



# Ethics & Compliance Program: Overview

**One firm. “Above all, we act with integrity”**

At KPMG, we are proud of our commitment to ethics and integrity and the way we have embedded our values—including **“Above all, we act with integrity”**—into all aspects of our business. KPMG—through its people, values, programs, and policies—has made it a priority to help ensure that we have an ethical culture where everyone embraces a sense of personal responsibility for doing the right thing in the right way.

This overview highlights how the firm’s culture of professionalism and integrity is supported by our ethics and compliance program, which guides our people as they do their jobs—through a meaningful governance framework, resources and tools; training and communication; and a robust compliance program. Everyone is encouraged to raise their hands when they have questions and concerns, and retaliation of any kind is strictly prohibited.



## Culture

### Our values

Our values lie at the heart of who we are, what we do, and how we do it. They define our culture and our commitment to the highest principles of personal and professional conduct reinforcing that “Above All, We Act with Integrity.” They are an expression of how our people should be relating to each other, and what we expect of our clients and vendors. In turn, they also signify what our clients, vendors, and the marketplace should expect of us.

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Our values can be found in online and offline resources throughout the firm, including one of our most essential tools: [KPMG's Code of Conduct](#).

***We Lead by Example*** at all levels, acting in a way that exemplifies what we expect of each other and our clients.

***We Work Together*** bringing out the best in each other and creating strong and successful working relationships.

***We Respect the Individual*** respecting people for who they are and for their knowledge, skills, and experience as individuals and team members.

***We Seek the Facts and Provide Insight*** challenging assumptions, pursuing facts, and strengthening our reputation as trusted and objective business advisers.

***We Are Open and Honest in Our Communication*** sharing information, insight, and advice frequently and constructively, and managing tough situations with courage and candor.

***We Are Committed to Our Communities*** acting as responsible corporate citizens, and broadening our skills, experience, and perspectives through work in our communities.

***Above All, We Act with Integrity*** complying with all applicable laws and regulations, upholding the highest professional standards, providing sound advice, and rigorously maintaining our independence.

***Integrity underlies all the principles in our Code.***

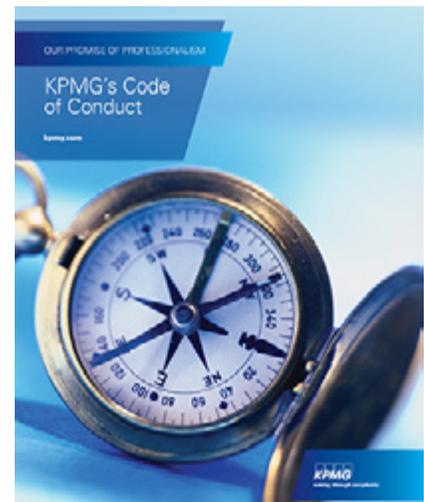
## Code of Conduct

The firm's Code of Conduct is at the heart of our ethics and compliance program. It helps us to articulate our standards of behavior as we approach our work with professionalism and integrity. By setting forth in clear, conversational prose our core values, shared responsibilities, channels of communication, as well as key policies and protocols, the Code provides a roadmap to guide how our individual and collective commitments to professionalism and integrity should be manifested and maintained.

At the time of hire, and each year thereafter as part of an annual confirmation process, every one of our people is asked to confirm in writing that he or she has reviewed the Code, understands it, and agrees to adhere to our core values, shared responsibilities, global commitments, and promises.

Our commitment to integrity also extends to vendors who conduct business with KPMG. They should read and understand our Code, and they are expected to follow our Code when working with us.

KPMG's Code of Conduct is available on the firm's Web site: [www.kpmg.com](http://www.kpmg.com)



## Ethics and Compliance Program

- Provides information and tools to help our partners and employees act with professionalism and integrity.
- Empowers our people to raise questions and concerns without fear of retaliation.
- Promotes an ethical culture in which every individual understands and embraces his or her personal responsibility for doing the right thing in the right way.



# The communication imperative

## Touch-points

Clear, consistent and ongoing communication, training, and reinforcement are necessary when building a culture of professionalism and integrity. For KPMG, that important process begins even before new recruits join our firm and continues as employees build their careers with us. At various “touch-points,” we reinforce the firm’s expectations around doing the right thing in the right way, and reaffirm that no one has to go it alone.

Our touch-points include:

- Recruiting and orientation of campus and experienced new hires, where the firm’s commitment to professionalism and integrity is communicated through presentations, interviews, and training.
- Ongoing performance management, which includes an evaluation of the individual’s performance with respect to ethics and integrity goals.
- Critical milestones, including new managers and new partners, where a person’s history of compliance with our core values and policies are assessed.
- Upon separation from the firm, when questions are asked about the individual’s experience with the firm’s ethical culture.

## Training and communications

Every KPMG partner and employee is trained on the firm’s Code of Conduct upon joining the firm. Then, every two years thereafter, we refresh their understanding with online training on the Code, ethical decision making, and relevant compliance areas.

Ethics and compliance learning points are also incorporated into the firm’s in-person technical and leadership training. Training effectiveness is measured through course completion and evaluation surveys. In addition, a Quarterly Training Summit brings together all of the firm’s professional training leaders to discuss plans, compliance trends, and opportunities for embedding key ethics and compliance messages in training programs.



## Other program resources

- Our Ethics and Compliance Resource Center provides KPMG’s personnel with access to timely information about ethics and compliance issues and requirements.
- The firm’s internal news source, *KPMG Today*, is used to convey elements of KPMG’s ethics and compliance program and related compliance topics.
- The firm’s *Employee Engagement Survey* and focus groups are used to assess the firm’s ethical culture.



# Program oversight

## Governance

Governance is more than an organizational chart. Good governance requires that checks and balances exist at every level to help ensure transparency and objective monitoring of the actions and culture of the organization. KPMG has taken a number of meaningful steps to design a governance structure that supports a model ethics and compliance program.

Among these are the separation of the firm's legal, risk and regulatory responsibilities from business operations. The firm's Vice Chairman – Legal, Risk and Regulatory also serves as the firm's Chief Legal Officer and oversees the firm's legal, risk management, government affairs and ethics and compliance activities. Further, the Professional Practice, Ethics and Compliance Committee of the firm's Board of Directors provides oversight and approves the firm's strategy in these areas.

## Governance structure

Additional elements of KPMG's ethics and compliance governance include:

**Legal, Risk and Regulatory Committee** – the principal management-level structure through which the ethics and compliance program is designed, implemented, and evaluated for effectiveness and by which compliance-related issues flow up to the Board. The Committee also reports to the Board on how the firm manages risk.

**Chief Compliance Officer** – responsible for the overall day-to-day execution of KPMG's ethics and compliance program, with an independent reporting relationship to the Chair of the Board's Professional Practice, Ethics and Compliance Committee.

**Management Review Panel (MRP)** – monitors discipline and other remedial actions taken in response to substantiated incidents of noncompliance with applicable law, regulation, or firm policy and helps ensure fairness and consistency of remedial action across the firm. The MRP is comprised of senior leaders from all functions within KPMG and also is charged with determining sanctions for violations of the firm's independence policies.





# Raising concerns

Our Code of Conduct affirms that it is every individual's responsibility to say something when he or she sees or experiences conduct that is inconsistent with a particular law, regulation, professional standard, or KPMG policy—or any behavior that may be incompatible with our core values. By raising their concerns, our people help us to deliver on our commitment to professionalism and integrity. Every concern that gets raised is reviewed and evaluated in a timely and considerate manner and, where necessary, appropriate corrective or disciplinary action is taken.

## Channels of communication

At KPMG, our people have a number of communication channels open to them if they have a question or concern. Generally, the best starting point is an individual's people management leader or supervisor, but our people are always encouraged to report issues to whomever in leadership they feel comfortable consulting. Our engagement partners, practice leaders, and office managing partners are prepared to hear concerns, as are our more centralized resources, such as the Chief Compliance Officer, the Ombudsman, Human Resources, the Office of General Counsel, and the Ethics and Compliance Group.

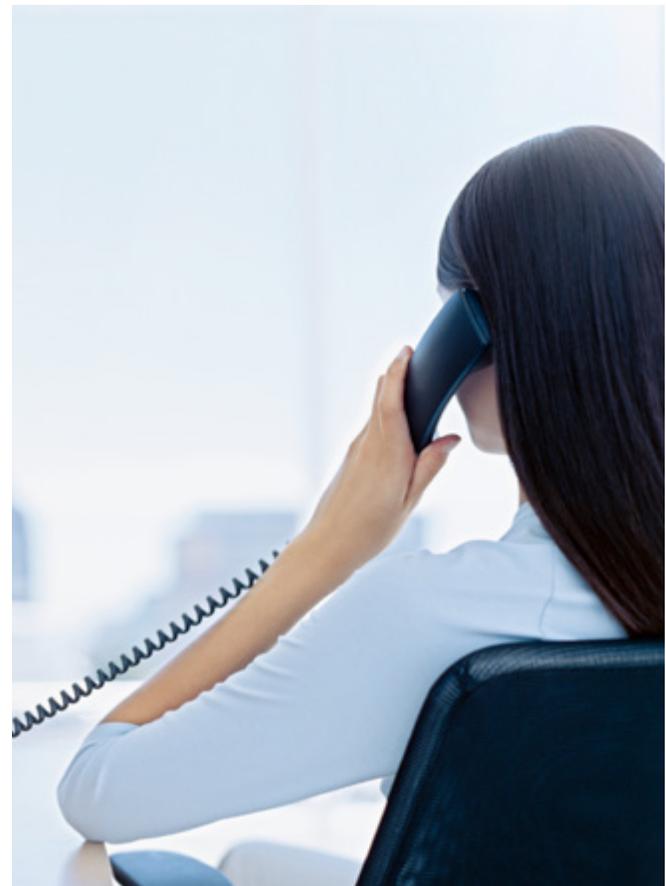
## Ethics and Compliance Hotline

Understanding that there are times when our people may feel uncomfortable raising concerns to these resources, KPMG offers an Ethics and Compliance Hotline, available at **1-877-576-4033** or [www.kpmgethics.com](http://www.kpmgethics.com).

The Hotline is a confidential and, if desired, anonymous reporting mechanism that facilitates reporting of possible illegal, unethical, or improper conduct. It is available 24 hours a day, seven days a week, to anyone, including all our personnel, clients, contractors, vendors, and partners and employees from other KPMG member firms. Additional information on reporting to the Hotline is available at [www.kpmgethics.com](http://www.kpmgethics.com).

## Ombudsman

KPMG's Ombudsman serves as one of several designated channels of communication through which firm personnel may raise professional practice issues involving public company audit clients and their foreign operations. The Ombudsman operates under the firm's policies of confidentiality and non-retaliation, and may be contacted directly at 212-909-5100 or [us-ombudsman@kpmg.com](mailto:us-ombudsman@kpmg.com). Reports to the Ombudsman also can be made through the Ethics and Compliance Hotline at **1-877-576-4033** or [www.kpmgethics.com](http://www.kpmgethics.com).





## Retaliation: Zero tolerance

KPMG prohibits retaliation against anyone who, in good faith, reports possible misconduct or participates in an investigation, even if sufficient evidence is not found to substantiate the concern. KPMG will take appropriate action against any individual determined to be engaged in retaliatory conduct.

To protect identified reporters and other investigation participants from retaliation, KPMG maintains a program to monitor specific career metrics (e.g. employment status, performance evaluations, chargeability), and follows up when necessary to determine whether an individual may have been subject to retaliation.



## Monitoring for compliance

Although responsibility for compliance ultimately rests with every partner and employee, the firm supports individuals with a compliance structure that is designed to empower their success. A robust compliance monitoring program is conducted by the Ethics and Compliance Group, whose professionals manage independence audits of individuals and the firm and monitor compliance with continuing professional education, CPA licensing, and mandatory training requirements, among other things.

KPMG's compliance efforts are supported by partnerships with other firm resources, including Risk Management, Human Resources, Firmwide Security, the KPMG Business School, the Office of General Counsel, and others.

## Key contacts

For more information, contact a member of the Ethics and Compliance leadership team:

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