



Demonstrating our commitment to consulting excellence

Annual declaration to the MCA





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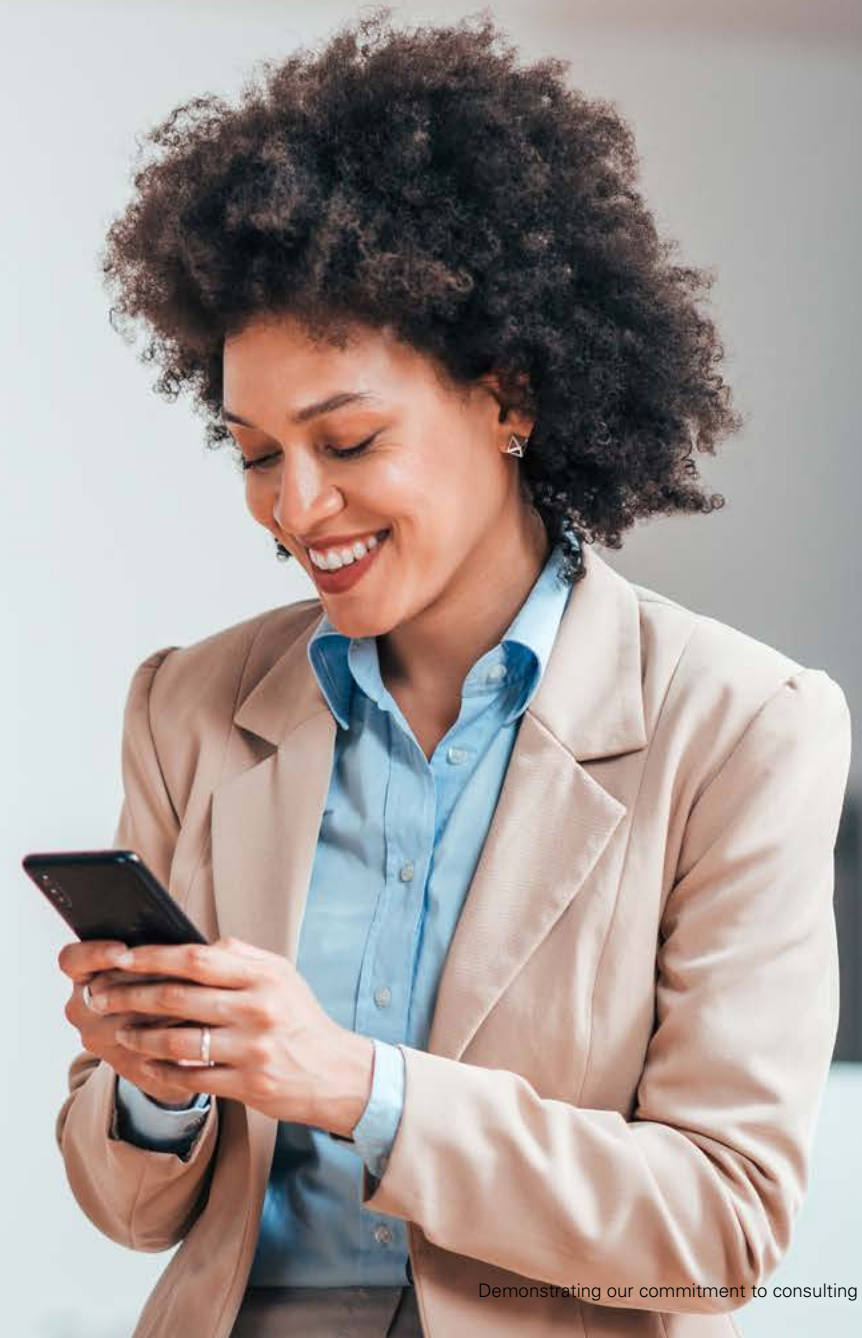
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At KPMG, excellence is one of our core values and it is always the focus of our services, people and client solutions. We are committed to the Consulting Excellence scheme, which brings together the organisations that are members of the MCA with a view to making the industry better, with regards to reputation, public trust and access to talent. Our commitment to excellence and delivering outcomes for our clients is particularly important in the current climate, where the integrity of the profession has faced public scrutiny. Being recognised for our commitment to Consulting Excellence helps our clients have the confidence that they will be working with a firm that strives to uphold ethical values, is committed to high standards of client service and that has consultants with the right capabilities to serve their needs.

This document provides evidence on how we demonstrate Consulting Excellence throughout our practice.

We're thrilled that our clients also recognise our commitment to excellence. In the 2024 Financial Times UK's Leading Management Consultants ratings, we have been awarded a medal in all 30 categories as recognition for our consulting services and sector expertise.

We are one of only three consultancies of over 170 to do so.





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01

Our Strategy

Our strategy

**Pillar 1:
Ethical Behaviour**

In line with the Firm's Trust and Growth strategy, our ambition is to become the most connected and most trusted Consulting firm. Recently we have brought together our Consulting and Deal businesses under the Advisory banner to provide a more seamless 'end to end' service experience for our clients, using the full breadth of our expertise. We work shoulder-to-shoulder with clients on their most difficult problems, delivering high-quality insights that they can trust and which lead to measurable business outcomes.

**Pillar 2:
Client Service
and Value**

Our global priority solutions, Elevate, Connected, Powered and Trusted are our approach to value creation and digital transformation and building a resilient, agile, future-fit business today that focuses on connecting the enterprise, powering the functions and securing businesses in a trusted environment.

**Pillar 3:
Professional
Development**

Within our team we have amazing leaders in technology, data, industry insights and global capabilities to help our clients transact, transform, grow, comply and run. Furthermore, for the seventh year running, we've done extremely well in the Financial Times UK's Leading Management Consultants ratings, as voted for by our clients and peers.

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We are proud that our clients have recommended us in all 30 categories. Not only did we receive 'Gold' in a number of areas, including People & Performance, Finance, Public Sector, Infrastructure and Retail, this year our investments in tech, data and analytics have earned us recognition for our services in Digital Transformation and Data.

This is an emphatic endorsement from our clients. It means they trust in our unwavering focus on outcomes and our ability to deliver excellent client service. Most importantly, they trust that our approach delivers results which powerfully impact their businesses.



We provide a seamless 'end to end' service experience for our clients, helping them transact, transform, grow, comply and run.





02: Pillar 1

Ethical Behaviour



Our Values and Code of Conduct

Code of Conduct

At KPMG we want to be trusted by all our stakeholders to adopt the highest of ethical or quality standards. We want colleagues to understand and follow our Code of Conduct and understand the importance of doing the right thing and acting in the public interest and that neither should ever be compromised.

Our publicly accessible Code of Conduct lays the expectations of ethical behaviour and compliance with professional and quality standards. We regularly refresh the Code to make sure it remains relevant as the Professional Services industry evolves and as the expectations of the public and our clients evolve. The Code is built on the foundation of KPMG values which define what we stand for and how we do things.

Internally, we publish several guidelines for all employees and associates of the firm to refer to. This lays out what our Personal Obligations are with regards to:

- Building trust.
- Upholding our firm's commitments.
- Handling dilemmas and raising concerns.

[More information on the Code of Conduct](#)



Values

At a time of change, challenge and opportunity, Our Values guide our behaviour. They inform how we act, the decisions we make and how we work with each other, our clients, the entities we audit and our communities.

We refreshed our Values in our 150th year, right across the international network. It means there's a single, bold, memorable set of ideas in place globally to ensure that the principles that guide our behaviour match the world as it is today.

Our Values are the foundation of everything we do and every action we take. They are core to who we are as a firm, what it means to work at KPMG and to help us achieve our Purpose:

- They represent both who we are and who we aspire to be.
- They guide us to do the right thing, especially when under pressure.
- They bind us together, across our different backgrounds and cultures, and are common to each of us.
- They represent the foundation of our culture and how we show up for each other and the organisations we work with.

All colleagues have a part to play as living our values is a journey that requires collective ownership and commitment of each of us.



Our strategy



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and find strength in our differences.



For Better

We do what matters.

Pillar 1:
Ethical Behaviour

Global Values week and Our Values in Action sessions

Our Values are the foundation of everything we do and every action we take. They are core to who we are as a firm, what it means to work at KPMG and to help us achieve our Purpose.

With Values Week and firmwide Values Immersion sessions being such a success in 2022, the concept was adopted globally, with Global Values Week taking place in November 2023. More than 265,000 KPMG people colleagues around the world took part in celebrating our shared values. In feedback afterwards, 90% of our colleagues feel they know

what they need to do to live Our Values in their day-to-day work and 96% of those who attended a Values Week event believe KPMG is committed to building a culture guided by Our Values.

In the UK, we have continued to hold Values-led conversations with our teams, led by our leaders. This year, Our Values in Action sessions shifted focus from awareness of Our Values to action – providing colleagues with the support and tools to live Our Values on a daily basis.

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Our culture

At KPMG we are guided by Our Values and doing great work that matters. We're building a culture that is open, safe, and inclusive, that operates to the highest ethical and quality standards. A culture and environment that is continually listening, evolving, and learning.

We're committed to creating a culture that enables our people and our firm to thrive. We listen to feedback and continually monitor our progress against key areas to identify what's working and where we need to take further steps to improve. In addition to being values-led as described above, our culture has another four fundamental pillars.



VALUES-LED

Definition:

Our Values are the foundation of everything we do and every action we take. They are core to who we are as a firm, what it means to work at KPMG and to help us achieve our Purpose. Colleagues understand that Our Values define the expectations we have of each other and ourselves and as such behave in line with Our Values every day.

Key activities to note:



Global Values Week.



Values Leadership Programme.



Our Values in Action sessions.

Highlights:

In addition to Global Values Week and the Values in Actions sessions highlighted above we introduced Values Leadership sessions across the business in November 2023. Feedback was positive, and we completed the session rollout in March 2024.





Highest ethical and quality standards

Definition:

Our colleagues understand and follow Our Code and feel safe to speak up where behaviour is not in line with Our Code. Colleagues understand their responsibility to deliver high quality work and are held accountable. They feel confident and empowered to challenge (in a high challenge/high support environment) . We are therefore trusted by all of our stakeholders.

Key activities to note:



Ethics champions



Quarterly ethical health reporting



Values leadership programme

Highlights:

Since the start of the year, we have launched new quarterly Ethical health reporting, which gives better insight into the firm’s overall ethical health for ExCo and the Board.

Our ethics champions are located across the firm and are a point of contact with whom colleagues can raise any concerns they have about any ethical or integrity matter within KPMG, or any concerns they have around other non-values compliant behaviour. They are also an alternative to our formal reporting channels. We have 20+ ethics champions from across Consulting, with physical presence in four of our offices, including London, Manchester, Bristol and Birmingham. We continuously engage with our ethics champions to identify any emerging themes and understand where colleagues need more support.

Late last year we launched a new Values Leadership programme that all Partners across KPMG were required to complete by March 2024.



Open safe & inclusive

Definition:

All colleagues can reach their full potential and have fair access to opportunities and progression. Colleagues can sustain the energy needed to do their job effectively and are provided with the services and support to thrive at work – increasing engagement, productivity and quality. Colleagues are mindful and supportive of others’ wellbeing.

Key activities to note:



Men’s Wellbeing Community



Inclusion ID launch



IDE initiatives

Highlights:

Supporting colleagues’ wellbeing and mental health remains a key priority. The BeMindful network was set up to support this. BeMindful aims to provide a safe space for colleagues to share their experience and hear from others. To encourage open conversations and highlight the significance of mental health, we honour Mental Health Awareness Week every year. Last year we formed The KPMG Men’s Wellbeing Community with the aim to talk more openly about topics relating to men’s health; mentally and physically. The community has made such a mark with its activities that Olivia Edwardson, Events Lead for BeMindful Network, who was instrumental in founding the community, was nominated and won at this year’s Mo Awards 2024.

Our KPMG is a place where everyone can thrive in the workplace, whoever they are and whatever their background. The more we know about our people, the more we can help identify where change is needed, where we are doing great things and where we can do better. The inclusion ID – which we launched earlier in the year – is a living record of adjustments agreed between an employee and their manager and or required team to support colleagues in how, when and where they want to work.

More details on social mobility and our IDE initiatives are included later in this declaration.

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Listen, learn & evolve

Definition:

We listen to all our stakeholders. We use the feedback to learn about what we do well and where we need to improve. We bring innovations to market to support our clients and to test and learn through piloting new ways of working. Our people are supported through formal and informal learning, and we support our communities via our external education and skills programmes.

Key activities to note:



Colleague listening (GPS, Pulse, open forums)



Client listening via Client voice



Continuous professional development

Highlights:

In October 2023 we had another record completion rate for our annual Global People Survey (GPS). 77% of colleagues in Consulting responded to the survey. Importantly, Growth Focus, IDE and Corporate Citizenship were just a few of our strongest categories. 86% said that you are treated with respect and dignity at work, which highlights how important it is to create and develop an inclusive environment where everyone can thrive across Consulting.

More details on client voice and continuous professional development are included in further sections of this declaration.



Work that matters

Definition:

Helping companies improve on their ESG & sustainability journeys and making a positive impact on society. Our colleagues feel inspired and engaged by the work that they are doing. We work with the right clients on the right engagements, supported by the use of our ACCEPT framework. We deliver innovative and value-creating propositions to clients to solve their increasingly complex problems; supporting the UK's capital markets. We build a successful business by delivering sustainable growth, underpinned by Our Impact Plan and commitments.

Key activities to note:



ACCEPT framework



Our KPMG



CR activity

Highlights:

When we look at whether our work matters to our people we continue to see increased sentiment related to pride to work at KPMG. In our weekly Consulting newsletter – Stories that deserve to be told – we continue to spotlight stories from across our business that highlight the impactful outcomes we are delivering for our clients.

For the sixth year running we celebrated National Numeracy Day – the campaign dedicated to building brighter futures through improved number confidence, co-founded by KPMG and National Numeracy. We welcomed 45 schools and hundreds of students to inspirational maths events across our UK offices, and hosted events with our three University Partners: University of Leeds, University of Nottingham and University of Cambridge. Feedback tells us that an overwhelming majority of students left our events feeling more confident about numbers.

More details on ACCEPT, Our KPMG and CR activity are included further in this declaration.



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Our people strategy: Our KPMG

Do work that matters

you'll make a meaningful difference for the businesses, people and communities we serve

Come as you are

your unique experiences and perspectives belong here and make us stronger

Thrive with us

you'll have the KPMG community at your side, providing the support you need to be at your best

Learn for a lifetime

you'll be continuously learning and working with the best – gaining advantage for life

Make your mark

you'll be recognised for the impact you make, the leadership you show, and the success you create with others

As a firm we will continue to invest, develop and differentiate through the pillars of Our KPMG. For example, through our plans on ESG, wellbeing, modern learning, improving the quality of personal development, and inclusion, diversity and equity.



Inclusion, diversity and equity

Our strategy

We're committed to creating an inclusive environment where all colleagues thrive and reach their full potential, whatever their identity or background. This is fundamental to our success as a business.

Pillar 1: Ethical Behaviour

We're committed to creating an inclusive environment where all colleagues thrive and reach their full potential, whatever their identity or background. This is fundamental to our success as a business.

Pillar 2: Client Service and Value

To help us achieve this, we've outlined bold ambitions and set long-term targets to 2030 as part of our inclusion, diversity and equity plan – Our KPMG: A fairer future for all. Our plan is designed to create an inclusive environment, equitable experiences and accountable leaders, which will in turn help improve the representation of historically under-represented groups at our most senior levels of the business. It is why we don't just focus on getting into our profession, but also how you get on and progress within our firm.

Pillar 3: Professional Development

It marks an ambitious but evolutionary chapter as part of our long-standing commitment to change. We know we need to continue to challenge ourselves, confront biases and listen and learn from each other, and this marks the next step in our journey towards a fairer future for all.

Conclusion

40:40:20*

Female (minimum 40% female)

20%

Ethnic minority

15%

Disabled

6%

Sexual orientation

5%

Black heritage

29%

Lower socio-economic background

*20% is flexible and recognises the moving nature of our firm, while setting parameters for us to meet and stay within.



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Building an inclusive culture

Our 16 Employee Networks are open to all, providing a sense of community and learning experiences for those who want to enhance their own cultural awareness or become an ally.

We recognise the importance of having champions at a leadership level for historically underrepresented groups. That's why each of our Employee Networks have at least one KPMG Partner Sponsor.

Throughout the year they host inspirational and educational events helping to raise awareness for, and to celebrate, key moments in the calendar. They also provide us with vital feedback and insight, by representing and voicing our colleagues' lived experiences.

In 2022, we introduced firmwide mandatory Inclusion, Diversity and Equity training for colleagues and Partners, and in 2023 launched an inclusive language guide to support us in our journey to embed behavioural change across the organisation.

Our remuneration and pay gaps

As a firm we're committed to being transparent about our remuneration and pay gaps. We voluntarily report on our pay gaps against each underrepresented characteristic and in 2021 became one of the first UK businesses to publish our socio-economic background pay gaps.

Whilst being transparent about where we are is critical to making progress, we know pay gaps are just one part of the picture. What's important is what we do with that data. That's why we continually monitor our progress to understand what's working and challenge ourselves on where we can go further to focus our efforts and increase representation and inclusivity in our firm.

Programmes

We are continuing several of our programmes detailed in our 2021 report, such as the IT's HER Future Campaign and the Black Heritage Allyship Programme (BHAP). As part of our Black Lives Action Plan, we launched our internal Black Heritage Allyship Programme (BHAP) in July 2020 which pairs mentees and mentors across KPMG for the purposes of reciprocal mentoring, coaching and sponsorship. BHAP provides opportunities for Black heritage colleagues at KPMG to gain experiences, broaden networks, and raise awareness around the barriers to progression they may be facing.

Since 2020, we have successfully run four cohorts with over 1,000 people in KPMG signing up to our Black Heritage Allyship Programme and over 300 pairings. The survey feedback from the programme has been very positive with **32% of Black heritage colleagues from Cohort 1 and 2 being promoted within 12 months** of joining the programme. It has been fantastic to see the positive impact BHAP has made so far but we are keen to keep the momentum going and continue to support our Black heritage colleagues to progress and thrive in their careers.

The programme consists of three quarterly learning sessions throughout the year plus the opening and closing ceremony, bitesize learning topics and regional social hubs to meet other colleagues on the programme.



Awards

Our strategy

Women in Banking and Finance

- The annual Women in Banking & Finance (WiBF) Awards took place in October 2023, celebrating individuals and initiatives that are driving forward the IDE agenda within the UK's financial services sector.
- This year, KPMG put forward an exceptional array of nominees, each of which have made a huge contribution to their peers, clients and our firm. The WiBF judges agreed, with nine individuals and two groups making it onto this year's shortlist – demonstrating that our people really are best in class. At the award ceremony, Women Who Excel won the Best D&I Innovation Award.
- The 'Women Who Excel' social media platform produces captivating content by our new all-female FS Modelling graduates to showcase the intriguing aspects of technology in the workplace and offer valuable insights into career experiences within finance and consulting.

Top 10 for workplace LGBT inclusion

- KPMG UK has received Stonewall's Gold award standard in 2023 for our commitment to the lesbian, gay, bi, trans (LGBT+) community within the firm.
- The Gold standard award also recognises the work KPMG has done to embed LGBT+ inclusion, from ensuring all our policies are gender neutral to highlighting LGBT+ experiences in the 'Enhancing our Vision' training all colleagues completed last year.

- The Workplace Equality Index is a competitive tool that organisations can use to benchmark and measure their LGBT+ inclusion practices against other organisations. The Top 100 Employers List 2023 ranks the highest scoring employers from public, private and third sectors. Our firm was ranked 8th this year, our equal highest ranking in the Index, continuing our recognition as a top 100 employer since 2016.
- KPMG aims to create an environment that allows you to come as you are. We embrace difference and diversity of thought in all that we do. We're a place where you can be yourself and give your best - whoever you are and whatever your background.

Disability Smart Inclusive Recruitment Award

- In 2023, KPMG received the Disability Forums' Disability Smart awards. The Disability Smart Awards showcase and celebrates the work of organisations that are improving the life experiences of disabled employees and consumers by removing barriers to inclusion.
- Their Inclusive Recruitment Award is given to an organisation or team that has created inclusive and accessible recruitment campaigns that have resulted in greater numbers of disabled people obtaining work or accessing a profession.
- Judges chose KPMG UK for seeking to improve diversity in recruitment throughout our whole Firm, targeted at all levels across the organisation, from graduate to senior roles.

- They also commended our outreach activities to attract disabled students and work to improve diversity of senior leadership, including launching a new Abilities Talent Insight programme aimed at students who have a disability or long-term condition and setting a goal to have 15% disability representation at Partner and Director level by 2030.

The Social Mobility Awards

- In October 2023, we have been ranked fourth in The Social Mobility Foundation's Employer Index out of the 143 firms who entered and also recently won Best Community Programme at The Social Mobility Awards 2023.
- The Index, first created by the Social Mobility Foundation in 2017, is a rigorous assessment of the steps being taken by employers to ensure talent from all social backgrounds can get in and progress in organisations.
- Our Social Mobility Network – UpBringing empowers colleagues from lower socio-economic backgrounds to achieve tangible personal and professional development goals, raise their profile within the firm and in the marketplace and make an impact across our communities.

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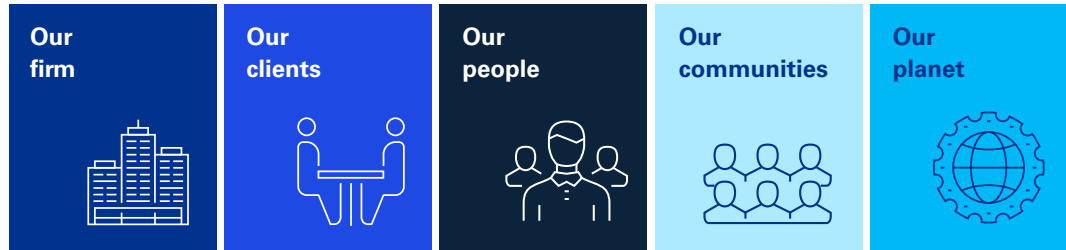




KPMG UK: Our Impact at a glance

Our strategy

We are increasing our transparency on the way we run our business, our impact on the environment and in driving greater prosperity for our people, communities and clients. We measure, and report on, our ESG performance across five areas:



Our firm

How we're governing our firm and being transparent in the way we conduct business.

Our commitments

- Behaving ethically and upholding our professional, ethical and quality standards at all times, guided by Our Values and Our Code of Conduct.
- Working with our stakeholders to restore trust in the audit profession.
- Engaging 100+ suppliers to make significant carbon reductions across our supply chain through our sustainable procurement programme.



Our clients

How we're helping to build sustainable, resilient, and purpose-led organisations for today and tomorrow.

Our commitments

- We are committed to a multidisciplinary model and believe it is core to our past and future success.
- As a purpose-driven firm, we have a fundamental duty to serve the public interest and build trust.
- ESG will become the watermark that runs throughout our firm.



Our people

How we're supporting our people to thrive and reach their full potential.

Our commitments

- Protect the health and wellbeing of our people and empower them to work in new and more flexible ways, enabling them to thrive.
- Deliver against our ambitious 2030 inclusion, diversity and equity commitments, helping to create an environment where diversity of experience, background and perspective are truly valued, and our people feel empowered to come as they are.
- Develop a continuous learning culture that supports people to grow in their own way and provides opportunities to learn for a lifetime. A place where everyone can make their mark.
- Support our people to do work that matters, helping to build a stronger, fairer society.





Our communities

How we're supporting our communities to prosper.

Our commitments

- We've committed to give one million young people the opportunity to build their skills by 2030.
- We're proud to have achieved our commitment to raise £1m for Marie Curie by September 2023, and will continue to support the charity through fundraising and pro bono support services to September 2024.



Our planet

How we're driving real, sustainable environmental change.

Our commitments

We have a science-based target which is in line with a 1.5°C pathway. We will achieve this by:

- Using 100% renewable electricity across our estate by 2024.
- Switching to renewable gas across our estate by 2030.
- Engaging 100+ suppliers to make significant reductions across our supply chain through our Sustainable Procurement Programme.
- Making significant carbon reductions on our business travel through our ambitious 'greening' travel strategy.
- Become a zero-waste business – eliminating all avoidable waste from our operations – by 2030.

Globally, KPMG has committed to understanding and improving our impact on nature.



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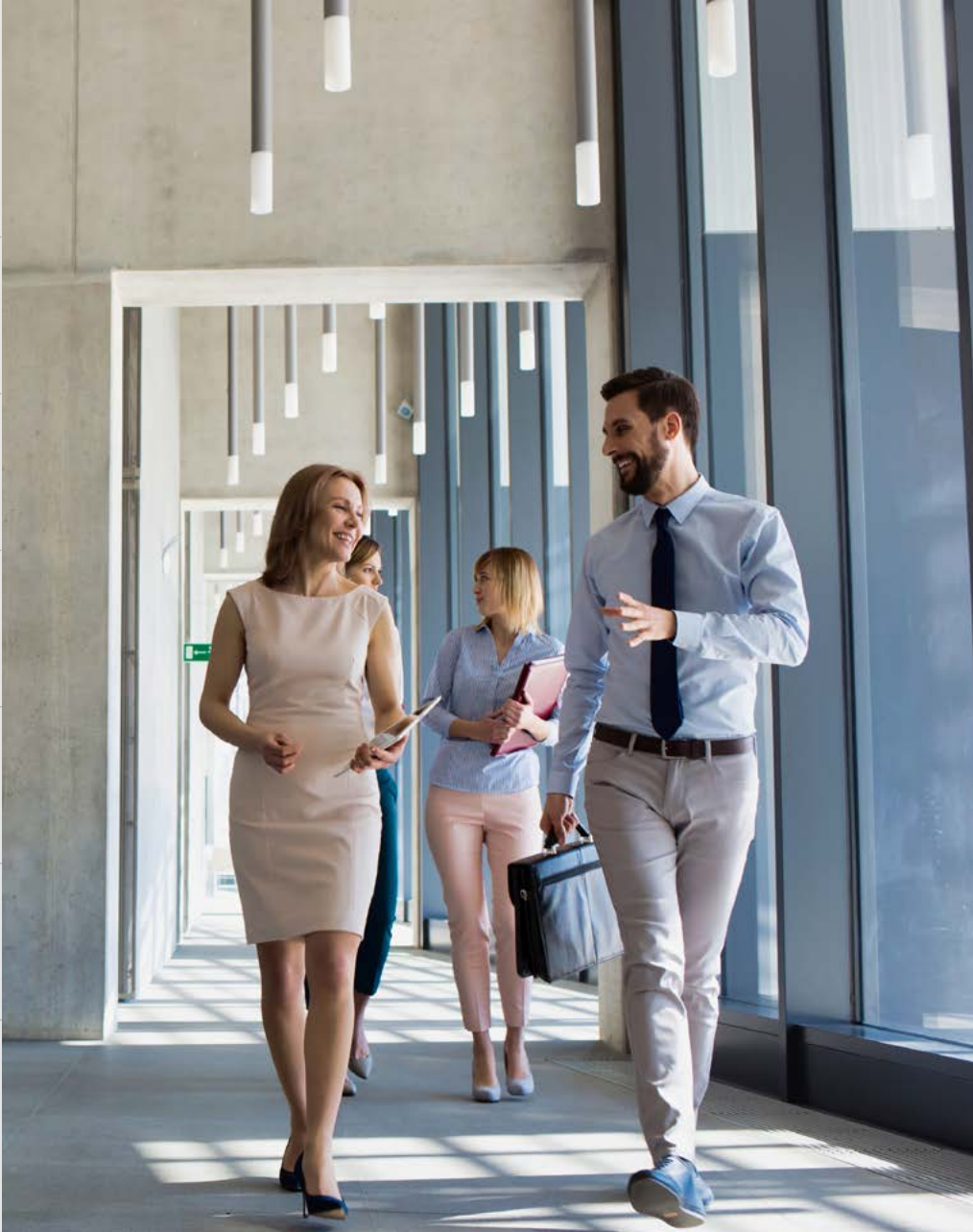
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03: Pillar 2

Client Service and Value



Our client promise

We are committed to providing the highest standards in consulting services to our clients.

Our operating model and underlying processes and procedures ensure that we can consistently maintain a client sales and service delivery lifecycle that delivers the outcomes the clients seek and need while managing engagement risks.

KPMG is also committed to ensuring that we stay at the forefront of good governance. Across Consulting we therefore comply with the principles of the Audit Firm Governance Code.

Specifically, this requires us to ensure that we always deliver high-quality services to our clients, exercise objectivity, demonstrate our professional competence and act with due care. We preserve client confidentiality, have regard for the wider public interest in our decision-making and, last but by no means least, always uphold our core value of integrity.

Operating responsibility for the system of quality control, risk management and compliance was delegated to the Chief Risk Officer who is responsible for setting overall professional risk management and quality control policies and monitoring compliance.

We demonstrate Consulting Excellence on client service and value first through adherence to our Code of Conduct, which describes how we uphold our firm's commitments, summarising our policies to comply with all laws, regulations, professional and quality standards that apply to us, second through our client engagement and risk management policies and associated processes, and third through the wealth of tools and methods that we have accumulated over the years that ultimately provide a large part of the value that our clients seek when they come to us.



Multi-disciplinary model

Our strategy

We recognise that our clients’ most pressing, most complex issues require a rainbow of talent to address, thus as a Firm we have adopted the multidisciplinary model (MDM). MDM is designed to help ensure we bring the colleagues with the right knowledge and skills – regardless of where they sit in the organisation – to get our clients through to outcomes faster and with less risk.

Pillar 1: Ethical Behaviour

What is MDM?

MDM combines our portfolio of services across Audit, Tax and Legal, and Advisory under one brand, so we can harness the strength of diversity, technology, range and depth of skills each present on behalf of our people, our clients, our markets and broader society, while protecting the public interest.

- Structurally and financially, the MDM operates as a single firm in each member country: one overarching set of financial arrangements and ownership shared by equity partners across all of that firm’s functions.
- Operationally, each firm has a single leadership team and common “back office” infrastructure, and we have a network model which allows for the distribution of technology and other support services and investment across and for the benefit of all member firms.

Pillar 2: Client Service and Value

Pillar 3: Professional Development

Impact

Our multidisciplinary model gives clients access to a broad range of services, expertise, and ideas when they need them most as part of a fully integrated solution. The approach we take is core to our purpose – to **inspire confidence and empower change** – and to **building public trust**.

The model not only helps our clients, but also gives our people more rewarding careers. Our people benefit from **learning, experiencing, and working together** with others of similar experience in different areas in a far more intimate and effective setting. This provides not only a more robust, unique, and rewarding experience, it also offers more career paths and **career development opportunities**. People can move across our business and retrain during their career with us, while having the chance to work on the biggest projects in the market, advise multinational clients, work in different locations and experience different cultures.

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Client engagement management

We follow a well-defined approach to shaping and delivering our client engagements. The approach is underpinned by our Values and is extensively documented (through manuals and a dedicated web portal), monitored (through a dedicated quality assurance team) and shared among all our client facing people (through formal training, mentoring and coaching).

The process usually starts with a discussion with our clients on what their needs are, what we can realistically do to meet them, over what timeframe, and what expertise would be most relevant and valuable to them. We provide challenge to our clients when we feel this can improve their outcomes, say in adopting a different approach to address a cost reduction challenge if it would have more enduring long-term benefits. We continue discussions until we reach agreement on the scope of our services. This would include our agreed ways of working, as well as our roles, accountabilities and responsibilities during the engagement.

Internally we carry out some upfront Quality and Risk Management (ORM) checks to ensure we can indeed deliver the work proposed and are not professionally conflicted on ethical or independence grounds.

Once the engagement begins we work closely with the client team. When we are engaged to deliver large scale change we work to transfer our knowledge and skills to the client team, slowly rolling off such that they are able to operate self-sufficiently once our contract ends. This is an important measure of our success and contributes to building long-lasting client relationships.

Ensuring we have regular contact with our client sponsor during engagements is very important to us. This allows us to listen to any concerns and make any changes as a result. We document any agreed changes in scope within variations to the contract to ensure transparency and accountability is maintained. We also provide details of our billing, work done, services and deliverables provided within that time frame.



This approach is designed to create the necessary transparency such that our clients can have confidence they are receiving the value from the services they signed up to. As an engagement reaches its end, we do a final check to help ensure the client has received all the deliverables, that necessary handovers and knowledge transfers have taken place.

Our strategy

Understanding our clients' needs and what they value is of critical importance. Client feedback is therefore a subject that we are extremely passionate about. It helps us to develop strong relationships and ensure delivery of services that not only meet, but exceed, clients' expectations.

Pillar 1: Ethical Behaviour

KPMG's Client Voice programme gives all clients the opportunity to quickly and easily provide feedback following work delivered. Clients are automatically sent an email asking how likely they would be to recommend KPMG for a similar engagement, on a scale of 0 (would not recommend) to 10 (would recommend). This is widely known as the Net Promoter methodology. This straightforward format allows clients to respond in seconds, or to expand upon the score they give with an option to add further comments in a free text field. Once submitted, client feedback is sent to the Engagement Leader and Lead Partner in real time. The feedback collected allows us to gain a better understanding of our clients, and what they value most, helping us to improve our service and further our relationships, in line with the 'Client for life' initiative.

Pillar 2: Client Service and Value

Senior Leadership has visibility of all feedback to identify trends and ensure appropriate response. And client feedback is collated at a departmental and Firm-wide level to aid management decisions and drive continuous improvement.

Pillar 3: Professional Development

This simple feedback process sits alongside other forms of feedback, for example Engagement Leaders carry out video debriefs, coffee catch ups or more formal interviews; Partners informally catch up with many board members; and for larger accounts a broad and deep interview approach is used.

Conclusion

Internally we carry out engagement reviews to ensure that the proper QRM process has been followed and to help maintain our high standards. We incorporate the feedback into our practice management as part of our continuous improvement process. This helps us better understand what aspects of our services are most valued by our clients and allows us to highlight them in subsequent engagements, through case studies, testimonials and credentials.





Our quality and risk management approach

Our strategy

Our Quality underpins the professional services that KPMG delivers. As stated in the KPMG core values, above all we act with integrity. To help implement this in practice and keep high standards of quality and integrity in our client delivery we have a far-reaching Quality and Risk Management (“QRM”) team that develops, maintains and continuously improves policies and procedures.

Pillar 1: Ethical Behaviour

The Risk Committee, which is attended by an Independent Non-Executive Director, has dedicated a great deal of time and effort to understanding the risk position across the firm, both through regular reporting and a series of deep dives into particular business areas and risks.

Pillar 2: Client Service and Value

Each KPMG Partner and employee has a responsibility in managing quality and risk. This responsibility includes the need to understand and adhere to our firm’s policies and associated procedures in carrying out our day-to-day activities.

Pillar 3: Professional Development

To facilitate this understanding we have a comprehensive range of training modules as well as personalised QRM metrics to help maintain these high standards. KPMG in the UK is a member firm of KPMG International, the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Therefore KPMG in the UK is also covered by an integrated monitoring and compliance programme to assess the relevance, adequacy, and effective operation of key quality control policies and procedures.

Conclusion

QRM Policies and Procedures cover the following (note this list is not exhaustive):

- Speaking out if we find someone has crossed a line -we maintain an independent whistleblowing hotline and have a robust policy protecting whistle-blowers and preventing retaliation.
- Identifying and managing conflicts of interest.
- Complying with relevant laws, regulations and professional standards.
- Maintaining confidentiality of information.
- Avoiding inappropriate or excessive gifts or entertainment.

To further support our people, we have a diverse nationwide network of Ethics Champions. Our Ethics Champions are trusted colleagues who listen without bias or judgement to concerns colleagues may have relating to unethical working practices or where someone isn’t living Our Values. Our colleagues can call, email or arrange to meet their chosen Ethics Champion in person.



ACCEPT framework launch

As a new addition to our long standing robust quality and risk management processes, in 2022 we launched ACCEPT – a framework to facilitate making good decisions about acceptance of clients and engagements.

Our decisions need to stand up to the scrutiny of external stakeholders and our colleagues. Our decisions are also becoming increasingly complex, as there is not always a clear ‘right’ answer. Making fast, consistent and good decisions about who we work with and what work we do is key to us becoming the fastest growing, most connected, most trusted professional services firm.

As of July 2022, our engagement risk acceptance processes have been re-designed to encourage consideration of the engagement risks in relation to each of the six elements of ACCEPT:



A – All stakeholders matter

C – Conflicts of interest

C – Client or entity considerations

E – Engagement considerations

P – Positive intent

T – Terms and conditions

In addition, Engagement Leaders must explain the Reason to Proceed with a client or engagement, by providing detail on how it fits within the ACCEPT framework, setting out why it is acceptable against each of the relevant elements of the ACCEPT framework.

Our strategy

**Pillar 1:
Ethical Behaviour**

**Pillar 2:
Client Service
and Value**

**Pillar 3:
Professional
Development**

Conclusion



Delivery Excellence Programme

During 2022 and 2023, we have invested heavily in a Delivery Excellence programme across our Consulting business. Underpinned by a comprehensive quality improvement plan, Delivery Excellence embodies KPMG’s commitment to driving and maintaining the highest quality and ethical standards in everything we do. Our Delivery Excellence approach comprises three separate but inter-connected layers of quality and risk management:

The first layer is KPMG’s global Quality Programme Review (QPR) which is a comprehensive annual programme of review with global minimum standards, and which is externally reviewed and moderated by non-UK KPMG firms. It is underpinned by KPMG’s mandatory policies and procedures which apply to all Advisory engagements.

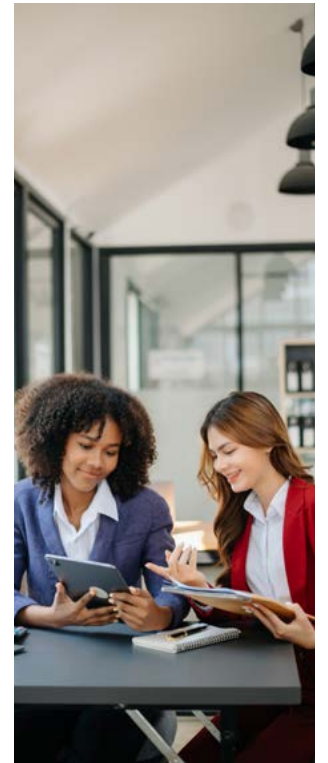
01

The second layer is KPMG UK’s system of Quality Management, which comprises a portfolio of Consulting specific quality initiatives, and includes Quality Management Plans for our propositions, delivery excellence and quality training and accreditations, and builds in continuous improvement through systematic processing of lessons learned / experience.

02

The third layer is focused on engagement-specific interventions to help and support our engagement leaders as well as use of MI / data to inform better decision-making throughout the engagement lifecycle. This layer also includes our Consulting ‘watchlist’ of higher risk / complex engagements requiring additional focus and support from the Consulting with Advisory Leadership Team. The highest risk engagements are escalated up to the firmwide ‘watchlist’.

03





Our strategy

These three layers of Delivery Excellence are governed and managed through our Consulting Risk Board (CRB) – a monthly Leadership Team forum chaired by the Consulting Risk Management Partner which considers and assesses the key risks (commercial, financial, reputational, delivery, ethical, etc) across our portfolio of engagements. The CRB is an accountable governance forum focused on risk and quality, and has a formal role in determining and signing off the firmwide quarterly risk reporting which feeds up to KPMG UK’s Executive Committee and Board. As such, the CRB has developed into a key strategic element of how we manage our Consulting business at KPMG, and continues to drive and support our focus on conduct, confidentiality, conflicts of interest and controls across our engagements and the people working on them.

**Pillar 1:
Ethical Behaviour**

Lastly, as part of the Delivery Excellence programme we also recently launched our Delivery Checklist – a new tool which aims to ensure we deliver complex, large-scale engagements successfully with a strong focus on early identification and mitigation of delivery risks.

The Delivery Checklist combines experience and learnings from the engagements across our global KPMG Consulting practise into a set of structured questions that our engagements use to assess the health of the engagement and risks to delivery success. The checklist covers three core key components: The Client, The Delivery and Our People and our teams apply the checklist on a ongoing basis throughout an engagement to ensure focus on risk mitigation and delivery success.

**Pillar 2:
Client Service
and Value**

**Pillar 3:
Professional
Development**

Conclusion



Feedback from the calls:



Our people want to know how to set up for success with disciplined change control mechanisms and how to handle the in-flight commercial realities of increasingly complicated programmes. We are also supporting our most complicated engagements with in-flight delivery risk reviews (including commercial risk) to help ELs and EQCRs get out in front of risks and mitigate them, and to provide senior support to help manage the client expectations where that is necessary. We use the delivery checklist for this.

Tamas Wood, Head of IGH Consulting



The checklist has been great as a way of triggering the right thoughts and conversations about risk and how to mitigate and therefore where to focus our actions.

David Miller, Head of FS Enterprise Risk Services





Expert methodologies

Our strategy

We always strive to improve the value we can deliver to our clients. Our methodologies, toolkits and thought leadership are ways of doing that. Through them we aim to ensure there are consistently high standards in the way we approach recurrent client issues (e.g. cost optimisation) and they are a culmination of continuous improvement in providing a service. Our strengths, in say cost optimisation or cloud technology transformation, lie not only in our expert people, but also in the wealth of methods and tools that have been iteratively improved over many engagements to deliver our service. They also act as a powerful way of speedily training our young consultants, making the thought leadership and methods readily available to them learning on the job, as well as holding specific training on certain methodologies that will allow them to perform at the high level our clients demand from a KPMG consultant.

Pillar 1: Ethical Behaviour

To make all of these resources available we invest time in our own research and innovation, including tapping into well regarded research providers or working with universities and other companies through joint ventures and alliances.

Pillar 2: Client Service and Value



Rewarding successes

We make a habit of rewarding special achievements as a way of incentivising innovation, continuous improvement and adherence to our high standards. We do this by building in client and engagement feedback as a key requirement into our performance management process. We also make use of special recognition awards, to reward instances of exceptional performance. Locally our engagement teams regularly reward their teams in different ways, be it feedback or events to mark major milestones and achievements. As a firm we also publicise these achievements through email, newsletter and leadership communications. In that way all our people get to learn about our collective successes and the behaviours that led to them.

Pillar 3: Professional Development

Conclusion





04: Pillar 3

Professional Development

Our strategy

Pillar 1:
Ethical Behaviour

The success of KPMG depends upon the quality of our people, which is why we train and develop our client service and support staff throughout their careers. To enable this we have highly-structured career counselling and learning and development programmes. Our approach to Professional Development is best captured in our value “Excellence, we never stop learning and improving”.

Pillar 2:
Client Service
and Value

Our Performance Management concept urges colleagues to take a conscious and deliberate approach to professional development that provides the right skills, both technical and personal, at the appropriate point in their careers. This involves a personalised blend of formal courses, mentoring, coaching or personal development activities. Everyone is encouraged to identify their own requirements in discussion with their managers and in line with their goals, which are refreshed on a regular basis in line with KPMG’s Open Performance Development approach.

Pillar 3:
Professional
Development

Conclusion



Mandatory training

KPMG regularly requires all client-facing personnel to undertake relevant training on anti-bribery policies and compliance with laws (particularly the UK and US legislation), regulations and professional standards. KPMG also provides non-client-facing personnel who work in Finance, Procurement or Sales and Marketing departments, and who are at Manager level and above, with appropriate training. All new Partners and employees receive such training, as applicable.



Professional and personal development

We continue to offer an extensive range of blended learning for all individuals, as mentioned in our previous report. These include transition programmes (values day, promotion milestone events), Engagement Manager trainings, and several others. More recent developments include:

- Compass was launched in February 2023 and acts as the front door / shop window for all learning within Consulting. We have designed it with the end users in mind therefore we have reduced search time and organised learning into four areas – based on career stage. The four areas are New Joiners, Early Careers, Experienced Consultants, and Leaders. Every consultant will find learning relevant to professional and technical skills. We also have a section called ‘Learn for a Lifetime together’ which incorporates one KPMG value and pillar. Have you Compassed IT? In the last 90 days, Compass has had almost 18,000 site visits. From October 2023 all colleagues joining our Consulting team on our Graduate Scheme or as an Apprentice will be enrolled with the ChMc and supported to achieve the Chartered Management Consultant (ChMC) award by attending Core Consulting skills 101 training.
- Learn for a Lifetime together is available via the home page on Compass. Plus, every Thursday at 3pm we release 3 pieces of short bitesize learning to excite, engage and enable outside in thinking. The idea is to share learning content that is quick and easy to access and absorb. Some of the topics we spotlight include Men’s Mental Health where we interview colleagues lived experiences and sign post to our wellbeing teams for further advice and support. We have also spotlighted IT’s Her Future podcast, which aims to introduce female colleagues to areas of technology and provide a resource on some of the topics which face women in the workplace.



Our strategy

- In addition to 3@3, we have three others navigation 'tiles' in the Learning for a Lifetime section, **Consulting Chats** includes best consulting practice, **Learning in Business** includes short video clips on performance and innovation with a final section regarding access to key business books and Podcasts for anytime and anywhere learning with a solution called **GetAbstract** where we share downloadable books or podcasts that support career development. Together via Compass the learning provision provides access to world class learning e.g. LinkedIn, Pluralsight and O'Reilly Learning. Furthermore, there are now key learning partnerships in place with the **British Computer Society** and Credly in terms of offering digital badges.
- Core Consulting Skills 101 (CCS 101) is our flagship Consulting programme. After a successful pilot in Autumn 2022, we have been in full flow delivering to **over 1000** colleagues since February 2023. We plan to deliver to another **160 to graduates and apprentices by January 2025**. CCS 101 is targeted at our new joiners or colleagues who are new to Consulting. The focus of CCS 101 is on the why/purpose consulting which includes role play case study scenario to analyse how well individual performance is when working with clients. There is a deliberate emphasis around the value of **high performing teams (using a profiling tool called Tetra Map), non-verbal communication, alpha v dominant power and 3D's (Deep Empathy, Deep Collaboration Deep Expertise).**

Enhanced Consulting solutions namely 201 (Grades C-B) and 301 (Grades B-A) are in design with plans to pilot in July and September 2024 ready to roll out in January 2025.

Feedback from the Consulting 101 sessions:



As a Manager in Consulting who came in as an Accountant, I had some insecurities/imposter syndrome on being a Consultant. This week, along with the Top on Compass, has left me feeling way more confident on how to articulate myself and deal with clients, and finally own the idea of being a consultant.



Aisha Shabir FCCA, Finance Transformation, Corporates Consulting

ChMc. - Our partnership and accreditation with the ChMc is now a significant step forward for the firm. We are pleased to confirm that the firm has recently passed its reaccreditation with the ChMc. In addition, all graduates and apprentices who joined the firm in 2023 are following the ChMc syllabus and the pathway to associate and ultimately chartered status. We certified 827 consultants in Y23 so that learning from CCS101 counted towards the 'learning credits' for the overall ChMc award.

Partner collaboration sessions – Introducing our Partner Conversations Partner Conversations is a series of virtual sessions which will be broadcast live to provide insights on a whole range of leadership topics in a forum where our Partners can engage with trusted experts and industry thought leaders as well as their peers on topics that matter most.

Continuing Professional Development (CPD) - From 1 November 2023, revised continuing professional development (CPD) regulations were introduced by the ICAEW. Everyone covered by the regulations has been required to complete each year (30-50) of CPD hours. Plus, a number of the CPD hours were needed to be verifiable along with a minimum of one hours ethics training aligned to the ICAEW code of ethics. The consulting learning team developed a plan of action which supported the ICAEW plans.



Support for professional training

We are continuously reviewing the student pathways and industry recognised professional qualifications and accreditations to ensure that our students are best equipped with the right skills and knowledge to operate in the consulting environment. As previously mentioned we now have a wealth of partnerships with several external providers such as Coursera, Intuition, Pluralsight, A Cloud Guru, DataCamp, Credly, O'Reilly, LinkedIn Learning, GetAbstract, and many more.

The firm gives our graduate cohort financial support and builds in time to study for an appropriate professional qualification (e.g. CIMA, CFA, ACA, CIPD). Graduates are supported through this by the Professional Qualifications & Accreditations Team. There are additional professional accreditations that all colleagues have access to according to their own development and the business need. We encourage wider networking via membership of trade and professional bodies or participation in trade conferences.



Colleague Wellbeing

Our strategy

At KPMG we champion an environment that recognises the importance of health and wellbeing and allows you to be at your best. In line with our Together value we show care and consideration for others. Our people are what make our firm a success. We recognise the importance of health and wellbeing in enabling our people to be at their best - so we make it a priority. Modern life comes with a variety of challenges, but we focus our wellbeing strategy and pillars on the areas that are most impactful:

- Mental health; (BeMindful network with 17,000 members across the firm and a committee team of 12 with two co-chairs).
- Preventative health;
- Financial wellbeing; and
- Supporting working families.

Our wellbeing strategy has been shaped by listening to our people and developed with specialists in these fields. We aspire to empower our people to bring their whole self to work and achieve their optimal level of health, wellbeing and performance in and outside of the workplace. As part of our strategy, we provide all our colleagues with extensive access to essential services, guidance and support networks, helping you to thrive in a hybrid working environment.

We regularly monitor the effectiveness of the services on offer and initiatives we lead - measuring colleague wellbeing, service uptake and wider trends - to help develop and improve what we do and respond to the ever-evolving pressures on peoples mental, physical, social and financial health.

Examples:

- 76% of the firm completed the Global People Survey (GPS) in September 2023, which is our highest completion rate to date.
- 360 Feedback – 90% completion across the firm.
- We remain a highly attractive profession and our graduate schemes are consistently over-subscribed. This year we welcomed around 1,400 graduates and apprentices, and we are proud of the role we play in training the next generation of industry leaders.
- Half of people with cancer are too afraid to tell their employers, so KPMG UK signed up to theWorking With Cancer pledge. Our firm’s WorkAbility employee network is focused on the inclusion of colleagues with a disability or long-term condition, including a dedicated cancer community. And having worked closely with this community, our pledge recognises the impact of cancer diagnosis, treatment and recovery, ensuring they have the support they need.



Wider support of individuals

Every employee has both a Performance Manager ('PM') who is responsible for their performance, career development and pastoral care, and a Performance Leader ('PL') who focuses on the same at a team and group level. The performance and career planning cycle starts with our new financial year, where the firm’s objectives are cascaded to all our people and we incorporate those into our individual goals for the year. The yearly goals contain a mix of business and personal development objectives and PMs work with their people throughout the year to monitor progress and to ensure regular feedback as part of KPMG’s open performance culture.

PMs and PLs also support requests for flexible or 'intelligent' working, to suit the needs, of their people. We have leaders that serve as role models for intelligent working, many receiving awards from Timewise Power Part Time.

All people can access either formal or on-the-job coaching as required. For example our in-house coaching team provides valued coaching to our maternity, paternity and parental leave returners to best prepare them for returning to work. Partners and Directors can access these executive coaches at any time.



Our strategy

Pillar 1:
Ethical Behaviour

Pillar 2:
Client Service
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Pillar 3:
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Conclusion



05: Conclusion

Excellence is always the focus of our consulting services, people and client solutions. We are committed to the Consulting Excellence scheme, which brings together the organisations that are members of the MCA with a view to making the industry better, with regards to reputation, public trust and access to talent.

We hope that the evidence cited above for each of the three pillars will have provided you with the confidence that KPMG lives Consulting Excellence every day.

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