



UK Partner Diversity Report 2022

In respect of the year ended **30 September 2022**

January 2023 | kpmg.com/uk/ourimpact



We're committed to creating an inclusive environment where all colleagues thrive and reach their full potential, whatever their identity or background. This is fundamental to our success as a business.

To help us achieve this, we've outlined bold ambitions and set long-term targets to 2030 as part of our inclusion, diversity and equity plan – Our KPMG: A fairer future for all. This includes a focus on leadership accountability, investing in our recruitment, talent progression and training, and ensuring diverse pitch and client teams when allocating work.

It marks an ambitious but evolutionary chapter as part of our long-standing commitment to change. We know we need to continue to challenge ourselves, confront biases and listen and learn from each other, and this marks the next step in our journey towards a fairer future for all.



We're committed to fairer representation across our leadership.

Inclusion, diversity and equity is at the heart of our business strategy. We know that we need to see better representation at senior levels of our firm, so we've set long-term targets as part of our 2030 commitments for improving the representation amongst the Partner population at our firm.

This table shows how we're tracking against our targets.

	1 October 2022	1 October 2021	2030 target
% Female	28%	26%	40:40:20 ¹
% Ethnic minority	14%	12%	20%
% Disabled	7%	5%	15%
% Lesbian, Gay & Bi	3%	3%	6%
% Black heritage	1%	1%	5%
% Lower socio-economic background	25%	23%	29%
Number of partners ²	783	571	

More detail on all reporting methodology can be found in the appendix.

Further information on our inclusion, diversity and equity plan and progress can be found [here](#).

¹ This target requires us to have a minimum of 40% women and 40% men in the relevant population.

20% is flexible and recognises the moving nature of our firm, while setting parameters for us to meet and stay within.

² This represents the total Partner headcount as at 1 October. This includes Partners that have undeclared responses, and those who have chosen to respond with "prefer not to say".

% Female is identified by the Sex at Birth passport data; we therefore have 100% declaration for this calculation.

Data for all other categories is based on voluntary disclosures. Disclosure rates for Partners across these categories are:

	1 October 2022	1 October 2021
Ethnicity (including Black heritage)	94.4%	94.9%
Disability	93.6%	93.9%
Lesbian, Gay & Bi	93.7%	94.2%
Socio-economic background	76.4%	68.8%

Independent limited assurance report



GrantThornton UK LLP ("GrantThornton" or "we") were engaged by KPMG LLP ("KPMG") to provide limited assurance over the Subject Matter Information described below.

Limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected aspects of the KPMG LLP UK Partner Diversity Report ("the Report") as at 1 October 2022 listed at the end of our report ("the Subject Matter Information").

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are KPMG's Reporting method statement included in the appendix to the Report (the "Reporting Criteria").

Inherent limitations

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodologies and assumptions based limitations KPMG have disclosed in the Reporting Criteria.

Members' responsibilities

The Members of KPMG are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Report and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to KPMG.

Our independence, professional standards and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent limited assurance report

Continued



Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant KPMG management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to KPMG in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to KPMG those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than KPMG for our work or this report, including our conclusion.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Cambridge

Date: 16/12/2022

The maintenance and integrity of KPMG's website is the responsibility of the Members; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on KPMG's website since the date of our limited assurance report.

Independent limited assurance report

Continued



Underlying Subject Matter	Units	Subject Matter Information 1 October 2022
Female	%	28%
Ethnic minority	%	14%
Disabled	%	7%
Lesbian, Gay & Bi	%	3%
Black heritage	%	1%
Lower socio-economic background	%	25%

Appendix: Reporting method statement

Partner diversity overview

We report Partner diversity data covering the following indicators:

- % Female
- % Ethnic minority
- % Disabled
- % Lesbian, Gay & Bi
- % Black heritage
- % Lower socio-economic background

Data sources

Our primary data sources for Partner diversity data are:

- Our HR monitoring system:
SuccessFactors – Employee Central (SF-EC) module
- Right to work documentation (passports) to determine % Female, using Sex At Birth data
- Self-declaration diversity profiles

With the exception of % Female, calculations for all other categories rely on voluntary completion of a self-declaration diversity profile. This means that some responses are undeclared. Partners and colleagues have the option to respond with "prefer not to say" and "I don't know" too.

Reporting period

Data is reported annually, as at 1 October. Our data therefore reflects Partner promotions that take effect on this date.

Standards and guidance

Our methodology for the reporting of our firmwide diversity data, including Partner representation, is based on external standards and guidance (see further information in the 'Reporting methodology' section below). As external standards and guidance evolves, where this results in a change in recommended reporting methodology, we adapt our reporting approach to align with these changes. The change is applied in the year the external standard or guidance is applied. We do not restate prior year comparatives using new methodology, however we do seek to ensure differences between prior year and current year reporting methodology are explained.

Reporting methodology

Number of Partners

The total headcount of Partners is derived from our HR monitoring system.

Applicable Partners include:

- Those on a partnership work contract
- Internal and client-facing groupings
- Those with an "active" employment status at the point of data extraction

The following groups are excluded from our calculations:

- KPMG International personnel, based in the UK (International Headquarters and personnel classified as Exceptional Items)
- KPMG Global Services personnel
- KPMG Resource Centre personnel
- MBS Malta legal entity personnel
- Inbound or Outbound assignees without pay
- Contractors and temporary personnel

The percentage calculated for Ethnic minority, Disabled, Lesbian, Gay & Bi and Black heritage is based on the total Partner headcount, which means it includes Partners with undeclared responses, and those who have responded with "prefer not to say" too.

In line with guidance from social mobility experts, the Bridge Group, the percentage calculated for lower socio-economic background is based on the total Partner headcount, excluding Partners with undeclared responses, and those who have responded with "Never worked or long-term unemployed", "I don't know" and "prefer not to say".

% Female

% Female is identified by the binary Sex at Birth passport data. We therefore have 100% declaration for this calculation. The percentage of females is calculated as the number of females out of the total Partner population.

% Ethnic minority

This is a grouping for all colleagues who have declared as having the below ethnicities:

- Asian/Asian British: Bangladeshi
- Asian/Asian British: Chinese
- Asian/Asian British: Indian
- Asian/Asian British: Pakistani
- Asian/Asian British: Other Asian
- Black/African/Caribbean/ Black British: African
- Black/African/Caribbean/ Black British: Caribbean
- Black/African/Caribbean/ Black British: Other Black
- Mixed/multiple ethnic groups: White & Black African
- Mixed/multiple ethnic groups: White & Black Caribbean
- Mixed/multiple ethnic groups: White & Asian
- Mixed/multiple ethnic groups: Other Mixed
- Arab ethnicity
- Jewish Ethnicity
- Other ethnic group

Ethnic minority self-declaration response options and groupings align with [Government guidance](#) used in census reporting. The exception to this is we also include the option of 'Jewish Ethnicity', based on consultation with, and feedback from, our Jewish society employee network.

Appendix: Reporting method statement

Continued



% Disabled

Disability self-identification is provided in response to the question "Do you consider yourself to have a disability or long-term condition? In accordance with the Equality Act 2010, this covers a range of conditions, both visible and non-visible including physical health, mental health and neurodiverse conditions."

% Lesbian, Gay & Bi

We report on colleagues who have declared as Lesbian, Gay or Bi collectively. Lesbian, Gay & Bi response options and groupings align with [Government guidance](#) used in census reporting. The exception to this is we use the term 'Bi' rather than 'Bisexual', based on guidance from LGBTQ+ rights charity Stonewall and in consultation with our LGBT+ network, Breathe.

% Black Heritage

This is a grouping for all colleagues who have declared as having the below ethnicities:

- Black/African/Caribbean/
Black British: African
- Black/African/Caribbean/
Black British: Caribbean
- Black/African/Caribbean/
Black British: Other Black
- Mixed/multiple ethnic groups:
White & Black African
- Mixed/multiple ethnic groups,
White & Black Caribbean

Black Heritage self-declaration response options and groupings align with [Government guidance](#) used in census reporting.

% Lower socio-economic background

Our reporting descriptions and methodology is based on guidance from social equality experts, the Bridge Group. We use parental occupation as our measure of socio-economic background. This is based on [The National Statistics Socio-Economic classification](#), which identifies the occupation of the highest earner in your household at age 14 as the most robust indicator of socio-economic background. Low socio-economic backgrounds are defined as [NS-SEC 5, 6 and 7 occupations](#). Examples include receptionists, electricians, plumbers, butchers and van drivers.



[kpmg.com/uk](https://www.kpmg.com/uk)

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