



KPMG Delivery Network Ltd

Modern Slavery Statement - 2023

March 2024



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This is the annual statement of KPMG Delivery Network Ltd (“KDN”, “we”, “our” or “us”), published in accordance with the Modern Slavery Act (UK) 2015 (the “Act”). It sets out the progress we have made and the ongoing approach we are taking to mitigate the risk of modern slavery and human trafficking from occurring in our supply chains and businesses. This statement applies to our financial year ending 31 December 2023 (“FY23”).

This statement is also made on behalf of our wholly owned UK operating subsidiaries, KPMG Delivery Network Tax & Legal Services Ltd, KPMG Delivery Network Advisory Services Ltd and KPMG Delivery Network Services Ltd. Where context provides, references to “KDN”, “we”, “our” or “us” includes KDN and these subsidiaries.

KDN remains at an early stage in its journey, and we are committed to continuously improving our processes to prevent modern slavery, human trafficking, and other fundamental human rights violations.

Our organisational structure, operations and supply chains

KDN was incorporated as a private company limited by guarantee on 23 February 2021. We commenced our principal activities on 1 July 2021.

KDN’s objective is to further the economic and professional interests of the member firms of the KPMG global organisation (“*member firms*”). This is done by supporting and facilitating the provision by member firms of high-quality client services through a globally integrated delivery model.

KDN uses its network of wholly owned and contractual global delivery centres to perform specifically approved professional services. These services support member firms in their execution of the KPMG collective strategy across their Audit, Tax and Legal Services and Advisory businesses. KDN’s global delivery centres are in Malaysia, Costa Rica, Argentina, Poland, India, Malta, Bulgaria (Sofia) and Hungary. During 2024, we expect to add another global delivery centre in Mexico.

KDN does not carry on trade or other activities with a view to profit and does not directly contract with or provide professional services to clients (it delivers professional services through the member firms). No member firm has any authority to obligate or bind KDN vis-à-vis third parties, nor does KDN have any such authority to obligate or bind any member firm.

We leverage a global supply chain to address most of our supply needs. The member firms are part of our supply chain; however, we interact with them differently than we would with our other suppliers. Furthermore, member firms are obliged to follow the KPMG International (“KPMGI”) policies and standards, including quality and risk management standards in respect of how they operate and provide services to clients. Due to the differences between the member firms and our other suppliers, all references to “suppliers” and “supply chain” in this statement do not include references to the member firms. In addition, KDN’s procurement team oversees relationships with our external suppliers.

Our approach to modern slavery

We recognise that our relationships with suppliers may expose us to modern slavery risks which must be identified and managed for us to fulfil our commitments to human rights.

Modern slavery and slavery-like practices are serious violations of human rights. 'Modern slavery' describes offences related to exploitative work or services under the Act. This exploitation may involve slavery, servitude and forced or compulsory labour, human trafficking, sexual exploitation, removal of organs, securing services by force, threats or deception, and/or securing services from children and vulnerable persons.

KDN recognizes its corporate responsibility to respect human rights and is committed to conducting our business with integrity and meeting the international standards which KPMG aligns with globally.

Policy commitment

Ethical behaviour is of the utmost importance to us and begins with the KPMG Global Code of Conduct (the "Code"). This includes not tolerating behaviour within KPMG or by suppliers that is illegal, unethical or that breaches human rights. The Code shows how our Values inspire our greatest aspirations and guide all our behaviours and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities.

As a member firm, KDN is committed to holding ourselves accountable for behaving in a way that is consistent with the Code and to aligning with the global KPMG organisation's commitment to:

- Undertake to avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur, and
- Seek to prevent or mitigate adverse human rights impacts that are directly related to their operations, products or services through their business relationships (this may include clients and suppliers).

Individuals throughout KDN are encouraged to speak up if they see something that makes them uncomfortable or that is inconsistent with the KPMG global organisation's Values. The Code is a publicly available document that may be accessed at www.kpmg.com.

Risk identification and assessment

KDN understands 'modern slavery risk' as the potential adverse impacts that a business can have on labour-related rights.

Through the modern slavery risk area identification completed for us by KPMG Banarra (human rights and social impact specialists) in 2022, we identified four areas of potential risk:

- employees;
- labour hire and third-party arrangements;
- corporate facilities management; and
- corporate goods and services.

We consider that these four areas remain relevant and continue to help us target our actions to where there is a greater potential of adverse impacts resulting from our business activities and where we have the greatest influence to make a difference.

Progress to date

Building on the outcomes of the risk identification process and diagnostic assessment outlined in our first statement, and in line with the plan arising from that assessment, KDN has made significant progress over the last year, including the following:

- **Governance and commitments**

As we work to refine our risk assessment processes and compliance metrics, in FY23 KDN finalised and implemented a dedicated Procurement Policy and developed template supply contracts which incorporate the KPMG International Supplier Code of Conduct.

In line with our commitments as a member firm in the KPMG global organisation, we also confirmed the applicability of and alignment with the KPMG Global Code of Conduct throughout KDN.

Helping to reinforce KDN's policy commitments and position, a dedicated KDN Human Rights Statement was prepared, to be adopted and published early in 2024, outlining our responsibilities, risk appetite and expectations in this important topic.

- **Grievance and remediation**

We confirmed that all KDN personnel and other third parties who we interact with have access to the KPMG International Hotline for grievance and ethics-related reporting. It is available in various formats and languages and sets out clear steps for addressing a complaint when it is received.

All reports are confidential, and anonymity is provided to those who request it. Individuals are encouraged to report without fear of retaliation, and it is explicitly noted that retaliation is a serious violation of the Code. To date, no modern slavery complaints have been received in respect of KDN's businesses and supply chains.

- **Training and awareness**

Building on the training completed for its executive team during 2022 to provide a foundational understanding of modern slavery risks, we further commissioned KPMG Banarra to develop and deliver modern slavery training workshops for personnel within our wholly-owned delivery centres, coordinated and overseen by the KDN Office of the General Counsel. This was with a view to raising awareness of key areas of potential risk and socialising our efforts to address modern slavery to date, as well as highlighting our commitments on the topic.

- **Due diligence**

In seeking to extend our third-party supplier due diligence and sanctions checking capabilities we commenced trial licenses of a specialist third-party tool within our central Procurement function. It is anticipated that data produced during an initial testing phase will help guide further development of supplier due diligence questionnaires and supplier management processes.

Applying the International Labour Organization ("ILO") indicators of forced labour, during 2023, we did not identify any indicators of modern slavery in our operations and supply chains.

Our roadmap

KDN is committed to the principle of transparency and will continue to report annually on the further improvements we make towards preventing modern slavery, human trafficking and other fundamental human rights violations.

As our journey progresses, we will continue to:

- work on implementing the recommendations from KPMG Banarra which arose as part of their work for us in 2022.
- review existing policies to identify opportunities to strengthen our modern slavery policy commitment.
- evolve our approach to modern slavery risk-assessment, with a continued core focus on areas of highest potential risk.

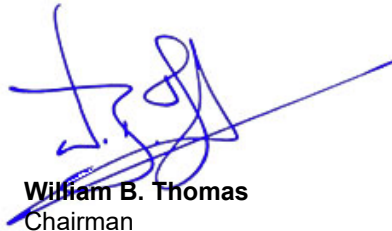
- develop our approach to evaluating the progress we are making with respect to addressing modern slavery and human trafficking.
- align with evolving legislation and good practice guidance with respect to modern slavery risks.

For questions relating to this statement please contact:

- David J. Brown - Chief Executive Officer
- Harvey Garman - General Counsel
- Mark Berlind - Head of Quality & Risk Management

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This statement was approved by the Board of KPMG Delivery Network Ltd, and is signed by:



William B. Thomas

Chairman

KPMG Delivery Network Ltd



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