



cutting through complexity



2011 KPMG Living Green Annual Report

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Steve Clemente
Principal in Charge
Operations Services

A sustainable future

At KPMG, our goal is to be a recognized leader in corporate responsibility. The outstanding results achieved through our Living Green program exemplify high performance and a commitment to environmental stewardship as we strive to build a sustainable future for our business, our people, and in the communities where we live and work.

Focusing on high performance in our sustainability efforts, partners and employees offer innovative ideas and solutions to integrate environmentally-friendly practices into everyday business operations whenever possible.

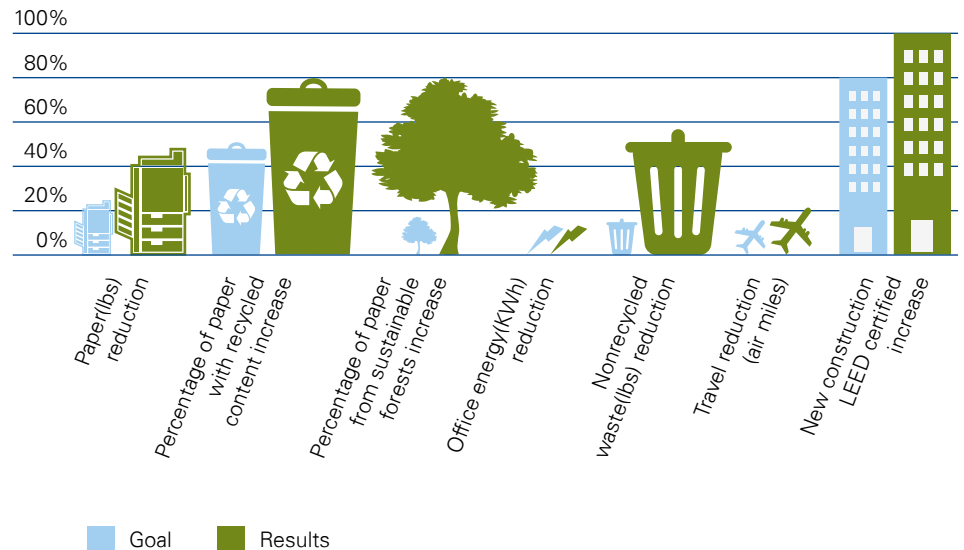
At the end of 2010, KPMG achieved a 22 percent absolute emissions reduction from a 2007 baseline, with a 26 percent reduction in air travel, a 7 percent reduction in energy, a 51 percent reduction in non-recyclable waste and a 33 percent reduction in paper consumption. These four key performance indicators account for the major portion of KPMG's environmental footprint. These results are based upon a recently completed analysis by our

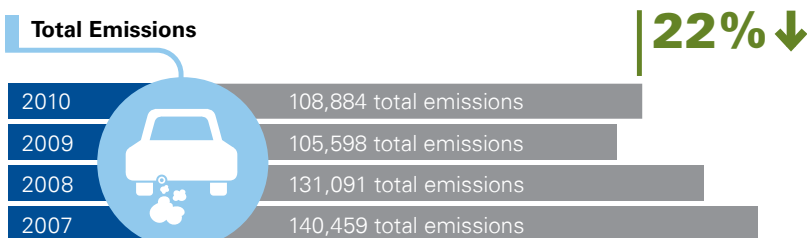
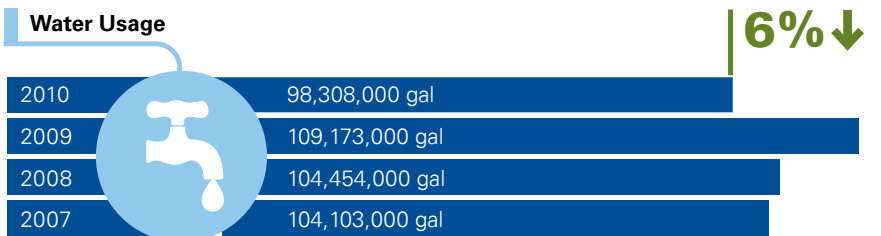
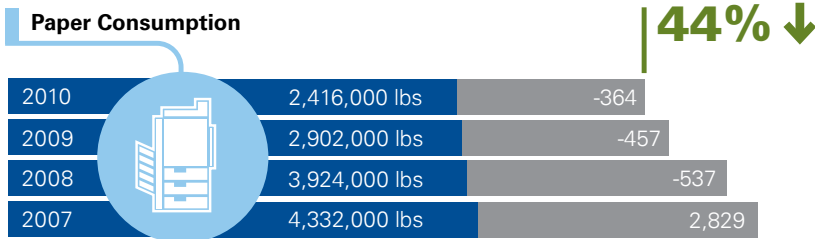
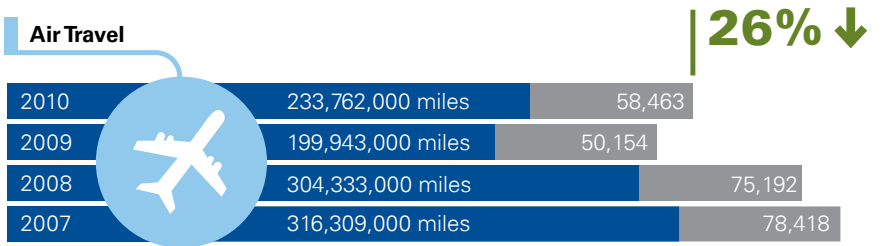
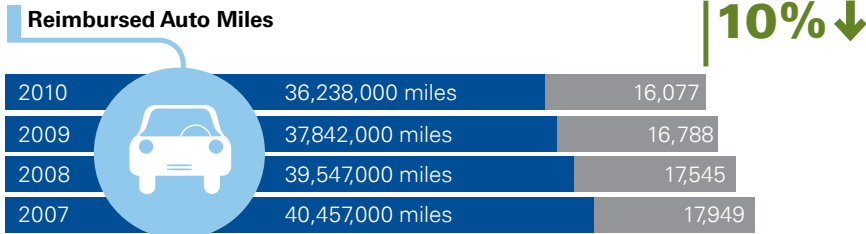
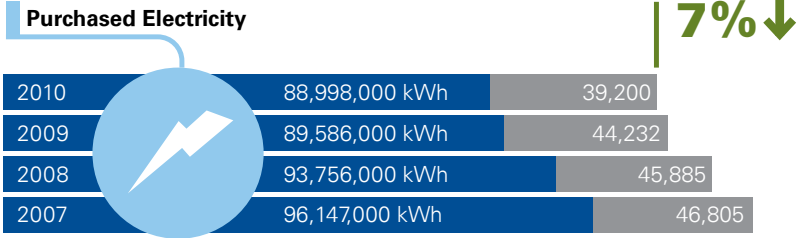
Climate Change & Sustainability Services practice professionals. "We are pleased with our results," Clemente says, "and are looking to the future and the many possibilities it holds to further reduce KPMG's greenhouse gas emissions through numerous business transformation opportunities."

Living Green is a major pillar of our corporate responsibility agenda, and we are committed to effecting change in our business operations to minimize the firm's environmental profile, educating our people on sustainable behaviors, and continuing to focus on environmental stewardship in the communities where we operate.

Delivering on our commitment

We tracked and measured our progress using 21 key performance indicators which provide a clear and accurate picture of results achieved and areas where we need to focus our attention in the future. An environmental scorecard and carbon profile report are created at the national level and individually for each U.S. office. These scorecards and profiles provide the tools needed to manage the firm's environmental performance and assist in creating action plans for the future. KPMG voluntarily reports our environmental impact through the Carbon Disclosure Project and our progress through the United Nations Global Compact.







Environmental stewardship



Darren McGann (L) and Robert Swan (R)

In March 2011, Darren McGann, KPMG's sustainability manager, joined renowned polar explorer and environmental leader, Robert Swan, for an expedition and sustainable leadership program in Antarctica.

As a member of a select international team, Darren explored the Antarctic Peninsula with environmental experts and gained firsthand knowledge of the climate change effect on the continent's fragile ecosystem

and by extension, on the rest of the planet. When asked about his journey to Antarctica, McGann responded, "It was a trip of a lifetime and probably the most grueling physical experience I will ever endure, but it was all worth it."

Since returning from Antarctica, Darren has collaborated with KPMG professionals worldwide in discussing climate change

and how KPMG's efforts can affect change globally. He has also spoken to several student organizations about the expedition and partnered with KPMG's Family for Literacy program to provide inspirational and educational books on environmental stewardship for these youth.

"Protecting the environment and educating our youth on being responsible citizens as it relates to the environment is important to me," says McGann. "These children have our future in their hands, and without an understanding and commitment to environmental stewardship, the challenges they will face may be insurmountable."

Recognition for our efforts

KPMG has been recognized by several organizations for its sustainability efforts. The firm received the 2010 Green IT Star from *InfoWorld Magazine*, and was a finalist in both 2010 and 2011 Green IT Enterprise awards sponsored by Uptime Institute. In May of 2011, KPMG also received the EPA's 2011 ENERGY STAR CHP Award.



Education and employee engagement and awareness

Important to our success is the education and engagement of our people. For the past four years, KPMG has sponsored Living Green Week, which coincides with Earth Day, to celebrate and raise awareness of the firm's program. Mary Johnson, executive director, Operations Services, said, "During Living Green Week in 2010, teams from Atlanta to Washington, DC, demonstrated how working together, we can make a difference in the environment by thinking, acting and Living Green."



Living Green case competition – Challenging the future

KPMG sponsored its second Living Green case competition on college campuses in 2010. Across the United States teams were challenged to submit ideas and recommend improvements, to address issues raised on their school's environmental report card. The submissions were judged and awards given based upon predetermined criteria that included identifying a realistic and unique solution to a valid issue, feasibility of implementing the program, and measurability and degree of environmental impact the solution would realize.

Sharing our knowledge and insights

For the past two years, KPMG has been honored to participate in the R.I.S.E. forum, the largest student investment conference in the world, hosted by the University of Dayton. The conference is sponsored jointly by the University of Dayton and the United Nations Global Compact. Steve Clemente attended this year's conference and shared KPMG's ambitious mission and journey to improve its environmental performance, along with the challenges confronted and successes achieved. Attendees learned about KPMG's measurement and reporting process, and the innovative and challenging programs put in place to reduce the firm's footprint such as virtual meeting solutions offered on the travel Web site, and new training methodologies.

Climate change and sustainability services

Not only do KPMG's Climate Change & Sustainability Services practice professionals assist KPMG with its internal program, they assist businesses worldwide to better understand the complex and evolving business and regulatory risks related to climate change and sustainability and help those businesses capitalize on the resultant commercial opportunities.

KPMG offers a clear grasp of the issues, risks, and opportunities presented by today's climate change and sustainability challenges; has deep industry experience; and brings a holistic perspective aligning Tax, Audit, and Advisory professionals to effectively execute against the business challenges and opportunities at hand.

Future actions and goals



KPMG has made a commitment that 100 percent of major office renovation and relocation projects will be LEED certified (Leadership in Energy and Environmental Design). In addition, energy and water efficiency, along with innovative office design and space utilization for existing offices will be pursued to reduce our footprint.

We have set an aggressive five-year goal through 2015 to reduce KPMG's overall carbon footprint by 10 percent per Full-Time Employee (FTE). "With the enhancement of programs already in place and the focus on new programs already underway, such as Cloud, green e-energy procurement, flexible work options, server virtualization, reduction of air travel through virtual offerings, shipping consolidation and reduction, e-process delivery, and many more, Living Green will be at the forefront of business decisions as we strive to create a sustainable tomorrow," said Clemente.

For additional information, contact us at us-green@kpmg.com

