



Sustainability Report

2021

[kpmg.com.br](https://www.kpmg.com.br)

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KPMG headquarters in Brazil



Message from the Chairman

GRI 102-14

**Integrity, Excellence, Courage, Together, For Better.
These are KPMG's values.**

I started my career at KPMG 36 years ago. In all these years, we have gone through the most diverse moments, easy and difficult. I believe, though, that at almost no other time in our recent history have our values been as experienced as in 2021. They were essential references for us to make decisions that would always lead us to fulfill our mission of producing and transferring knowledge to society, creating value for all, while supporting our clients and partners in their projects.

With our clients, our teams have taken digital transformation, innovation and ESG projects to a new level. We have worked with large companies, family businesses and startups creating the Brazil of the future, a digital, inclusive, low greenhouse gas emission and circular future. A future

in which we manage to be a country with a vibrant economy, creating opportunities for the most vulnerable, protecting and regenerating our natural capital, developing innovations to accelerate this path.

Within the Organization, we kept our operations neutral in terms of emissions and we continued fully committed to an inclusive work environment, consistently hiring more than a thousand people a year, among other highlights.

However, 2021 probably was also the year during which we had to go further, supporting "our people," as we say here at KPMG. The countless losses suffered by families as a result of the pandemic, the impact of climate catastrophes on communities, the search for ways to



Charles Krieck

Chairman at KPMG in Brazil
and in South America



Message from the Chairman

support everyone's mental and physical health, were very present issues this year. The firm has spared no effort to bring our material resources and other forms of support to the most diverse groups impacted by this extremely challenging context.

This context only reinforced the importance of demonstrating what we can do for people, so that they prosper, have quality of life and create a better world, especially because we are a successful firm in many aspects. We have demonstrated this in our daily activities, in every decision we made. We are more than 451 partners and around 5 thousand professionals who want to make a difference for something better for everyone.

The community projects that we have supported for many years have also become even more relevant. Among them, I can mention the "Little Citizen" project, which has existed for over 25 years, transforming families and communities; or Enactus, promoting social and environmental entrepreneurship among university

students; or KPMG Community Day, when employees donate a day to impactful volunteer work; or even our work with the Soup Group.

In short, all these projects have gained even more meaning and, together with our collaboration with a huge network of organizations in Brazilian society - for education, dissemination of knowledge, transparency and innovation -. we feel committed and connected with the big issues of Brazilian society.



We feel committed and connected

with the big issues of Brazilian

society ”

This report will show, in many ways, how we deliver our values and demonstrate our commitment to the future of companies and the economy.

I would like to take this opportunity to thank our professionals, clients, suppliers, specialists, innovators and many others who accompanied us in 2021 and helped us to make it an extraordinary year.

Count on us!

Charles Kriek

Chairman at KPMG in Brazil
and in South America



Highlights of the year

Social performance

4,933 professionals
+7% FY2020

 **49.2%** Women
 **50.8%** Men

increase of **31%** women in leadership positions

R\$ 16.4 MM invested in learning and development

331,000 hours of training provided

R\$ 2.9 MM in direct investment in community and in pro bono projects

Environmental performance

Carbon neutral

100%

of GHG emissions offset

67% growth in the demand for sustainability services

Economic performance

R\$ 1.7 BN of revenue

+22.8% FY2020

Client satisfaction index



In society

R\$ 2.4 MM

invested in events to share knowledge in various formats

175 publications in journals/magazines, research and studies

8 recognition awards

19,344 mentions in the press, with the participation of 201 KPMG spokespersons



In addition, we participated in movements that supported vaccination campaigns through the provision of pro bono services, as well as donations resulting from the extraordinary corporate financial collaboration of partners and professionals.

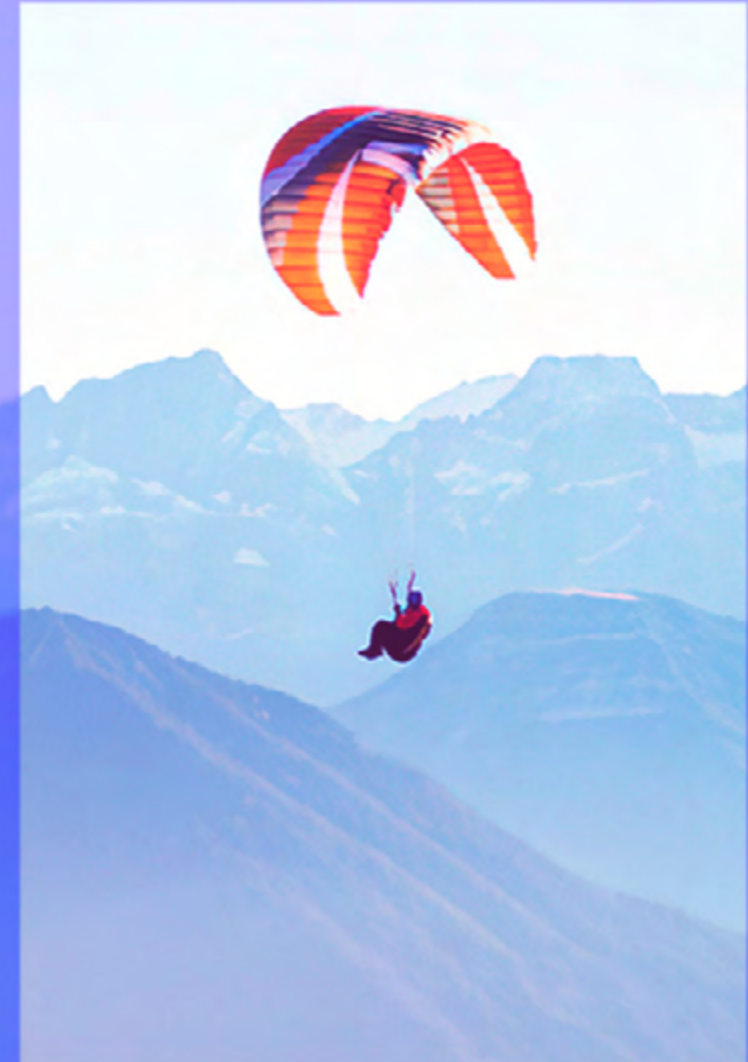
KPMG

[GRI 102-1](#) | [GRI 102-2](#) | [GRI 102-3](#) | [GRI 102-4](#) | [GRI 102-5](#) | [GRI 102-6](#)

We are a global organization of independent firms that provide professional services to companies, governments, startups, government agencies, non-profit organizations and capital markets institutions.

We are present in 145 countries and territories, with more than 236 thousand partners and professionals working in member firms around the world – in Brazil, we are approximately 5 thousand partners and professionals. Each KPMG member firm is an independent and separate legal entity and describes itself as such, being legally and financially responsible for its own obligations and actions.

Guided by its purpose of empowering change, KPMG is a reference company in the segments in which it operates. We have shared value and inspired trust in the capital markets and in communities for over 100 years, transforming people and companies and generating positive impacts that contribute to the realization of sustainable changes in our clients, governments and civil society.





What we do

We provide professional services, based on excellence and ethical principles, in three areas:

Audit

We evaluate and assure the information generated by our clients through independent audit services, based on exclusive methodologies and technologies. This way, we contribute to the quality of information in decision-making.

Tax

We help our clients to meet tax demands, as well as to be prepared to respond to their business needs, applying our knowledge and long-term vision to help them make decisions that create value for their businesses and society.

Advisory

We support companies' strategic decisions and project development in strategic planning, ESG, mergers and acquisitions, risk management and compliance, improvement of financial and operational performances, business transformation, innovation and technology, through multidisciplinary approaches. We also operate as managed service providers.

Priority sectors we serve



Agribusiness



Consumer and retail market



Education and non-profit organizations



Energy and natural resources



Financial services



Infrastructure, government and health



Industrial markets

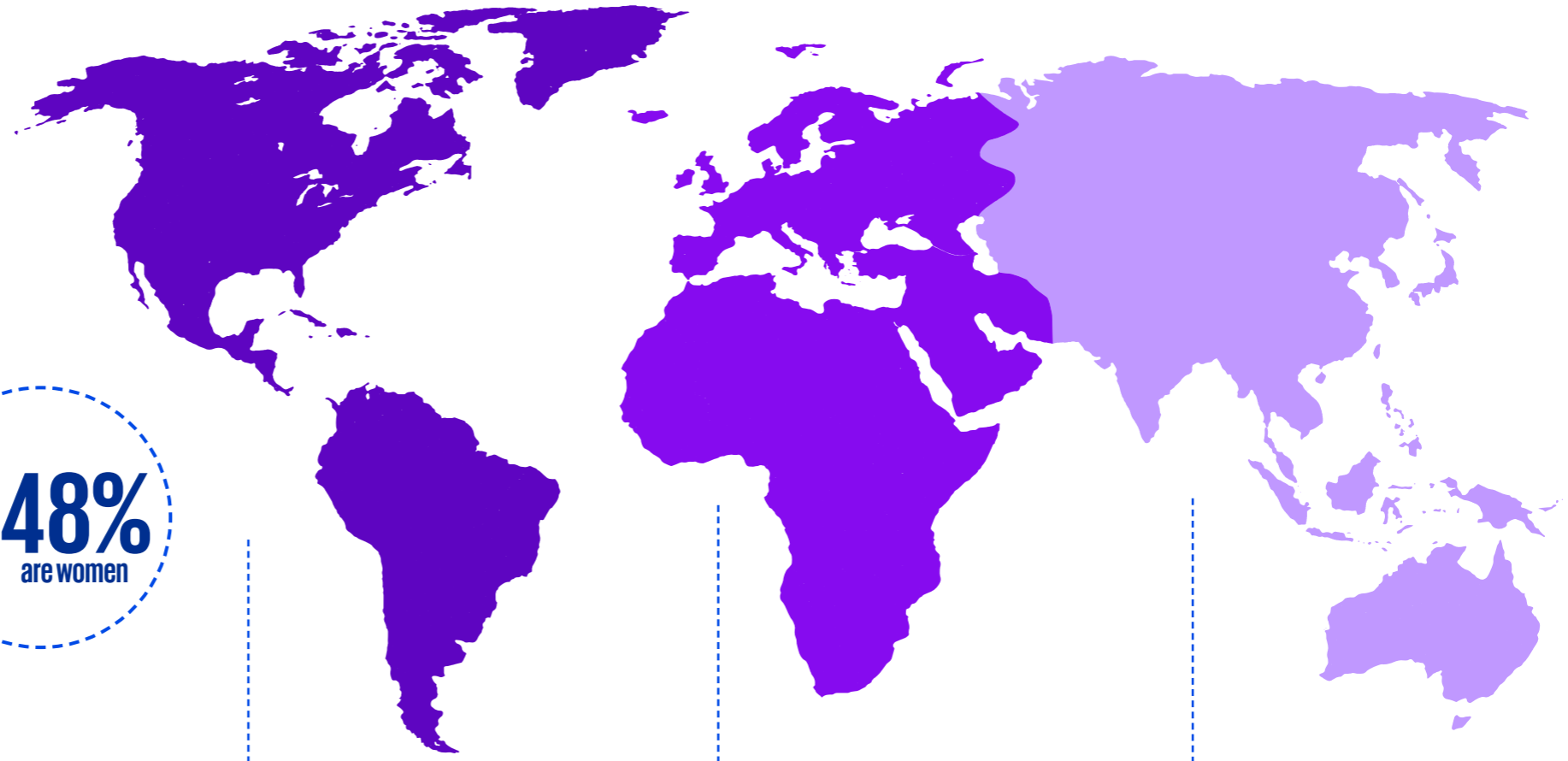


Technology, media and telecommunications



KPMG International

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



236,257
professionals
work in member firms
worldwide

145
countries
in the five
continents

48%
are women

USD 32.13
billion
in revenue
FY2021

Americas
59,325 professionals | Revenue **US\$ 11.88 Bn**

Europe, Middle East and Africa
126,486 professionals | Revenue **US\$ 14.28 Bn**

Asia Pacific
50,449 professionals | Revenue **US\$ 5.97 Bn**



KPMG in Brazil

GRI 102-1 | GRI 102-2 | GRI 102-3 | GRI 102-4 | GRI 102-6 | GRI 102-7 | GRI 102-8



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



Our values

GRI 102-16

Our values represent what we believe in and what is important to us as an organization.

They guide our day-to-day behaviors, informing how we act, the decisions we make, and how we work with each other and with our clients, as well as how we relate to all of our stakeholders.



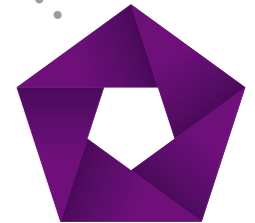
Integrity

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 really matters



KPMG impact on society

Critical issues for the society in which the organization must act upon, according to the leadership:



Carlos Pires

Head of Audit Services
(Audit)

When I think about this report, I ask myself upon reading it: are we really making a strong contribution to the progress of society?

Among the great issues of Brazilian society that we have contributed to solve, there is undoubtedly professional qualification and transformation. We have qualified hundreds of professionals every year, for many years, who stay or go to the market. This is inherent to our business, we do it for the business to exist. However, as a result, we help professionals and organizations they will later work at. When we hire young professionals, we talk to them about values, about how to face challenges, what to do to try to solve a problem. This changes the person, the professional and society. We should start measuring that impact.



Marcus Vinicius

Head of Tax Services
(Tax)

I think one of our main contributions to solve a big issue in society is our work for a more just and balanced tax system. We are mediating agents between authorities and companies, so that the tax system promotes development. Development cannot be based on the premise that taxes should continuously raise to generate revenue for public services. We want and can meditate about that. And we do.

We participate in many society organizations and prepare materials for the modernization of the Brazilian tax system, so that it is simpler, more transparent and, therefore, more resistant to corruption. For me, this is, undoubtedly, an important way of contributing to a less unequal society, capable of a faster development.

Now more and more we want to help to structure solutions so that the government can promote ESG through taxes and incentives.





KPMG impact on society



André Coutinho
Head of Advisory
Services (Advisory)

When I reflect on how KPMG helps Brazilian society to face its great challenges, I think about how to use our knowledge to solve large-scale problems. We are part of a global knowledge network. We know a lot about technological solutions, innovations, management and transformation processes in almost all areas of human activity. All this knowledge can and should be used to solve the problems that society has to resolve.

The purpose of our clients becomes our purpose. Our projects must increasingly express that. Our leadership is developing for that. Thus, we have a constant mindset of increasing our impact on our customers and on society as a whole. This is what we seek.

Embedding ESG criteria into every project we do is our goal. And we want to go further. We really want to use our projects to build an inclusive and vibrant future, and through them we help design that future. This distinguishes us as a firm, as professionals.



Luciene Magalhães
Head of People and Culture



As early as 2020, but much more so in 2021, the attitude of companies facing major social problems has radically changed. KPMG and many client and partner organizations had to question themselves and go beyond what they thought was the role of a company, at a moment when society, people need qualified help. The existence or not of a budget for the effort to be made played a minor role. The need to demonstrate that society and people could count on us played a bigger role, much bigger than before.

About diversity and inclusion, in addition to everything that we have already accomplished, we understood that we needed a real growth in the number of diverse people in the leadership. Today we truly know that diversity generates value. In many ways.

When the brand enters the game, because it wants to identify itself with something, the possible social movement is much greater. We move a lot more in and out of KPMG.

Our leaders are being prepared for the future. The future is diverse, challenging, collaborative.

Connecting our brand with the ESG movement is not just financially motivated. We mean that we don't need regulation to be committed and respectful. Every day. You can count on us!





KPMG impact on society



Danilo Simões
Head of Risk Management (RM)

Respect for ethical principles is one of our differentials. We are judicious. We are successful because of our ethical principles. We have a great team dedicated to ensuring that.

Mainly over the last few years, KPMG has been helping Brazil go through a transition, transforming corporate and society governance structures into more formal structures, with accountability, with references to global standards. We have contributed to the process of understanding the advantages of this transition. This is one of the great contributions we have made to Brazilian society.

Protecting society from greenwashing – and other forms of misinformation – is an issue we can and want to contribute to. We want companies and organizations to have a structured internal control environment to support verification of ESG information.

Ethics and transparency are at the heart of our relationships with people, clients and society. We wear what we sell.



Jean Paraskevopoulos
Head of Clients and Markets

I believe that our main contribution to Brazilian society is to seek technical knowledge wherever it is needed, locally or globally, to solve customers' business problems, helping them to grow and achieve their goals. With this, we create value for our clients and for society as a whole. We have a passion for it.

We know that what we do affects the organization, society, but also impacts leaders individually. An unsuccessful project strongly impacts their trajectory. We have this commitment to the leaders involved, maintaining collaborative relationships and building trust. This is our ethics, our differential.

We are specialists, we have a purpose and we want to transform the client's business, if that is necessary for its success. The ESG agenda brought the success of the business closer to that of the whole society. This combination means that we can use our specializations also to advance with this social, environmental and ethical agenda.





KPMG impact on society



Cláudio Sertório

Head of KPMG operational areas and the Finance Department

I come from a middle-class family. I started at KPMG 33 years ago. What the professional training and the firm's opportunities did for the young man I was cannot be 'priced'. We keep doing that year after year. Hundreds of young people come to this firm, many still studying. Our contribution to society, to the problem with the gap in professional training, is what we offer to the hundreds of people who work for KPMG.

Supported by ethical principles, we help our customers to be up-to-date and competitive. This creates economic stability and jobs. It builds resilience throughout society.

Many think that organizations like ours only have big clients, with a lot of capital. This is not true. We have small and medium-sized clients, startups, customers all over Brazil, who need help to organize their structures, their controls and the accounting and financial aspects. We have sought to contribute to companies that were very small at the beginning of their journey, and today are big and promising. Several departments of the firm, especially our tax specialists, provided free assistance to microenterprises during the crisis caused by the pandemic. This creates immense value for society. It makes us who we are.



Frank Meylan

Head of Technology, Transformation & Digital Innovation

KPMG is a company that uses its knowledge – local and global – to promote development for Brazilian society. This is our great contribution to Brazil.

I've had many opportunities to see up close how we use our expertise. For example, we helped Brazil reorganize and modernize its energy market, which now has open auctions. This made it possible to include new sources into the system, such as renewable energies. Another example was the project to define anti-terrorism safety protocols, which were a necessary condition for Brazil to be able to host the World Cup. This was done at that time and is still being used. Another example, a current one: we help companies and citizens to have a cyber environment that protects their data and privacy using the clouds. We always bring the best and state-of-the-art solutions. And we will keep doing this: use our knowledge to solve large-scale concrete problems.

We learned a lot from the pandemic. And we also taught. We learned and taught that companies can and should adapt to this new reality. We helped our clients to change, to be successful, because we were successful too. In every conversation we have with executives, we convey the confidence that change can lead us to a better environment, a new culture, of work and not of control, with new productivity indicators. This is new and it is good.





KPMG impact on society

After interviewing the members of our Executive Board, we came to the conclusion that the most relevant issues for society, connected to KPMG and the business, are:

- Professional education
- Knowledge creation and transmission
- Modernization of the tax system
- Solutions to large scale problems
- Diversity, equity and inclusion
- Preparing leaders for an inclusive and regenerative future
- Strengthening internal processes against misinformation (such as greenwashing and others)
- Professionalization of governance structures
- Support for startups and micro and small businesses
- Planned transition to an inclusive, low greenhouse gas emission, circular and regenerative economy





Innovation and technology

We develop high-impact projects that combine management and innovation to support all stages of our clients' digital transformation journey. For this, we make integrated use of disruptive technologies and our vast experience in our clients' businesses and in the markets where they operate.

Under the leadership of the Innovation and Enterprise Solutions Subcommittee, we are continually expanding our technical and operational capacity and our appetite to transform ourselves and our customers responsibly and efficiently.



In this sense, we have invested in three fronts:

1. Technology

Consistent global cloud-based platforms to drive service delivery quality and new business solutions and services tailored to the needs of each client.

2. People

Enhancing the digital skills of KPMG's global workforce and expanding talents in areas such as data science and digital architecture.

3. Innovation

Expanding the range of digital offerings and possible work with the support of our diverse ecosystem of strategic alliances and our global innovation network.

Developing innovative professionals

KPMG Journey to Digital

3,075 professionals
12,492 hours

Tax Transformation

706 participants
11,348 hours

Audit Academy (Kcw methodology)

1,661 participants
65,456 hours



Innovation in Audit

Constantly innovating is essential to raise the level of quality and consistency of audits. In the disruptive and hypercompetitive market in which we operate, our strategic choice has been to combine the best talent with the use of state-of-the-art technologies to deliver high-quality audits that achieve greater depth, agility and transparency in the risk insights provided to clients.



KPMG Clara

Globally, KPMG Clara is our automated, agile, intelligent and scalable audit platform that takes the quality of our deliveries to a new level. Launched in 2017 as a pioneer among the Big Four in the segment, it has been evolving year by year and today it incorporates the latest artificial intelligence, predictive and cognitive analytics technologies in a single cloud-based source. KPMG Clara enables continuous global collaboration between our professionals and real-time online interaction with clients throughout the audit process, in a completely reimagined experience for both.

KPMG Cognitive

Solution that reads multiple documents simultaneously with the application of artificial intelligence technologies. In Brazil, our Audit Technology Innovation - ATI department, connected to the Innovation & Enterprise Solutions Committee, leads the innovation processes in auditing, developing new products that have been adding quality, consistency and efficiency to our audits, creating an exceptional experience for the client and building a culture of continuous learning and process improvement.

KPMG Chrono

Solution that consists of automating substantive procedures and Data & Analytics performed based mostly on tax and accounting obligations and bank files.

KPMG Bank Sector Routines

Solution that consists of automating substantive procedures and Data & Analytics performed based primarily on market price information and standard custody files and portfolio composition.

Inventory App

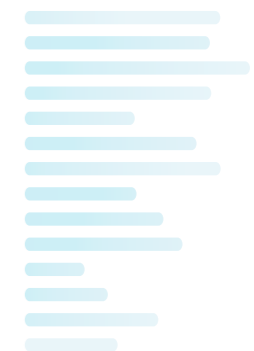
Cross-platform mobile application with a web interface used in the process of tracking physical inventory counts, aiming for faster and more efficient counts.

KPMG Insurance Sector Routine

Cloud solution for processing substantive procedures and Data & Analytics performed based mainly on official SUSEP records and balance sheets.

KPMG Funds Sector Routines

Solution created to streamline and make auditing procedures for Investment Funds consistent.



We are as committed to investing in new tools and technological resources, as we are to equipping our professionals with the knowledge and trust they need to fully seize the opportunities that innovation offers. Our teams have on-demand access to training and guidance when and where they need it.



Innovation in Tax

We continue to accelerate our Tax Transformation initiative, focused on the innovation and digital transformation of the tax practice of KPMG and the market, with the best combination of people, processes, data and technology.

We use intelligent automation and other advanced technologies to enable the execution of specific Tax projects that involve high volumes with quality, reliable and agile execution. An example is our document and contract reader (OCR), a tool that allows the crossing of data contained in ancillary obligations, the development of specific platforms to meet project specific features (e.g., CAT-42) and the checking of tax rules in batches via APIs.

We follow the rapid evolutions of the market, helping companies to face the challenges ahead (such as those arising from Web 3.0, NFTs, cryptocurrencies, blockchain, metaverse, etc.) and producing content available to everyone in webcasts, lives and podcasts.

We help our clients to rethink their tax areas, so that they become more digital, agile, strategic and innovative. We work in the design and execution of this transformation journey, combining our solid tax knowledge with the latest technologies and tools (Lighthouse) and our expertise in management, risks, people and processes (Advisory).

We count on a sophisticated Tax Data & Analytics platform, which enables the intelligent use of company data so that managers can add value to their business through decision-making based on data and insights.

We further strengthened our Tax Innovation Hub pillar, which brings KPMG and our clients closer to the innovation ecosystem formed by startups and other companies that offer technological and innovative solutions, encouraging the concept of collaboration and open innovation.

We have also advanced in digitalization in the execution of our work, with highly qualified teams and partners and state-of-the-art technology. The extensive investment in training related to technology and innovation has been constant so that Tax professionals are also more digital, agile, strategic and innovative. We recently formed the first class of the Tax Transformation Certification program, with the support of KBS – KPMG Business School.

We advise the market in the formation of data lakes for Tax, in the definition of data strategy and in the development of dashboards that allow identifying credits and other opportunities, obtaining relevant improvement in compliance and better understanding the impacts of taxes on the company's operations.

Through Tax Transformation assessments, we help companies define the tax area's objectives and strategy and apply agile methodologies to identify the ideal operational and governance structures, challenges and areas for improvement and respective solutions.



Innovation in Advisory

Key resources we add to our traditional capabilities include the full range of solutions globally recognized by analysts aimed at digital transformation – including cybersecurity – as well as the advanced use of AI and intelligent automation in Regulatory Driven Transformation and Deal Advisory solutions.

Our professionals have access to globally consistent tools and solutions, benchmarks and industry analysis to provide consistent support to clients wherever they do business.

Cognitive solutions

It combines artificial intelligence technologies with our deep knowledge of our clients' businesses and markets to automate processes, increasing team's efficiency and productivity by up to 50%, reducing costs in several areas and improving quality standards.

Procurement

Registers suppliers and materials in record time.

Legal

Makes contract review and compliance processes faster and more efficient.

Taxes

Monitors, at the beginning of transactions, whether tax risks are being taken care of.

Recof e Recof-Sped

Supports clients in the process of adhering to SPED to optimize their financial performance.

M&A Platform

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

SAP/ORACLE

With regard to the implementation of ERPs, KPMG positions itself beginning on the design of the solution in order to ensure that our customers use market solutions best practices, betting on a careful architecture analysis. Our experts care in serving the business without giving up corporate governance, tax and fiscal obligations, segregation of duties and a rigorous layer of systems governance to timely identify risks of various natures to the organization, its stakeholders and the market.

Lighthouse

Our D&A strategy starts with the formation of a signal repository containing thousands of variables from capturing economic, social, environmental, behavioral, financial, climate data, among other categories. This big data lake is structured so that we can support our clients in solving business problems with the purpose of increasing revenue, efficiency and compliance. Emerging techniques of advanced data analysis are applied by a group of highly skilled engineers and data scientists.

Digital Platforms

KPMG has invested in the development of digital platforms in order to offer our clients digital services with access to local and global databases, use of embedded and easy-to-adhere artificial intelligence in the SaaS model – Software as a Service complemented by expert advice. As an example of this strategy, we have Risk as a Service, with components of Cyber Security, Third Party Risk Management and Enterprise Risk Management. The monitoring of our clients' supplier network is also executed digitally making it possible to anticipate risks that could compromise production or even ensure access to financing with more advantageous rates than those available on the market.

Leap

KPMG & Distrito Leap was born with the mission of exploring how the accumulated knowledge of KPMG's Advisory branch, together with the inherent innovation of the global startup ecosystem and a disruptive mental model, can be made available to customers and bring real transformational impact for their business and society.





Strategy and value creation

An important asset of our business and foundation of how we operate, our sustainability strategy consists of converting the knowledge generated by the entire KPMG network on trends, specific markets, standards, legislation and technology into innovative and sustainable approaches that create value for all stakeholders and our business.





Inputs

Public trust

- Relations with key stakeholders in society – including regulatory bodies, governments and civil society
- Compliance with laws and industry standards
- Maintenance of high-quality standards and effective risk management
- Responsible and ethical business approach

People

- Time, resources and professional knowledge of our teams
- Diversity of our people – in terms of experience, skills, approach and identity
- Investment in training and skills development
- Inclusive and supportive work environment

Clients

- Quality of our audits, strategic engagement and other products and services
- Speed and effectiveness of our processes and systems
- Knowledge, expertise and resources of KPMG's global network

Innovation and Technology

- Investment in IT infrastructure, systems and new business models
- Culture that encourages innovation throughout the firm
- Responsible use of data and strong data security
- Partnerships with key suppliers, including ServiceNow, Microsoft and Salesforce

Finance force

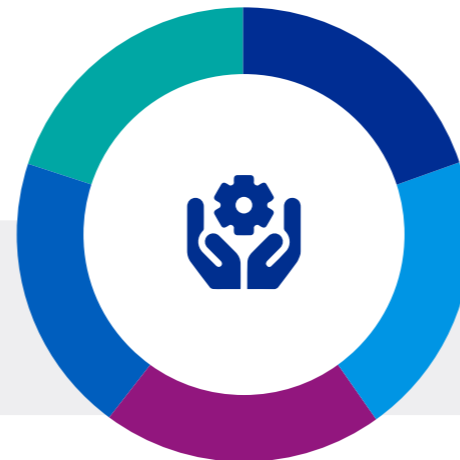
- Equity, debt and income that allow us to invest and grow

Business model

In everything we do, we are committed to inspiring trust and empowering change

Quality controls

We have a robust quality control system to ensure that our services meet the highest possible standards.



Skills & expertise

To offer high quality services, we rely on the knowledge, skills and experience of our people.

Assurance & Advisory

Most of our revenue comes from our two main business: Assurance and Advisory.

Profits & value creation

From our business, we create value for our clients, shareholders, employees and society as a whole.

Thought leadership

Through our thought leadership work, we contribute to public debates over key economic, social and environmental issues.






Global network

We rely on the resources and know-how of KPMG's global network.

Technology & innovation

More and more we use data and new digital technologies to support our work - we also work with partners and allies to drive innovation.

Outputs

- 
 - Increased public trust and better relationships with key stakeholder
- 
 - More engaged and diverse teams – able to attract and retain key skills
- 
 - Continued business growth and higher levels of client satisfaction
- 
 - Become a fully digital company - offering greater efficiency and more insights for clients
- 
 - Higher operating revenue and profit

Benefits for society

- 
 - 
 - 
 - 
 - Greater confidence in financial markets and corporate reports
- 
 - 
 - 
 - Creation of skilled and more employable workforce
- 
 - 
 - 
 - Better business decision making across companies
- 
 - Greater efficiency, innovation and secure use of data
- 
 - Contribution to continued economic growth



Material topics

[GRI 102-40](#) | [GRI 102-42](#) | [GRI 102-43](#) | [GRI 102-44](#) | [GRI 102-47](#) | [GRI 102-49](#)

Material topics are the topics considered most relevant due to their impact on stakeholders related to the business and on society in general. The material topics will be the focus of KPMG's efforts in the period following this analysis.

Although the final decision as to which material topics for the organization rests with its leadership, they are identified from the analysis of the opinion of its stakeholders – those who can influence or be influenced by its activities –, as well as the executives representing the leadership. In the case of KPMG, global leadership was considered a differentiated stakeholder, which also carried out this analysis, considering global trends and the global strategy of the business.





Materiality analysis

KPMG's material topics for this analysis were defined based on:

- a. consultation with prioritized stakeholders – internal and external;
- b. social issues identified by the leadership as most relevant in connection with the business;
- c. topics identified by Global KPMG ([Our Impact Plan](#))

The materiality analysis was carried out in four stages:

01 Identification of stakeholders

Based on the analysis performed by the firm, benchmarking study (similar companies) and materiality analysis of other KPMG offices around the world, we have identified the following stakeholder groups to consult:

[For more details, click here and see the results](#)

External stakeholders

- Suppliers
- Clients
- Civil society
- Partners in teaching activities
- Third-parties

Internal stakeholders

- KPMG Brazil employees
- KPMG Brazil Executive Management
- Global Leadership



Materiality analysis

02

Selection of stakeholders to be prioritized

After defining the groups of stakeholders to be consulted, the ones to be prioritized were selected within each group. These received online questionnaires for the materiality survey. The justifications by group for prioritization are listed below.

External stakeholders

- **Suppliers:** the selection was based on interviews with the leadership of KPMG's Facilities and Infrastructure departments. Suppliers considered critical/strategic for KPMG were selected, resulting in 13 of them.
- **Clients:** the selection was carried out prioritizing those most relevant/strategic for KPMG based on the list of NAP clients provided by the Markets department, resulting in six clients consulted.
- **Civil society:** the selection was made after consulting KPMG's Market Intelligence and Corporate Citizenship leadership, which resulted in five organizations.
- **Partners in teaching activities:** the selection was made in consultation with KBS leadership. Strategic partnerships for the promotion of continuing education for employees were considered, resulting in four partners.
- **Third-parties:** the selection was made after consulting KPMG's Infrastructure department. Third parties identified as most relevant/important for KPMG's activities were considered, which resulted in four companies.

Internal stakeholders

- **KPMG employees¹:** 100% of the firm's professionals were included in the consultation, totaling 6,271 employees.
- **Executive Management:** Individual interviews were carried out with each member of the Executive Committee of KPMG Brazil, in order to understand their perception of material topics. The nine members of the firm's Executive Committee were interviewed.

Global leadership was not consulted directly. The material topics identified by the materiality process that the global leadership performed were included directly in the final analysis.

Planet

Climate changes, Nature and biodiversity

People

Dignity and equality, Health and well-being, Skills for future employability

Prosperity

Creating jobs and of value, Innovation for better products and services, Community vitality

Governance

Governance with purpose, Quality of governance structures, Stakeholder engagement, Ethical commitment

¹Total as of March 2022.



Materiality analysis

03

Consultation with stakeholders

Stakeholder consultation was performed virtually, through interviews and the application of online questionnaires during the period from February 21, 2022 to March 8, 2022.

These questionnaires presented a list of 20 topics for respondents to choose the most relevant according to their level of understanding and relationship with KPMG. They also offered the option of proposing new topics, sending suggestions by email to KPMG's ESG department. The following table presents the total number of consultations made and responses obtained.

Group of stakeholders		Number of consulted organizations	% of responses
	Third-parties	4	50%
	Civil society	5	40%
External	Suppliers	13	46%
	Educational institutions	4	50%
	Clients	6	67%
Internal	Employees	6,271	17%

Materiality analysis

04 Identification of material topics

1. We consider the topics identified by the firm globally as important to stakeholders and to the firm

2. We listed the material topics identified by the Board of Directors and related them to the macro topics identified by the global executive management, when possible.

3. We listed the ten topics considered most critical by all the groups consulted and we also related them to the global topics, when possible.

The result was the following list of topics and subtopics:

Material topics	Subtopics
Ethical commitment	<ul style="list-style-type: none"> • Anticorruption • Hotlines • Customer Privacy and security practices • Unfair competition • Modernization of the tax system
Dignity and equality	<ul style="list-style-type: none"> • Diversity, equal opportunities and non-discrimination policies • Diversity, equality and inclusion
Health and well-being	<ul style="list-style-type: none"> • Health and safety
Skills for future employability	<ul style="list-style-type: none"> • Training and education • Professional education
Creation of jobs and of value	<ul style="list-style-type: none"> • Support to startups and to micro and small businesses
Innovation for better products and services	<ul style="list-style-type: none"> • Strengthening internal processes against misinformation (such as greenwashing and others)
Community vitality	<ul style="list-style-type: none"> • Support to startups and to micro and small businesses
Governance with purpose	<ul style="list-style-type: none"> • Preparing leaders for an inclusive and regenerative future
Quality of governance structures	<ul style="list-style-type: none"> • Anticorruption • Risk management and governance • Preparing leaders for an inclusive and regenerative future • Professionalization of Governance structures
Stakeholder engagement	<ul style="list-style-type: none"> • Hotlines
Climate changes	<ul style="list-style-type: none"> • Own emissions • Third party/supplier emissions
Biodiversity loss	
Water management	



Main KPIs of ESG management

The main indicators for monitoring KPMG's performance in relation to material topics and to defined goals will be presented in the Governance, Social Performance, Environmental Performance and Economic Performance chapters.

Our technical references are primarily the standards of the Global Report Initiative (GRI) and the guidelines of the International Integrated Reporting Council (IIRC), of the International Business Council (IBC) and of the World Economic Forum.

To see all the indicators that will be reported, check the tables at the end of the document with the [GRI Index](#) and [index related to indicators](#) and **Our Impact Plan**.



Governance



**Social
performance**



**Environmental
performance**



**Economic
performance**

Governance

Ethics and integrity are the pillars that keep us as one of the most trusted firms in our segment for the market, our clients, our professionals, our partners, governments and regulatory bodies, the press and the communities where we operate.

Supported by a robust set of principles, policies and processes, the culture of integrity permeates the entire KPMG network, converting our values into ethical actions and behaviors on a day-to-day basis, from the leadership to our teams.

This involves communicating transparently, practicing zero tolerance towards corruption and bribery, choosing clients that share our principles and ensuring our independence.

The Risk Management department is primarily responsible for supervising the implementation and monitoring of adequate risk management policies related to the professional services we provide and for whom we provide them.





Governance structure

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

KPMGI has a governance structure to guide and monitor the activities of member firms. Our local governance structure adheres to the same standards, adding their own bodies for management coordination and oversight, in compliance with Brazilian laws.

Attend quarterly meetings for strategic alignment and report on results, in addition to statutory annual meetings to approve reports and discuss other business-related subjects. We also organize periodic business group meetings by business groups through bodies such as KPMG's Network of Women (KNOW) and the Profit-Sharing Committee (PPL).

Partners:



Principal local executive, appointed by the other partners for a three-year term, renewable for two more terms. With this limitation, we promote leadership rotations and encourage partners to join top management, maintaining the succession process active.

GRI 102-23 As part of the career development process, outstanding professionals become partners at KPMG and can apply as candidates for chair, provided they meet the requirements.

Chairperson:



It is responsible for annual strategic planning — consistent with the global strategy — as well as for the oversight and overall direction of activities. It is composed of the chairperson and up to eight partners appointed by the chairperson, usually the heads of the relevant business practices. As an executive body with both management and strategic definition functions, its standing composition includes no independent members (non-executives). The Executive Committee is supported by the General Meeting in discussing and approving strategic and management guidance. It has nine subcommittees.

GRI 102-22

Executive Committee:



Finance Subcommittee:

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



Partners' Rights Subcommittee:

Organized on an ad hoc basis in case a partner feels that his/her rights have not been respected. It is composed of four partners, two of them from the Executive Committee.



Operations Subcommittee:

Comprised of the chairperson, the Audit, Tax and Advisory heads, the COO and the head of Markets. It operates in the routine conduct of business, considering the achievement of the goals set in the strategic plan



Inclusion, Diversity and Equity Subcommittee:

Prepares, approves and monitors the strategic plan that encompasses our four operating pillars (empowerment of women, LGBTI+, race/ethnicity and people with disabilities) and the respective annual budget, so that we advance in the inclusion and diversity issues, inside and outside KPMG.



Compensation Subcommittee:

Addresses the rules for the participation of members in the Organization's results. It consists of three members of the Executive Committee, not including members of the Operations Committee.



Human Capital Subcommittee:

Takes care of renewing strategies for attracting, developing, allocating, recognizing and retaining talents. It is composed of five members — including a partner from the People, Performance & Culture — and chaired by a business partner.



Innovation and Enterprise Solution Subcommittee:

Catalyzes, analyses, debates and approves innovation ideas presented by partners regarding KPMG's operational issues in Brazil. Approved proposals are evaluated by the Executive Committee. It is composed of up to six partners, with periodic rotation..



Risk Subcommittee:

Oversees the Organization's risk management process, including strategic risks. It comprises four standing members — Chairperson, Risk Manager, Legal Counsel and the Regulatory Affairs and Litigation partner— and two rotating members appointed by the Executive Committee.

Leadership Compensation GRI 102-35

In our business model, the compensation of partners is based on the distribution of dividends. The MyPD performance evaluation serves as a subsidy for the Profit-Sharing Program (PPL), which considers the overall results of KPMG Brazil, of the business unit and of the professional individually. These same principles are used to define the compensation of partners, including the chairperson, in addition to financial and non-financial criteria, such as the firm's profitability, business goals, and inclusion and diversity goals, among others.

Disciplinary Subcommittee:

Investigates suspected violations of rules and policies by our professionals. It is composed of business practice heads and the heads of People, Performance & Culture, the Risk Management partner and the Chairperson. **GRI 102-25**



Risk management

Our ethics and integrity mechanisms and indicators

Anticorruption system

GRI 205-1¹

Enterprise Risk Management (ERM)

KPMG has a formal Enterprise Risk Management (ERM) process. KPMG's Risk Committee in Brazil is responsible for monitoring the integrity and soundness of the process, including the effectiveness of risk mitigation actions. This process helps us identify and manage anticipated risks so that we can successfully achieve our strategic planning objectives. We work in 3 phases: Identification of priority risks – covering all areas and using global taxonomies, including risks defined globally by KPMG (ESG, Cyber, Professional Ethics, Culture, Talent, among others); Assessment – measures probability and impact; and Management – Analysis of the adequacy of action plans. Risk assessments are subject to ongoing reviews throughout the year (including the adequacy of the risk response and the progress status of actions to reduce risks to an acceptable level) and are reported annually to KPMG's global network.

Risk Compliance Program (RCP)

Annual internal review program that tests the procedures and controls performed by KPMG Brazil in relation to adherence to the firm's rules and procedures, including anticorruption aspects. In FY2021, tests were performed to check compliance with the policies established in the Global Quality & Risk Management Manual on anti-corruption related to suppliers, bribery, gifts, presents, facilitation payments and donations.

¹ Not applicable, considering that the GRI description is industry-oriented.

² For this data, the calculation considers the period from 1/1/21 to 12/31/21

Anticorruption trainings

Attended by all our professionals at least once a year and whenever the content is updated. New employees are invited to undergo training on their first day on the job. Completion is monitored to ensure that all professionals complete the training. In 2021, 98% participated².

GRI 205-2

Contracts

Clauses establishing procedures to prevent corruption are included in all contracts with suppliers.

Code of Conduct

Describes KPMG's anti-corruption policies and rules, prohibiting the involvement of our professionals in any type of non-compliance with laws and regulations. It is available on the intranet and is presented to new professionals upon hiring.

GRI 102-16

Cases where there is a suspicion of corruption are submitted for analysis by the Reports Investigation (OGC), Compliance (RM) and Human Resources departments and, if confirmed, are taken to the appropriate committees. In 2021, there were no confirmed cases of corruption involving our professionals and our suppliers.

GRI 205-3



Channel for communications about our behavior

GRI 102-17

KPMG International Hotline: 24-hour open channel for receiving confidential reports from partners, employees, customers and other stakeholders about inappropriate behavior by our professionals. It can also be accessed to request guidance and report concerns about ethical and lawful behavior and the integrity of the organization.

Brazil: 0800 891 7391. Other countries: www.clearviewconnects.com

Control of unfair competition, trust and monopoly practices

GRI 206-1

In order to avoid practices that harm the market in which we operate, we have clear policies and monitoring mechanisms on this subject. In 2021, we did not register any lawsuits related to these matters.

Prohibition on contribution to political parties

GRI 415-1

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





Protection of customer privacy

GRI 418-1

Global and local Information Security Policies, Acceptable Use Policy and Personal Data Protection and Privacy

Directed to our professionals and third parties, they present guidelines and rules on how to maintain the integrity, availability and confidentiality of internal and clients' information.

Channel for reporting security incidents and personal data breaches

Available to all professionals, it is managed by Information Security. The recorded cases are also monitored by the Data Privacy and Protection department. In 2021, we had three substantiated cases of security incidents related to unintentionally sending an email with confidential information to an external contact.

Information security and personal data protection mechanisms

Part of our Risk Management process, they include specific committees to address these topics, an internal audit program on information security controls and the use of disk and removable media encryption tools on our computers, as well as system security updates. In addition, the commitment of all professionals to current policies is reinforced annually through an electronic confirmation process.

Training and awareness materials

Available to all professionals, they address the necessary precautions for the security of KPMG's and our customers' personal data and information.

Privacy Program

Managed by Data Privacy, it comprehends five pillars: identify, govern, control, communicate and protect. Among its principle actions in 2021 are: carrying out a privacy impact assessment for new flows of personal data; supplier and third-party management with assessments on privacy, personal data protection and information security; implementation of policies and rules on the protection of personal data; adoption of transparency measures and compliance with owner rights; promotion of training and awareness campaigns for our professionals; recording activities involving processing and monitoring personal data.



Click on the cover and read more about our quality control system in KPMG Brazil 2021 Transparency Report



Handling cases of discrimination

GRI 406-1

All situations of discrimination - which may include unequal treatment or harassment - reported to our hotline undergo a confidential investigation and the conclusion is discussed by a committee to define sanctions and disciplinary measures, if applicable.

In 2021, we received eight reports about comments deemed inappropriate. All cases were investigated and we concluded that they were behaviors that required attention and guidance through informative and educational actions addressing inclusion, diversity,

equity, a non-harassment culture and unconscious biases. The professionals involved were also instructed to complete all training related to conduct and values as a way of constantly learning what supports our brand: our values and our culture of respect.





Socioeconomic compliance monitoring

GRI 419-1

To monitor compliance with environmental, social and economic laws and regulations, we conduct regular national and international compliance reviews. We did not receive fines or sanctions related to these subjects in 2021.

Ethical communication and marketing

GRI 417-3

The guidelines for ethical and objective communication with all our audiences, the control of risks related to reputation and the management of customer expectations regarding the services provided are described in the Global Marketing Compliance Guidelines and in the Global Quality and Risk Management Manual.



All communication and marketing material produced by KPMG in Brazil is reviewed according to these guidelines. In 2021, we had no cases of non-compliance.

Social performance

We are committed to care for and develop our people. We seek to maximize the creativity and talent of our professionals by providing an innovative, flexible and safe work environment, supported by an inclusive, ethical and collaborative culture that encourages continuous learning and everyone's role as inspiring and purposeful leaders.

The department responsible for leading this process is People, Performance & Culture, but it holds to each of our leaders to put people management into practice on a daily basis. Therefore, they are constantly challenged to improve their skills.



In 2021, a year still heavily affected by the pandemic, we strengthened our practices and worked to support and recognize our professionals, as shown by our social performance indicators described below.



Our people

| Inclusion, diversity and equity

We consider diversity an absolutely relevant subject. We believe that a diverse and inclusive environment contributes to creativity and generates the best ideas, which allows us to contribute to our clients more effectively.

We have an Inclusion, Diversity and Equity subcommittee that works on the pillars of Race and Ethnicity, LGBTQIA+, People with Disabilities and Women, with the support of specific groups for each of them. Our fifth pillar of work, Synergy, is dedicated to ensuring that all our actions have an intersectional perspective and are present in all our offices.





Women/KNOW (KPMG's Network Of Women)

Develops initiatives focused on gender equality at KPMG, involving encouragement and consolidation of women's careers, reflections on parenting, monitoring equity metrics and promoting good practices among our stakeholders.

PwD/ Buddies

Articulates initiatives aimed at the inclusion and development of people with disabilities in our staff. Among them, the following stand out: expansion of hiring; encouraging coexistence and awareness; oversight of hired PwD, leaders and teams that work with them; accessibility improvement.

Race and Ethnicity/Ebony

Addresses race and ethnicity issues to expand black people's² participation at KPMG and in the marketplace. We operate through two pillars: internal policies to attract, retain and value our ethnicities; and external action to accelerate the inclusion of black professionals in the market.

LGBTQIA+ Voices

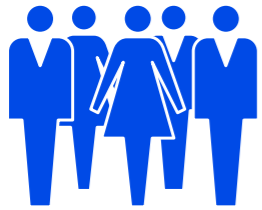
Addresses issues of sexual orientation and gender identity, focused on the inclusion of LGBTQIA+ (lesbian, gay, bisexual, transgender, queer, intersex and other forms of sexual orientation, gender identity and expression) professionals in KPMG and in the market.

² It includes black and brown people, according to the classification of the Brazilian Institute of Geography and Statistics (IBGE).



Our diversity profile

GRI 102-8 | GRI 405-1



By employment relation

4,471 employees
officially registered

451 partners

4 interns

7 temps
with no employment relation, allocated to infrastructure support services

By office

3,379 in São Paulo

563 in Rio de Janeiro

991 in the other cities

By work schedule

4,874 full time

59 half time

By age group

2,735 up to **30** years-old **55%**

2,081 between **31 and 50** years-old **42%**

117 over **50** years-old **2%**

By level of education



Higher and University Education **4,815**

98%

Primary and Secondary Education **118**

2%

By gender

Categories	Women	Men	Total	% Women Subtotal Category	% Men Subtotal Category	% Women Subtotal Overall	% Men Subtotal Overall
Partners	98	364	462	21.2%	78.8%	2.0%	7.4%
Managers	367	474	841	43.6%	56.4%	7.4%	9.6%
Staff	1,668	1,354	3,022	55.2%	44.8%	33.8%	27.4%
Trainees	290	314	604	48.0%	52.0%	5.9%	6.4%
Interns	2	2	4	50.0%	50.0%	0.0%	0.0%
Total	2,425	2,508	4,933	49.2%	50.8%	 49.2%	 50.8%

By other indicators

2% People with disabilities

5% Black*

1% Foreigners

Diversity on senior management

	Gender		Age group			Other indicators			Total	
	Women	Men	Up to 30 years-old	Between 31 and 50 years-old	Over 50 years-old	People with disabilities	Black*	Foreigners		
Partners	Quantity	98	364	1	387	74	0	3	18	462
	Percentage	21%	79%	0%	84%	16%	0%	1%	4%	

*Includes blacks and browns, according to the classification of the Brazilian Institute of Geography and Statistics (IBGE).

*Includes blacks and browns, according to the classification of the Brazilian Institute of Geography and Statistics (IBGE).

107 **third-parties** with no employment relations, allocated to infrastructure support services

-16% FY2020*

* Only third-party professionals under the responsibility of Facilities; reduction due to the closing of an office and the adoption of home office during the pandemic.

By age group

18 up to 30 years-old

71 between 31-50 years-old

18 over 50 years-old

By office

70 in São Paulo

18 in Rio de Janeiro

19 in the other cities

By gender

 **67** women

 **40** men

Ratio of base salary of women to men*

GRI 405-2

Total KPMG 2021 0.97

Category	2021	
	Adm.	Tech.
Interns	1.00	1.00
Trainees	1.00	1.00
Staff	1.02	0.93
Managers	0.98	0.93
Partners-directors	0.91	0.98
Average	0.99	0.94

*Uses the average of the base salary of each category, by gender, and considers the woman's salary/man's salary ratio. Examples for interpreting the 2021 data: Technical Team:

- Interns: 1.00 - means that the base salary of women is 100% of the base salary of men, i.e., the same.
- Staff: 0.93 means that the base salary of women is 93% of the base salary of men, that is, it is 7% lower.



Talent attraction and retention

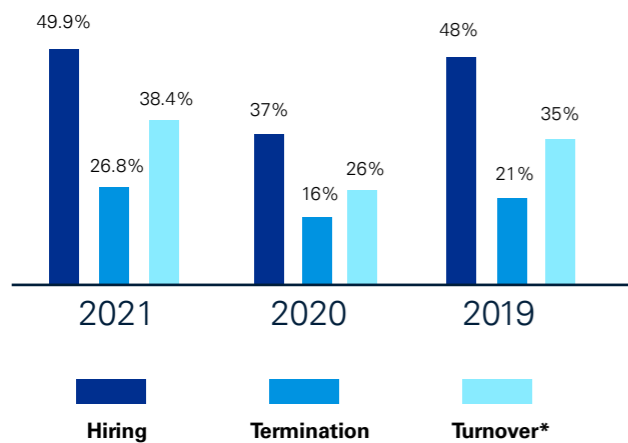
To attract and retain the best talents, we invest in the development of our professionals since the selection processes and we offer many opportunities for career development. Furthermore, we promote a good organizational climate, take care of employees' health, quality of life and safety and we offer competitive benefits in relation to the market.



Turnover

GRI 401-1

Turnover is a reality in our sector due to new development opportunities. In 2021, it increased when compared to the previous cycle.



* Termination and turnover rates consider only voluntary dismissals.

Promotions

In 2021, we continued to recognize our professionals for their dedication, effort and engagement: 46.6% of them were promoted.

Professionals promoted

Position	2021			2020	2019
	Men	Women	Total	Total	Total
Staff	886	1,028	1,914	2,004	1,872
Staff to Manager	102	93	195	121	123
Manager to Senior Manager	69	61	130	86	74
Senior Manager to Partner	40	21	61	40	44
Total	1,097	1,203	2,300	2,251	2,113



Performance assessment

GRI 404-3

Promotions and salary increases are defined by the MyPD performance assessment. In 2021, 98% of our professionals received performance and career development feedback.

		Total number of professionals who received formal performance assessment and oversight*			Percentage of professionals who regularly received performance and career development feedback		
		Men	Women	Total	Men	Women	Total
MyPD	Technical						
	Trainees	260	266	526	99%	100%	99%
	Staff	935	932	1,867	98%	98%	98%
	Managers	376	245	621	98%	98%	98%
	Partners	281	67	348	97%	96%	97%
MyPD	Adm.						
	Trainees	0	0	0	0%	0%	0%
	Staff	198	445	643	97%	98%	98%
	Managers	38	79	117	100%	100%	100%
	Partners	57	25	82	98%	100%	99%
Total				4,204			98%

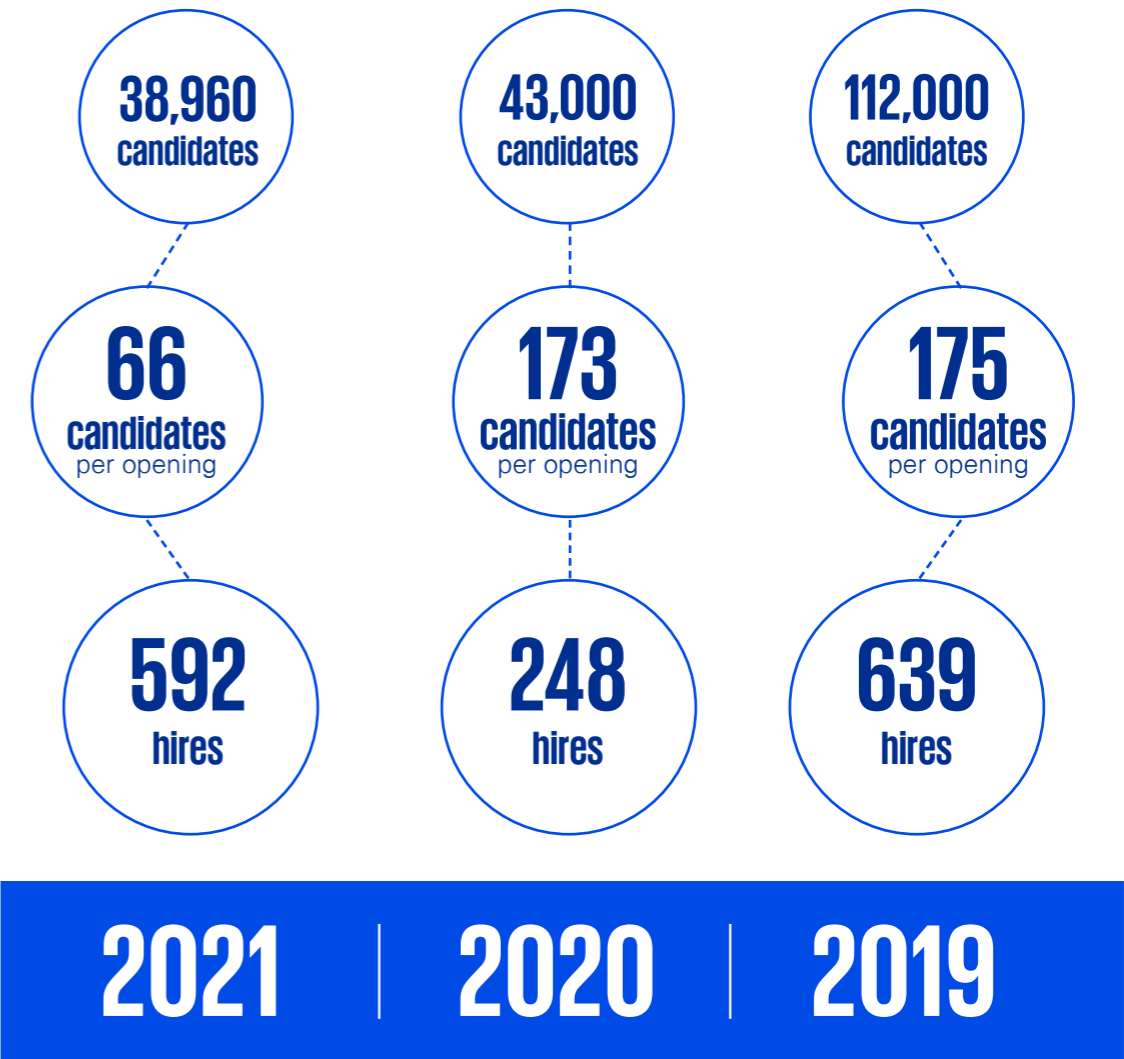
*In FY2021, performance assessment was not mandatory for professionals who joined KPMG after May 1st, 2021 and who returned from leave for more than six months after that date. It was also not required from professionals with a fixed-term employment contract and from interns.





Trainee program

Our trainee programs have always been among the most attractive on the market. In 2021, due to the pandemic, the selection processes were carried out in a fully digital way. The number of applicants was also lower than in previous cycles; however, there was a greater number of hires compared to 2020.





KPMG Young Talents

Aimed at university students from different courses, it is intended to hire the best talents, considering a focus on diversity, to work throughout Brazil. In order for them to understand our areas of operation, get to know the company's culture, develop themselves and perform their work with the necessary quality, trainees participate in a development program that comprises several pillars, including technical training, interpersonal skills, technology, in addition to mentoring with more experienced leaders. In 2021, upon applying, candidates underwent an online assessment. Then, those approved participated in a group dynamic and, at the end, through an assessment by the managers. Trainees hired by KPMG began their activities working from home.

Associate KPMG

Intended to bachelors and masters, with intermediate English, soft and high skills, experience and a high level of commitment, it seeks to recruit and develop professionals to assume leadership positions in a shorter period of time. The selection process includes gamified behavioral assessment, interviews and solving business cases in groups. The hired professionals participate in development stages that include technical and soft skills training, mentoring, oversight by KPMG partners, in addition to having the opportunity to work in an environment that provides a differentiated range of learning and a broad opportunity for career development, challenging them to think beyond the present.



Talent programming

The Workforce Planning structure works together with the leaders of each business unit to define the best strategy to allocate professionals, by assessing the use of People Plus platform. Implemented in 2020, this tool gives managers more autonomy to assemble their own teams by making it possible to consult the skills of professionals, distance from their home to the client, market segment in which they have already worked for and their experience within each client.

During 2021, we worked on improving the allocation and People Plus processes, seeking automation and new integrations to increase the autonomy of the teams both in capacity management and in the provision of relevant information to the business for decision making, enabling the best use of our professionals.





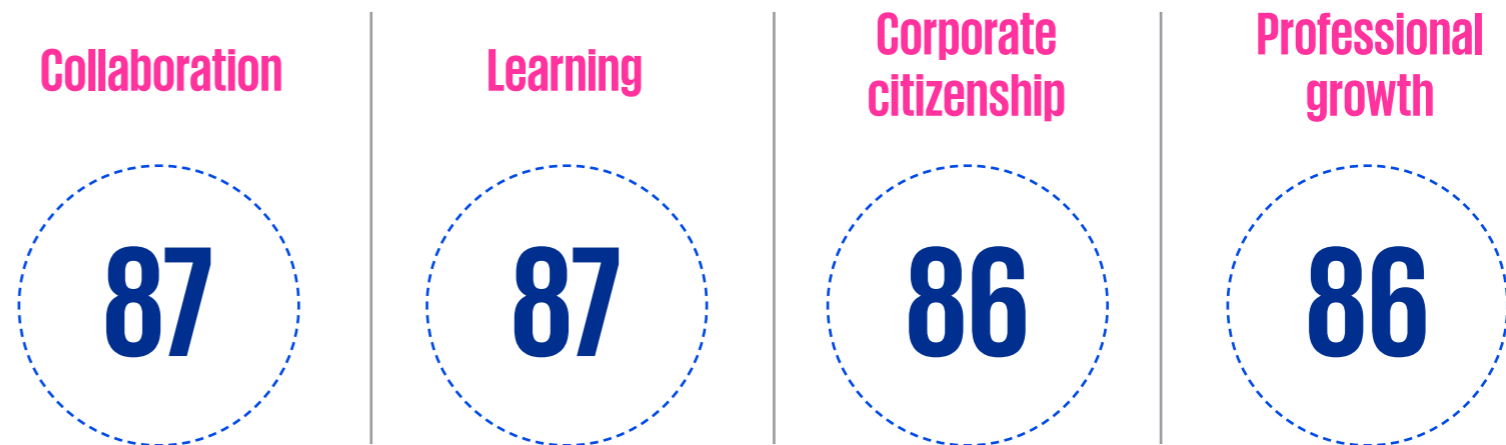
Organizational climate

The Global People Survey (GPS) is a global tool of KPMG intended to capture feedback from our professionals on various subjects.

Conducted annually, the survey is anonymous and confidential and can be completed in 10 to 15 minutes.

The results allow us to consider trends and compare our performance to internal and external benchmarks, besides measuring the level of employee engagement (EEI), identifying the factors that influence the performance of our professionals and teams, recognizing what we are doing well and define strategic priorities and improvement actions.

Among the 19 global categories evaluated by GPS, those with the highest scores in Brazil were:





Occupational safety and health

GRI 403-1

The Safety Labor department uses the SOC system of the health and safety service provider, which, together with internal procedures, manages and meets all occupational safety legal requirements applicable to KPMG. They are the standards NR1 (Legal provisions), NR4 (SESMT), NR5 (CIPA), NR6 (PPE), NR7 (PCMSO), NR9 (PPRA), NR17 (Ergonomics) and NR23 (fire protection), in addition to technical instructions of the Fire Department, ordinances and procedures defined by the Ministry of Labor and Employment (MTE) and technical requests from customers.

KPMG's occupational safety management is based on academic methodologies, such as the PDCA

cycle, continuous improvement processes, brainstorming between SESMT, CIPA and occupational safety and health providers, and analysis of experiences and good practices followed by other companies.

As all our professionals carry out administrative activities with the same risk levels, from apprentices to partners, it is possible to promote the fulfillment of technical requirements and preventive actions. We also maintain quality of life programs, which encourage our professionals to have healthy habits, balance work and personal life, physical and mental health, and work safely and comfortably.





Covid-19 Actions

Dr. Aon

Service channel with doctors and nurses available 24 hours a day to answer questions about coronavirus symptoms, for professionals and their dependents.

Services for covid-19 cases: individual service to give comfort and sympathy to our professionals.

EAP Service - Social Support Program

Psychological support, social, legal and financial assistance.

Condolences e-mail

Message sent to all professionals who lost family members and warm reception from Partner Luciene Magalhães, head of People and Culture, contacting each professional.

Other health actions

- **Campaigns:** Influenza vaccination; Yellow September (mental health); Pink October (women's health); and Blue November (men's health).
- **Women's Health:** exemption from co-participation in medical exams and appointments for three months, with a focus on prevention (campaigns "Have you had your preventive exams this year? Take care of yourself and of those you love" and "Be kind to yourself!").
- **Podcast Dr. Nicole Laffi.**
- **Hiring a doctor for KPMG.**
- **SIPAT lectures focusing on mental health.**
- **Reinforcement of the Gympass benefit with a focus on well-being.**

Quality of life program

MY LIFE

- **Culture and entertainment:** special programs, itineraries and discounts on magazine subscriptions and art and cultural events.
- **Facilitie:** services that facilitate the routine of professionals, such as discount partnerships at colleges, restaurants, stores, hairdressers, etc., and ads on the intranet for the purchase and sale of goods and services.



The Facilities department also promoted the adaptation of our facilities according to the recommended protocols for covid-19 and disclosed the plan to return to the offices to all professionals. The implemented measures were:



- Access to the offices on alternate days, upon reservation and with a limited number of employees according to a phased release.

Phase	% of Capacity
1	15%
2	30%
3	50%

- Prohibition of food consumption on KPMG premises, with the removal of vending machines from São Paulo and Rio de Janeiro offices.
- Reduced number of people in meeting rooms.
- Change in the cleaning protocol to focus on sanitizing and cleansing equipment with greater contact, such as doors, handles and others, and critical areas, such as dispatch, restrooms, help desk and cantina.
- Social distancing signs in all environments, indicating tables not available.



Benefits

GRI 401-2

We offer more than 20 benefits as a way to reward our professionals for the quality of their work and engagement. The main benefits are:

- 1 Gym
- 2 Medical and odontalgic assistance
- 3 Childcare assistance
- 4 Wedding and birth corporate gift
- 5 Check-up
- 6 Pharmacy agreement
- 7 Payroll loan
- 8 Parking
- 9 Incentive to de undergraduate, graduate and language course
- 10 Financial aid for professionals with fluency in English
- 11 Kfleet (vehicles for managers, senior managers and superintendents)
- 12 Private pension
- 13 Life insurance
- 14 Food and meal ticket
- 15 Transportation ticket
- 16 Class association subsidy
- 17 Profit Sharing Program
- 18 Gift voucher
- 19 Gift on Children's Day*

* For all children, up to 10 years old, of KPMG* professionals under the CLT regime.

among others.



Parental leave

GRI 401-3

Return Rate – 2021

Women Men

Total number of employees who took maternity/paternity leave



Total number of employees who returned from leave



Total number of employees who should return



Return to work rate of employees who took maternity/paternity leave



Retention Rate

Women Men

Total number of employees who returned from leave in 2020



Total number employees retained 12 months after returning from leave



Retention rate



Learning and development



We maintain an environment of continuous learning at KPMG, so that we can exceptionally develop our talents and, this way, always deliver the best services, be prepared to deal with the high volume of market uncertainties and boost the attractiveness of our brand.

Investments in learning and development





Trainings in 2021

In 2021, we modified and improved some internal processes to adapt to the new reality of the online world, without interfering with the annual training schedule.

We invested in live webcast platforms, license to access LinkedIn Learning courses and content gamification (Niduu platform).

In addition, we carried out incentive campaigns to bring our professionals closer to the training provided in the live modality, thus creating a differentiated learning culture.

We also trained our instructors to teach online classes dynamically and effectively.

Average training hours per year, per employee

GRI 404-1

Operation	Category	Total	Total hours attended	General average
Technical	Interns	-	-	-
	Trainees	45	5,369.72	119.33
	Staff	1,706	178,180.50	104.44
	Managers	676	67,424.60	99.74
	Partners	352	32,155.71	91.35
	Technical Subtotal		2,779	283,130.53
Administrative	Interns	-	-	-
	Trainees	1	58.75	58.75
	Staff	580	35,840.90	61.79
	Managers	131	8,937.00	68.22
	Partners	46	2,853.32	62.03
	Admin. Subtotal		758	47,689.97
Total		3,537¹	330,820.50²	93.53

Notes:

¹The total number of professionals is different from that reported on indicator 401-1 (4,933), because only employees who joined the firm at the beginning of 2021 and remained during the 12 months of the year were considered in this indicator.

²For the accounting of the total hours of training, the professionals who remained in the firm during the 12 months of the year were considered. In the case of interns, the four professionals in this category joined the firm in September 2021.



Training methodologies

E-learning **180,926** hours

External **122,251** hours

In-person/live streaming **249,491** hours

Leaders lecturing in training programs

314 partners

632 managers

Trainings about sustainability, socio-environmental responsibility, diversity and inclusion

20 courses

1,972 professionals participated

8,102 hours

Mobility and exchange programs

Our mobility program promotes international transfers of professionals between member firms so that they have experiences in other countries, acquire new practices and skills to meet business demands, develop their careers and establish themselves as leaders.

As a result, we have more qualified professionals to address our customers' challenges, wherever they need.

Global Opportunities

02 professionals received

05 professionals sent

05 countries involved:

**Japan,
UK,
US,
Netherlands and
Germany**





Our communities

GRI 203-1 | GRI 413-1

At KPMG, we are dedicated on a daily basis to building trust and delivering purposeful knowledge, bringing our best so that our customers and our communities can develop and prosper.

The connection with the SDGs guides the firm's day-to-day activities. KPMG defined that, globally, our approach to corporate citizenship in communities would prioritize SDG#4/Quality Education and SDG#13/Combat Climate Change. Lifelong Learning is adopted as a strategy to break the cycle of poverty. In Brazil, education is one of the major issues that need to be addressed, as public data on quality and coverage indicate.

Therefore, encouraging education is present in all interactions we establish with our stakeholders. When we look at the community, this translates into direct investment

in initiatives that encourage learning, pro bono audits for non-profit organizations, mentoring and corporate volunteering and mobilization campaigns.

We seek to maintain an alignment with education and empowerment projects, whether they are supported globally by KPMG (Enactus, Junior Achievement, Cyber Day), or local (Little Citizen, +Unidos, Instituto Joule). Likewise, the main criterion for selecting projects that will be supported by pro bono/compensation services is a focus on education, although there are some exceptions, in line with other commitments such as the environment and inclusion of people with disabilities.

Globally, we are committed to empowering 10 million vulnerable youth through education, access to work and entrepreneurship by 2030.





Local investment in communitarian impact projects

R\$ 2.9 MM

in 2021

78.1%

in education projects

21.9%

in pro bono/compensation work, to which

2,818

hours were dedicated

Participation of

2,115

professionals, who dedicated

4,580

hours to volunteer work

Main projects

Little Citizen

Direct investment of

R\$ 850 k

to provide new perspectives for the future for

206

children and adolescents in São Carlos/SP. We have supported this project for over

25

years

Enactus

Investment of

R\$ 105 k

and mentoring of our professionals to engage students in the development of programs for the benefit of communities, with a focus on sustainability and social empowerment. In

Brasil

we have been supporting Enactus since

1998

Junior Achievement

Investment of

R\$ 200 k

in programs conducted by

141

professionals for

461

public school students, showing the business world, the benefits of planning and an innovation mindset. We have supported JA Brazil since

2002

Mais Unidos

Investment of

R\$ 44 k

to support programs focused on the development of work skills.

Pro bono/Compensation Services*

Our services added professionalism to management, as well as credibility and transparency to the financial statements of

15

nonprofits in

2021

Volunteering

Although, due to the pandemic, our face-to-face volunteering programs have felt the impact of the need for social isolation, we carried out several campaigns in 2021, such as KPMG United against Hunger, KPMG and the pro-vaccine Movimento Unidos pela Vacina, KPMG Day in the Community and Christmas Outreach, which mobilized more than

1,800

volunteers from the firm, benefiting social organizations in several cities.

*These works are submitted to KPMG's standard procedures for accepting clients and developed with the same methodology, quality and independence offered to other clients. The value corresponding to the services is paid by Corporate Citizenship or Marketing to the department that provided them. Each beneficiary institution offers a counterpart for the services received.



Relationship with clients and the market

GRI 102-43 | GRI 102-44

Clients are at the heart of our attention. To transform their operations and improve their performance, we have developed an increasingly diverse and comprehensive portfolio of solutions that holistically combine our business knowledge with the new technologies that emerge every day.

We also seek to be innovative, to be where the customer needs us and to guarantee the quality of our deliveries and our engagement to always offer the best service to our customers.

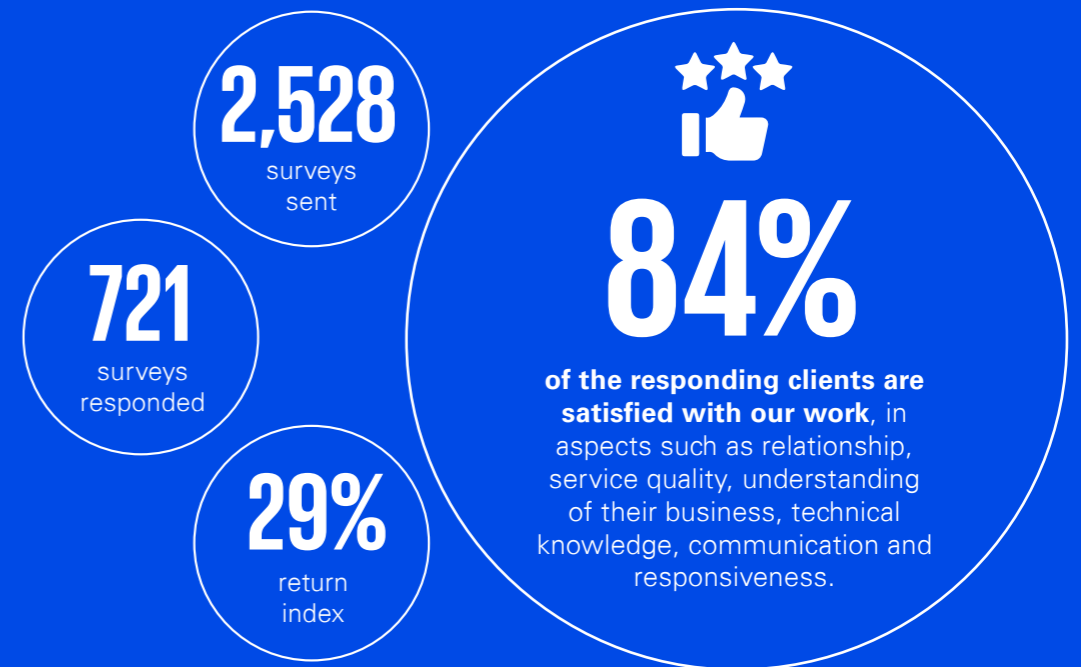
Clients served

6,240 in 2021

4.2% more than in the previous cycle

Clients satisfaction

Satisfaction survey



Our customer survey is carried out monthly through an electronic form with questions on various topics. It captures their opinions about our services and processes, allowing us to identify areas for improvement and our strengths.



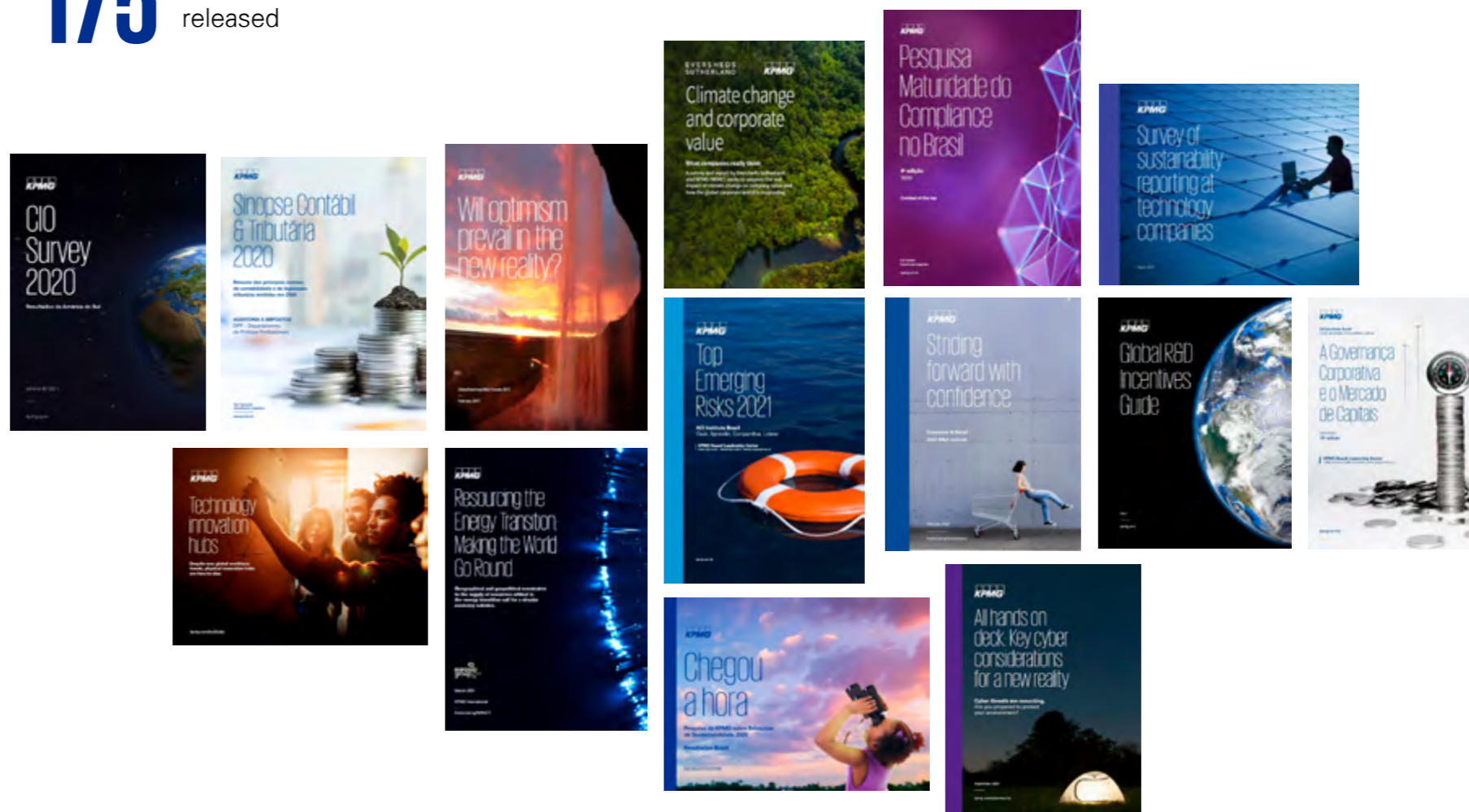
Shared knowledge

GRI 102-43

To qualify the debate on complex subjects that we deal with in the business world, we make available to our stakeholders a wide repertoire of information, built by the KPMG network day by day in the process of assuring service excellence and the quality of deliveries to our customers.

Some of the strategies we use to share this knowledge are collaborations with the press, dissemination of research and studies, participation in debates, sponsorship and promotion of events.

175 publications released





Shared knowledge



R\$ 2.4 MM in events

13% external

87% internal

533 own and sponsored events

97k participants



Major topics

- Customer experience
- ESG
- Mergers and acquisitions
- Impact of covid-19 on business
- Taxes
- Football market
- Private equity and venture capital
- Sanitation and automotive
- Health and retail



Audit Committee Institute (ACI)

It is a forum for disseminating good corporate governance practices, political-economic, corporate, legal and tax trends that are decisive for business. It is one of our major initiatives, being maintained by the member firms of KPMG International and open to members of Boards of Directors, Audit Committees and Fiscal Councils of companies in more than 40 countries. In Brazil, ACI is over 15 years old and has 686 members, who meet at regular events and have access to studies and benchmarking performed by KPMG. In 2021, ACI events were held online, due to the covid-19 pandemic.



Presence in the press

19,344 mentions

13,738 published materials

959 published articles



Key highlights

ESG workshop for the press, with the participation of more than

100 journalists

Special press and social media sessions

9 meetings ACI in Brazil

1,024 participants

Education for sustainability

We are committed to providing clear, comprehensive and high-quality information on the risks and impacts of climate change to financial markets, our clients, our professionals and society.

To our clients, our ESG department and our IMPACT platform provide and disseminate knowledge, skills and tools to support them throughout their journey.

To our professionals, we provide sustainability and ESG information through training, webcasts and internal campaigns, shared not only locally, but across our network of member firms.

To society, we provide qualified information through research and studies with insights and relevant information, and also through debates, events and training.





2021 Results



Number of registrations

1,292

Radio hits

14,502



753

texts

56

videos

78

podcasts



4,966

professionals

166,784

accesses

89,873

users

1,063,861

accesses

App KPMG South America Cluster

Free application that gathers news, videos, podcasts, webcasts, Business Magazine, events calendar and a radio broadcasting daily music and information programs, to provide dynamic, specialized and reliable content to our stakeholders.





Public commitments

GRI 102-12

As a way of demonstrating our commitments to the future, we are voluntary signatories or supporters of various global and national initiatives. They are:

Development and Environment

- 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
- The Carbon Call

Human Rights

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

Diversity

- Women's Empowerment Principles – UN Women
- HeforShe – UN Women
- Fórum de Empresas e Direitos LGBTI+
- Iniciativa Empresarial pela Igualdade Racial
- Coalizão Empresarial pelo fim da violência contra mulheres e meninas
- Women Corporate Directors (WCD)
- Movimento Mulher 360

Ethics and Integrity

- Partnership Against Corruption Initiative / World Economic Forum



To learn more about the initiatives we endorse and support, [click here](#).

existe versão EN deste link e dos demais links desta página?



Participations in associations

GRI 102-13

We have also participated in various entities representing professional categories and business sectors, as well as regulatory bodies, sharing knowledge through debates and forming boards, executive committees and working groups, always seeking the evolution of the professions we are associated with and the sustainable development of business.

[Click here](#) to see the complete and updated list of these entities and the type of activity we develop with them.





Relationship with suppliers

GRI 102-9 | 102-10

Our suppliers are classified according to their impact on our operations.

High impact

In case of interruption, there is high complexity in the replacement (low supply or lengthy process). Critical business services, used on a large scale, which can affect essential operations, reputation, brand value or the well-being of our professionals. Suppliers in this group may have access to KPMG's confidential, physical and digital information or provide full-time resident labor in our offices.

This assessment is done at the time of contracting, before signing the contracts, and is revalidated annually.

Medium impact

In case of interruption, there is some complexity in the replacement (medium supply). Business support services/products, which can be used on a large scale, but do not pose risks; Third Party - client facing.

Low impact

In case of interruption, the supplier can be easily replaced (high supply). General services and products.





Awards

A set of attributes has secured us, over time, to be among the four largest companies in our segment worldwide and to be a leader in several segments in which we operate. They are: the vanguard of the services we offer to the market, the seriousness of the work of our professionals, the rectitude of our conduct and the concern to build a better future by sharing our knowledge with companies, governments, the press, professional and business entities and with third sector organizations.

Therefore, we are constantly recognized by important national and international awards related to subjects such as sustainability, human rights, management, innovation, advisory and auditing. In 2021, among the main awards received by KPMG are:



WEPs Brasil 2021 – Empresas Empoderando Mulheres

Diamond Category. Recognition for promoting a culture of gender equality and women's empowerment in Brazil.

Confab Award 2021

Category Supplier of the Year – Tax Advisory.

The Forrester Wave™: AI Consultancies, Q1 2021

One of the leading companies in Artificial Intelligence (AI) Service Providers.

Oracle – Partner Summit 2021

OTM Services Expertise (first organization to receive this certification).
Recognition of the sales team in ERP and SCM.

IDC MarketScape: Worldwide Digital Strategy Consulting Services 2021

World leader in Digital Strategy Advisory.

Source Global Research

Maximum score in the Energy and Natural Resources Advisory Companies category.

Perceptions of Risk Firms 2021

1st place in the following categories:

- Quality of Security Services for Global Companies
- Preparing for the Future
- Mindshare of Risk Companies
- Quality of Governance and Compliance Services

Leaders League

Leader in the following categories:

- Forensics and Complex Investigations
- Restructuring & Insolvency
- Transaction Services Consulting
- Financial Audits
- IPO Readiness

Environmental performance

To reduce the environmental impacts of our operations and encourage the implementation of more sustainable business models, we have developed several global and local initiatives. Our action is guided by global frameworks:



KPMG: Our Impact Plan

Environment that brings together our commitments to the planet, stipulates eco-efficiency targets and promotes constant dialogue with our stakeholders to develop awareness and engagement towards sustainability.

KPMG IMPACT

Platform that leverages the expertise of KPMG professionals around the world to help clients reduce carbon emissions, transition to renewable energy and integrate climate risk into corporate strategies.



We also provide extensive advice on green finance and are working with the World Economic Forum to drive systemic change to accelerate the energy transition.

Find out below our performance indicators in the environmental scenario in 2021.



Greenhouse gas emissions

[GRI 305-1](#) | [GRI 305-2](#) | [GRI 305-3](#) | [GRI 305-5](#)

In Brazil, since 2014 we have neutralized all our GHG emissions. In 2021, our emissions were neutralized with the acquisition of credits by an afforestation and reforestation project, classified as a Clean Development Mechanism (CDM) and [UN](#) certified.

In 2022 KPMG Brazil joined the Brazilian GHG Protocol Program and will report our inventory to the Public Emissions Registry in order to obtain the gold seal. This way, the inventory of greenhouse gas emissions (base year 2021) was verified by a third party.

In 2021, KPMG made progress towards meeting the emission reduction targets: 100% of the electricity consumed in the offices in São Paulo (Verbo Divino), Belo Horizonte and Rio de Janeiro comes from renewable sources – for the last two, it was possible to report to the Brazilian GHG Protocol Program, with the appropriate self-declarations and certificates (I-RECS).

For the base year 2021, there were low emissions in the categories that make up Scope 1 (direct emissions) still due to the pandemic, since for most of the year our professionals remained working at home. Another factor that contributed to this reduction was the replacement of motorcycles powered by fossil fuels, used in the São Paulo offices, for others powered by electric energy.

Regarding the electricity category (Location Approach) that makes up Scope 2, there was no increase in consumption, but an increase in emissions linked to the GRID electricity factor, which presented values above those of 2020 due to the need to activate thermoelectric plants to supply the country's energy demand in the face of a water shortage scenario.

KPMG's greenhouse gas emissions inventory in tCO₂e by category

Category	2021	2020
Mobile combustion	4.4	17.0
Stationary combustion	1.0	0.5
Fugitive emissions	0.4	0.4
Total Scope 1 (tCO₂e)	5.8	17.9
Electricity (location approach)	213.8	111.0
Electricity (purchase choice approach)	185.8	-
Total Scope 2 (tCO₂e)	213.8	111.0
Business travel (land)	758.6	1,400.3
Business travel (air)	280.6	880.0
Hotel accommodation	47.8	93.7
Upstream transport and distribution	5,179.6	1,301.0
Purchased goods and services	5,440.4	8,592.3
Total Scope 3 (tCO₂e)	11,706.9	12,267.3
Montreal Protocol: HCFC 22 (tCO ₂ e)	-	16.2
Total emissions (tCO₂e)	11,926.5	12,396.2
Total employees	4,806.0	4,600.0
TOTAL PER CAPITA (tCO₂e/nr of professionals)	2.5	2.7

Our Scope 3 corresponds to **98%** of our emissions inventory, represented by the categories of business travel, transport and distribution and purchased goods and services.

Nota:

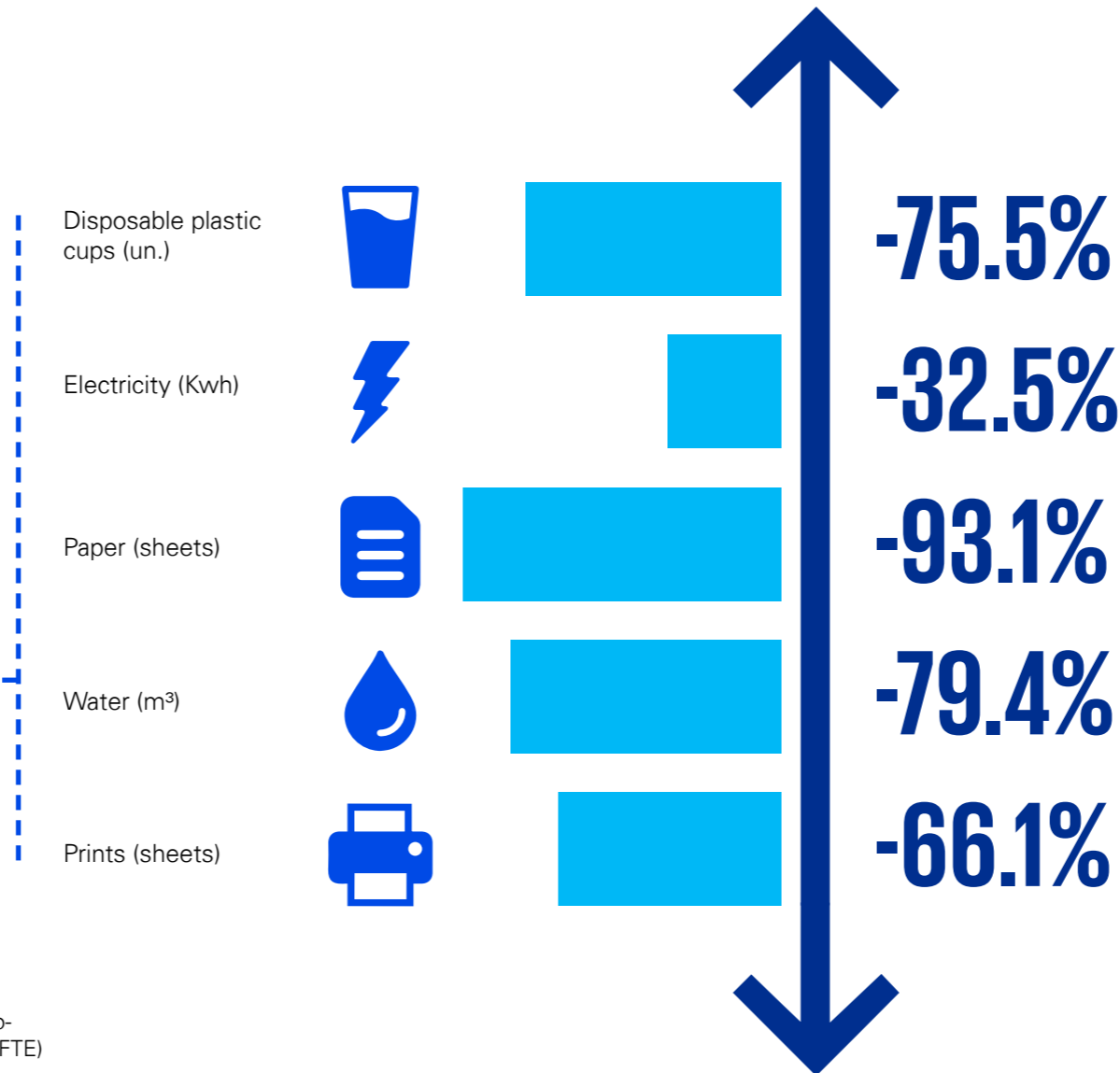
- Data collected by KPMG Brazil and calculated according to the Brazilian GHG Protocol Program, which requires the reporting of emissions considering the calendar year (January to December 2021). We report here the 2021 emissions and the 2020 history considering the calendar year and no longer the fiscal year (FY), as done in previous reports.

Eco-efficiency targets

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

We set local eco-efficiency targets to inspire the adoption of more sustainable habits at KPMG and in the personal lives of our professionals.

Evolution of eco-efficiency targets in 2021 *(per capita, reference FY 2020)*



In 2021, all targets were exceeded. The big difference compared to the previous year is largely explained by the absence of professionals in our offices due to the covid-19 pandemic. The pandemic was also responsible for the failure to dispose of batteries, organic and recyclable waste, in addition to the decrease in the disposal of documents. This waste is collected by approved companies to carry out the correct disposal.

The calculation of per capita consumption of KPMG's eco-efficiency targets in Brazil uses the Full Time Equivalent (FTE) provided annually by KPMG International as a measure.

Economic performance

Through our audit and tax services, we seek to collaborate so that business is run fairly and transparently, and through KPMG IMPACT and our advisory services, support clients to become more effective and resilient in the face of current and future challenges and opportunities.

These practices not only help the companies and organizations we serve, but also foster a broader economic growth and prosperity for the whole society. Our results reflect our responsible attitude. In 2021, when we faced the impacts of the pandemic during the 12 months of the year, our revenue was R\$ 1.7 billion, an amount 22.8% higher than in the previous cycle.





Added Value Statement* (R\$ thousand)

GRI 201-1 | GRI 201-4 | GRI 203-1

Category	2021	2020	2019
Direct economic value created	R\$ 1,753,262	R\$ 1,427,643	R\$ 1,422,918
a) Revenues	R\$ 1,753,262	R\$ 1,427,643	R\$ 1,422,918
Economic value distributed	R\$ 1,399,426	R\$ 1,193,036	R\$ 1,175,763
b) Operational costs	R\$ 264,157	R\$ 254,159	R\$ 253,963
c) Employee wages and benefits	R\$ 772,038	R\$ 636,681	R\$ 622,166
d) Payment to capital providers	R\$ 14,318	R\$ 14,661	R\$ 13,761
e) Payments to the government	R\$ 348,912	R\$ 284,917	R\$ 283,419
f) Investments in the community	R\$ 2,829	R\$ 2,616	R\$ 2,452
Voluntary contributions (including pro bono) to social, environmental and cultural projects	R\$ 2,829	R\$ 2,616	R\$ 2,452
Contributions to social, environmental and cultural projects under tax incentive laws**			
Accumulated economic value	R\$ 353,835	R\$ 237,223	R\$ 249,608

*This information refers to the periods from January to December 2021, 2020 and 2019 and represents the operations of all independent companies operating under the name KPMG in Brazil. In accordance with current legislation, independent companies operating under the KPMG brand in Brazil are exempt from disclosure of balance sheets.

**KPMG did not make contributions through Tax Incentive Laws.

About the report

GRI 102-54

Technical alignment and frameworks used

To present KPMG’s main results in Brazil in 2021, we selected indicators that reflect our values, our operating pillars and the material topics that we and our stakeholders consider relevant.

These indicators were reported in accordance with the Global Reporting Initiative (GRI) Standards: Essential option. Furthermore, they are in line with the references of the International Business Council (IBC) - World Economic Forum and the recommendations of the Integrated Reporting framework, proposed by the International Integrated Reporting Council (IIRC). The objective is to communicate more clearly and objectively what we do and think, following globally recognized standards.

SDGs in KPMG’s operations

Through our activities, we seek to contribute to solving concrete problems in society, guided by environmental, social and governance (ESG) principles. Therefore, we also work in line with the United Nations (UN) Sustainable Development Goals (SDGs).

Based on an extensive mapping of our operations, we identified interfaces with 14 SDGs. However, we considered SDG 4 (Quality Education) to be the most relevant, as we believe that it is through education that we empower people to change their lives and transform the world.

Thus, we daily support education in our communities by developing our professionals and sharing our knowledge, which generate value for our customers and for society, helping them to deal with their major challenges. To learn how we work on these topics at KPMG, hover over each one of them.





Scope and emission cycle

[GRI 102-48](#) | [GRI 102-50](#) | [GRI 102-51](#) | [GRI 102-52](#)

This report presents the social, environmental, governance and economic performance of the 22 offices present in Brazil, which make up KPMG International network of member firms, in fiscal year 2021 (FY2021), corresponding to the period of October 1, 2020 to September 30, 2021. In cases of reporting from a different period, there are explanatory notes for the corresponding information.

Our Sustainability Report is published annually. The previous edition, with performance data for the period from October 1, 2019 to September 30, 2020, was released in 2021. In this report, we present a more detailed depiction of GRI indicators compared to the last report.

This document, as well as previous editions, is available in electronic format on the KPMG Sustainability [website](#), in complete and summarized versions, in Portuguese and English.

Data sources

22

areas of operations

68

data collection forms

12

hours of interviews with KPMG heads in Brazil to incorporate their strategic vision into the report





Result of the materiality assessment

[GRI 102-40](#) | [GRI 102-42](#) | [GRI 102-46](#) | [102-47](#) | [GRI 102-49](#)

Material topics selection

At this stage we mapped topics from external sources like publications, studies, benchmarking (of competitors e KPMG offices around the world), so that we identified relevant topics for our sector, or that influenced the services provided by KPMG.

Twenty topics were chosen to consult with stakeholders. They are:

1. Anticorruption
2. Hotlines
3. Training and Education
4. ESG positioning
5. Diversity, equal opportunities and nondiscrimination policies
6. Health and safety
7. Own greenhouse gas emissions
8. Environmental compliance (third parties and suppliers)
9. Client privacy and security practices
10. Third party/supplier's greenhouse gas emissions
11. Biodiversity, energy, effluents and waste
12. Unfair competition
13. Governance and risk management
14. Indirect economic impacts
15. Financial participation in social organizations that work to improve the quality of life of vulnerable groups
16. Social and environmental assessment of suppliers and third parties
17. Non-conflicting labor relations
18. Employment generation for various social groups and fair remuneration
19. Freedom of association and collective bargaining
20. ESG practices in the operation



Materiality survey results

Results after consultation with stakeholders 10 most voted by group:

Third parties	Civil society	Suppliers	Education Institutions	Clients	Employees
ESG approach	ESG approach	Environmental compliance	ESG approach	ESG approach	Training and Education
Own emissions	Diversity, equal opportunities and nondiscrimination policies	Anticorruption	Anticorruption	Diversity, equal opportunities and nondiscrimination policies	Anticorruption
Third party/supplier emissions	Own emissions	Hotlines	Diversity, equal opportunities and nondiscrimination policies	Training and Education	Hotlines
Biodiversity, energy, effluents and waste	Anticorruption	Unfair competition	Health and safety	Health and safety	Health and safety
Environmental compliance	Hotlines	Client privacy and security practices	Hotlines	Governance and risk management	Client privacy and security practices
Social environmental assessment of suppliers	Client privacy and security practices	Employment generation for various social groups and fair remuneration	Non-conflicting labor relations	Own emissions	Diversity, equal opportunities and nondiscrimination policies
ESG practices in the operation	Financial participation in social organizations that work to improve the quality of life of vulnerable groups	Freedom of association and collective bargaining	ESG approach	ESG practices in the operation	Governance and risk management
Training and education	Employment generation for various social groups and fair remuneration	Diversity, equal opportunities and nondiscrimination policies	Indirect Economic Impacts	Environmental compliance	Employment generation for various social groups and Fair remuneration
Indirect economic impacts	Health and safety	Health and Safety	Client privacy and security practices	Anticorruption	Non-conflicting labor relations
Anticorruption	Training and education	Governance and Risk Management	Financial participation in society organizations that work to improve the quality of life of vulnerable groups	Client privacy and security practices	Financial participation in society organizations that work to improve the quality of life of vulnerable groups



Materiality Matrix

Legend

Leadership interviews topics

Stakeholders' material topics



Impacts and limits of material topics

GRI 102-46 | GRI 102-47 | GRI 203-1 | GRI 103-1 | GRI 103-2 | GRI 103-3

IIRC Capitals	Material Topics for KPMG and our stakeholders	Subtopics	Potential positive impacts and limits	Potential negative impacts and limits
Intellectual Capital	Ethical commitment	<ul style="list-style-type: none"> Anticorruption Hotlines Client privacy and security practices Unfair competition Modernization of the tax system 	<p>To our professionals Continuous technical and human development; corporate environment based on KPMG’s global ethical values and pillars.</p> <p>To our customers Subsidies for effective decision making; innovation; efficiency; governance; access to new markets and resources; risk and quality management; access to innovative knowledge.</p> <p>To society Ethical and sustainable business; access to innovative knowledge; stakeholder trust.</p>	<p>To our professionals, our customers and society In the event of a loss of quality in the provision of services and/or in data protection, there could be negative impacts on the businesses and public trust. The limits of the role of our professionals (auditors and consultants) are not always clear to society and the market.</p>
		Governance with purpose	<ul style="list-style-type: none"> Preparing leaders for an inclusive and regenerative future 	
		Quality of governance structures	<ul style="list-style-type: none"> Anticorruption Risk management and governance Preparing leaders for an inclusive and regenerative future Professionalization of governance structures 	
	Stakeholder engagement	<ul style="list-style-type: none"> Hotlines 		
Human Capital	Dignity and equality	<ul style="list-style-type: none"> Diversity, equal opportunities and nondiscrimination policies Diversity, equality and inclusion 	<p>To our professionals Compensation and benefits; career development; proud to belong; upright and inclusive work environment; respect for diversity; valuing the curriculum in the market; occupational health and safety.</p> <p>To our customers Ethical and upright behavior, motivated by the high performance of our professionals.</p> <p>To society Good work, diversity and corporate citizenship practices. Highly qualified professionals.</p>	<p>To our professionals Challenge to balance work and personal life during busy season.</p> <p>To the Organization Turnover with possible loss of knowledge and/or the need for new investments to train and prepare people.</p> <p>To our customers Inadequate behavior of our professionals with respect to our guidelines, standards and procedures could impact relationships and the quality of services provided.</p>
		Health and well-being	<ul style="list-style-type: none"> Health and safety 	
	Skills for future employability	<ul style="list-style-type: none"> Training and education Professional education 		

IIRC Capitals	Material Topics for KPMG and our stakeholders	Subtopics	Potential positive impacts and limits	Potential negative impacts and limits
Social and Relationship Capital	Creation of jobs and of value	<ul style="list-style-type: none"> Support for startups and micro and small businesses 	To our professionals Proud to belong; participation in citizenship practices; work in representative bodies. To our customers Access to innovative knowledge and to services in line with our values and our position of working side by side with the client.	For our professionals, our customers and society Loss of trustworthiness if we provide services to clients who face ethical concerns. As for the limits, in order to maintain our independence, some services cannot be offered simultaneously to our customers.
	Community vitality	<ul style="list-style-type: none"> Support for startups and micro and small businesses 	To society Pro bono services for social organizations; shared knowledge; initiatives that promote tax morality, compliance and trust in the auditor's work; value chain adherence to sustainable commitments.	
Manufactured Capital	Innovation for better products and services	<ul style="list-style-type: none"> Strengthening internal processes against misinformation (such as greenwashing and others) 	To our professionals Efficiency; integration; information security; access to new technologies and forms of work/service provision; occupational health and safety. To our customers Quality and agility in our deliveries; information security, access to digital solutions and new technologies. To society Reduction of the environmental impact in offices and commuting.	To our professionals and our clients Technological and information security problems that can compromise the quality and/or agility of work.
Natural Capital	Climate changes	<ul style="list-style-type: none"> Own emissions Third-party/supplier emissions 	To our professionals Environmental awareness and engagement; pride of belonging. To our customers Sustainable business models, policies and procedures aligned with the global environmental agenda.	Due to the segment in which we operate, we do not have significant direct environmental impacts. Our most relevant indirect impact is on GHG emissions, which is why we have established voluntary global targets for reducing and offsetting this item by 2030.
	Biodiversity Loss		To society Reduction of greenhouse gas emissions through a reforestation project classified as a Clean Development Mechanism (CDM)/UN	
	Water management			
Finance Capital				



GRI content index

GRI 102-55

Material topics	Standard	Disclosure	Page	Answer
Gri 102: General disclosures 2016				
Employment and value creation	102-1	Name of the Organization	6	KPMG Brazil
	102-2	Main brands, products, and services	6	
	102-3	Location of headquarters	6	
	102-4	Location of operations	6	
	102-5	Nature of ownership nature and legal form	6	In Brazil, we are eight independent companies, incorporated in accordance with Brazilian law.
	102-6	Markets served	6	
	102-7	Scale of the organization	8	
	102-8	Employee profile	9	
	102-9	Organization's supply chain	65	
	102-10	Significant changes in the period	65	In FY21, three offices were closed (two in São Paulo and one in Rio de Janeiro) and a new office was opened in São Paulo.
	102-11	Precautionary principle or approach	-	This principle is part of our core business, directing the development of our professionals, the guidelines for accepting clients, the execution and monitoring of the work performed by independent companies that operate under the KPMG brand in Brazil.



Material topics	Standard	Disclosure	Page	Answer
Employment and value creation	102-12	Chapters, principles, and other initiatives endorsed by the Organization	63	
	102-13	Membership of associations	64	
	102-14	Statement from the Chairman	3	
Ethical commitment	102-16	Organization's values, principles, standards, and rules.	10	
Governance with purpose	102-18	Organization's Governance Structure	30	
Quality of governance structures	102-22	Composition of the highest governance body and its committees	30	
	102-32	Governance body that formally reviews and approves the sustainability report	30	The governance body responsible for the sustainability report is KPMG's Executive Committee.
	102-35	Remuneration policy	30	
Stakeholder engagement	102-40	List of stakeholder groups	75	
	102-41	Collective bargaining agreements	-	100% of KPMG employees are covered by collective agreements.
	102-42	Identifying and selecting stakeholders	75	
	102-43	Approach and frequency of stakeholder engagement	58	
	102-44	Key topics and concerns raised	58	
	102-45	Entities included in the consolidated financial statements	-	The economic results presented in this report represent the operations of all independent companies operating under the name KPMG in Brazil. In accordance with current legislation, they are exempt from the disclosure of the balance sheet.



Material topics	Standard	Disclosure	Page	Answer
Stakeholder engagement	102-46	Defining report content and topic boundaries	75	
	102-47	List of material topics identified	75	
	102-48	Restatements of Information	74	
	102-49	Significant changes from previous reports in the scope and material topic boundaries	75	
	102-50	Reporting period	74	
	102-51	Date of most recent report	74	
	102-52	Reporting cycle	74	
	102-53	Contact for questions regarding the report	90	
	102-54	Claims of reporting in accordance with the GRI Standards	73	
	102-55	GRI content index	80	
102-56	External assurance	91		



Material topics	Standard	Disclosure	Page	Answer
Material topics				
Economic performance (non-material topic)				
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	72	
	201-4	Financial assistance received from the government	72	
Indirect economic impacts (non-material topic)				
GRI 203: Indirect economic impacts 2016	203-1	Development and impact of investments and services offered	72	
Climate changes (material topic)				
GRI 305: Emissions 2018	103-1	Explanation of the material topic and its boundary	78	
	103-2	Management approach and its components	78	
	103-3	Evaluation of management approach	78	
	305-1	Direct Greenhouse Gas (GHG) emissions - Scope 1	69	
	305-2	Indirect Greenhouse Gas (GHG) emissions from energy purchase - Scope 2	69	
	305-3	Other indirect Greenhouse Gas (GHG) emissions – Scope 3	69	
	305-5	Reduction of Greenhouse Gas (GHG) emissions	69	

Material topics	Standard	Disclosure	Page	Answer
Effluents and waste – Water management (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	Management approach and its components	78	
	103-3	Evaluation of management approach	78	
GRI 306: effluents and waste 2016	306-2	Waste by type and disposal method	70	
Skills for future employability (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 401: Employment 2016	401-1	Total number and rate of new hires and turnover	42	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51	
	401-3	Return to work rate after maternity leave	52	
Health and well-being (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	



Material topics	Standard	Disclosure	Page	Answer
Management approach	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	48	<p>Our system was implemented to comply with the Regulatory Standards of the Ministry of Labor and Employment, numbers 04 (SESMT), 05 (CIPA), 07 (PCMSO), 09 (PPRA) and 17 (ERGONOMICS), based on a clear and traceable management of indicators. From this base, we established other voluntary controls based on benchmark or academic experiences.</p> <p>Our health, well-being and accident prevention campaigns use different tools (radio, intranet, printed material, videos and training programs) to reach out professionals from all offices in Brazil.</p>
Freedom of association and collective bargaining (non-material topic)				
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and identified suppliers whose right to exercise freedom of association and collective bargaining may be being violated	-	<p>KPMG offers freedom of association and collective bargaining to 100% of its professionals, including reimbursement for union fees. No violations of this right were identified in our organization. We have not mapped our supply chain in this regard, but our Supplier Code of Conduct, which provides for freedom of association, applies to all suppliers.</p>
Skills for future employability (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 404: Training and education 2016	404-1	Annual average of training per employee, by gender and employee category	54	



Material topics	Standard	Disclosure	Page	Answer
	404-3	Percentage of employees receiving regular performance reviews	43	
Dignity and equality, loss of diversity (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 405: Diversity and equal opportunities 2016	405-1	Composition of governance bodies by gender, age group and other minority groups.	39	
	405-2	Ratio of basic salary and remuneration of women to men	41	
GRI 406: Non-discrimination 2016	406-1	Total number of incidents of discrimination and corrective actions taken	34	No instances of discrimination were identified by our monitoring mechanisms.
Ethical commitment (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	31	
	205-2	Communication and training about anti-corruption	31	
	205-3	Confirmed incidents of corruption and actions taken	31	

Material topics	Standard	Disclosure	Page	Answer
GRI 415: Public policies 2016	415-1	Total value of political contributions	32	
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	33	
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	35	
Client and market relations (non-material topic)				
GRI 206: anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	32	
GRI 417: marketing and labeling 2016	417-3	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	35	
Community vitality (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	56	
Innovation for better products and services (material topic)				
Management approach	103-1	Explanation of the material topic and its boundary	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	



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Our Impact Plan reference index

Appendix	Metrics	GRI documented in the Report
Planet		
Climate changes	GRI 305-1 GRI 305-2 GRI 305-3	305-1 305-2 305-3 306-2
Biodiversity loss	GRI 304-1	
Water management	SASB	
People		
Dignity and equality	GRI 405-1b GRI 405-2 GRI 408-1 GRI 409-1	401-2 401-3 403-1 401-1 404-3 405-1 405-2 406-1 407-1 413-1 415-1 417-3 418-1 419-1 102-8 102-9
Health and well-being	GRI 403-9 GRI 403-6	
Skills for future employability	GRI 404-1	
Prosperity		
Employment and value creation	GRI 401-1 GRI 201-4	404-1 201-1 201-4
Innovation for better products and services	US GAAP	
Community vitality	GRI 201-1	

Appendix	Metrics	GRI documented in the Report
	Governance	
Governance with purpose	GRI 102-26	<u>102-1</u> <u>102-2</u> <u>102-3</u> <u>102-4</u>
Quality of Governance structures	GRI 102-22	<u>102-6</u> <u>102-10</u> <u>102-12</u> <u>102-13</u>
	GRI 405-1a	<u>102-16</u> <u>102-17</u> <u>102-18</u> <u>102-22</u>
Stakeholder engagement	GRI 102-21	<u>102-35</u> <u>102-43</u> <u>102-44</u> <u>102-47</u>
	GRI 102-43	<u>102-48</u> <u>102-50</u> <u>102-51</u> <u>102-52</u>
	GRI 102-47	<u>102-53</u> <u>102-56</u> <u>203-1</u> <u>205-1</u>
Ethical commitment	GRI 102-17	<u>205-2</u> <u>205-3</u> <u>206-1</u> <u>405-1</u>
	GRI 205-2	
	GRI 205-3	
Oversight of risks and opportunities	GRI 102-15	

Channel for information about this report

GRI 102-53



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Share with us your comments, questions, suggestions or criticisms!





Independent assurance

GRI 102-56

To
Senior management members and stakeholders of
KPMG Auditores Independentes

Introduction

Green Domus Desenvolvimento Sustentável (Green Domus) was hired by KPMG Auditores Independentes (KPMG) to assure its 2021 Sustainability Report.

KPMG was responsible for preparing and presenting information on its performance in environmental, social, economic and governance issues topics in its 2021 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, compliance with the Global Reporting Initiative (GRI) requirements, and presentation of KPMG's performance in the 2021 Sustainability Report.

Assurance Limits

The assurance was limited to assessing the information provided in the KPMG 2021 Sustainability Report and other evidence that supported its content, with emphasis on the list of disclosures selected for the audit process, described in the assurance plan.

Methodology

The assurance started with the preliminary assessment of the information presented in the KPMG 2021 Sustainability Report and in the documents that supported its preparation. Remote visits (via Microsoft Teams) were conducted to interview the actors involved, understand the information management procedures, and collect evidence from the reported information.

The necessary corrections and clarifications, 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 below.



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, confidentiality of the information accessed, 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:
- It is suggested to improve the management of third-party information, beyond what is currently conducted, to ensure a holistic view of the workers who provide services to KPMG.
- To bring the report even closer to KPMG's reality, it is recommended to present information regarding the staff in alignment with the categories and stratifications already monitored internally, avoiding the need to manipulate data only for the report.
- For the next reporting cycle, it is recommended to use the updated version of the GRI Universal Standards, published at the end of 2021, ensuring compliance with the deadlines established by the organization, as well as the best reporting practices.
-

Conclusions

In the opinion of Green Domus Desenvolvimento Sustentável, the 2021 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 2021 Sustainability Report was not compiled in all aspects relevant and applicable to the analysis carried out, and in accordance with the organizational guidelines that served as the basis for its preparation.

São Paulo, April 11, 2022.

Marina Dall'Anese

Auditora Líder



Contributors to this report

This report is built by dozens of hands! Therefore, we would like to thank everyone involved in providing the data reported here, from all departments of the firm, as well as all the reviewers and heads of KPMG's administrative areas who contributed with information, criticisms and suggestions to produce this document.





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Sustainability Report

2021



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