



Supplier Code of Conduct

1 March 2021

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Introduction

As a professional services firm, KPMG Australia is visible to all types of businesses and operates with a global impact through our services and supply chain. We believe that a strong commitment and a strategic approach to sustainable development is essential for managing the challenges and opportunities of a rapidly changing global environment.

We view our suppliers as partners and care about the way they do business. The KPMG Supplier Code of Conduct (“Code”) is a result of our ambition to establish a proactive collaboration with our suppliers in the promotion of lawful, professional and responsible practices that integrate respect for human rights, business ethics and the environment.

Our suppliers’ performance and alignment to high standards of business is an important and impactful part of the value chain for KPMG Australia. We anticipate suppliers would communicate the Code to related entities, suppliers and subcontractors who support them in supplying to KPMG Australia, so that they are aware of and understand the standards set within the Code.

We are committed to engaging with our suppliers to evaluate their performance against the Code.

Thank you for your continued efforts and collaboration with KPMG. Please direct all questions about this Code to: AU-FMKPMGprocurement@kpmg.com.au



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Chief Operating Officer /
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18-Feb-2021



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Commitment

In 2002, KPMG became a signatory to the United Nations Global Compact (UNGC) signalling our commitment to responsible and ethical business practices in the marketplace.

KPMG Australia values leading by example, acting with integrity and fostering an ethical culture where everyone embraces a sense of personal responsibility for doing the right thing in the right way. KPMG Australia is committed to sustaining the highest legal, environmental, ethical and professional standards consistent with the Ten Principles of the UNGC in the areas of human rights, labour, environment and anti-corruption. The Code has been developed with recognition of the Ten Principles, national legislation and KPMG policies already embedded within the Firm, including the KPMG Australia [Human Rights Policy](#).

Application

The Code applies to all suppliers and their employees, agents and subcontractors (collectively referred to as “Suppliers”) that produce goods and/or provide services for KPMG Australia. KPMG Australia expects that suppliers will meet, and work to exceed, the minimum requirements set out in this Code.

Monitoring and evaluation

KPMG Australia will test the alignment of supplier policies and practices with the Code through its supplier management program which includes a supplier due diligence questionnaire and ongoing supplier monitoring. KPMG Australia reserves the right to periodically request documentation and evidence that demonstrates alignment with this Code. It is the Supplier’s responsibility to educate its employees, agents, subcontractors and extended supply chain about the principles and requirements in this document. We recognise the importance of working with our Suppliers on achieving alignment, and will provide an opportunity for improvement wherever it is appropriate to do so.

Supplier Requirements

KPMG Australia is committed to sourcing goods and services in a responsible, fair and sustainable manner and working with Suppliers to achieve this commitment. In this section, we describe the requirements that we expect our Suppliers to achieve in order to establish and maintain a business relationship with KPMG Australia.

1. Governance and Ethics

- Compliance with relevant legal and regulatory requirements with regard to all areas of business and operations, including corporate governance, occupational health and safety, labour standards and environmental management is ensured.
- All aspects of business are conducted in an ethical manner, and all instances where these standards are breached are reported.
- Policies and management systems that enable alignment with this Code are effectively implemented.
- Clear managerial responsibility for performance measurement and evaluation is allocated and there is a demonstrated commitment to continuous improvement.
- Accurate information regarding business activities, labour, workplace health and safety, and environmental practices is provided and such information, without falsification or misrepresentation, is disclosed when requested.
- Use of sub-contracting is clearly documented, declared and submitted for approval.
- Workers have an accessible mechanism to report grievances that facilitates open communication between management and employees.¹⁰

2. No Forced and Child Labour

- All employment is freely chosen.
- No forced labour or bonded labour is used.
- No child labour is used and all workers meet applicable minimum legal age requirements.¹
- There is no employment of young persons under 18 at night or in hazardous conditions.
- Identified forced and child labour impacts are remediated in line with international good practice in grievance and remedy.

3. Wages and Working Hours

- Working hours, wages and overtime pay are set in compliance with the *Fair Work Act of 2009*² and/or all other applicable laws.
- All workers are paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.³ Wages should always be enough to meet basic needs and to provide some discretionary income.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure and any deductions from wages not provided for by national law without the expressed permission of the worker concerned are prohibited.

4. Freedom of Association

- Workers are allowed to freely associate with others, form and join (or refrain from joining) organisations of their choice, and bargain collectively without interference, discrimination, retaliation, or harassment.
- A parallel means for independent and free association and bargaining is facilitated where the right to freedom of association and collective bargaining is restricted under law.
- Worker representatives are not discriminated against and have regular access to carry out their representative functions in the workplace.

5. Work, Health and Safety

- Workers are provided with a safe and healthy working environment.⁸
- Regular and recorded health and safety training is provided to all workers, and repeat training for new or reassigned workers.
- Compliance with all applicable laws and regulations regarding working conditions is demonstrably ensured.⁹
- Work health and safety of employees is treated as a priority throughout all significant aspects of business activities.
- Appropriate action, such as policies, standards, procedures, contingency measures and management systems, are taken in order to prevent occupational illnesses and work-related accidents and to provide a safe and healthy workplace to its employees.

6. Diversity and Inclusion

- Discrimination against any employee based on race, religion, age, gender, national origin, citizenship status, marital status, sexual orientation, gender identity, disability, pregnancy, veteran status or other legally protected status, is prohibited in all hiring and employment practices.¹³
- There is a commitment to gender balanced teams and strong female gender representation, including at the senior leadership level.
- Commitment is demonstrated to improving diversity and inclusion at all levels of the business.

¹ [UNGC: Principle 5](#)

¹⁰ [UNGC: Principle 3](#)

² [Fair Work Act 2009](#)

¹¹ KPMG Work Health and Safety Policy

³ [Fair Work Ombudsman – Minimum Wages](#)

7. Environment Sustainability

- Compliance with all applicable environmental laws, regulations and standards is demonstrated.¹⁵
- Environmental risks, impacts and responsibilities are identified in an environmental policy, statement or program.
- A risk management program is implemented to prevent, mitigate and account for the identified risks and impacts.
- A program is implemented to improve resource efficiency and reduce resource consumption of goods and services throughout their life cycle, including of raw materials, energy, water and fuel
- Progress towards reducing negative environmental impacts can be demonstrated¹⁷ and reasonable steps to minimise emissions of greenhouse gases demonstrated. Supplier is encouraged to track emissions and to set science-based greenhouse gas reduction goals (in line with the Paris Agreement).
- Environmentally friendly technologies and practices are developed and used to prevent and mitigate negative environmental impacts in operations and the supply chain.¹⁸
- Suppliers must demonstrate and cooperate with requests for non-commercially sensitive information sharing, specifically related to KPMG Australia's supply chain emissions, waste and resource reporting
- We encourage suppliers to collaborate with us in managing climate risk and support our goals to reduce supply chain emissions and be a net zero organisation by 2030. This may include having appropriate governance and oversight in place, developing a strategy to guide action and accessing for climate change risk, and measuring and disclosing any material climate related impacts.

8. Supplier Diversity

KPMG Australia is committed to supporting a culture in which diversity is valued internally and externally. We support supplier diversity through engagement with Indigenous businesses and social enterprises with relevant business offerings.

We actively seek opportunities to support Indigenous businesses through our membership with Supply Nation, partnership with First Australians Chamber of Commerce and Industry (FACCI) and other opportunities aligned with the strategic direction set within our Reconciliation Action Plan. We prefer Suppliers who promote and build sustainable relationships with Indigenous businesses.

KPMG Australia has not yet established supplier expectations regarding supplier diversity. However, we prefer Suppliers who have embedded diversity within their policies, programs and initiatives.

9. Anti-Bribery and Corruption

KPMG Australia promotes integrity and ethics in all aspects of its activities. KPMG Australia's position is that bribery and corruption are unethical and unacceptable and are inconsistent with our values and our Global Code of Conduct.⁴ In support of this position, we have an extensive anti-bribery and corruption program globally.⁵ This includes detailed policies applicable to all member firms and their personnel, as well as training, compliance procedures and an international whistle blowing hotline.

KPMG Australia expects Suppliers to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion.^{6 7 8} Any and all forms of corruption, extortion and embezzlement are strictly prohibited and may/will result in immediate termination and legal action.

10. Gifts and Entertainment

Suppliers should not offer KPMG People or any related person or company excessive gifts or entertainment which contravenes our Global Code of Conduct or offer any gifts or entertainment that may have an adverse impact on our reputation.²⁵

⁴ [KPMG Global Code of Conduct](#)

⁵ [KPMG Anti-Bribery and Corruption](#)

⁶ [Australian Criminal Code](#)

⁷ [UNGC: Principle 10](#)

⁸ [KPMG Anti-Bribery and Corruption](#)

¹² [KPMG Diversity and Inclusion](#)

¹³ [UNGC: Principle 6](#)

¹⁴ [KPMG Environment](#)

¹⁵ [The Environment Protection and Biodiversity Conservation Act 1999 \(EPBC Act\)](#)

¹⁶ [UNGC: Principle 7](#)

¹⁷ [UNGC: Principle 8](#)

¹⁸ [UNGC: Principle 9](#)

11. Privacy

KPMG Australia expects Suppliers to protect personal privacy and comply with applicable privacy laws as well as secure data against unauthorised access or use in accordance with firm standards.⁹

12. Use of Association

Suppliers should not publicly disclose their supply association with KPMG Australia in any form without express written permission from an authorised KPMG Person. Suppliers should not use the KPMG image or brand elements without the express written permission from an authorised KPMG Person and in accordance with KPMG's Brand Guidelines published from time to time.

13. Value and Quality

KPMG Australia expects:

- Compliance with all specifications, requirements and terms and conditions following the award of a contract.
- Confirmation that all statements, communications and representations are accurate and truthful in their proposals, bids or contract negotiations for KPMG Australia and its clients.
- Submission of accurate invoices and prompt correction of any errors and provide KPMG Australia with reasonable access to relevant business records and employees.

14. Continuous Improvement

The standards of conduct described in this Code are important to the ongoing success of KPMG Australia. Where applicable, we will support Suppliers in the establishment of leading practices in order to meet and exceed the standards outlined in the Code. KPMG Australia will test the alignment of supplier policies and practices with the Code through its supplier management program.

As a Supplier to KPMG Australia, the Supplier's role begins, but does not end, with understanding this Code. If any ethical or legal compliance issues arise that raise any questions, the Supplier has the responsibility to notify KPMG Australia immediately.

Review

The Code will be reviewed annually.

⁹[KPMG Privacy Policy](#) ²⁵ [KPMG Anti-Bribery and Corruption](#)