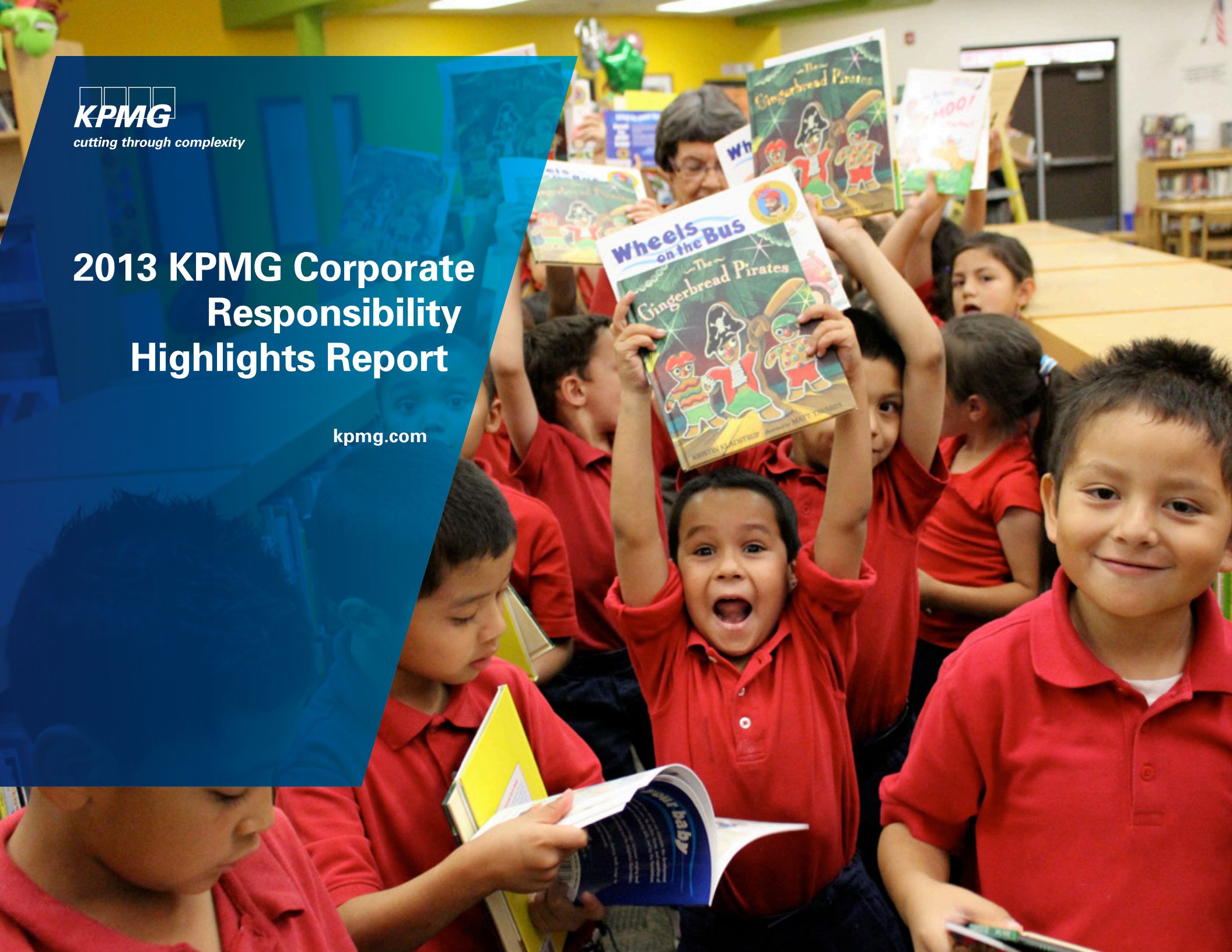




cutting through complexity

# 2013 KPMG Corporate Responsibility Highlights Report

[kpmg.com](http://kpmg.com)



# A Message from John Veihmeyer and Kathy Hopinkah Hannan

In today's marketplace, great businesses distinguish themselves by the quality of service they provide their customers and clients and the commitment they have to their people, suppliers and communities.

That is why KPMG has developed an expansive vision of corporate responsibility, establishing four pillars that cover a wide array of vital priorities: Integrity, Diversity and Inclusion, Corporate Citizenship, and Living Green. Individually, these pillars guide our actions on a daily basis. Collectively, they are the heart of our organization and ensure that we continue to strengthen our organization for years to come.

Fulfilling our corporate responsibility vision means challenging ourselves by establishing bold goals in areas such as diversity. It means we focus support in areas that impact the community as much as they impact our business, such as our investments in the full continuum of education, which begins with pre-school children and continues through to PhD programs.

Great businesses do not rest on past achievements. At KPMG, we will always focus on making a positive difference in the communities in which we live and work. We will continuously strengthen our culture of inclusion, and reinforce our commitment to integrity and ethics in everything we do. This is how we inspire confidence and empower change. It is one of the reasons why *Corporate Responsibility Magazine* recognized KPMG as an organization that "visibly exceeds standards in the areas of employee relations, environmental impact, human rights, philanthropy and corporate responsibility practices."



John Veihmeyer



Kathy Hopinkah Hannan

This Corporate Responsibility Highlights Report shows how we live out our vision of corporate responsibility through our day-to-day interactions with each other, our clients and the public markets we steward. The success stories range from service to our communities to protecting the environment and beyond. We are proud of the good works showcased in this report, and inspired to strive for greater achievements in the years ahead.

We welcome your feedback and questions. Thank you for your shared commitment to corporate responsibility.

John Veihmeyer  
Chairman & Chief Executive Officer

Kathy Hopinkah Hannan  
National Managing Partner  
Diversity and Corporate Responsibility

On the cover: KPMG's Family for Literacy (KFFL) combats childhood illiteracy by providing new books to underserved children—in many cases, the first books they have ever owned. KPMG volunteers and their families participate by raising money, visiting classrooms and reading to children. Since its inception, KFFL has provided more than 2 million books to children in need.





# KEY METRICS

## CITIZENSHIP METRICS

VOLUNTEER HOURS TOTAL

**113,392**

FIRMWIDE CONTRIBUTIONS

**\$26,967,745**



BOARD OF DIRECTORS



## D&I METRICS

DIVERSITY



## LIVING GREEN METRICS



ELECTRICITY  
USAGE

**-2%**  
LAST  
YEAR

**-19%**  
SINCE  
2010



PAPER  
CONSUMPTION

**-10%**  
LAST  
YEAR

**-28%**  
SINCE  
2010





KPMG's corporate responsibility strategy—and the business decisions we make—are driven by four pillars: Integrity, Corporate Citizenship, Diversity and Inclusion, and Living Green.

This report highlights how we fulfill our corporate responsibility vision and commitment.

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# “We are as close as anyone to the details, so integrity and ethics are crucial at my level.”

## Corban Bell, Audit Associate, San Francisco

Corban Bell is adamant that integrity and ethical practices are crucial to providing excellent client service. For associates like Bell, who work directly with client materials and have access to their internal documents, integrity is critically important. “Associates are as close as anyone in KPMG to the details of our clients’ operations,” he explained.

After three internships with KPMG, Bell joined the San Francisco office in 2013 to work in the Alternative Investments practice. Based on his internship experiences with the organization, Bell knew exactly why he wanted to work for KPMG.

“I was always assessing my options before joining full-time, but for me there were two reasons why I joined KPMG: I had built relationships with people that I looked forward to working with, and I had an interest in the alternative investments space.”

The fact that KPMG’s culture of integrity aligned perfectly with Bell’s own personal work ethos fueled his decision. “Overall there are two ideas that guide my work style: I want to behave towards others in a way that I want others to behave towards me, including being courteous, honest, respectful and compassionate; and I want to lay my head on my pillow at night feeling proud of the actions I took and the decisions I made that day.”

“I think my values echo our organization’s values,” Bell concluded.

Right: Our commitment to integrity and ethical practices helped attract Corban Bell to KPMG in 2013.



## Integrity

At KPMG, we have 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. The firm’s culture of professionalism and integrity is supported by our ethics and compliance program.

Our program guides our people as they do their jobs through...

- A meaningful governance framework, resources and tools;
- Training and communication; and
- A robust compliance structure.

Everyone is encouraged to raise their hands when they have questions and concerns, and retaliation of any kind is strictly prohibited.

At KPMG, we are proud of our commitment to ethics and integrity and the way we have embedded our core values into all aspects of our business, including:

“Above all, we act with integrity.”

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## Incident Reports\*



**REPORTS RECEIVED BY THE FIRM**  
THAT WERE INVESTIGATED BY VARIOUS FIRM RESOURCES,  
UNDER THE AUSPICES OF THE CHIEF COMPLIANCE OFFICER



**OF THE REPORTS WERE MADE**  
THROUGH KPMG'S ETHICS  
AND COMPLIANCE HOTLINE



**OF THE REPORTS MADE**  
THROUGH KPMG'S HOTLINE  
WERE MADE ANONYMOUSLY

## Actions Taken\*

As a result of issues raised in the reports received, the top actions taken for substantiated cases included: counseling, additional training, reprimands (written and verbal), separation from the organization (terminations/resignations), and impact to compensation, rating, and/or bonus (reductions).

At KPMG, we are proud of our commitment to ethics and integrity and the way we have embedded our core values—including “Above All, We Act with Integrity”—into all aspects of our business. Through our people, values, programs, and policies, we have made it a priority to help ensure that we have an ethical culture in which everyone embraces a sense of personal responsibility for always doing the right thing in the right way.

KPMG's Code of Conduct is at the heart of our ethics and compliance program. It helps us articulate our standards of behavior as we approach our work with professionalism and integrity.

Every new hire receives training on the Code of Conduct upon joining KPMG. Then, every two years thereafter, we refresh their understanding with online training on the Code, ethical decision making, and relevant compliance areas. This training qualifies for Continuing Professional Education credit.

At the time of hire, and each year thereafter as part of an annual confirmation process, all of our people affirm in writing that they have reviewed the Code, understand it, and agree to adhere to our core values, shared responsibilities, global commitments, and promises. Further, at various touch-points—from recruiting and orientation, through ongoing performance management and critical career milestones—we reinforce KPMG's expectations.

KPMG's governance structure provides checks and balances at every level to help ensure transparency and objective monitoring of our actions and culture. This structure includes:

- Oversight by the Legal, Risk and Regulatory committee, which is 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 KPMG's Board of Directors;
- The chief compliance officer who is responsible for day-to-day execution of the program; and
- A management review panel, comprised of senior leaders from all functions within KPMG.

Further, the Professional Practice, Ethics and Compliance Committee of KPMG's Board of Directors provides oversight and approves the organization's ethics and compliance strategy.

Ultimately, and most importantly, it is every individual's responsibility to report conduct that is inconsistent with a particular law, regulation, professional standard, KPMG policy—or any behavior that may be incompatible with our core values—when he or she sees or experiences it. We provide many channels for reporting issues, including confidential and anonymous options. And we proactively seek to protect anyone who reports misconduct from retaliation.

\*Between January 1, 2013, and December 31, 2013

## “Integrity and ethical behaviors are core to leadership.”



Above: From her perspective as a member of the KPMG Board of Directors' Professional Practice, Ethics and Compliance committee, Claudia Saran has a bird's eye perspective on our ethics and compliance practices.

### Claudia Saran, Advisory Partner, Chicago

Integrity by example is exactly what Claudia Saran expects of herself and of her KPMG colleagues.

“As leaders we must practice integrity. We must operate with transparency, honesty, self-awareness, and the ability to course correct when we need to adjust,” said Saran. All of these skills, she added, are necessary to effective leadership and can be learned and practiced by those aspiring to become valued leaders.

At KPMG, Saran noted, integrity and ethical behavior are pervasive and overt. “They are stated in our values, demanded as a skill set and inherent in all the work we do internally and externally, at all levels of the organization.”

Saran serves as a member of the KPMG Board of Directors and sits on the Professional Practice, Ethics and Compliance committee, giving her a bird's eye view of the organization's robust processes and practices and how they safeguard ethical behavior.

She noted that the KPMG Board of Directors commits time and attention to thoroughly managing processes pertaining to multiple reporting channels that include anonymous options; metrics for timely response, investigation, and resolution; ongoing communication with appropriate parties; and rigorous measures that seek to prevent retaliation.

“As a board and an organization, we are diligent in our ongoing efforts to support integrity and ethics, including mandating actionable, measurable processes and practices. In our People & Change practice we are committed to always acting with integrity. Ultimately, clients trust us to tell the truth, and that trust is a cornerstone to our ability to help them achieve the change they desire and a return on their investment.”

## Anti-Retaliation Policy and Monitoring

KPMG does not tolerate retaliation against anyone who, in good faith, reports potential misconduct or who otherwise participates in an investigation. Our commitment holds even if we cannot find sufficient evidence to substantiate the concern. KPMG will take appropriate action against anyone found to be engaged in retaliation.

We take steps to monitor identified reporters, witnesses and other investigation participants for possible retaliation. The KPMG Ethics and Compliance Group analyzes key career metrics (e.g., performance evaluations, compensation awards, career progression, and productivity) for indications of potential acts of retaliation. When appropriate, the Ethics and Compliance team may also confidentially follow up with individuals to gauge their view of the current work environment.

# "If I can make this community a better place for even one person, it's worth it."

**Kristin Essary, Tax Manager, Detroit**

When Kristin Essary and her husband, John Collins, moved into downtown Detroit in 2008, the city was exactly what you would imagine: more empty buildings than occupied ones, and eerily quiet after business hours.

A modern urban ghost town.

Essary and Collins felt strongly about helping Detroit rebuild. They moved downtown because "We were compelled to put our dollars where our mouths were...we believed it was important to engage in the community by spending our dollars and investing our energy here," she explained.

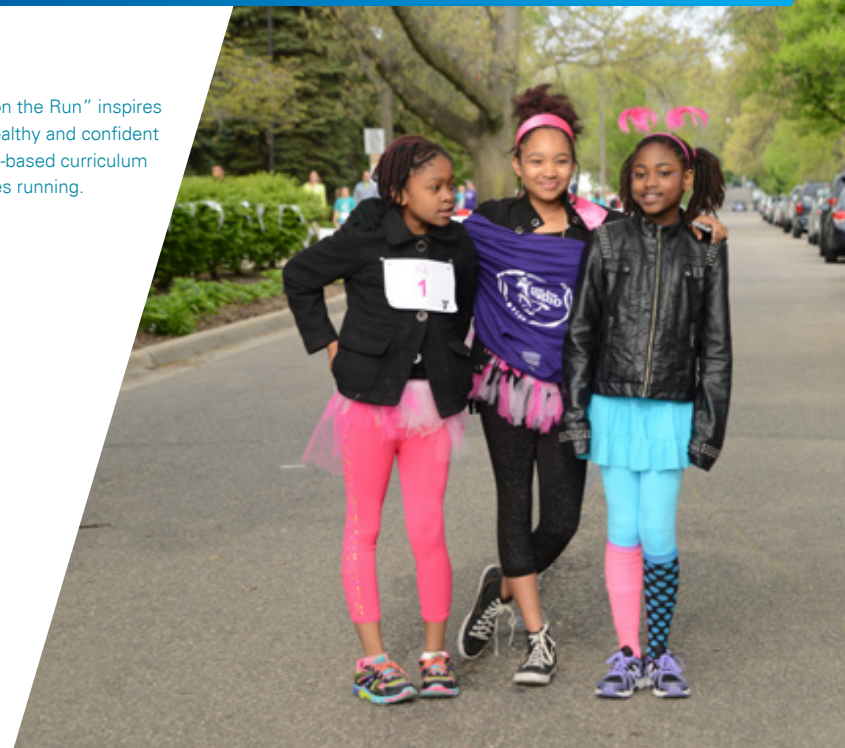
Essary's grandmother, as well as her parents and brothers, are all committed community builders. Her husband left a promising corporate law career to teach inner-city grade school.

Given her family history, it is no surprise that Essary sees her packed volunteer portfolio, both in the community and in the office, as nothing special. She serves on the board of the inner-city Boll Family YMCA, as a member of the Emerging Philanthropist Committee, a United Way group in Detroit, and as a leader in "Girls on the Run," a program for girls ages 8-13. At KPMG, she is a mentor in KPMG's Network of Women (KNOW), where she is passionate about helping women succeed.

In the past six years, Essary has seen downtown Detroit returning to a vibrant urban landscape. And she's grown in appreciation for KPMG's support of her volunteer activities. "These commitments take time and energy. Having the support of my management and peers is huge and makes it possible," she said.

"If I can make this community a better place for even one person, it's worth it."

Right: Detroit's "Girls on the Run" inspires girls ages 8-13 to be healthy and confident using a fun, experience-based curriculum that creatively integrates running.



Below: Kristin Essary joins KPMG volunteers at a KPMG Family for Literacy book reading event.



## Corporate Citizenship

By our sheer size and reach alone, we have a profound impact on the communities where we live and work. At KPMG, we seek to amplify that impact as a powerful force for positive change.

We...

- Collaborate with our people and their families to promote literacy;
- Give generously as a community, as a firm and through the KPMG Foundation;
- Support a broad range of non-profit organizations through enduring, integrated strategic alliances;
- Pave a road to success through education, from the first day that youngsters bound into school, until they emerge as PhD thought leaders in our profession; and
- Promote, facilitate and recognize volunteerism.

"We are committed to our communities."

[READ MORE](#) >



With more than 90 offices across the U.S. and more than 22,000 people, KPMG is committed to the sustainability of the communities in which we work and live, as well as the larger global community.

Our corporate citizenship initiatives comprise volunteerism, philanthropy, corporate giving, and strategic alliances with non-profits. While these initiatives cover a broad range of issues, our main focus is education and youth.

Our commitment to education and strategic investments in programs from pre-kindergarten to post-graduate college-level reflect our passion to help ensure that today's youth acquire the skills they need to become successful contributors to tomorrow's workforce.

Our core initiatives include the following:

#### **KPMG's Family for Literacy (KFFL)**

Access to books is the biggest obstacle to children's literacy in low-income communities. KPMG's Family for Literacy program was established in collaboration with First Book, a not-for-profit that provides books to children in need, to combat childhood illiteracy. KFFL provides new books to underserved children, while at the same time creating a unique way for KPMG people and their families to participate in our organization's community service efforts. Volunteers raise money, visit classrooms, read to children, and put new books into their hands—in many cases, the first books the children have ever owned.

Celebrating its five-year anniversary in FY 13, KFFL is in every KPMG office in the U.S. and has provided more than two million books to children in need.

#### **Junior Achievement (JA)**

In addition to KPMG employees volunteering more than 10,000 hours to work with students in various JA programs, the KPMG Foundation provided JA with a six-year grant to redevelop its successful

JA Finance Park® middle school financial literacy curriculum. The grant is being used to revise, design, promote and evaluate the new JA Finance Park, with a goal of more strongly infusing 21st century learning concepts and techniques.

#### **National Academy Foundation (NAF)**

NAF is an acclaimed national network of high schools with rigorous, career-themed curricula developed with input from industry and educational experts. KPMG supports NAF's Academies of Finance by helping to shape their accounting curriculum. In addition, KPMG employees share their knowledge with students through work-based learning experiences including job shadowing, mock interviews, guest speaking, and resume/portfolio reviews.

#### **Employee volunteerism**

KPMG's community involvement program called "Involve" provides an infrastructure that supports and enables our offices to tailor their activities to meet the needs of their community. Although national in scope, Involve is a grassroots effort managed at the local office level by KPMG employees.

The activities are as varied as they are heartfelt. In the aftermath of devastating natural disasters like Hurricane Sandy, KPMG's people gave, and continue to give, both time and money to aid colleagues and families directly affected. Hundreds of other examples, less well-known but with a similar impact, demonstrate our deep commitment to helping others.

#### **Corporate philanthropy**

Our charitable giving aligns with our support of youth education and includes: our organization's contributions, the KPMG Foundation (a separate legal entity that invests in business education), matching gifts, and funds raised through Involve and the Community Giving Campaign, through which our people donate to a charity of their choice. In FY 13, we contributed nearly \$27 million, an all-time record.

Below: In late 2012, Hurricane Sandy devastated much of the Eastern shoreline, inspiring an outpouring of concern, donations and volunteerism by KPMG people.

But the efforts of Molly Kohrs, a manager in KPMG's New York Advisory practice, were unique. Kohrs (below) recently completed a one-year loaned-staff agreement with the New York Says Thank You Foundation (NYSTY). In the role, she used her business and project management skills to strengthen the small non-profit's ability to assist first responders with rebuilding efforts after the storm. During her assignment, NYSTY supported more than 90 first responders in the recovery process. KPMG also supported NYSTY with funding and additional volunteers.



# \$26,967,745

## FIRMWIDE CONTRIBUTIONS

**\$1,591,562**  
FUNDS RAISED  
THROUGH EMPLOYEE  
ENGAGEMENT AND VOLUNTEER ACTIVITIES

 **\$7,887,881**  
FUNDS DONATED  
THROUGH EMPLOYEE  
GIVING CAMPAIGN



### AMERICAN CANCER SOCIETY RELAY FOR LIFE

NATIONAL CORPORATE  
TEAM PROGRAM AWARD 



NATIONAL  
MS SOCIETY  
CORPORATE  
STAR AWARD

\*KPMG's Volunteer Time Release program annually provides employees with up to 12 hours of paid time during normal business hours to conduct volunteer activities.



KPMG-sponsored golfers Phil Mickelson and Stacy Lewis are important supporters of KPMG's Family for Literacy program. Through the "Blue for Books" initiative, fans can buy the same blue hats that the players wear on tour. KPMG donates 100 percent of the net proceeds to the non-profit organization First Book, enabling the purchase of three new books per hat for children from low-income families.

In addition, when either player racks up a win, KPMG selects a school in the tournament city to receive a library enhancement as well as 5,000 new books for the library and its students. Their victories generated 30,000 book donations in FY 13.



## “They understand you’re young, and they want you to succeed.”

**Josuel Plasencia, former KPMG Intern, New York**

KPMG continues to make long-term strategic investments in educational programs from early childhood through the post-graduate level to help pave the road to success for future diverse leaders in our profession. To understand how this commitment can help transform lives, consider the story of Josuel Plasencia, a 19-year-old sophomore at Babson College in Massachusetts.

The son of a low-income single mother, Plasencia is strategic in pursuing his career ambitions. In high school, he attended a National Academy Foundation school (called the Academy of Finance and Enterprise) and participated in Junior Achievement (JA), two important recipients of KPMG’s strategic investments in the education continuum. In both, he achieved distinguished honors, such as being selected as JA’s Student of the Year and Mentee of the Year in New York and ringing the bell at the New York Stock Exchange.

Plasencia also completed two internships at KPMG and intends to come back for more. “There’s a feeling among first-generation American students when we walk into a corporate office—we see the people working there and think, ‘they don’t look like me, they don’t think like me,’” he said. “Once you’re inside, you find out that everybody is here to help you. They understand you’re young, you’re a student, and they want you to succeed.”

Despite his determination to chart a new financial path for his family, Plasencia’s most cherished ambition is to pay forward the support he’s been given. “I met Emad Bibawi, a KPMG Advisory partner, at a JA dinner in New York (both Plasencia and KPMG were being honored). A few days later I was in his office and, before you know it, the firm offered me an internship,” he said. “In 20 years, I definitely want to be in a position where I can be a similar mentor to young people.”



Above: Two-time KPMG intern Josuel Plasencia was named Student of the Year by New York City’s Junior Achievement program.



Left: Stacy Finch, a KPMG senior tax manager (right), and her daughter, Kyndall, were volunteers with KPMG’s Family for Literacy (KFFL) in Washington, D.C., as part of the 2013 Martin Luther King, Jr. Day of Service. A single mother, Finch values KFFL and other KPMG-provided opportunities to involve her children in volunteer activities. As a leader in the Washington

office’s KPMG Network of Women chapter, she takes pride in KPMG’s culture of diversity and inclusion and commitment to corporate responsibility. “I left KPMG to work for another company for a few years and was happy to return,” she explained. “I didn’t find the same culture and sense of corporate responsibility in the other firm.”

## “We have a real voice in this firm.”

### Marvin Dozier, Advisory Partner, Silicon Valley and New York

As a leading audit firm, one of KPMG’s most important responsibilities is to serve as a guardian for the public markets. As KPMG’s chief internal auditor, Marvin Dozier is the guardian’s guardian.

“My team and I provide KPMG’s Board of Directors with assurance that our own organization’s internal controls are materially functioning,” he explained. “On a continuous basis, we review controls and processes. Any substantial findings and recommendations are presented to the board, and we work collaboratively with management to address them.”

It’s a far cry from where he expected to be when he joined KPMG 25 years ago as an Audit associate fresh out of college. “Even though I was in Audit, I was fascinated by internal controls and, under my own initiative, started working in that area,” he said. “Then I was tapped for the Advisory practice in 2002. I became a partner in 2005 and was asked to serve as the lead internal auditor for KPMG in 2010.”

As a prominent African-American partner and co-chair of the African American Network, Dozier takes his position as a role model and advocate seriously. “We have a real voice in this firm. The leaders of all our national diversity networks serve on our Diversity Advisory Board (DAB), which includes our Chairman and CEO, John Veihmeyer, who serves as the executive chair,” he explained.

“The DAB meets quarterly, engaging top leadership in diversity and inclusion dialogue and strategy, and affirming the tone from the very top of our organization,” Dozier concluded. “These meetings also provide a platform for exploring programs and sponsorship initiatives that support the career aspirations of all our professionals, and ensure a robust pipeline of future leaders.”

Right: A 25-year veteran of KPMG, Marvin Dozier serves as chief internal auditor and co-chair of the African American Network.



## Diversity and Inclusion

At KPMG, diversity and inclusion are woven into everything we do. We know that every individual in our organization adds value and contributes to our ability to provide exceptional service to our clients.

We...

- Seek out, engage and recruit top-performing diverse individuals to join us;
- Invite professionals into career-enriching opportunities through networking, mentoring, KPMG-sponsored events, professional organizations, and community involvement;
- Support diversity and inclusion through a strong national infrastructure; and
- Pursue and support vendor relationships with businesses of diverse ownership.

“We respect the individual.”

READ MORE >





At KPMG, diversity and inclusion is fundamental to how we do business; every individual in our organization adds value and contributes to our ability to provide exceptional service to our clients.

For that reason, diversity and inclusion are woven into everything we do including recruiting and professional development; the way we serve our clients; and our commitment to youth, education, and workforce readiness. This long-term strategy makes us better as individuals and as a service provider and helps to build thriving communities.

Diversity and inclusion at KPMG is supported by a strong national infrastructure including our Diversity Advisory Board (DAB). Comprised of senior leaders, the DAB helps ensure that KPMG continues to foster an open and inclusive work environment, one in which business and personal objectives and growth can be achieved.

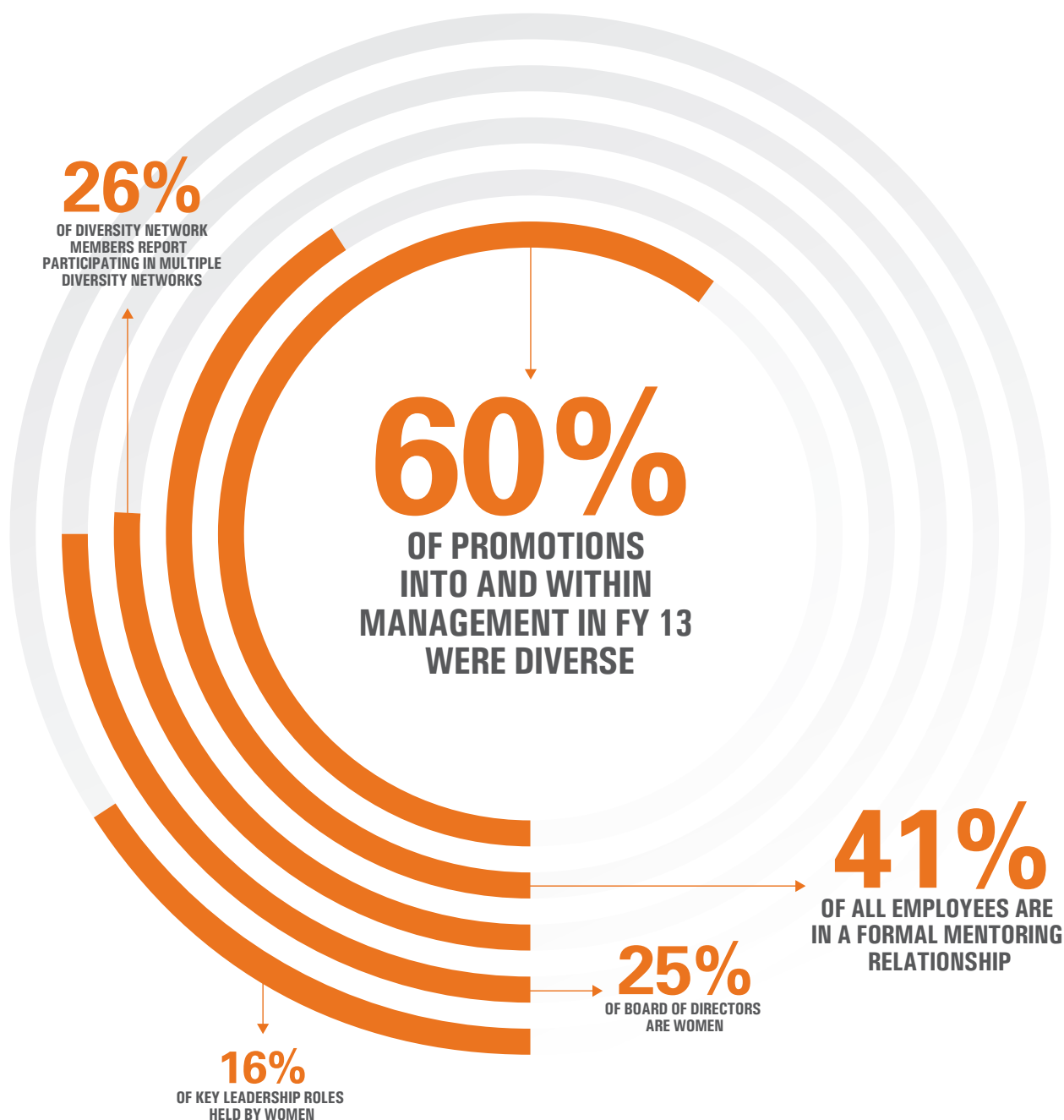
KPMG's seven national Diversity Networks provide employees with exceptional opportunities to participate in development programs, connect with mentors and sponsors, demonstrate leadership skills, broaden professional experiences, and build career-enriching relationships.

Membership in the networks is open to all with more than 140 local chapters across the country. The networks engage nearly 40 percent of our people and are key contributors to KPMG's business strategy.

We are proud of our achievements. Overall, more than 60 percent of our people, across all levels, are diverse. Nearly 60 percent of promotions into and within management in FY 13 were women and/or ethnically diverse. We've made progress understanding that it's critical to have the right culture and to ensure that KPMG has a best-in-class workplace.

Below: Kelly Watson is KPMG's New Jersey Office Managing Partner, where her team included more than 500 people in FY 13. She also serves on KPMG's Board of Directors and Diversity Advisory Board.





## Building supplier diversity

At KPMG, we believe that a diverse supply chain is critical to success.

"Seeking out diverse companies for the products and services we need ensures that we are assessing the full breadth and depth of potential suppliers," said David H.W. Turner, KPMG's Chief Financial Officer. "Supporting diverse businesses also benefits our communities and clients—many of whom want to know they are working with an organization that supports diverse enterprises."

KPMG's efforts are built around a few key strategies:

- We actively seek and encourage qualified diverse enterprises to compete for our business and aim to ensure that at least one diverse supplier is part of each request for proposal process that our organization initiates.
- We use the databases of several independent agencies that certify and classify diverse businesses to identify potential suppliers, and we also volunteer to certify diverse businesses within our communities.
- We track second-tier diversity spend, which is the amount our vendors and suppliers spend with diverse companies.

As an organization, we establish spending goals with diverse businesses; since 2008, we have seen a 196 percent increase in spending with small and diverse businesses.

"We've made great progress supporting and encouraging diverse businesses through our supplier diversity program," Turner concluded. "Building our network of diverse suppliers will continue to be an important area of focus for our organization."



## “KPMG’s inclusive culture ... allows me to work efficiently and enjoy my work.”

At KPMG, our greatest asset is our people. We strive to foster an inclusive culture that enables our professionals and organization to thrive and also represents the clients we serve and the communities where we do business. This culture gives us a leg-up when it comes to attracting the best people with the skills and determination to deliver above and beyond.

Here are two examples.

Below: Ryan Friday (back center) on a recent trip to KPMG’s offices in India.



### Ryan Friday, Audit Senior Associate, Atlanta

Like many graduating accounting students, Ryan Friday looked hard to find the best employer to help him achieve his career ambitions. But Friday was also focused on additional criteria: finding a company where he could bring his whole, authentic self to work and a place where his contributions to the organization would be valued.

“I came out in college and didn’t want to go back into the closet,” he explained.

KPMG stood out in the interview process. “During my first interview, I met members of the pride@KPMG Network, and they kept in touch with me throughout the interview process,” he said.

Today, Friday is an active member of pride@KPMG. His mentor, James Powell, an Atlanta Audit partner, is national co-chair of the network, and Friday supports our recruiting efforts as a campus ambassador. “I make myself available as a go-to person for recruits who feel comfortable identifying as LGBT,” Friday explained.

Friday has found a home at KPMG. “I spend a lot of time with my coworkers. KPMG’s inclusive culture, and feeling comfortable around people I work with on a day-to-day basis, allows me to work efficiently and enjoy my work,” he concluded. “It’s a very authentic interaction.”

### Jesse Fu, Tax Manager, Montvale, N.J.

A first-generation American of Taiwanese descent, Fu believes strongly in serving his country. He served in the Reserve Officer Training Corps (ROTC) throughout college, then received a commission into the National Guard and joined KPMG’s Tax practice upon graduation.

In late 2007, Fu was called up to active duty in Afghanistan for a nine-month deployment. In preparing to leave for his assignment, Fu learned that KPMG provides unwavering, unconditional support to the men and women in uniform who serve the country.

“Even though I had been with KPMG for less than a year, it supported me 100 percent,” he said. “They threw a big surprise going-away party, and helped take care of the work while I was gone.” But that wasn’t all. “My KPMG team would send me care packages, letters and emails while I was overseas. It really meant a lot to know they were thinking about me.” Fu also reported that his payroll and benefits continued smoothly while he was on military leave, which helped him to focus on his military assignment.

Nine years into his National Guard service, Fu’s career as a leader is advancing on both fronts: he is now a captain in the Guard and a manager at KPMG. He’s also a member of KPMG’s Veterans Network, participates in activities sponsored by the Asian Pacific Islander Network, and actively encourages his fellow soldiers to consider careers with KPMG.

“KPMG is highly respected in Taiwan, my parent’s home country, so they’re very proud of my career in the United States,” Fu said. “Their admiration for KPMG, and the organization’s support of my military commitment, inspires me to achieve even more.”



Above: Jesse Fu during his nine-month deployment to Afghanistan.

**“It really meant a lot to know they were thinking about me.”**

## “Get outside and get dirty.”

**Joseph McLauchlan, Office Managing Partner, San Antonio**

For Joseph McLauchlan and his three children, a day in the spring of 2013 planting fruit trees in a low-income neighborhood in San Antonio was a great day.

“In fact, my kids still ask for updates on how the trees are doing,” said McLauchlan, Managing Partner of the San Antonio office.

The McLauchlan family was part of a group of about 75 KPMG volunteers and friends who joined forces with The Fruit Tree Planting Foundation, San Antonio Housing Authority, United Way and residents of a low-income community to plant 100 fruit trees in one day.

“This ‘Living Green’ project was an office favorite,” McLauchlan said. “Our people were engaged, and families and friends were involved. It was a real hands-on way to support the community in which we do business by bringing fruit tree nutrition and environmental benefits to low-income residents.”

In addition to giving back to the local community, the KPMG volunteers received more than just an opportunity to be generous. The entire group learned the finer points of planting trees, caring for the environment, and they got outside and got their hands dirty, which McLauchlan noted was an added bonus ... especially for the kids.

Although the project took place in San Antonio, the community received support from KPMG nationally. Altogether, KPMG provided \$6,000 for trees and irrigation systems along with valuable leadership and on-site volunteers.

“Sometimes it’s easier to give money, but to give money and your time really gives you a sense of accomplishment,” added McLauchlan.

Right: More than 75 KPMG volunteers, family members and friends, including Joseph McLauchlan, plant trees to provide fresh fruit and ongoing opportunities for physical activities to residents of the local Spring View Community. Residents will care for the orchard as it enhances the environment for the low-income neighborhood, which includes homes for people with special needs.



## Living Green

At KPMG, we are keenly aware of the impact we have on the environment, and the role we must play as leaders to ensure its sustainability.

We...

- Strive to preserve the environment, seeking out and implementing new ways to reduce waste, lower energy consumption and shrink our carbon footprint;
- Design new and remodeled offices to the highest sustainable standards; and
- Invest our money, ideas and our collective energy to enhance our communities.

“We lead by example.”



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Above: Kenneth Welch, Advisory principal in Atlanta, uses one of KPMG's videoconference suites to reduce his air travel and carbon footprint. In FY 13, KPMG increased its use of teleconferencing by 23 percent over the previous year.

Right: By Dec. 2013, a quarter of KPMG's total U.S. offices were "Leadership in Energy and Environmental Design" (LEED®) certified, accounting for close to 1.5 million square feet of real estate. LEED offices, like this one in Denver, continue to help KPMG drive down its overall carbon footprint with significant reductions in both water and energy usage.

LEED® is a registered trademark of the U.S. Green Building Council.

Through our Living Green program, KPMG is committed to reducing our organization's impact on the environment.

To reduce our impact, we measure, manage and reduce our use of natural resources and energy, and minimize harmful byproducts such as greenhouse gas emissions. KPMG's goal is a 10 percent carbon footprint reduction per full-time-equivalent employee by year-end 2015, from a 2010 baseline. A key strategy is our focus on energy efficiency and alternatives to air travel, which represent 75 percent of our carbon footprint.

We also save water with low-flow EPA WaterSense fixtures and faucets with auto sensors. We're thoughtful and creative in the ways we reduce solid waste. For example, with TerraCycle, we recycle all of the waste from our coffee-making process (even the grounds get composted). Working with our office supplies vendor, we recycle toner and ink cartridges, generating donations for First Book, as part of KPMG's Family for Literacy initiative.

Across the firm, our Living Green week of environmental activities and other volunteer projects engage KPMG's people. In FY 13, volunteers got their hands dirty engaging in a variety of environmentally focused activities, which included:

- Serving as volunteer gardeners at the Maryland Zoo in Baltimore;
- Picking up trash, planting flowers and mulching gardens as part of the Cole Park Clean Up Project in Dallas;
- Celebrating Earth Day with a cleanup project at the Mill River Park & Greenway in Stamford, Conn.; and
- Teaming up with the Sacramento Nature Valley Conservancy to help clean an old Boy Scout site on the American River in Sacramento, Calif.

KPMG works on environmental protection projects and joins forces with business leadership groups to address environmental issues. Our partnerships and affiliations include the Arbor Day Foundation, Net Impact, and the Fruit Tree Planting Foundation.

In FY 13, we were recognized as the "Sustainable Firm of the Year" by *The International Accounting Bulletin*. Locally, we were honored by Certifiably Green Denver, the City of Chicago Corporate Green Office Challenge and the St. Louis Green Business Challenge for efforts in these cities.





## "Sustainability is very dear to my heart."

Wildfires in California's Tahoe National Forest ravaged thousands of acres in 2011. Through an ongoing tree planting and stewardship initiative, the Arbor Day Foundation is working to restore the landscape through a continuing reforestation program.

In support of that program in 2013, KPMG began funding the planting of a Ponderosa Pine in honor of every new KPMG hire. Here's what a few of our people had to say.

**James "Nick" Nicholson**, Advisory Associate, Milwaukee

"I want to acknowledge the efforts KPMG is taking to continue to make our earth a sustainable environment for future generations."

**Aleksandr Gershman**, Tax Senior Associate, Montvale, N.J.

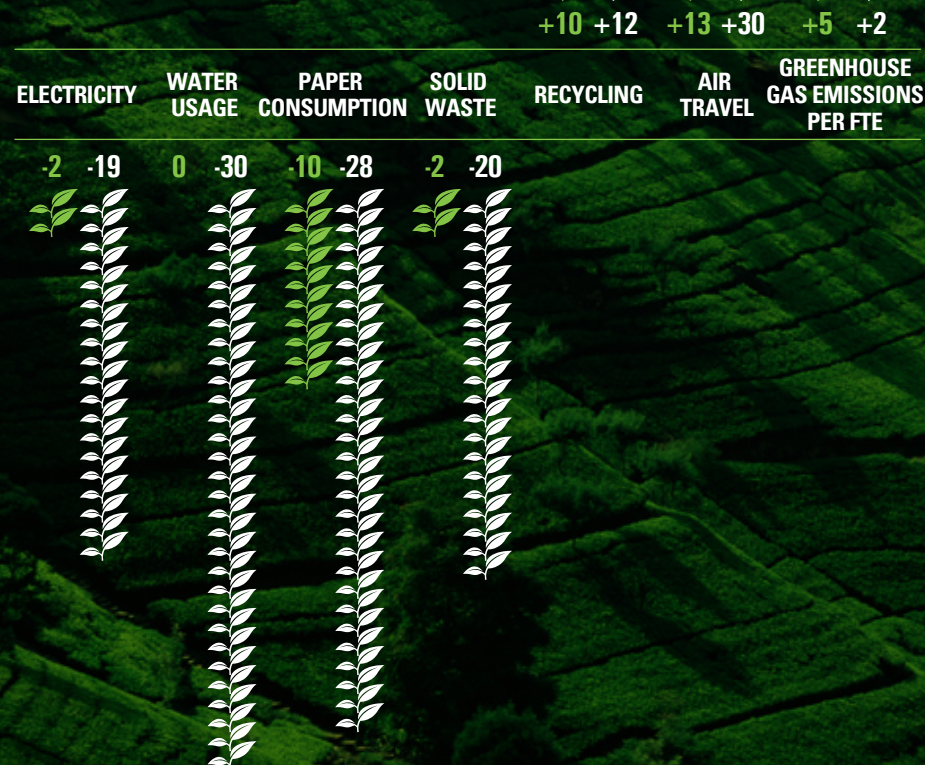
"I really appreciate that a tree will be planted in my honor. It's a wonderful initiative that boosts employees' morale and satisfaction, and gives back to the community and the world. The more I learn about KPMG, the more I see how great this company is."

**Michiel Roodenburg**, Advisory Senior Associate, New York

"Sustainability is very dear to my heart. In fact, I am one of the two guys who cycled from Alaska to Antarctica on bamboo bicycles to raise awareness for the global water crisis. We were sponsored by KPMG and visited a number of offices in the Americas to give presentations and promote sustainability. I am hoping to continue these activities both internally and externally."

 **PERCENT (%) CHANGE FROM PREVIOUS YEAR (JANUARY 2013-DECEMBER 2013)**

 **PERCENT (%) CHANGE FROM BENCHMARK YEAR (2010)**



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KPMG has a commitment to environmental responsibility.