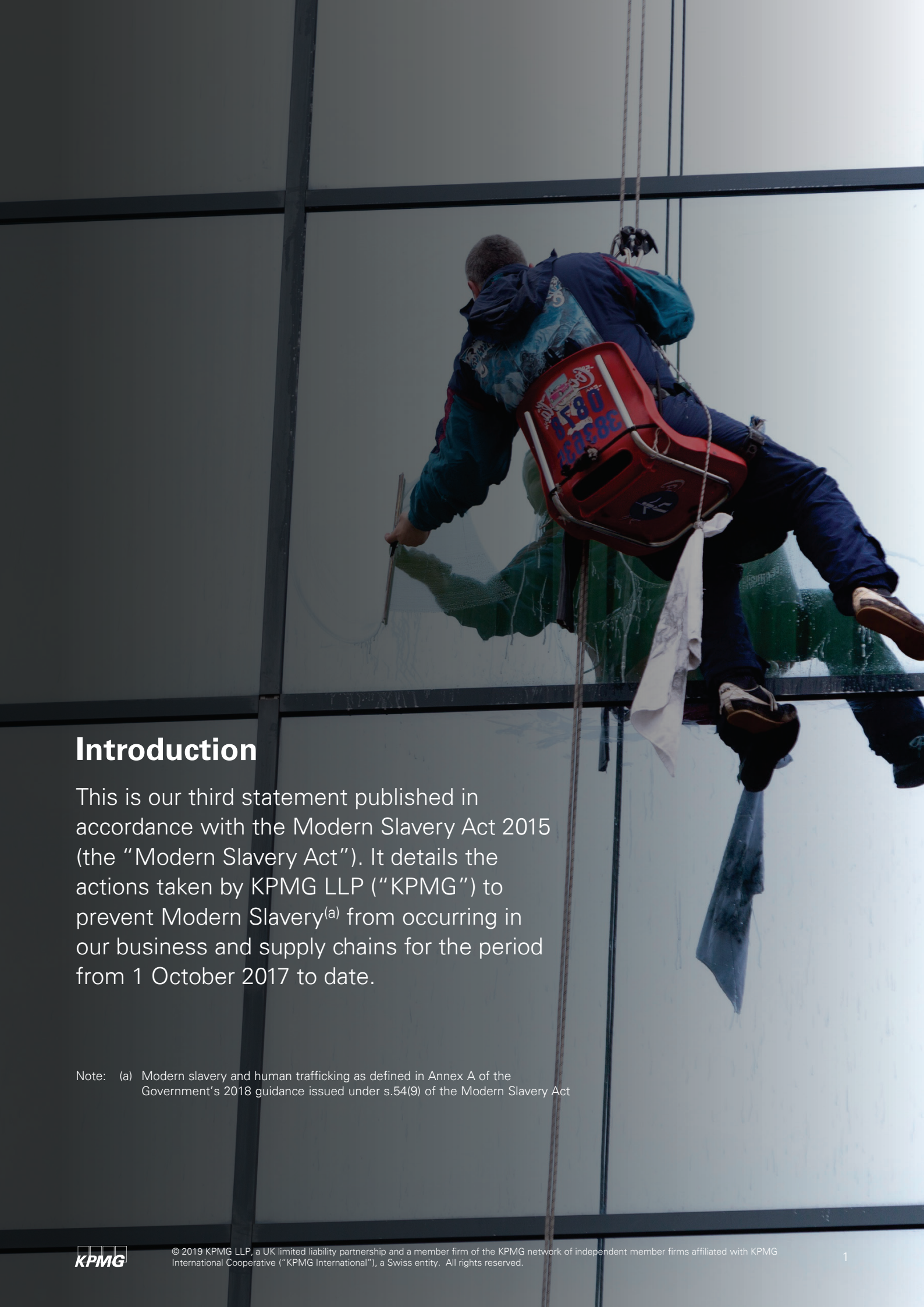




Modern Slavery Statement

March 2019



Introduction

This is our third statement published in accordance with the Modern Slavery Act 2015 (the “Modern Slavery Act”). It details the actions taken by KPMG LLP (“KPMG”) to prevent Modern Slavery^(a) from occurring in our business and supply chains for the period from 1 October 2017 to date.

Note: (a) Modern slavery and human trafficking as defined in Annex A of the Government’s 2018 guidance issued under s.54(9) of the Modern Slavery Act

A year of progress

In the period leading up to the publishing of this Statement we've continued our existing commitments as well as introducing new actions to tackle the risks of Modern Slavery.

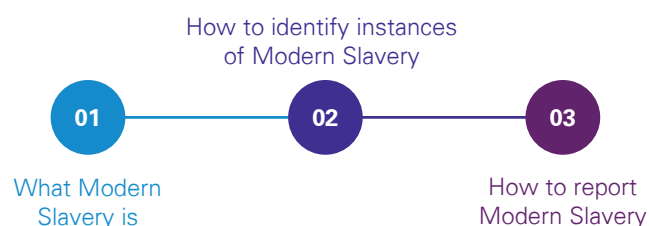
Our Modern Slavery steering committee

In our last statement we committed to maintaining a Modern Slavery steering committee (the "committee"), bringing multidisciplinary stakeholders together to address the challenges of tackling Modern Slavery risks. The committee has held meetings quarterly during the year.

Colleagues from the Office of General Counsel, Procurement and External Affairs sit on the committee. Our Risk & Compliance subject matter experts also sit on the committee in order to give the committee insight into the best practice approaches that they share with clients. The committee's diversity of expertise adds a fresh level of challenge to the actions that we are taking as a business. They make sure KPMG's approach to tackling Modern Slavery is up to date with regulatory, and best practice developments.

Training all colleagues on Modern Slavery

All active partners and employees attend training on:



This training was completed by 100% of active employees and partners in the firm as at 8 October 2018.



The training is mandatory for all new joiners.

In the context of Modern Slavery, this is one of our **biggest achievements** over the past year.

Our analysis led us to conclude that KPMG is a low-risk business in terms of Modern Slavery occurring in our firm. We recognise, though, that our people may witness Modern Slavery, particularly in the context of our client work. Consequently we wanted to inform and encourage them to raise an issue if one arises.

Engaging with our key suppliers

Many of our suppliers are mature and established organisations who accordingly take a thoughtful and risk-based approach to Modern Slavery, but we recognise that not all our suppliers may be so committed. We believe KPMG has a role to play in sharing best-practice approaches on Modern Slavery with all suppliers, and we do this regardless of whether they are legally required to publish their own statement.



In addition, we continue with our commitment to human rights, which we explain in more detail below.

Modern slavery statement

Our structure, business and supply chain

Our structure

KPMG is a Limited Liability Partnership, incorporated under the Limited Liability Partnerships Act 2000. We provide professional services, notably audit, tax, pensions and legal, deal advisory and consulting.

KPMG is the UK member firm of KPMG International, a Swiss cooperative that serves as a coordinating entity for a network of independent member firms that provide professional services.

KPMG International is a signatory of the United Nations Global Compact, and has been since 2002. This means KPMG International must issue a '[communication on progress](#)' to the UN Global Compact each year. KPMG International monitors member firms' compliance with KPMG International's Global Quality & Risk Management and People & Culture policies.

KPMG is led by the Senior Partner, who also chairs the Board. The Board is responsible for ensuring there is a satisfactory framework for managing cultural, ethical, risk and reputational matters affecting KPMG. This statement has been reviewed by the Risk Committee before being presented to the Board for approval.

Our website has more information on our leadership and governance

KPMG has two subsidiaries with a turnover of more than £36 million: KPMG UK Limited and KPMG United Kingdom plc. KPMG wholly owns and controls both entities. They are subject to the same policies and procedures as KPMG (as are all of our subsidiaries). This statement applies equally to KPMG, KPMG UK Limited and KPMG United Kingdom plc.

Our business

We have sophisticated and advanced processes in place to help prevent Modern Slavery from occurring in our business. We train all staff, so they understand what Modern Slavery is. We encourage all staff to share any concerns that they may have, using our internal tool, Risk Connect; or by calling our Speak Up hotline.

Supply chain

In the year 1 October 2017 to 30 September 2018 we sourced goods and services from over

3,500
suppliers



All contracts entered into on our standard terms include our Supplier Code of Conduct, including those entered into during the period of this statement. This Code of Conduct includes specific reference to the Modern Slavery Act and cascades our values and practices along the supply chain.

Since our last statement, where we outlined our training for procurement professionals, we have built on this further.

We spent approximately

£450



million with these suppliers

“ Now our procurement team can lead negotiations around Modern Slavery. Legal professionals from the Office of General Counsel support the team in these conversations. ”

Our policies

Our policies reflect our commitment to tackling Modern Slavery in both our business and supply chain. The policies also outline sanctions that exist, for breach of these policies which would be addressed using our Disciplinary Policy.

Our anti-slavery & human trafficking policy applies to our partners, employees and third-party consultants. Our Supplier Code of Conduct applies to our suppliers. During the year 2017/2018 we did not receive any reports of breaches of either the internal policy or the supplier code of conduct. Given the training we have offered partners and employees, we do not attribute this to a lack of awareness.

KPMG was the first organisation to become an accredited Living Wage employer and we are a founding Principal Partner of the Living Wage foundation. We encourage all our suppliers to pay the Living Wage and pursue accreditation. This is an important aspect of our Modern Slavery position and helps to raise the employees of our direct service providers out of working poverty.

Due diligence processes in relation to slavery and human trafficking in our business and supply chain, and our assessment of risk

As part of our ongoing risk assessment, we have built upon the detailed due diligence of our suppliers that we performed last year.

We have taken a risk-based approach into our supplier review, one that captures and prioritises different levels of Modern Slavery risk in our business and supply chain. We evaluate the measures and controls that suppliers have in place to address risks of Modern Slavery, and work to have open conversations with suppliers where we are concerned that there may be issues.

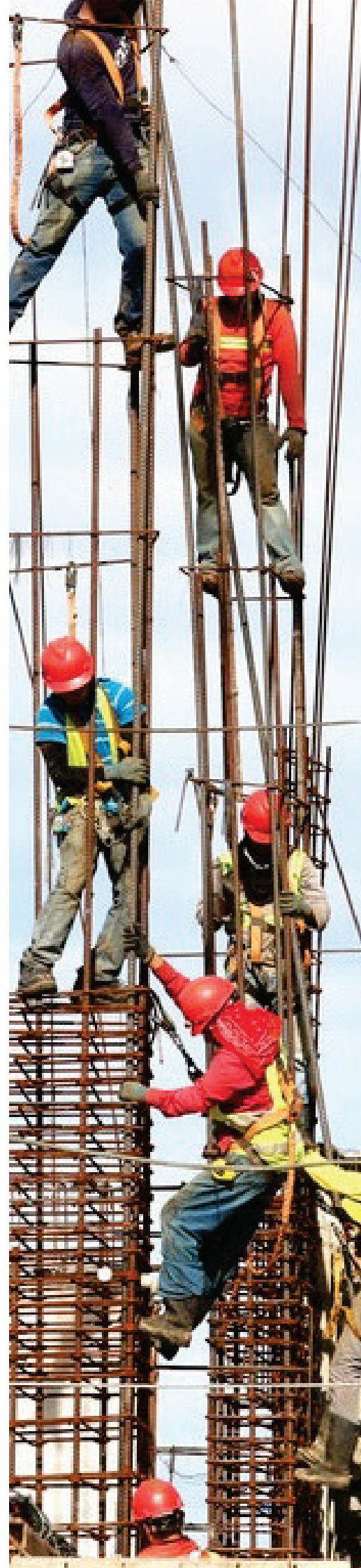
Our effectiveness in ensuring Modern Slavery is not in our supply chain

The steering committee met quarterly during the year. In addition, they met on an ad-hoc basis, with subject matter experts, the Office of General Counsel, Procurement and other areas. At the end of the calendar year, we undertook a comprehensive review on our progress and used the findings to determine next steps.

We're committed to addressing Modern Slavery and are pleased with the progress we've made so far. We know there is more we can do, though. As such, we will continue to deepen our due diligence programme, so we capture all suppliers. This will be a focus for the 2018/19 financial year.

Training available to our staff

One area of progress this year has been training. Initially, we wanted to increase the procurement team's awareness of Modern Slavery, given its role in influencing our supply chain. We then turned our attention to the remainder of our business. 100% of active employees and partners in the firm as at 8 October 2018 (and all new joiners since) have undertaken mandatory training about Modern Slavery. We also issued a firm-wide communication, highlighting the issue of Modern Slavery.



Modern slavery statement

Our commitments for next year

Further visibility over the supply chain

Our procurement approach will develop over the next year with the introduction of a new Purchase to Pay ('P2P') system. This system will provide full visibility over our supply chain, including the smallest suppliers.

This will enable us to conduct further due diligence next year on a broader range of suppliers.

Contractual terms

Under the new P2P system, all standard purchase orders will have KPMG's terms and conditions attached to them; they set out our expectations regarding suppliers' approach to Modern Slavery.

This offers the opportunity to embed our approach with a huge variety of suppliers, and also gain comfort that what we are doing is reaching all parts of our supply chain.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and was approved by the Board of KPMG LLP. It constitutes our modern slavery and human trafficking statement for the year ended 30 September 2018.

Signed:

Jeremy Barton
General Counsel
KPMG LLP
Date: 21 March 2019



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