



# 2009 KPMG Living Green Annual Report

KPMG LLP





Climate change is now widely regarded as one of the most serious challenges this world faces. It has reached a tipping point in global awareness and demands a global response.

*~Timothy P. Flynn, Chairman, KPMG International*

**Mission:** *To take a leadership role in protecting and preserving our environment through sustainable business practices*

**Vision:** *To be a driving force in environmental responsibility, raising awareness, and contributing to global stewardship*

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# Part 1: Foreword



Steve Clemente,  
*Principal in Charge,  
Operations Services*



In 2008, KPMG committed to developing and implementing sustainable business practices, and what a difference we have made!

During that year, our Living Green program – with the support of partners and employees throughout the United States – yielded a 7 percent reduction in the firm’s carbon footprint over the 2007 baseline, exceeding all of our first-year goals.

Living Green has helped all of us at KPMG better understand the impact of our environmental practices and focus our efforts on improving performance on a number of fronts. Our program in the United States is part of a broader approach by KPMG’s Global Sustainability Services network to introduce goals and measurements aimed at reducing KPMG International member firms’ carbon footprint.

This annual report – our second – is part of our ongoing dialogue about the critical importance of sustainability. It includes my conversation with [Stephen Rizzo](#), managing director of Code Green Solutions, a sustainable building consulting firm. Rizzo offers valuable insight into Living Green and our progress toward building a model sustainability program.

We had many opportunities during the year to enhance our sustainability efforts, some of which are highlighted in these pages. For example, [Eric Israel](#), managing director, Advisory, and member of KPMG’s Global Sustainability Services network, discusses how we reduced our 2008 carbon footprint; [Tim Ruddell](#), manager, Sustainable Procurement, talks about the importance of green procurement practices; and [Carol Muldoon](#), executive director, Events & Meetings, addresses our green meeting agenda.

In the article, “LEEDing the Way,” you will learn how several of KPMG’s new offices


support our goal to be Leadership in Energy and Environmental Design (LEED) certified in all new construction and major renovations. Read more about our state-of-the-art technology center in “KPMG’s New Technology Center – A Model for Green IT.”

The firm’s carbon footprint reduction is due to the efforts of the 90 Living Green teams in KPMG offices across the United States. These teams helped the firm keep our consumption in check and our future resources intact. You will read about our “Green Achievers,” three of the many KPMG offices whose operations have appreciably minimized their impact on the environment.

I am especially encouraged by the next generation’s dedication to making the earth a better place. Take a look at how college students participated in a KPMG-sponsored competition to develop sustainable business case studies for their campuses in “Living Green 101.”

As green standards and practices evolve, being recognized as a leader in sustainability requires that we continuously refine our approach. You can read more about the steps we have taken in “In Pursuit of Environmental Excellence.”

Thanks to the commitment of the firm, and the passionate support of our people, we are advancing steadily toward our goals and will continue to look at ways to reduce our impact on the environment.

The place we call home is changing. Through KPMG’s Living Green program, we are changing it for the better. We look forward to another productive year in 2010. 

# Part 2: A Green Conversation: Steve Clemente and Stephen Rizzo

Steve Clemente (right) is KPMG's principal in charge, Operations Services, and the leader of the firm's Living Green program.

Stephen Rizzo is a managing director at Code Green Solutions, a sustainable building consulting firm based in New York. The organization, comprised of Leadership in Energy and Environmental Design (LEED) accredited professionals, helped KPMG's Nashville office achieve LEED certification in 2009.

The two sat down recently to discuss why more companies are viewing sustainability as a business imperative.

**SC.** Welcome, Stephen, and thank you for joining me here today. There has been an uptick in companies "going green" nowadays. From your perspective, what are the characteristics of a good corporate sustainability program?

**SR.** A good sustainability program begins with the premise that you can't control what you can't measure. It should have benchmarks and specific goals.

Sustainability is comparable to a buffet: since you can eat as much as you want, you're going to eat as much as you can. However, when you start measuring the food you eat, you start consuming it only as needed.

That's similar to sustainability. We should be using resources only as we need them, eliminating the waste in the process.



**SC.** That's the approach we have taken at KPMG. In developing our Living Green program, we measured our baseline carbon footprint in 2007 and have since set goals both at national and global levels. Once we recognized the amount of resources we consumed, we found ways to reduce our carbon footprint.

Realizing that a professional services firm such as KPMG doesn't manufacture products that impact the environment, can you explain why it is important for the firm to reduce its carbon footprint?

**SR.** Every decade, we've seen more of a shift from the manufacturing economy toward the services economy – especially in a city such as New York.

The majority of U.S. companies' carbon footprints stem from electricity use. There is a huge amount of energy and carbon that is being output based on our buildings and offices alone. More than 50 percent of the electricity

generated in the United States goes directly to run our buildings. The operation of any organization, including a professional services firm, contributes a fairly sizeable portion of greenhouse gas emissions.

**SC.** At KPMG, one of our goals is to reduce our office-related electrical use by 5 percent, and we are on target. We also have a commitment to make all new offices LEED certified. What does it take to become LEED certified and why is it important?

**SR.** By working with various companies, we've determined that to reduce carbon emissions, standards must be established. Otherwise, all green efforts are based on an undefined situation. If there is no standard, anyone can claim to be green.

During the past 10 years, LEED has become, excuse the pun, the leading standard. It is an aggregate of the best environmental practices from all over



ENERGY STAR is a federal standard for energy efficient products, ranging from buildings to computers to consumer products.

the country that serves as a model for companies to operate their offices and buildings. KPMG pursuing LEED certification for all new construction and office renovations means you're right on track.

**SC.** Do you see LEED standards elevating and tightening?

**SR.** I believe LEED standards will tighten as people find more sustainable ways to build and renovate buildings. It's occurred just this year: the ENERGY STAR efficiency prerequisite in a LEED building increased from 67 percent to 69 percent. There's always room for improvement.

**SC.** You're right – the bar always can be raised. In general, what is your assessment of KPMG's Living Green program? What recommendations would you make for improvement?

**SR.** I believe the Living Green program is terrific. It follows some of the best practices that are already out there – measuring your carbon footprint and using LEED as the standard.

My recommendation is to continue to let people know that they can make a difference. The smallest changes in behavior will have the greatest impact on the environment. I advise everyone to do their part. For example, set your

computer to default duplex printing, turn off your computer and lights every night, scale back your travel, implement video conferencing when feasible, and bring a coffee mug to the office.

**SC.** Those little things really add up. Can you talk about some other sustainability best practices among businesses today?

**SR.** To engage employees in sustainability, we've found that motivating people is more effective than mandating or enforcing a policy. This allows employees to take ownership for their actions. A best practice I've recently seen is having friendly competitions among offices or groups.

**SC.** You make a valid point, Stephen. We recently sponsored a case competition where groups of college students competed for \$1,000 toward a sustainability program for their campus. The competition was very successful and I think the students had a lot of fun.

We know that Generation Y is very passionate about the environment. But where do you believe sustainability ranks with business leaders today? Can you give us some examples of business decisions that have been based on sustainability concerns?


**SR.** In our talks with various business leaders, many feel that this is an opportunity to redefine their businesses. As they look at the next five to 10 years, the "green economy" presents new and promising opportunities to the aware company.

The fact is that you don't want to be designing the next typewriter when PCs are coming out. In this day and age, you have to be ahead of the game to be successful.

Leaders should definitely be thinking about their business' sustainability efforts because environmental focus is here and now. Politicians from all over the world attended the COP15 in Copenhagen and the U.S. Congress is talking about cap and trade regulation.

It would be in business leaders' best interests to be well prepared given this political and regulatory climate.

In my opinion, the automobile sector is helping lead the way – from products such as hybrid cars to business models such as Zip Cars, a car sharing program. The auto industry is driven by efficiency and that's what sustainability is all about.

I think KPMG is headed in the right direction with its Living Green program and I encourage the firm to keep up the good work. 



# Part 3: KPMG's Environmental Performance

## An Eventful 2008 Propels 2009 Results

### How KPMG Reduced Its Carbon Footprint

As KPMG looks ahead to its green initiatives for 2010, it is building from the strong foundation laid by the results of our Living Green efforts in 2008. During that year, the firm reduced its overall carbon footprint by almost 7 percent over the 2007 baseline, and exceeded all of our first-year sustainability goals.

"Thanks to people's efforts in 2008, we've already achieved many of the objectives set in our three-year goal," says **Mary Johnson**, director, Operations Services. "We realized the biggest carbon impact was from air travel and electricity, which accounts for 90 percent of our overall carbon footprint."

Producing about six tons of carbon emissions in 2008, the average full-time employee reduced his or her carbon footprint by more than 11 percent. If you would like to measure your carbon footprint, [click here](#).

Recycling activity for the firm increased by 13 percent and non-recycled waste dropped dramatically, by 54 percent. As a result, KPMG now recycles more tons of material than it sends to landfills.

"This is a great accomplishment," says **Eric Israel**, managing director, Advisory, and member of KPMG's Global Sustainability Services network. "These results show that we are well along the path of KPMG International's goal of reducing our member firms' carbon footprint by 25 percent over three years."



We realized the biggest carbon impact was from air travel and electricity, which accounts for 90 percent of our overall carbon footprint.

~Mary Johnson  
Director, Operations Services

## Mapping the Way to Environmental Sustainability

KPMG tracks its environmental performance along more than 40 Environmental Performance Indicators (EPIs). These EPIs are summarized in the environmental scorecard, a high-level overview of the firm's performance in 10 important areas. The scorecard shows the increases and reductions in consumption both on a firmwide and per full-time employee basis.

New procedures and improved methodologies were instrumental to generating quality reporting for the 2008 data collection. Each of KPMG's 90 offices received customized survey templates to help ensure consistent reporting nationally across the various categories. In addition, each local office received training and other tools necessary to conduct a quality control check prior to submitting its report.

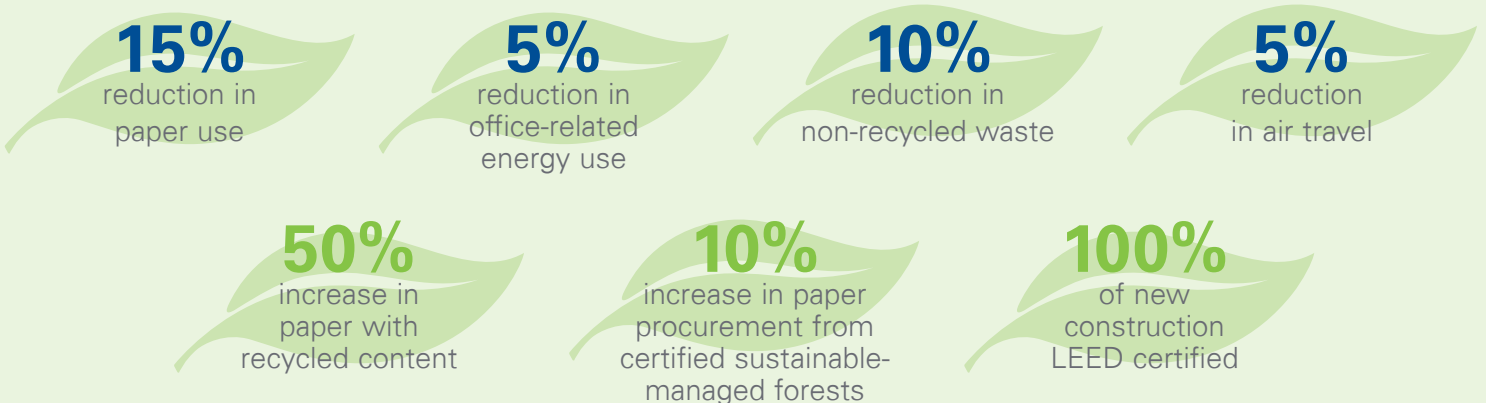
All environmental data then undergoes a rigorous quality control process.

"These enhancements to our reporting process help ensure we have the best and most accurate data each year," Israel explains. "KPMG's robust data collection and management process is the backbone of our data integrity."

Environmental Performance Indicator (EPI)	Goal	2008 Goal	2008 Performance	Progress
Paper (lbs)	15% reduction	3,937,608	3,926,108	Exceeding goal
Percentage of paper with recycled content	50% increase	17%	82.7%	Exceeding goal
Percentage of paper from sustainable forests	10% increase	3%	82.7%	Exceeding goal
Office energy (kWh)	5% reduction	100,491,038	99,896,876	Exceeding goal
Non-recycled waste (lbs)	10% reduction	10,734,340	5,093,947	Exceeding goal
Travel (air mileage)	5% reduction	310,741,590	304,332,846	Exceeding goal
New construction LEED certified	100% increase	27%	100%	Exceeding goal

*These performance metrics help drive the changes in KPMG's carbon footprint. This analysis provides valuable insight into both the firm's carbon footprint as well as its broader environmental performance.*

In 2008, the firm exceeded its targets in all seven of its Living Green goals:



## In Good Standing

The firm's results reflect our progress in adopting leading green practices, particularly in the areas of recycling and energy efficiency.

Electricity usage remains one of the firm's biggest climate change impacts, contributing 36 percent of KPMG's carbon footprint in 2008. During that year, the firm used enough energy to power 5,605 two-story, three-bedroom homes for a year, and 40,689 electric cars driving from KPMG's office in Anchorage to our office in Miami.

"We did, however, decrease our consumption of electricity by 3 percent by implementing new processes such as requiring all new appliances to be ENERGY STAR rated, replacing incandescent light bulbs with energy-efficient bulbs, and equipping common areas with motion sensors in many of our U.S. locations," Johnson notes.

KPMG reduced its solid waste by 54 percent – enough to fill more than 1,500 garbage trucks. "The good news is we exceeded our waste reduction goal by dramatically increasing our recycling efforts," Johnson says.

According to Johnson, solid waste accounted for less than 1 percent of our carbon footprint because the firm decreased its waste from 11 million pounds to 5 million.

## The Water Gap

One of the firm's biggest opportunities relates to water consumption, where we saw a 1 percent increase in usage. "In 2008, we consumed enough water to fill 150 Olympic-length swimming pools," Johnson says. "To face this challenge head on, we are adopting best practices such as using low-flow faucets, automatic sensor faucets, and auto-flush toilets to help reduce and manage our water consumption in all new offices and office renovation projects when feasible."



We reduced our air travel by nearly **4 percent** in 2008 – the first year of our Living Green initiative. In fact, all modes of travel decreased with the exception of taxi and car services.

~Mary Johnson  
Director, Operations Services


KPMG is on target with its goal to reduce paper consumption, reporting a 5 percent reduction. "Our use of copier paper dropped 10 percent, partially due to the adoption of duplex printing," she explains.

KPMG's switch to 30 percent recycled-content paper also had a large impact on reducing our carbon footprint. In 2008, the firm's paper consumption accounted for almost 6 percent of our carbon footprint.

"We strongly encourage anyone who has not set their printer to duplex print by default to do so. We can drive down our paper consumption even further," Johnson says.

Air travel represents more than half of KPMG's carbon footprint. In 2008, the firm's air travel equaled more than 700 round-trips to the moon and 12,700 trips circling the earth's equator.

"We reduced our air travel by nearly 4 percent in 2008 – the first year of our Living Green initiative. In fact, all modes of travel decreased, with the exception of taxi and car services," Johnson notes. "And, with the cost-reduction initiatives implemented in 2009, we anticipate further reductions in this area."

WageWorks, an online mass transit program that provides savings on transit and vanpool expenses through a pretax payroll deduction, saw a substantial increase in subscribers – up by more than 30 percent from 2007. "This means our partners and employees are taking advantage of public transportation, ultimately helping further reduce the firm's carbon footprint," Johnson explains. 

# Part 4: Living Green Initiatives



KPMG's Orange County office

## LEEDing the Way

One of Living Green's goals is for all of KPMG's major office renovations and new construction projects to be certified by the U.S. Green Building Council in Leadership in Energy and Environmental Design (LEED). **Frank Erickson**, AIA, and KPMG's director of Architecture and Construction, is a LEED-accredited professional responsible for ensuring that we meet this goal. New KPMG offices in the West are good examples.

The Orange County and San Diego offices relocated to new spaces in 2009. Both offices were constructed with green in mind and followed design guidelines being used in new KPMG offices going forward. The project teams of architects, contractors, and KPMG National Real Estate and Operations Services personnel have achieved LEED certification for the Orange County office. The LEED certification process for the San Diego office is under way and we anticipate it too will join KPMG's Nashville and Orange County offices in attaining this distinction.

## The Green OC

ENERGY STAR-rated appliances, vending machines, and sustainable materials all have been used in the new construction for the Orange County office. For even more energy savings, stepped dimming is provided for light fixtures in private offices, open office areas, and conference rooms near the building's perimeter. This approach reduces the lamp light output when sufficient daylight is provided through windows.

In addition, lighting controls and sensor equipment are programmed to turn lights off when an area is not occupied. "Light fixtures used throughout the building have lamps and bulbs with low mercury content, which is better for the environment," says **Mary Sutton**, associate director, Architecture and Construction.

She adds that reducing water consumption also was considered in the plans. "Coffee rooms, pantries, the café, and restrooms use low-flow faucets to reduce water consumption," Sutton says. "Restrooms also use reclaimed water, reducing the need for fresh water supplies."

Recycling containers are provided for glass and plastic bottles and aluminum cans. Materials with a high percentage of recycled content were used on the construction project. According to Sutton, much of the wood came from green-managed forests that help prevent the destruction of natural forests.

Even cleaning products are eco-friendly and biodegradable. "Micro-fiber dust cloths and mops help reduce the use of chemical cleaners," Sutton says.

## Green Building Is Gold for San Diego

The San Diego office is in La Jolla Commons, the first high-rise, multitenant office building in California to achieve gold certification in the LEED program.

The building earned this certification for its environmentally responsible construction and state-of-the-art operating systems including an energy-efficient, glass curtain exterior wall system, which maximizes natural lighting, and a dual-water pipe system that reduces the use of fresh water by 87 percent.

It is also the first project in San Diego to receive Designed to Earn the ENERGY STAR status under the EPA's national program for commercial buildings.

"The LEED-gold building met our desire for a facility that is in line with our firmwide Living Green initiative," says **David Down**, San Diego office managing partner. "La Jolla Commons also provides a location in the heart of the new financial district and center of business for San Diego, granting us easy access to public transportation."

The building scored in the 92nd percentile for energy efficiency, according to EPA ENERGY STAR standards, equating to a 50 percent reduction in energy use and in greenhouse gas emissions compared to an average office building. 🌱



## What Does It Mean When Procurement Turns Green?

Green purchasing is up in a down economy and KPMG has taken notice. Sustainable Procurement Manager **Tim Ruddell** has found that to be a leader in sustainability, you can not ignore the supply chain.

“Some organizations believe that because they don’t manufacture products or don’t use heavy machinery themselves that their environmental impacts are minimal,” Ruddell explains. “However, that is the opposite of the truth. By influencing the supply chain, there is a tremendous opportunity to reduce your environmental impact.”

KPMG recognizes the importance of sustainable procurement and the environmental, social, and economic impact of our purchasing decisions. “That’s why we have established a Sustainable Procurement policy to structure, formalize, refine, and improve our practices,” Ruddell says.

The policy was developed to give preference to suppliers of goods and services that demonstrate positive social and environmental impacts. It entails looking at what products are made of, where they have come from, who has made them, and how they will be disposed of at the end of their life – even considering whether the purchase needs to be made at all.

The Sustainable Procurement policy is sponsored by the National Living Green program and administered by Firmwide Procurement. “However, implementation of the policy is the responsibility of our partners and employees who are involved in procurement activities,” Ruddell says.



Tim Ruddell, Sustainable Procurement Manager

### Asking the Right Questions

The policy highlights the specifications for procuring goods and/or services, including documenting existing standards required by KPMG, and adopting or developing standards where none currently exist.

Examples of standards include reductions in energy, waste, and water consumption, and increases in recycling and purchasing from sustainable resources.

The policy also includes an evaluation of the potential suppliers’ sustainability performance in our Request for Proposals (RFPs). “We acknowledge that the questions in our RFPs do not cover all aspects of sustainability,” Ruddell says.

### Did You Know?

A supply chain is a system of organizations, people, technology, activities, information, and resources involved in moving a product or service from supplier to a customer.



The firm's Sustainable Purchase practices currently include:

- Paper and paper products
- Electronics
- Electricity
- Office supplies, equipment, and furnishings
- Janitorial services and cleaning supplies
- Building materials and services
- Fleets, fuels, and vehicles
- Waste management services
- Travel services
- Events & Meetings

"They are, however, helpful in identifying a vendor that is committed to green, and can be tailored to the product or service we are buying."

Where no industry standards exist, the policy encourages vendors to work together with peers, manufacturers, retailers, service providers, and industry bodies to identify and adopt best practices.

"The Sustainable Procurement policy also requires major suppliers to adhere to our Supplier Code of Conduct, a one-page document based on the United Nations Global Compact, of which KPMG is a signatory," Ruddell explains.


### A Call to Action

In addition to environmental responsibility and cost savings, why else is sustainable procurement beneficial? According to Ruddell, the answer resides in the scope of its impact. "We're not just impacting ourselves, but also the marketplace. It's not just about what we buy, but also who we buy it from, and how we use it.

"We can choose the most 'environmentally friendly' product in the world, but if we use it irresponsibly or inefficiently, it would contradict what we are trying to achieve."

Plans are being made to apply the Sustainable Procurement policy to other processes in the firm – starting with our hotel directory for business travelers.

All participating hotels are asked a simple question: "Do you comply with all of the American Hotel and Lodging Association's 11 minimum guidelines for going green?" The properties that select "yes" will have a green checkmark alongside their names in the directory.

"When partners and employees are selecting their hotel, it's an additional piece of information to help them make an informed decision," Ruddell explains. "If two properties are offering rooms at the same rates, both in convenient locations, I personally would choose the hotel that demonstrates green practices." 

We're not just impacting ourselves, but also the marketplace. It's not just about what we buy, but also who we buy it from, and how we use it.

~Tim Ruddell, Sustainable Procurement Manager

## Living Green 101

KPMG's Living Green program reaches beyond its offices into the communities in which we live and work. In 2009, the firm sponsored its first annual Living Green Case Competition, an initiative that challenged business students at colleges and universities to help make their campuses greener.

Students submitted proposals describing how they would use \$1,000 to improve their school's sustainability activities by addressing areas identified on the College Sustainability Report Card. Published by the Sustainable Endowments Institute, the report card evaluates colleges' environmental and sustainability efforts.

The competition started at a regional level where students competed against other teams on their own campus and from colleges across the nation.

The following schools participated in the competition:

- Indiana University
- Miami (Ohio) University
- Baruch College
- Fordham University
- University of California – Berkeley
- Santa Clara University

### Sustainability on Campus

Two winning teams from each of the three regions were selected to participate in the national finals in November 2009. The winning teams were selected based on their skills, creativity, and passion in developing a strong business case and presenting their findings to a panel of judges from inside and outside KPMG.



"This was a unique opportunity for students to compete against other environmentally minded students," says **Mary Johnson**, director, Operations Services, and one of the case competition judges. "The students developed some great ideas, some of which we could consider adopting in our KPMG offices."

More than 40 teams of 117 students from the six participating schools entered the competition. "We were impressed with the innovative submissions we received and thrilled to see how motivated the students were about improving sustainability on their campuses," says **Blane Ruschak**, executive director, University Relations and Recruiting.

### The top six national finalists were:

- Team Berkeley Consulting – University of California–Berkeley
- Excelsior – University of California–Berkeley
- Green Life – University of California–Berkeley
- Lifestyle Energy Solutions – Indiana University
- Trash Dash – Indiana University
- Vitality Consulting – University of California–Berkeley



According to Ruschak, sustainability is becoming an increasingly critical issue for businesses. “We think it is important that students be thinking about sustainability and applying their creative energies now.”

### **Game Changers**

The top two proposals came from the same school – U.C. Berkeley. The grand prize went to “Team Berkeley Consulting” for its Cal Green Game Days business case. The team proposed implementing a composting and recycling program for games held at the basketball arena to help raise awareness about green approaches to managing waste.

According to the Berkeley team, by introducing sustainability practices at athletic venues – which are consistently high in attendance and low in eco-friendliness – the campus can not only build long-term sustainability, but also can gain public participation in green initiatives.

“This team’s proposal was well thought out with extensive research and supporting evidence. It presented a feasible idea and a formulated approach to achieve it,” Johnson explains.

### **Transparent Success**

The first runner-up was the “Green Life” team from U.C. Berkeley, which proposed creating a publicity campaign to educate students about sustainable investing and obtaining support from the university administration for sustainable endowment investments.

The team proposed a two-pronged approach that included increasing student involvement and improving negotiations with the school administration.


According to Johnson, the team’s business case effectively combined sustainability, investment, and student participation. “Their approach was quite unique,” she indicates.

### **The Trash Dash**

The second runner-up team was “IU Trash Dash” from Indiana University. The team aimed to enhance the university’s recycling efforts by holding a public sale in the spring of gently used goods (clothes, furniture, electronics, etc.) that otherwise would have been discarded when students moved out of their dorms. Proceeds would be donated to community and sustainability groups on campus.

“I liked the fact that the team members thought up smart, achievable goals,” Johnson says. “Their proposal had a clear impact on the local environment.”

Team Berkeley Consulting received a cash prize of \$3,000, the Green Life team received \$2,000, and IU Trash Dash received \$1,000. In addition to these prizes, each of the three teams received \$1,000 toward the implementation of their proposals.

“Once the proposals have been implemented, we hope other students will recognize the importance of sustainability and see how they, too, can make a difference,” Johnson says. 

We think it is important that students be thinking about sustainability and applying their creative energies now.

~Blane Ruschak  
Executive Director, University Relations and Recruiting

## Setting a New Standard for Green Meetings

There is no question that bringing people together for meetings, often for multiple days at a time, creates a significant environmental impact – from greenhouse gas emissions associated with air and ground travel to energy and natural resource consumption.

To elevate the importance of being green when it comes to meetings, KPMG's Events & Meetings (E&M) team has seized the opportunity to make a difference. Through collaboration with hotels and other suppliers, the E&M team is actively working to reduce the environmental impact of the firm's meeting activities.

"E&M plans and executes hundreds of meetings each year. We realize we can play a key role in contributing to the firm's environmental goals, and helping to positively influence behavior change, through green meeting planning and purchasing processes," says [Carol Muldoon](#), executive director, E&M.

### KPMG Meetings Are Living Green

Keeping the environment at the forefront, the team incorporates environmental considerations into every aspect of the meeting planning process – from venue sourcing and selection, to food and beverage options, to onsite execution. And it has developed specific guidelines to follow for waste reduction, energy conservation, and water management. For instance, while sourcing a meeting location, E&M's site search team works to identify venues willing to support and promote awareness of environmental practices.

KPMG's green meeting guidelines include:

- Selecting venues with established sustainability programs
- Energy, waste, and water reduction practices
- Efficient transportation practices (group shuttles)
- Planning menus with locally grown products
- Eliminating bottled water
- Surplus food donation programs
- Venue-supplied recycled and biodegradable meeting supplies
- Onsite recycling programs both in meeting spaces and guest rooms
- Reducing paper and collateral onsite
- Promoting our commitment to Living Green onsite
- Partnering with the venue to provide post-event environmental report data





## Five Quick Tips to Green Your Meeting

- 1 Explore virtual meeting options
- 2 Provide sustainable food options and eliminate bottled water
- 3 Serve condiments in bulk rather than individual portions
- 4 Reuse name badge materials and print materials double-sided
- 5 Utilize the venue's existing electronic signage


## Green Meetings in a Tough Economic Environment

Planning a green meeting is not just about being environmentally responsible. It also can have a positive economic impact. For example, "Looking at green alternatives has helped open our eyes to the amount of waste produced from onsite activities," explains Muldoon. Indeed, trimming waste – whether it is through the introduction of energy efficient programs in hotels, reducing the volume of printed conference materials, providing locally grown food, eliminating bottled water, or designing reuseable signs – not only helps to curb costs, but also adds to the bottom line.

Recently, a number of measures to reduce costs have helped further E&M's green agenda. These range from limiting the frequency of long-distance travel, to conducting meetings that are smaller and more regionally focused, to using virtual technology options to facilitate long-distance training programs.

## Raising the Bar to Keep the Momentum Going

As if that weren't enough, "For a meeting to be considered green, it must have clear process objectives as well as environmental metrics, and at the same time be tied back to an organization's business goals," says **Tamara Kennedy-Hill**, executive director of the Green Meeting Industry Council, the premier global community solely dedicated to sustainability in the meetings and events industry.

To sustain the momentum, E&M is working closely with the firm's Global Sustainability Services network within the Advisory practice to create a baseline measurement system that is aimed at measuring progress. "Such a system will not only enable us to quantify the value of sustainable events, but also allow for continuous improvement, accountability, and ultimately drive the results we're seeking," says **Brigid Breen**, manager, E&M. 

## KPMG's New Technology Center – A Model for Green IT

In April 2009, KPMG celebrated a major milestone when it unveiled its new Technology Center, which represents the very best in both technology and Green IT standards.

From start to finish, the entire design approach was green-oriented, utilizing U.S. Green Building Council best practices in construction and alternative fuel for energy. To minimize waste and landfill debris, an existing building was chosen as the site for the facility. The building's design allows natural light to reach the entire floor of the server room and 90 percent of the workspaces, optimizing energy use. To reduce carbon emissions, the firm is using natural gas as the facility's primary source of energy.

### Harnessing Turbine Power for Heating and Cooling

The Technology Center is powered by two complementary systems: traditional electricity and natural gas-powered micro-turbines. The facility also has a backup generator to ensure uninterrupted service in an emergency.


The 14 gas-fired micro-turbines together generate more than 70 percent of the power needed to run the facility. Because the micro-turbines produce ultra-low carbon dioxide and particulate emissions, the electricity they generate is significantly less harmful to the environment.

The turbines also are used to cool the facility. The hot exhaust gas from the turbines is captured and funneled into an absorption chiller. The chiller then converts the exhaust heat to provide the energy needed to drive the cooling system. As a result, the exhaust heat that normally would be vented is harnessed to create "free" chilled water.

This dual system gives the firm a significant amount of flexibility to switch to the most cost-effective source of power, depending on fluctuations in the price of gas and grid-based electricity.

### Virtual Servers Save Energy

As yet another way to reduce electricity consumption at the facility, the technology team has implemented a server virtualization strategy, in which physical servers are "partitioned" into several virtual servers, each with separate virtual processors, memory, networking, and storage. Today, more than 1,200 virtual servers are running on 40 physical machines, saving nearly \$300,000 in electricity costs.

The facility has already received \$1 million in state and federal incentive funds for its energy-efficient infrastructure, and carbon dioxide emissions have been reduced by 13 percent. 

Dominick Regina (left) and Tony Pagnozzi at the Technology Center



# Part 5: Green Achievers



Containers placed in the lobby of the Chicago office during Living Green Week encouraged recycling.

## From Baby Steps to Major Milestones – How Chicago Became a Greener Office

When Mayor Richard M. Daley and the City of Chicago Department of Environment challenged the city's building owners and their tenants to participate in a friendly competition to improve the environmental performance of their business operations and make the city a greener place to live and work, KPMG's Chicago office quickly accepted the challenge.

That is because a team led by Principal Steve Fortier already had been working for two years to make the Chicago office a green facility. Their efforts began with some of Fortier's pet peeves: Styrofoam cups and bottled water.

"The cups and plastic bottles were everywhere and I began sending notes to everyone I knew in the office discouraging their use," he says. Fortier gave everyone on his team a KPMG mug and water bottle. That was the first step. Soon after, former Chicago Office Managing Partner Bruce Pillier, now Audit's West regional managing partner, asked Steve to lead and support the office's Living Green efforts.

### Great Strides

Today, as the Chicago office continues to transform itself into a greener facility, it already has achieved a number of significant milestones. For example,

it has the second lowest carbon footprint per employee among all KPMG offices with 700 or more employees. It has lowered its carbon footprint by more than 10 percent in just one year, its energy consumption is down, and it has achieved the distinction of being the top recycler among all 90 KPMG offices.

And while the office has benefited from lower energy and resource costs, "It could not have been achieved without the enthusiasm, commitment, and groundswell of support from our people," says Carolyn Feuer, associate director, Operations Services, and member of the Living Green team.

### Passion for the Environment

In fact, partners and employees in Chicago have fully embraced the green agenda. From the time they walk into the office through the revolving doors – which conserve hot and cold air eight times more efficiently than regular doors – to their efforts throughout the day to conserve and recycle, their commitment is complete.

It extends from duplex printing to recycling printed materials to opting for electronic signage. The office was equally zealous during a successful "lights out" campaign during the 2009 Living Green Week, encouraging partners and employees to turn out lights not in use.

The team's activities have received a tremendous response from the office. Nalini Prakash Hart, a Tax manager and Chicago Living Green coordinator, says the team uses a two-pronged approach. "Building awareness and providing the tools that enable people to act upon what they have learned are both key," she says.

## Raising Awareness

Earlier this year, the Chicago team organized a bagel breakfast, where employees and partners were given the opportunity to measure their individual carbon footprint, and were provided with tips on how to reduce it.

During the event, participants watched the documentary, "An Inconvenient Truth," while a three-dimensional poster highlighted the numerous types of items that are recyclable.

"It was an eye-opening experience for many, and our team viewed it as an opportunity to get people to re-examine habits before they are fully formed," says Prakash Hart.

The Living Green team has since hosted a number of events that have extended beyond KPMG. Collection boxes were set up at strategic drop-off locations, including the building's lobby – a move that encouraged other tenants in the building to participate as well. Another event – a sneaker drive – encouraged employees and partners to drop off their old sneakers, which are used to build playgrounds.

Similarly, the team has worked on recycling batteries, grocery bags, and used cell phones. The team is also working with Information Technology Services (ITS) to recycle gently used computer accessories among partners and employees in the office, including keyboards, power cables, mouse pads, and more. A Living Green mailbox encouraging employees and partners to send in new and innovative ideas also is well utilized. 



## Certified Success: Silicon Valley

KPMG's Silicon Valley office has been certified as a Bay Area Green Business by Santa Clara County, which recognizes businesses that have implemented sustainable practices. As a result of the certification, KPMG will be listed in the directory of green businesses on the organization's Web site.

Under the leadership of Operations Services Manager [Linda Earls](#), Operations Services Senior Associate [George Brewington](#), and Living Green Committee Coordinator [Purvi Mehta](#), the Silicon Valley office has taken significant steps to conserve water, increase energy efficiency and recycling efforts, and reduce the amount of solid waste produced by the building.

The office's Living Green initiatives have included:

- Redesigning forms to use less paper or using electronic forms;
- Using paper with recycled content in copiers and printers;
- Offering employees pre-tax commuter benefits for transit, vanpool, or biking costs; and
- Reducing the number of lamps and light fixtures and using optical reflectors and/or light diffusers to improve lighting efficiency, and rearranging the workspace to take advantage of natural light.

"The improvements are definitely an investment, but we knew we had the support of our office and firm leadership," says Earls. "Although they may seem small, we expect these changes will really add up in the long run."

KPMG's Silicon Valley professionals also have extended their commitment to the environment into the local community. They have planted trees at an elementary school and participated in the annual California Coastal Cleanup Day. At the event, more than 100 KPMG volunteers removed 225 pounds of trash, 100 pounds of recyclables, and 300 pounds of non-native plants from a local beach.

"Engaging in these public projects sends a powerful message to our clients and other stakeholders in our community about KPMG's commitment to Living Green," says Mehta. "They also provide an excellent opportunity for us to share what we have learned about implementing environmentally friendly practices and identifying new ideas that we can try going forward." 



## Detroit Is Living Green

It didn't take long for the Detroit Living Green team to notice an uptick in awareness after they stepped up their Living Green efforts in 2007. For this small but passionate team of 12, raising awareness through education was, and continues to be, the primary focus of their activities. When they first started, however, their challenge was daunting.

"Even though there were a number of readily accessible conveniences, ranging from battery pillars for recycling to bins for disposing paper, utilization began to grow only once we showed people how to use them effectively," says **Olga Liss**, senior associate administrative coordinator, Support Services, and the Detroit Living Green team facilitator.

They began with simple awareness-building steps such as using displays to remind people of which paper products can be recycled in the recycle bins as well as

"public service announcements" at the start of meetings and training sessions to reinforce Living Green messages.

They also began to regularly communicate Living Green tips and best practices through the local electronic newsletter – a practice that continues today as more employees push the green envelope even further by sharing their own practices.

Their approach has paid off. During the past two years, the Detroit office's efforts to recycle paper, adopt duplex printing, and put in place other green-friendly measures have saved more than 1,000 trees and earned the office the distinction of being named the most paper-efficient KPMG office in the United States. In addition, the office's commitment to decreasing energy consumption has distinguished it as the second most energy-efficient KPMG office in the United States.


### Fostering Eco-Friendly Ways

"Employee participation and a high level of commitment are huge factors in helping to move the needle in terms of our green efforts," says **Ashby Corum**, Tax partner and leader of the Detroit Living Green team.

Some might say the needle has moved significantly as evidenced by one Detroit professional's efforts to implement environment-friendly measures at a client site and the office's growing participation in green efforts in the community.

For example, members of the Detroit office have joined community tree planting events, and during a "Take Your Children to Work Day" event, they and their children learned about the importance of watersheds and gained hands-on experience planting native grasses to revitalize a riverfront.

Similarly, during the 2008 holiday season, the Living Green team hosted an open house, where they distributed a well-received brochure titled "Living Green for the Holidays," packed with tips for reducing energy and waste, including using energy-efficient lights and cameras. Other tips in the brochure included how to reduce the number of mail-order catalogs one receives and where to recycle trees and wreaths. Team members also took the opportunity to showcase Living Green practices in the office and at home. They even distributed ornaments made from recycled holiday cards.

In 2010, the team is looking to further build on its commitment and is confident that as more people get involved, the Living Green movement will gain momentum. "It boils down to realizing that there's no plan B for our planet," says Liss. "And once you get involved, it makes for an eye-opening experience. You become more aware that minor changes in lifestyle can make a big difference to the environment." 



From left: Terri Compton, senior administrative assistant, Ausra Zurro, senior associate, and Kim Petrylka, senior associate, participate in the community tree planting.

# Part 6: In Pursuit of Environmental Excellence

KPMG's commitment to and leadership in pursuit of environmental excellence has helped the firm rank among the best. KPMG was ranked No. 7 on *Computerworld* magazine's 2009 list of Top Twelve Green IT organizations.

The award recognizes the firm's efforts in 2008 to incorporate new and innovative technology ideas into its daily operations to reduce energy consumption and carbon emissions, and conserve energy.

KPMG also achieved semi-finalist status in the first-ever National Business Travel Association Corporate Social Responsibility Awards program, which recognized the firm's innovative programs, mission, and Living Green objectives.

In addition, KPMG received two awards from the League of American Professional Communicators: a 2009 IMPACT Award, for the best strategic communications program, and a 2009 Bronze INSPIRE Award, for the best internal communications program. Living Green also was a finalist for a "Stevie" Award from the American Business Awards, being recognized as one of the best communications programs.






## Living Green Takes Center Stage

**Eric Israel**, managing director, Advisory, and member of KPMG's Global Sustainability Services network, appeared in a CNBC report about the growing trend of corporate sustainability in June 2009.

The report, which aired during "Squawkbox," one of the most-watched programs on CNBC, explored the different facets of sustainability that are being adopted by the world's largest companies. It featured KPMG's thought leadership and research, positioning the firm as a leader in this growing field.

"Sustainability is really about the concept of integrating financial performance, social performance, and environmental performance," Israel said during the segment.

CNBC also cited the results of a KPMG International survey, which found that 80 percent of the world's largest companies are issuing sustainability reports, up from 50 percent three years ago.

Israel noted in the report, "Saving the planet is not only something for environmentalists. There is a real business case for companies to look into this, from a risk point of view and an opportunity point of view." 

“Thanks to the commitment of the firm,  
and the passionate support of our people,  
we are advancing steadily toward our goals  
and will continue to look at ways to reduce  
our impact on the environment.”

*~ Steve Clemente, Principal in Charge,  
Operation Services, KPMG LLP*

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KPMG has a commitment to environmental responsibility

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