Agreement concluded by one of our member-firms with the Labor Prosecutors' Office, the Pillar leads the Recruitment & Selection, Regulatory Affairs, HR, Learning & Development and Performance & Development functions in developing and implementing an action plan to address the challenge of finding skilled people with disabilities.

■ **Accessibility** Physical and technological adaptations are implemented in all offices to ensure that professionals with disabilities are properly accommodated.

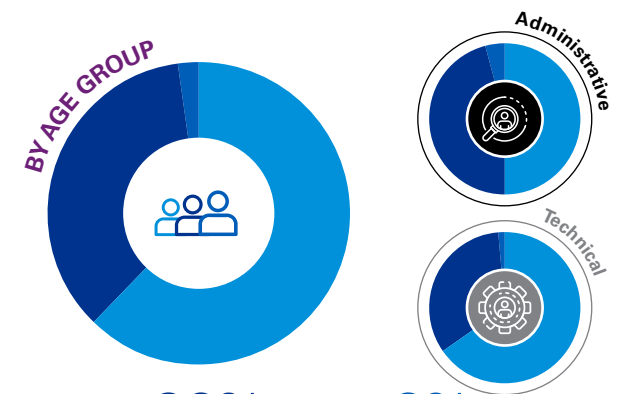


Our diversity profile

GRI 102-8 | 405-1



49% WOMEN
51% MEN



63% up to 30 years
36% between 30 and 50
2% over 50

Extraordinary people

Diversity: Key highlights in 2019



4TH KPMG INCLUSION AND DIVERSITY MEETING

Under Ebony's leadership, speakers from KPMG and partner companies and NGOs spoke about race issues to 377 people from KPMG and outside.

DIVERSITY MONTH

Drama performances by Oficina dos Menestréis and massages provided by massage therapists with visual impairment at São Paulo and Rio de Janeiro offices.

E-LEARNINGS

Four Diversity & Inclusion, Active Parenting and Unconscious Biases Training Sessions were concluded by 1,015 professionals in 2019.

INITIATIVES VOICES

We reached the goal of 10% of the company allied to the LGBTI + cause with 500 volunteers trained as Aliados Voices in 2019; work at Casa Florescer (welcoming of transsexual women); LGBTI + conversation wheel with Talent Attraction team; participation in more than 30 events to discuss the strategic role of the theme in companies.



Watch our **LGBTQI+ Pride Day** video

KNOW INICIATIVES KNOW

Meetings, which have gathered professionals from inside and outside KPMG; Networking Day, which approximates professionals with their leaders; webcast for reconciling professional and private lives during the COVID-19 quarantine.



Entrega do Prêmio WEPs 2019



BUDDIES INICIATIVES

Workshops for teams and leaders who will start working with PwDs in order to know how to deal with inclusion challenges; Campaign for the International Day of People with Disability.



EBONY INICIATIVES

Opinion survey for black professionals and allies to learn from; 100% increase in the number of allies; internal panel to celebrate the representation of our black talent; rounds of discussions with black professionals about the challenges of building a fairer society; informal chat with Benilda Brito about historic and structural racism for professionals, clients and suppliers; participating in external events and interviews.



#impulse

A major barrier stopping young black people from entering the market is a lack of English language proficiency and technological savviness. In partnership with Education First (EF), we accordingly set up **#impulse**, a program that awards:

- 50 grants are year for English language courses.
- Access to KPMG's Journey to Digital on-line course (impacts of technology on business, emerging technologies, data analysis, digital security, digital solutions, business in multicultural environments, productivity and collaboration tools, amongst other things).
- Monthly meetings: one for networking and one for content.
- Impulse Talks: meetings with leadership.

The focus is universities and recent graduates, facilitating their entry into the labor market. Shift one began in 2020.

Extraordinary people

Case

KPMG reformulates corporate training banking on technology and entertainment

In an environment requiring constant retraining of all types of professional, the greatest challenge posed by corporate education lies in creating training that arouses the interest and engagement of these professionals.

In this process of securing their interest, the **KPMG Business School (KBS)** uses the latest technology and learning design tools available. Each course is designed to meet the Organization's development requirements, but also the professionals' personal needs.

WhatsApp, webcast, podcast, LinkedIn Learning and educational gamification are some of the tools we use to make the training dynamic and truly what the employee is looking for.

The in-depth analysis of audience, retention and participation data cross referenced against user profiles is also fundamental for us to determine which topics and tools trigger the most interest and engagement.

Communication as a KPMG priority
Embracing the Organization's cultural shift, our team updated its communication using a more informal and friendly language.

Direct communication by WhatsApp, telephone and e-mail and using our RUI bot helps personalize experiences and approximate internal and users. This also affects our social media, creating value for the Organization's reputation. #kpmgbusinessschool has more than 1,600 followers.

Training chosen by employees
KBS is blazing a trail through the You Decide program by allowing each employee to choose their training according to their development goals. Although the absentee rate from training was already low, it has now been reduced to 5%.

Influencing the Organization's culture
Many of the experiments we carry out using technology and tools have been incorporated into KPMG's routine, such as live broadcasts and webcasts.

This assertiveness of our strategy led us being invited to prepare member firms in other South American and African countries to harness our technology and know-how.

Versatility and efficiency amidst the pandemic
As soon as we realized the lockdown was coming, our team mobilized to rapidly convert in-person training into virtual training.

In the first few weeks of an intense adaptation process we created **Vamos!**, a festival of virtual learning with 3,000 hours of training conducted preferably by our instructors for 926 employees.

Paradigms of the digital transformation and impact on business models, agile methodologies, data analysis, emotional intelligence, resilience and unconscious bias are among the eight hours of training offered on each day of the festival, which our employees can choose from.

To entertain participants and break the ice, at midday every day a show is presented during the lunch break with songs played chosen by the employees and photos shown that they sent in during the quarantine.

In addition to the excellent participation rate, the satisfaction rate was equal or greater than for in-person training.



+ 3,000 hours seen by 1,237 professionals on Innovation in LinkedIn Learning and Niduu

7,600 watched by 2,430 professionals in the first 3 editions of Vamos!

512 Knowledge Disseminators produced

1,160* professionals participating in You Decide
*excluding Leadership Ecosystem



Commitment to clients and the market

SOLUTIONS WITH RELEVANT RESULTS FOR EACH CHALLENGE AND OPPORTUNITY

MANAGEMENT

Our client lies at the heart of our endeavors to build around innovation, constant qualification of our services and our people and exchanging expertise with the market.

ASSETS

- Professionalism and innovation to meet the challenges of each client
- Regionalization to be where we need to be
- The strength of our network and KPMG's international reputation to add value to our work
- Active participation in social discussions to exercise our responsibility
- Sharing our knowledge to promote development
- Monitoring relations with clients to ensure quality and inspire confidence



 6,017 clients

 Satisfaction: 93%* of our clients would recommend our services

*of satisfaction survey respondents

 A member of 41 trade associations

 R\$ 8.5 million invested in 431 events attended by 35 thousand people

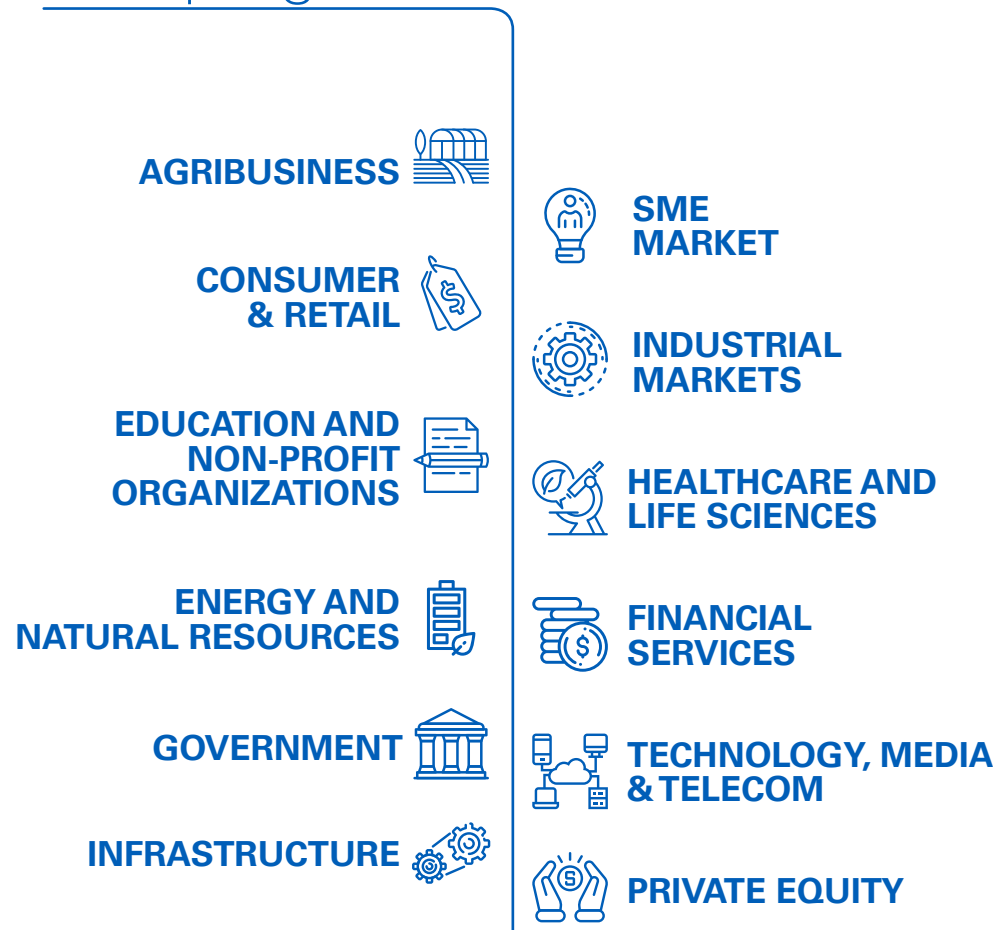
 We were referenced as a source for 6,955 articles

 83 publications launched

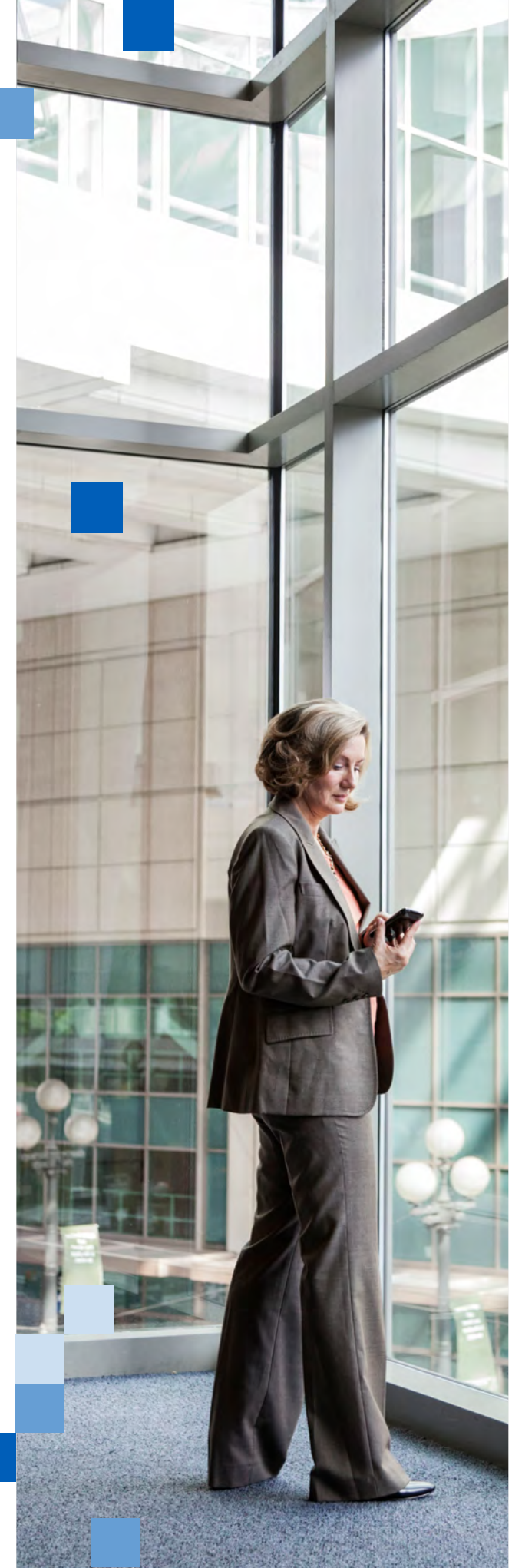
Commitment to clients and the market

Markets program

Our Clients&Markets strategy is concentrated on 12 strategic market segments, conducted by highly specialized Sector Leaders, which can draw on the expertise of all KPMG's practices to meet each client's specific requirements. **GRI 102-6**



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



■ Commitment to clients and the market


Customer-centricity

A RESULTS-BASED PARTNERSHIP

GRI 102-43


Each client's challenges and opportunities have our unmitigated attention.

It is this that drives us to develop an increasingly diverse and comprehensive portfolio of solutions that holistically combine our knowledge of business with new technologies emerging every day to transform the client's business and improve its performance.

 **We are innovative** The innovation culture is an essential part of this process. By anticipating changes and adopting a mindset that sees opportunity in market disruptors, we expand the scope and enhance the quality of our services, helping clients find new ways of solving problems and generating value.

 **Being where our clients need us** The KPMGI network and One Americas facilitate our joint collaboration with other member firms and with the support of our Desks to meet client demands in international engagements. Our Mobility program provides the best professionals to handle each demand, wherever it may be.

We are expanding our regional presence in Brazil to be where the client needs us. Professionals from our 24 offices know the ins and outs of local markets and can serve our clients quickly and efficiently.

 **Quality and integrity are our hallmark** The quality of our services and engagement is one of the differentials that make KPMG The Clear Choice for clients. In addition to quality, our relentless focus on integrity is an ongoing concern. As a result, we manage client and engagement acceptance and continuance based on the risks involved in these relationships, as detailed **here**.

Client opinions about us

SATISFACTION SURVEYS

GRI 102-43

Conducted annually, client satisfaction surveys help us identify the leading issues and the strengths and opportunities for improvement in our work dynamics.



93% of respondents expressed satisfaction with our work, in terms of expertise, communications, cooperation, personality and client focus.



1,946 surveys sent out



475 respondents



24% response rate





Commitment to clients and the market

Shared expertise

CONTRIBUTING TO OUR STAKEHOLDERS' DEVELOPMENT

GRI 102-13

6 
ACI meetings
São Paulo and Ribeirão Preto

624 
participants

R\$ 492 thousand 
in investment

Every day, our professionals are supported by a robust database of information that is essential to delivering 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 sponsored events provide clarity and guidance about complex issues and are some of the strategies for disseminating this expertise.

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 30 countries.

In Brazil, the ACI completed 15 years in 2019 with over 600 members, who met at regular events and have access to the studies and benchmarking carried out by KPMG.

Supplementing ACI activities are **GRC Forums** at all regional offices, where new market trends and insights into Governance, Risk and Compliance are discussed and shared by executives from related practices. The Forums also provide a platform for professionals in each region to network and share experience.

Main publications ACI/2019



Specifies which matters must appear on the meeting schedules for Board of Directors' meetings in 2020, considering current factors and future trends.



Lists significant risks expected to emerge in 2020 alongside those which are still a priority on the business front, in the opinion of KPMG's experts.



Presents historic data demonstrating the advancement of corporate governance practices, such as the percentage growth in boards assessing its performance (38% in this edition) and the increase in compensation for directors and the executive board.

KPMG RISK UNIVERSITY



3 classes

60 graduated students



SP, RJ + Distance Learning

Our executive training program prepares participants to guide companies and organizations on their journey to management maturity in Governance, Risk and Compliance (GRC).

Recognized as an innovative learning and networking platform, since 2011 our Risk University has translated KPMG's experience in an innovative way, using dynamic educational experiences and relevant content.

MEDIA



6,955 citations
in the media



Main topics

Automotive, Compliance, Fintechs, Mergers & Acquisitions, Innovation, LGPD and Digital Transformation



Top 10 media entities

Valor, Exame, DCI, Uol, Estadão, Dinheiro, Estado de Minas, Terra, FSP and O Povo

Our proximity with the press as a reliable source of content for important issues like innovation, regulation, taxes, audits and the markets in which our clients operate is an important strategy for us to share with the market and society a part of the intellectual capital we accumulate during our engagements.

Commitment to clients and the market

STUDIES AND RESEARCH

83 publications produced by our team in Brazil or translated from other member firm publications

Our research covers a variety of topics concerning our activities and is used to update our professionals, clients and the market as a whole.



EVENTS

Another way we foster the generation and dissemination of knowledge is by sponsoring and organizing events, conferences and lectures, for our internal and external stakeholders.



R\$ 8.5 millions invested

54% external events

46% internal events



431 proprietary and sponsored events



35,000 participants

SITE AND SOCIAL NETWORKS

Contents daily updated, including our events, publications, media coverage, awareness campaigns on inclusion and diversity, webcasts...

WEBSITE



FACEBOOK
24.7k followers
264 posts
2019
191 interactive media



INSTAGRAM
21.9k followers
455 posts
2019
1,953 interactive media

LINKEDIN
262k followers
388 posts
2019
156 interactive media

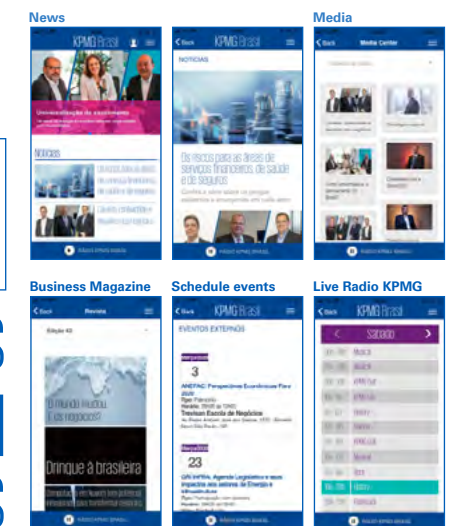


87 thousand users
869 thousand accesses

KPMG IN BRAZIL APP



A dynamic, specialized, reliable and free source of content for stakeholders. News reports, videos, podcasts, webcasts, Business Magazine, event schedule and a radio broadcasting music and information every day.



Commitment to clients and the market



MEMBERSHIPS

GRI 102-13

We are members of 41 trade associations and actively engage with regulators.

We share insights in debates or serve on boards, executive committees and working groups of leading trade associations in our segment, always to further our professions and to ensure the sustainable development of our business.

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



Watch the interview with Carlos Pires, Head of Audit, and Cecilio Schiguematu, ex-Head of Tax, about how we are transforming our business and our clients' business amidst intensive technological, regulatory and educational transformations – see our collaboration with universities so that future professionals can meet future demands.

Case

KPMG Live: our experts debate live the hottest topics in the market

We are always striving to innovate how we mark our relevant presence among stakeholders. The KPMG Brasil app has brought new dynamic and interesting possibilities for making our expertise available, including Rádio KPMG Brasil, which offers 24-hours of daily news programs in music, seven days a week.

We launched our first live program, KPMG Live, in September 2019. Every fortnight, from 5:30 PM to 6:30 PM on Thursdays, our heads of Clients&Markets and Advisory, André Coutinho and Carlos Gatti, host guests to informally and jovially debate matters trending in the business world.

KPMG Live has been so popular that the program has now gone weekly from fortnightly, requiring a balancing act to find time in the schedules of our partners and guests.

Our average audience is now 840 people, including KPMG professionals, clients and market professionals - pretty good figures for such a young corporate communications tool.

The choice of topics and experts invited is partly behind the success of our flagship radio. Every week we delve into the subjects trending in our world. Many people want to know what we think and our positions on a given matter, which has cemented KPMG Live as an accessible, up-to-date and quality source of information.

This agility in creating relevant content for internal and external consumption is creating a benchmark for KPMG and the market, where use of this tool is still minimal. We are therefore planning other such programs.

The live content format - chosen based on surveys conducted on listeners - makes listening a more pleasant experience. The fluency of our anchors and their reputation inside and outside KPMG also makes the result meaningful and engaging.

When the COVID-19 pandemic broke out, programs addressing this matter with the participation of doctors and psychologists enjoyed soaring ratings and helped us bring quality information to listeners amidst a dense fog of uncertainty. This is the role of KPMG Live now and in the future.



Download the app and see the schedule of our radio station and KPMG Live for free





Public trust

**POSITIVE LEGACIES
THAT BUILD TRUST**

MANAGEMENT

We are at the service of our stakeholders. Quality and integrity are the pillars on which we make our commitment to make the places we operate in better than when we found them.


ASSETS

- Integrity and quality to catalyze business and transformations
- Raising awareness among stakeholders to promote change towards sustainability and citizenship
- Local and global integration to support the changes that need to be made in society
- Eco-efficiency and carbon neutrality goals to reduce our impact on the environment
- Shared knowledge to inspire new models and behaviors


R\$2.4 million in direct community investment, with:

R\$ 1.6 million in education and development campaigns and projects

R\$ 819 thousand in pro bono services

 **Carbon neutral:**
 100% of GHG Emissions offset

 **We are accredited at INMETRO as a Greenhouse Gas Inventory Verification Body (ISO 14065)**

 **2,700 hours of sustainability education, participated in by 1,600 professionals**

 **34% growth in demand for sustainability services**

 **18.3 tonnes of waste recycled**

 **80% of eco-efficiency targets exceeded**



Public Trust

Our relentless commitment to quality and integrity

GRI 102-16 | 102-17 | 102-18 | 102-22 | 102-25 | 205-1 | 205-2 | 205-3 | 206-1 | 415-1 | 417-3 | 418-1 | 419-1

Striving to deliver the highest level of quality is at the heart of everything we do at KPMG. It's more than just a priority for us — it's a core part of the purpose that drives us.

Quality and integrity are the path we have chosen to become the most trusted and trustworthy firm in our segment in the eyes of the market, our clients, our people, our partners, governments and regulatory agencies, the press and the communities in which we work and live.

A foundation which above all is felt in audit services, which have an important commitment to the public interest by enhancing financial reporting integrity, strengthening trust in the capital markets by investors, regulators and society.

Quality essentially means doing the right thing which means that each audit we carry out complies with the professional requisites applicable and KPMG's strong system of quality controls, delivering high levels of objectivity, independence, ethics and integrity.



The KPMG brand is synonymous with trust.

This is what motivates us to do the best we can every day.

Our 150-year global track record has been characterized by forward-thinking services offered, the professionalism of our people, business integrity and helping shape a better future by working alongside businesses, governments, the media, trade and business associations, and tertiary sector organizations.



See how we are keeping our promise to deliver quality audits in line with the public interest.

Public Trust

A quality-centric culture

Every KPMG leader is responsible for cultivating quality and demanding our professionals focus on their mission of continually raising standards of quality and integrity to enhance the trust placed in us.

Tone at the top

Our values, our vision and our purpose underpin the decisions and conduct we display on all fronts we engage in. Our **Code of Conduct** applies these fundamentals to the most appropriate personal and professional conduct.

GRI 102-16

Solid foundations

KPMGI's robust leadership and governance structures inform our operations and monitor the performance of all member firms worldwide, so we act with integrity, objectivity, skepticism, follow the highest professional standards, laws and regulations and strictly protect our independence.

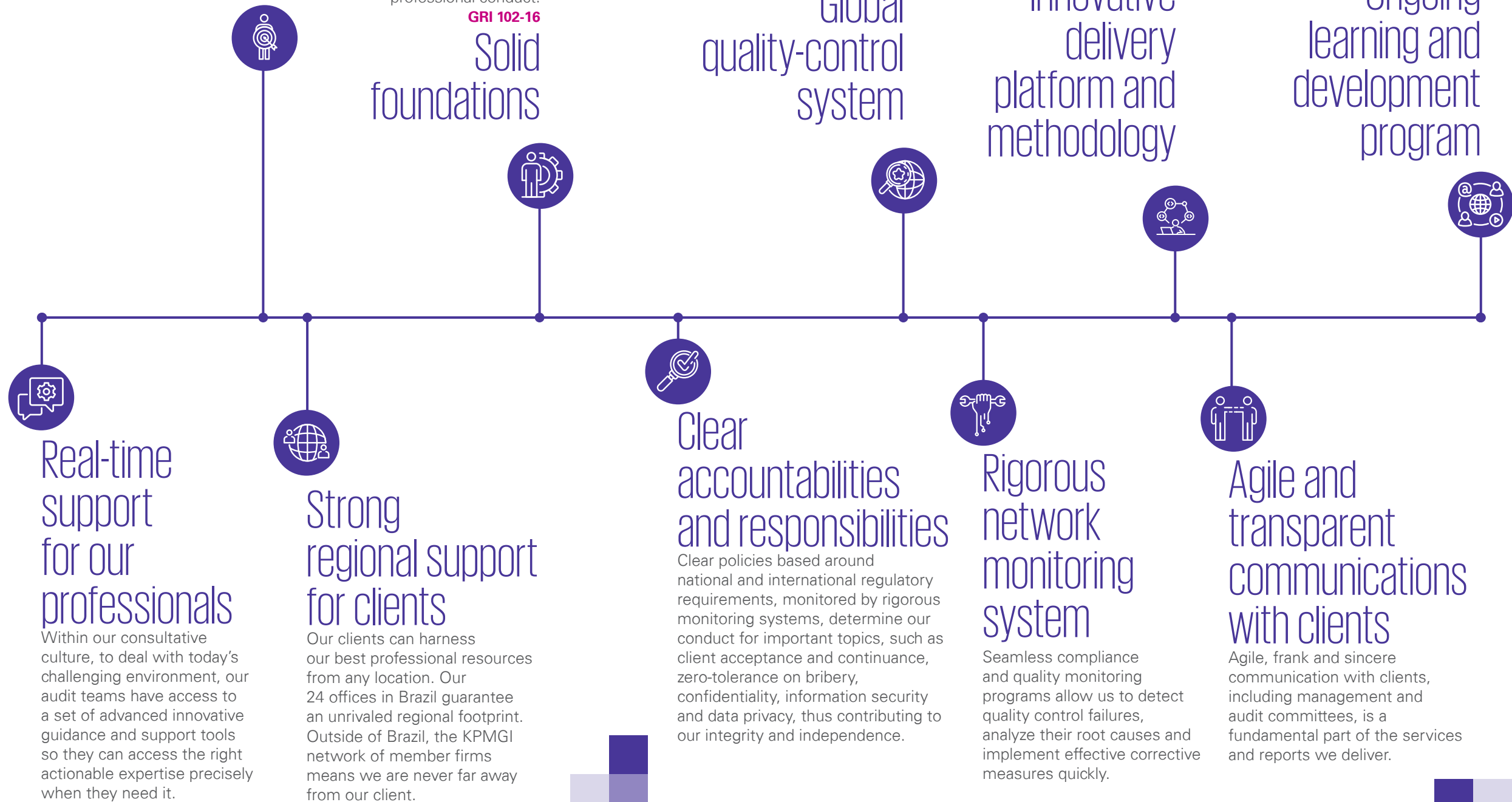
Global quality-control system

KPMG Clara – our smart audit platform – systematizes our methodology and brings our data & analytics capabilities into one interface, which harnesses the latest AI and machine learning technologies to deliver high-value engagements.

Innovative delivery platform and methodology

We identify the right people to carry out each task with professionalism and purpose, while investing in their ongoing personal and professional development with technical and behavioral training, mobility, access to the international network of experts and coaching.

Ongoing learning and development program



Our ethics and integrity indicators

OPEN LINE FOR COMMUNICATIONS ABOUT OUR CONDUCT

GRI 102-17
Hotline or Direct Line of KPMG International
 This channel is open 24 hours a day for KPMG partners, employees, clients and other stakeholders to confidentially report concerns they have relating to misconduct of our professional.
Brazil: 0800 891 7391
Other countries:
www.clearviewconnects.com

ANTI-CORRUPTION SYSTEMS

GRI 205-1 | 205-2 | 205-3

- **Code of conduct** Prohibits our professionals from getting involved in any form of bribery, extending the same rules and policies to the relations with our stakeholders.
- **Training** All employees must undergo periodical training in anticorruption, antibribery and combating money-laundering. In 2019, 99.99% underwent such training.
- **Risk verification system** Regular internal and external reviews test compliance with anticorruption policies in all operations. Our tools did not detect any such cases in 2019.
- **Contracts** We include anticorruption and antibribery clauses in all contracts signed with suppliers and clients.

MANAGING CONFLICTS OF INTEREST

GRI 102-25

- **Independence compliance system for investments**
 This system is used to monitor compliance with our investment policies by partners and managers and by KPMG's member firms.
- **Audit partner rotation** In addition to ensuring legal compliance, auditor rotation helps us make transition and succession plans, thus improving business sustainability.
- **Client and Engagement Acceptance and Continuance** A system that helps to manage a strict policy for client and engagement acceptance and continuance, including due diligence checks and searches of public information about the business and owners of the potential client, including identifying the ultimate beneficiary of the service.

ANTI-COMPETITIVE BEHAVIOR, INCLUDING ANTI-TRUST AND MONOPOLY PRACTICES

GRI 206-1

We have clear policies and monitoring mechanisms to avoid practices that undermine the market we operate in. We were not subject to any legal proceedings related to such matters in 2019.

PROHIBITION ON CONTRIBUTIONS TO POLITICAL PARTIES

GRI 415-1

Our standards and procedures prohibit donations to political parties and candidates.

ETHICAL MARKETING AND LABELING

GRI 417-3

Our Global Marketing Compliance Guidelines and Global Quality and Risk Management Manual establish guidelines to ensure ethical and effective communication with all stakeholders, mitigating reputation risks and managing client expectations on services provided.

All communication and marketing material prepared by KPMG is revised by qualified professionals accredited in GMC. We did not experience any non-compliance in 2019.

MONITORING SOCIAL AND ECONOMIC COMPLIANCE

GRI 419-1

Regular, national and international compliance reviews enable us to monitor compliance with environmental, social and economic laws and regulations. We did not incur fines or sanctions in 2019.

PROTECTING CUSTOMER PRIVACY

GRI 418-1

- **Information security policies and procedures**
 Determine the information of our clients and professionals be kept confidential, with the support of information technology systems.
- **Regular electronic declarations, communications and training**
 Reinforces these procedures.
- **Monitoring** Our professionals undertake to promptly report any incidents. In 2019 six incidents were recorded relating to laptop theft, all reported voluntarily by our professionals. These incidents were handled so as not to result in losses for our clients or professionals.

HOW OUR GOVERNANCE CONTRIBUTES TO QUALITY AND INTEGRITY

GRI 102-18 | 102-22 | 102-25

KPMGI has a robust **governance framework** to underpin and monitor member firm activities.

Our local governance framework adheres to these standards and has its own supplementary bodies for management coordination and oversight, in accordance with Brazilian law.

Governance structure

All partners attend quarterly strategy alignment and status meetings, as well as statutory annual meetings to approve reports and discuss other business matters. We also organize periodic business group meetings and meetings of bodies such as the Profit Sharing Committee.

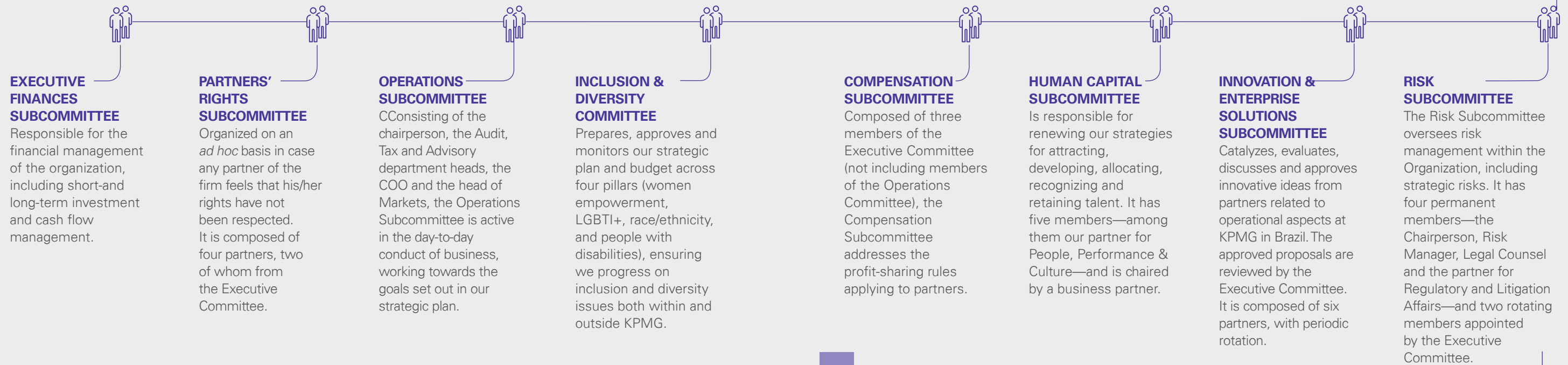
ASSOCIATES

The principal local executive 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, furthering our succession process. 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 bylaws.

CEO

The chairperson and the Executive Committee are responsible for annual strategic planning—ensuring consistency with global strategy—and for providing general oversight of business activities. The Executive Committee is composed of the chairperson and up to eight partners appointed by the chairperson, generally the heads of the relevant practices. 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. **GRI 102-22** It has eight subcommittees.

EXECUTIVE COMMITTEE



Disciplinary Subcommittee

The Disciplinary Subcommittee investigates suspected violations of rules and policies by our professionals. It consists of heads of Business and Performance and Culture practices, the Risk Management partner and the Chairperson. **GRI 102-25**

Commitment to communities

EDUCATION, DEVELOPMENT AND ENVIRONMENT

GRI 203-1 | 413-1

USD 110 million
global investment
in communities/2019

R\$ 2.4 million
local investment
in communities/2019

Our approach to corporate citizenship prioritizes Lifelong Learning as a strategy to break the vicious cycle of poverty.

Encouraging education in all interactions we establish with our stakeholders is therefore an engine for empowerment and change. When we look at the community, it is converted into direct investment in initiatives that foster learning, pro bono audits on not-for-profit organizations, coaching, mentoring and corporate volunteering and mobilization campaigns.

PILLARS OF KPMG IN BRAZIL'S CORPORATE CITIZENSHIP STRATEGY

EDUCATION

To help schools and universities to enhance their capacity to encourage the development of skills and potential of youngsters and children, in addition to helping weave corporate and community cohesion.

ENVIRONMENT

To improve our environmental performance and work hand-in-hand with leadership groups and our business practices in aid of sustainability and raising the awareness of our professionals, clients and communities.

DEVELOPMENT

Invest in social justice and contribute to the construction of sustainable ventures in the communities we operate in.

PILLAR EDUCATION

We provide support through **direct social investment** in ongoing programs and specific initiatives and encourage lifelong learning. In 2019 our investment benefited:

“LITTLE CITIZEN” PROJECT

We have invested in this Project for the past 23 years, providing supplementary educational activities, trade school courses, medical and nutritional supervision, daily meals and sports and art activities to **220 children and teenagers** from impoverished neighborhoods in São Carlos/ SP. The aim is to improve self-esteem, strengthen family ties and develop students' intellect, offering them a brighter future.



Visit by project students to our Morumbi office in December.

LITTLE CITIZEN PROJECT



R\$ 800,000 in direct investment



Pro bono audits on project accounts

R\$ 38,000 to sponsor the



Bessan Award, which provides secondary education grants to students with the highest achievement within the Project.



R\$ 28,000 in Christmas gifts and festivities for project beneficiaries and their families



See how the Little Citizen Project transforms young people and children from São Carlos.

Public Trust

ENACTUS

We have sponsored Enactus in Brazil since 1998 in its mission of engaging students in the development of programs benefiting communities, focusing on sustainability and social empowerment, two principles of our environmental and social commitment.

ENACTUS
R\$ 80,000 in
direct investment



National Enactus
event with 1,500
undergraduates



172 hours dedicated
by our professionals
to serving on the
Management Board,
auditing the National
Event's accounts
and advising
participating teams



R\$ 42,000 for the
KPMG Ethics &
Integrity Awards



Vencedores da premiação 2019



R\$ 8 thousand
in flights
or the winner of
the Undergraduate
of the Year Award

R\$ 18 thousand
in flights
for the winning
team representing
Brazil in the World
Championship



Watch the video in
which our Chairman and
the Enactus Chairman
and CEO talk about
how our partnership
went from strength to
strength in 2019.

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.

In 2019, our professionals served as volunteers in administering seven programs that introduced the students to the business world, the benefits of planning in advance and setting goals and adopting innovative initiatives to meet challenges: Innovation Camp, Mini-company, Job Shadowing for a day, Connected with Tomorrow, Project Management: Life Skills, Our STEM Community, Our Nation and the Future of the Workplace.



JUNIOR ACHIEVEMENT
R\$ 312,000 in
direct
investment



301 volunteers
in 23 cities



2,971 hours
dedicated to
the project



2,250 students
benefited



Public Trust

KPMG FAMILY FOR LITERACY (KFFL)

Our international initiative focused on encouraging the habit of reading to improve literacy and the learning curve.

In Brazil, the KFFL pilot project took place at a school in São Paulo with 43 volunteers, especially skilled in the art of telling stories, with workshops and material created for the program.

In three meetings bringing together 220 children, the volunteers told stories about telling the truth, Black pride and cyber security. The students took home one of the books read out as a gift.



KFFL
R\$ 19 thousand
220 children benefited



3º KPMG GLOBAL CYBER DAY

More than a thousand students from four public schools in São Paulo, São Carlos and Fortaleza attended lectures administered by 21 volunteers from our technical practices about using the Internet and cyber risks, involving matters such as online purchases, email spam, personal data protection, social networks, online piracy and cyber bullying.

Member firms from 51 countries carried out similar activities in October, benefiting 127 thousand young people, in an effort that demonstrates our business areas' commitment to the well-being of the communities we operate in.



PILLAR DEVELOPMENT

Our initiatives within this pillar focus on promoting social justice and supporting sustainable projects.

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

PRO BONO SERVICES OR COMPENSATION

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

PRO BONO SERVICES
R\$ 819 thousand
in 12 beneficiary organizations
GRI 203-1

Public Trust

VOLUNTEERING

Our 8+8 Volunteer Work Policy encourages professionals to engage in extra-curricular activities, by providing the former the opportunity to dedicate up to 8 hours of their working time per year for community projects sponsored by the Corporate Citizenship department.

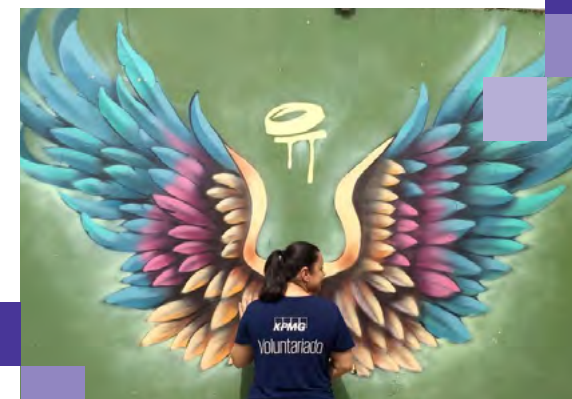
In addition, some annual initiatives have already become the hallmark of our work.

KPMG Community Outreach Day Professionals from all offices in Brazil engage in initiatives addressing the specific needs of their communities.

On top of the initial investment of R\$ 1,000 allocated by KPMG to each project, the teams

from each office raised funds to maximize the initiatives' results. In 2019 they brought in a careers workshop and Q&A session for refugees, lectures and donations to the shelter for transsexuals, recreational activities and donations to homeless shelters and old people's homes, NGO reforms, blood and food donations, and charity walks and runs.

The **Goiânia** office received the **Citizenship Award** for the renovation of the canteen of the NGO **Prof. Niso Prego** – which shelters child victims of violence or abandonment - and for donating cleanliness and hygiene products and food. The children also participated in an afternoon of special games and snacks. KPMG granted an additional award of **R\$ 5,000** to this NGO.



KPMG Community Outreach Day distributing love and care throughout Brazil.



**RG KPMG COMMUNITY
OUTREACH DAY 2019**

R\$ 29 thousand
invested by KPMG

30 organizations
benefited

2,320 people
reached

732 volunteers
83 leaders | 459 staff |
190 relatives and friends
of KPMG professionals



Public Trust

CAMPAIGNS

Our professionals also mark specific occasions like Easter, Winter, children's month or Christmas by collecting and distributing donations. Emergency events such as natural disasters and currently the COVID pandemic also result in specific initiatives, rolled out as fast as possible.

Winter Campaign KPMG has supported the Soup Group in the cities of São Paulo and Osasco since 2006. This NGO's activities are focused on distributing clothes and food to the homeless, and reintegrating them into society.

Christmas Outreach Professionals from **nine KPMG offices** — Brasília, Campinas, Curitiba, Goiânia, Joinville, Rio de Janeiro, São Carlos, São Paulo, and Uberlândia — distributed gifts, personal care items, toys and cash to non-governmental charitable organizations caring for children and the elderly. The deliveries were made by volunteers with a great deal of interaction and fanfare.



2019



SOUP GROUP



1,650 blankets



1 tonne of food



more than
1,000 articles
of used clothing
and shoes,
donated by our
professionals

EMERGENCY MOBILIZATION TO ASSIST NGOS IMPACTED BY COVID-19

In the first few weeks of the pandemic, our citizenship practice surveyed 100 NGOs that had somehow benefited from our initiatives in the last three years about the impacts they had experienced.

Emergency aid was organized to help 41 of them, including the sending of food hampers, masks and hand sanitizer, financial support, the donation of used notebooks and consultancy services for specific needs triggered by the pandemic.

All in all, more than 50 tonnes of food, 35,000 hygiene items, 2,750 masks and 372 hand sanitizer bottles were provided, in addition to financial aid.

Our tax practice also provided an online platform with pro bono services for SMBs, in order to clear up labor, tax and social security queries specific to this unprecedented moment in time.



2019
CHRISTMAS OUTREACH



+ 600



presents

240 meals for
the homeless
population



80 food hampers



31 school kits
with rucksacks



Commitment to the environment

OUR COMMITMENT TO REDUCE OUR FOOTPRINT

GLOBAL CLIMATE RESPONSE

GRI 201-2

Our global climate response is aligned with the UN's Sustainable Development Goals and a set of **international commitments** we have signed up to.

In constant evolution to guarantee that the KPMG network as a whole reduces the environmental footprint of its operations and adopts efficient practices and technologies to reduce the use of natural resources, the GCR encourages eco-efficiency, carbon neutralization, the elimination of single-use plastics and raising the awareness of our stakeholders.

We also stress the importance of reporting the financial risks and opportunities posed by climate, an important step to mobilizing market forces so that capital is allocated more efficiently on the transition to a low carbon economy.

On the international front, we participated in the Financial Stability Board on Climate-related Financial Disclosures (TCFD) and believe that climate risks should be included in our reports. We have consolidated our approach as follows:

INTERNAL GOVERNANCE – Climate risks and opportunities Since 2010, KPMG International's Global Board has been receiving an annual update on our GCR, detailing our progress in scaling down greenhouse Gas (GHG) emissions. In light of TCFD recommendations, this update now includes potential risks and opportunities posed by climate issues for KPMG member firms. We have also created guidelines so that

they can help their clients factor in the financial impacts of climate change, including the resulting challenges and opportunities.



MARKET – Climate risks and opportunities KPMGI's greatest contribution is made through its member firms, which help clients understand the potential impacts of climate change, determine the impacts of certain climate scenarios, set up management, reporting and monitoring systems and adequately disclose the financial risks posed by climate change. Our **Environmental, Social & Governance (ESG) Advisory Services** team plays a fundamental role on this front and boasts a multidisciplinary team of experts in Sustainability and Climate Change consultancy that assists organizations of a range of sizes in multiple sectors understand the context of sustainability that applies to them, and the risks and opportunities, and to plan and make this journey. The global team is one of the pioneers in the field, with more than 20 years' experience.

In Brazil our environmental management is aligned with GCR and complemented by the **Corporate Citizenship** practice, which handles initiatives of raising awareness and mobilizing our professionals and their relatives around environmental policies and targets. The key areas monitor a set of eco-efficiency targets identified as relevant to our segment, as per the following framework.

Environmental management at KPMG

GLOBAL FRAMEWORK, LOCAL PRACTICES



GRI 306-2

Columns	THEMES/ COMMITMENTS	STRATEGIES	2018-2019 PROGRESS
<p>Global eco-efficiency targets 2020</p>	<p>» GREENHOUSE GAS EMISSIONS</p> <p>» 10% reduction in net emissions per full-time equivalent (against a FY2015 baseline)</p> <p>» REDUCE CONSUMPTION OF MATERIALS AND RESOURCES</p> <p>» Reduce or maintain <i>per capita</i> consumption</p> <p>» Recycle waste materials</p> <p>» Source 50% of our electricity from renewable sources</p>	<p>» Reduce commuting through the use of technology</p> <p>» Neutralize annual carbon emissions</p> <p>» Reducing the consumption of water, energy, plastic cups, paper and printing</p> <p>» Replacing more disposable items in coffee breaks with ceramics</p> <p>» Investing in the efficiency of KPMG offices and running an awareness raising campaign</p> <p>» Organizing regular and</p>	<p>» 10,104 units of carbon neutralized</p> <p>» -3.3% in per capita electricity consumption</p> <p>» -12.8% in per capita water consumption</p> <p>» -4.6% paper consumed</p> <p>» -20% printed materials</p> <p>» 18t of paper recycled</p> <p>» 30 Kg of batteries recycled</p> <p>» In Brazil this target has already been met (Brazil's energy mix is 81% based on renewable energy)</p>
<p>Awareness raising and engagement</p>	<p>» SUSTAINABILITY AND CONSCIENTIOUS CONSUMPTION</p> <p>» Driving a change in mindsets and behaviors among our professionals towards sustainability</p>	<p>engaging events, campaigns and training covering all professionals</p> <p>» Expanding demand for sustainability services</p>	<p>» 9 types of classroom-based and online training</p> <p>» 1,600 attending professionals</p> <p>» 2,700 hours invested</p>
<p>Community and the Market</p>	<p>» SUSTAINABLE BUSINESS AND CONSCIENTIOUS CONSUMPTION</p> <p>» Encouraging our stakeholders to adopt sustainable practices and behavior</p>	<p>» Promoting sustainability in our supply chain</p> <p>» Collaborating with NGOs promoting sustainability</p> <p>» Participating in global and national sustainability initiatives</p>	<p>» +34% demand for Global Sustainability services</p> <p>» Sponsorship of Instituto Akatu, which produces content about conscientious consumption for society in general</p> <p>» 14 local and global commitments undertaken voluntarily</p> <p>» KPMG IMPACT</p>

GHG NEUTRALIZATION AND CONTROL

GRI 305-1 | 305-2 | 305-3 | 305-5

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 pre-industrial 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 are advancing by undertaking **local and global commitments**, actively contributing to discussions around climate change and implementing new practices across the KPMGI 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.

In Brazil we have undertaken a commitment to neutralize our greenhouse gas emissions since 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.

KPMG IN BRAZIL GHG EMISSIONS INVENTORY

GRI 305-1 | 305-2 | 305-3 | 305-5

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.

	Emissions tCO ₂ e (CO ₂ , CH ₄ e N ₂ O) ³ per year ¹			Weight of each scope in emissions (%)	
	2019	2018	2017		
SCOPE 1	Diesel consumption by generators at the São Paulo office	0.89	276.32	258.86	0.01%
SCOPE 2	Power consumption	237.38	232.93	280.56	3.73%
SCOPE 3	Reimbursement for KPMG employees commuting to clients; transport of materials and documents between offices; motorbike couriers (transport of documents); and corporate air travel	6,027.02	5,932.98	5,073.18	94.63%
OTHER EMISSIONS	EHCFC-22 emissions ²	104.08	109.27	131.44	1.63%
TOTAL EMISSIONS		6,369.37	6,551.51	5,744.04	100%
EMISSIONS PER CAPITA³*		1.36	1.51	1.39	
ANNUAL CHANGE		-10.5%	9%	-22%	

¹ tCO₂e: tCO₂e = tonnes CO₂ equivalent.
² These emissions were not included in Scope 1, since HCFC 22 gas is not included in the Kyoto Protocol. ³ The average number of employees used to calculate emissions per capita was provided by KPMG International. In 2019 this was 4,700.

The downturn in Scope 1 emissions reflects the new calculation used to refund fuel expenses to Partners, which now only includes trips paid by project clients to be recorded as part of Scope 3 emissions. The annual variance should not therefore be compared to previous years.



WE ARE CARBON NEUTRAL

GRI 305-5

Our GHG greenhouse gas emissions were neutralized in 2019 by purchasing **10,104 thousand carbon units** from the REDD Project + Vale do Jari (Amapá and Pará) in accordance with the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCBS).

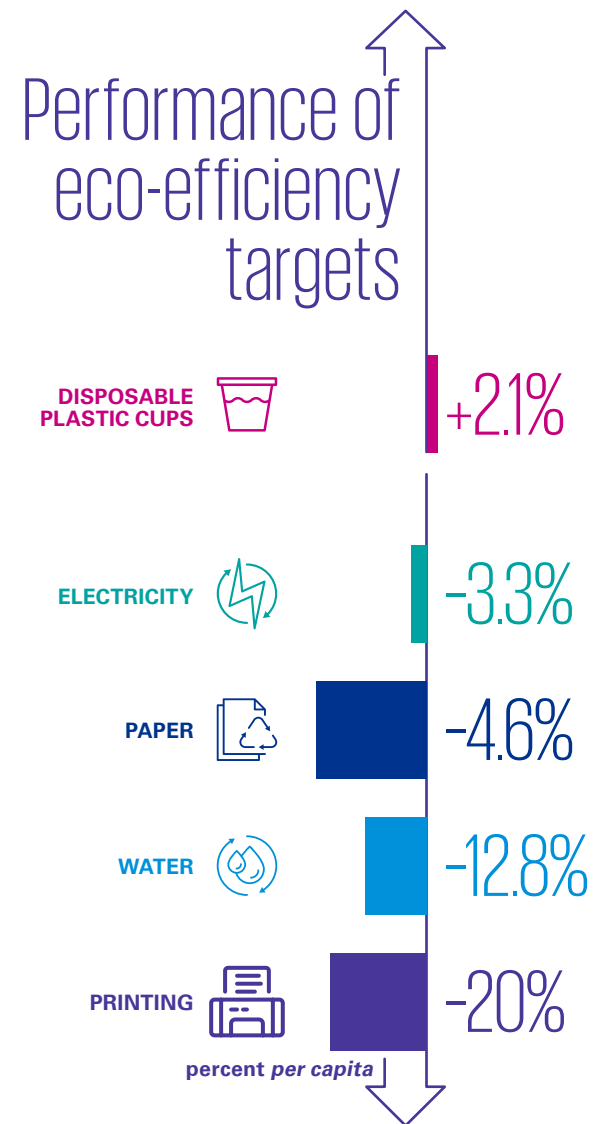
Vale do Jari is a region of massive social and environmental importance, and is constantly threatened by human activity.

The REDD+ Amapá and Pará project embraces 920,000 hectares and aims to counter these threats, by promoting sustainable extraction production and handling techniques and the well-being of communities, making them stewards of forest resources.

By way of the project, 660,000 tCO₂eq of emissions will be reduced per year and more than 300 families are benefited.

ECO-EFFICIENCY GOALS

Using local targets we encourage the adoption of more sustainable habits at KPMG and in our professionals' personal lives. The only target not exceeded this time round was the use of disposable plastic cups. We are working ceaselessly to extinguish the use of disposable plastic cups from the next cycle.



AWARENESS RAISING AND ENGAGEMENT

Environment Month hosts most of the main engagement initiatives we carry out for the environment. In 2019 it entailed several internal awareness training initiatives to bolster the engagement of our professionals in our commitment to sustainability.

The **Time of the Planet, Gincana Desafio do Lacre** (benefiting wheelchair users from the NGO Turma do Jiló), **#DesafioTrashtag** for cleaning up public spaces and the fourth edition of the **Living Green Gallery** encouraged employees to mobilize their relatives to carry out practical initiatives, with concrete results that go beyond the company's space.

Nine online training sessions for the environment and a conscientious consumption workshop conducted by Instituto Akatu at the Morumbi office, gave us access to new expertise and practices.



LIVING GREEN GALLERY

Art is a great way of getting people talking and raising awareness. It was with this in mind that we created Living Green, an initiative that invites professionals from all offices to submit drawings made by their children aged 4 to 12 for a topic chosen by the Corporate Citizenship practice. The topic in 2019 was the various biomes of Brazil's fauna.

SUSTAINABILITY TRAINING



CONSCIENTIOUS CONSUMPTION IN COMMUNITIES

With the support of Instituto Akatu, we take to society our commitment to raise awareness and mobilize society around conscientious consumption for a sustainable future.

Amongst the Institute's projects, **Edukatu**, an online education platform, now accessed by more than 300 thousand people, including 30 thousand students, 9 thousand teachers and 4 thousand schools across Brazil. We provided sponsorship of **R\$ 80 thousand** in 2019.



Case

HACKING CHILDHOOD CANCER

The Ronald McDonald Institute has been active in Brazil since 1999, assisting nearly 100 thousand children with cancer and their families every year.

In 2019 it began receiving just 30% of the revenue it previously received from its main funder and came to us in search of a solution.

Conducted on a pro bono basis by the Leap team, the engagement began by diving into the world of childhood cancer and the Institute's operational ecosystem.

Our survey found that 85% of childhood cancer cases are solved worldwide, but just 65% of cases are in Brazil. This is because the cancer is often discovered too late, which reduces the chances of curing it. Furthermore, many families do not have access to or cannot maintain treatment because they cannot afford it or live far away from treatment centers.

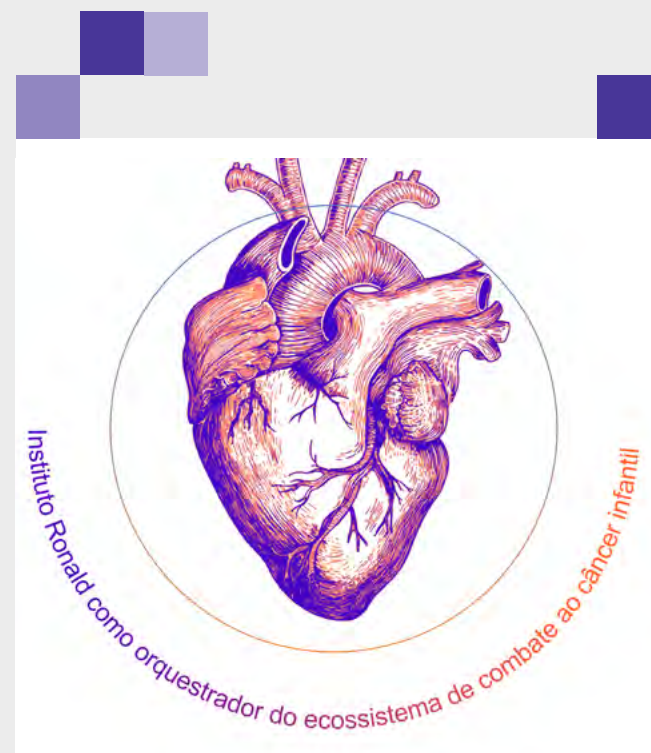
To understand this reality better, our team carried out an intensive fieldwork involving visits to renowned treatment centers and immersing into the reality in one of the far corners of the country, the Amazon. During this experience they witnessed the patients' journey, their challenges in terms of medication, travel and meals, also speaking to health care professionals and hearing their fears.

Coupled with these real stories, we took a broad look at the expanded chain of stakeholders comprising this patient journey.

In two online workshops (due to the pandemic) with the Institute's team, we presented a new perspective of the reality they are engaged in and enabled new possible fronts of action.

The strategies included ways of dealing with the challenges in all steps of the patient's journey (from the effort to make early diagnoses until post-treatment, when the child and their mother return to society), and the care given to them, their mother, their family and the health care professionals involved.

Given the funding shortfall, we are mobilizing KPMG's human, intellectual and social capital to make a broad appeal, so that the pain these children feel can be cured and we can raise our cure rates to international levels.



Case

SUSTAINABILITY SERVICES PROMOTING PUBLIC TRUST

Our ESG (Environmental, Social & Governance) Advisory Services practices is a fundamental agent in our Public Trust strategy, as it helps our clients to devise their own strategies to deal with sustainability topics. The three initiatives below demonstrate how this practice has worked alongside its clients on this journey, benefiting their respective ecosystems.

VALIDATING DATA FOR IMPLEMENTING THE NATIONAL SOLID WASTE POLICY

The National Solid Waste Policy is a fundamental tool for companies to undertake joint responsibility for the waste resulting from the consumption of their products.

The percentage of resources that each company will undertake to guarantee the reverse logistics is calculated by the associations of the respective segments based on information provided by the industries (production, revenue and packaging volume).

This is where KPMG's Environmental, Social and Governance (ESG) team comes in, which systematizes the information and attests to its veracity, thereby reassuring associations, industries and the government.

This work is carried out by **Collect**, a platform created especially for this purpose, which harnesses the new technologies and our experience in data & analytics. The data inserted in the platform is also used to determine market share and prepare sector studies and reports.

Today it is serving six associations in the tire, paint, personal hygiene, cleaning and processed food segments.

MONITORING DIGITAL MEDIA

The corporations in the food and beverage sector made the **important commitment** of not advertising specific products to children aged under 12.

However, how can we make sure these companies have truly honored this advertising commitment in the huge world of digital networks?

We developed **KPtura**, a tool that can monitor all advertising content published in digital media and quickly notify companies of any misplaced adverts.

ESG IMPACT

Our proprietary methodology helps companies measure the real impact on performance of a business when not only economic factors, but also social and environmental ones are taken into account.

With ESG Impact, we are working with health care sector and civil construction clients to measure the impact of business on people's quality of life, Brazil's gross domestic product and the environment, amongst other areas, taking a closer look at how companies can improve their performance in their ecosystem.



Assurance Statement

INDEPENDENT ASSURANCE STATEMENT FOR THE SUSTAINABILITY REPORT

GRI 102-56

INTRODUCTION

Green Domus Desenvolvimento Sustentável (Green Domus) was hired by KPMG Auditores Independentes (KPMG) to assure its 2019 Sustainability Report.

KPMG was responsible for preparing and presenting information on its performance in environmental, social and economic topics in its 2019 Sustainability Report, as well as presenting the necessary evidence for the assurance procedures; while Green Domus provided an independent assurance in a systematic, documented and based on the evidence, required and presented, by KPMG.

ASSURANCE CRITERIA

The limited assurance process was conducted based on the Agreed-Upon Procedure. The assurance focus was the analysis of the reliability of the systems and processes used to manage the reported information and the presentation of KPMG's performance in the 2019 Sustainability Report.

ASSURANCE LIMITS

The assurance was limited to assessing the information provided in the KPMG 2019 Sustainability Report and other evidence that supported its content, with emphasis on the list of disclosures selected for the audit process, described in the Agreed-Upon Procedure.

METHODOLOGY

The assurance started with the preliminary assessment of the information presented in the KPMG 2019 Sustainability Report and in the documents that supported its preparation. Remote visits (via Microsoft Teams) were carried out to interview the actors involved, understand the information management procedures, and collect evidence from the reported information.

The necessary corrections, identified from the analysis of the content of the sustainability report and the evidence collected, were presented through the Assurance Protocol; all were concluded before the end of this assurance process. The improvement opportunities identified were incorporated into the conclusions of the assurance process, presented in a report to KPMG.

INDEPENDENCE AND IMPARTIALITY

For the purposes of this assurance, Green Domus declares that there is no relationship with KPMG that would prevent it from issuing this Assurance Statement in an independent and impartial manner. It also emphasizes that all professionals involved in this assurance process are aware and trained in the Green Domus Corporate Management System, whose content includes policies and procedures that promote an impersonal standard of operation for the company and the mitigation of possible technical risks in the development of their activities.

COMMENTS AND RECOMMENDATIONS

Without interfering with the positive conclusion of this assurance, Green Domus presents the following recommendations for improvement and good practices for KPMG:

- » Continue to evolve information management systems with a view to greater data reliability and process automation. Until it is possible to minimize the transfer of information between control systems, it is suggested to maintain rigorous periodic analysis processes carried out by qualified and experienced professionals.
- » For the next reporting cycle, a new materiality definition process is recommended, as experts foresee changes in priorities for stakeholders due to the pandemic and the new social standards adopted, these should be reflected in the organization's material themes.

CONCLUSIONS

In the opinion of Green Domus Desenvolvimento Sustentável, the 2019 Sustainability Report of KPMG Auditores Independentes is an adequate representation of the company, which describes its strategies, policies, and actions to its sustainability performance.

Based on the procedures performed, described in this assurance statement, it can be said that nothing has come to the knowledge of Green Domus that would lead it to believe that the information contained in the KPMG 2019 Sustainability Report was not compiled in all aspects relevant and applicable to the analysis carried out, in line with the Agreed-Upon Procedure and in accordance with the organizational guidelines that served as the basis for its preparation.

São Paulo, August 7, 2020.

Nino Sergio Bottini
Revisor Independente

Marina Dall'Anese
Auditora Líder



GRI content index



GRI - STANDARDS		DISCLOSURE	PAGE	RESPONSE
GRI 101 Fundamentos 2016				Does not include any disclosures in this report.
GRI 102: GENERAL DISCLOSURES 2016				
ORGANIZATIONAL PROFILE	102-1	Name of Organization	16-18	
	102-2	Primary brands, products and services	16-18; 30-39	
	102-3	Location of headquarters	16-18	The independent member firms operating in Brazil have head offices established in accordance with their articles of association. In terms of size, the main offices are located in the cities of São Paulo and Rio de Janeiro.
	102-4	Countries where we operate	16-17	
	102-6	Markets served	16-18; 68	
	102-7	Scale of Organization	16-21	
	102-8	Employee profile	42-43; 61	Information for October / 2019
	102-12	Charters, principles, or other initiatives to which the Organization subscribes	24; 56-58	
	102-13	Membership of associations	76	
STRATEGY	102-14	Statement from the Chairman	10-11; 22-27; 30-39	
ETHICS & INTEGRITY	102-16	The Organization's values, principles, standards and norms of behavior	12-15; 80-87	
	102-17	The mechanisms for seeking advice on ethical and lawful behavior	84-85	
GOVERNANCE	102-18	Governance structure of the Organization	80-87	
	102-22	Composition of the highest governance body and its committees	86-87	
	102-25	Processes to ensure conflicts of interest are avoided	80-87	
STAKEHOLDER ENGAGEMENT	102-35	Compensation policy	50	
	102-43	Approach to and frequency of stakeholder engagement	25; 70-71	

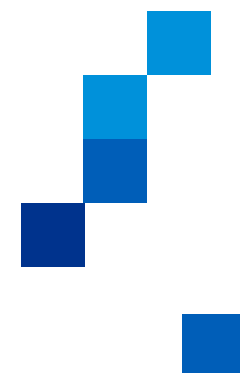
REPORTING PRACTICE	102-45	Entities included in the organization's consolidated financial statements or equivalent documents	18-21	
	102-47	List of Material Topics identified	25	
	102-48	Restatements of information provided in previous reports	7	
	102-50	Reporting period	8	
	102-51	Date of most recent previous report	March 2018.	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	8	
	102-56	Policy and current practice with regard to seeking external assurance for the report	8;106-107	

MATERIAL TOPICS				
ECONOMIC PERFORMANCE (Material Topic)				
GRI 201: 2016 ECONOMIC PERFORMANCE	201-1	Direct economic value generated and distributed	21	
INDIRECT ECONOMIC IMPACTS (Non-material Topic)				
GRI 203: 2016 INDIRECT ECONOMIC IMPACTS	203-1	Development and impact of investments and services supported	21; 88-97	
VOLUNTARY GLOBAL COMMITMENT TO THE ENVIRONMENT (Material Topic)				
GRI 305: 2018 EMISSIONS	305-1	Direct Greenhouse Gas (GHG) emissions - scope 1	100-101	
	305-2	Energy indirect Greenhouse Gas (GHG) emissions - scope 2	100-101	
	305-3	Other indirect Greenhouse Gas (GHG) emissions - scope 3	100-101	
	305-5	Reduction of Greenhouse Gas (GHG) emissions	100-102	
WASTEWATER AND SOLID WASTE (Non-material Topic)				
GRI 306: 2016 WASTEWATER AND SOLID WASTE	306-2	Waste by type and	99	
ATTRACTING AND RETAINING TALENT (Material Topic)				
GRI 401: 2016 EMPLOYMENT	401-1	Total number and rates of new employee hires and employee turnover	51	Information for October / 2019
	401-3	Return to work rates after parental leave	59	



SOCCUPATIONAL HEALTH AND SAFETY (Non-material Topic)				
GRI 403: 2018 OCCUPATIONAL HEALTH AND SAFETY	403-1	Occupational health and safety management system	52	Our system has been implemented in order the meet the requirements of the Ministry of Labor Regulatory Standards # 04 (Specialized Occupational Health and Safety Engineering Service - SESMT), #05 (Internal Accident Prevention Committee - CIPA), #07 (Occupational Health Surveillance Program - PCMSO), #09 (Environmental Risk Prevention Program - PPRA), and #17 (Ergonomics), based on a clear and traceable process involving indicators management. On that basis, we have established other voluntary controls based on benchmarks or academic experiences. Our health, well-being and accident prevention campaigns make use of various tools (radio, intranet, printed material, videos and training programs) to reach out professionals from all offices of KPMG in Brazil.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (Non-material Topic)				
GRI 407: 2016 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	407-1	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. We have not mapped our supply chain in this respect; however, our Supplier Code of Conduct requires freedom of association and applies to all suppliers.
TRAINING AND DEVELOPMENT (Material Topic)				
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee by gender, and by employee category	47	Information for October / 2019
	404-3	Percentage of employees receiving regular performance and career development review	50	
DIVERSITY (Material Topic)				
GRI 405: 2016 DIVERSITY AND EQUAL OPPORTUNITY	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group and minority group membership	42-43; 61	Information for October / 2019
	405-2	Ratio of basic salary and remuneration of women to men	59	
GRI 406: 2016 NON-DISCRIMINATION	406-1	Total number of incidents of discrimination and corrective actions taken		No instances of discrimination were identified by our monitoring mechanisms.
ETHICS AND INTEGRITY (Risk and Quality Management; Client and Engagement Acceptance and Continuance; Information Privacy and Security) ((Material Topic)				
GRI 205: 2016 ANTI-CORRUPTION	205-1	Operations assessed for risks related to corruption	84; 80-87	
	205-2	Communication and training on anti-corruption policies	84; 80-87	
	205-3	Confirmed incidents of corruption and actions taken	84; 80-87	

GRI 415: 2016 GOVERNMENT POLICY	415-1	Total value of political contributions	85; 80-87
GRI 418: 2016 CUSTOMER PRIVACY	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	85; 80-87
GRI 419: 2016 SOCIOECONOMIC COMPLIANCE	419-1	Non-compliance with social and economic laws and regulations	85; 80-87
CLIENT AND MARKET RELATIONS (Material Topic)			
GRI 206: 2016 ANTI-COMPETITIVE BEHAVIOR	206-1	Legal actions filed for unfair competition, against business trust or combination, and monopoly practices	85; 80-87
GRI 417: 2016 MARKETING AND LABELING	417-3	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	85; 80-87
CVOLUNTARY GLOBAL COMMITMENTS TO COMMUNITIES (Material Topic)			
GRI 413: 2016 LOCAL COMMUNITIES	413-1	Operations with local community engagement, impact assessments, and development programs	88-97



Credits

Overall coordination

Corporate Citizenship
Department

GRI consulting, review and compilation of disclosures

Environmental, Social
& Governance (ESG)
Advisory Services

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