

Key Drivers for Success

**An Interview with John B. Veihmeyer,
Chairman and Chief Executive Officer, KPMG LLP**

EDITORS' NOTE In 1977, John Veihmeyer joined the Washington, D.C. office of KPMG and was elected to the partnership in 1987. He held a number of positions with KPMG prior to assuming his current post. He is a member of the Governing Board for the Center for Audit Quality (CAQ) and previously served as a member of Chairman Christopher Cox's SEC Advisory Committee on Smaller Public Companies. Veihmeyer received his B.B.A., cum laude, from the University of Notre Dame in 1977 and is a licensed CPA in New York, Washington, D.C., Maryland, and Virginia.



John B. Veihmeyer

COMPANY BRIEF KPMG LLP (www.us.kpmg.com) is a Big Four public accounting firm that provides audit, tax, and advisory services, and the U.S. member firm of KPMG International. KPMG International's member firms have approximately 140,000 professionals, including more than 7,600 partners in 146 countries.

What is the importance of corporate philanthropy and social responsibility to the culture of KPMG?

For KPMG, corporate philanthropy and social responsibility are two components of our larger corporate responsibility strategy. We believe that corporate responsibility is about companies and organizations conducting their businesses with the highest level of integrity, so we've focused our efforts on ethics, corporate citizenship, diversity, and environmental sustainability as the core, or four pillars, of our CR strategy. These are areas in which we believe we can make a significant difference, not only because KPMG is a professional services firm with global reach, but also because they are aligned with our values and culture. Many companies approach these as separate objectives, but we consider them to be inexorably linked, so much so that we've integrated them into our business strategy and consider them to be key drivers of our success.

Would you provide an overview of some of the CSR programs that KPMG supports?

Over the past few years, we've directed our philanthropic, community, and corporate citizenship efforts primarily toward programs that support youth and education, targeting initiatives that support our business and future talent requirements. After much research, we decided to

focus our efforts on children in grades K-12, with the goal of making a difference during the earlier stages of child development. Our investment in programs that help children acquire basic but critical skills is a strategic one that can help mitigate a shortage of qualified workers. As a result, and along with our ethics, diversity, and environmental sustainability initiatives, we've made workforce readiness a priority within our larger CR strategy.

We're especially proud of the impact programs like KPMG's own Family for Literacy are beginning to have in the communities we serve. Working with First Book, which has a proven track record of providing access to new books for children in need, KPMG's Family for Literacy has distributed more than 1.5 million new books to kids across the country. Literacy is the foundation of learning so it's important that businesses find ways to reach children as early as possible to ensure they have what they need to succeed. Corporate America benefits from a skilled, workforce-ready pipeline of talent, so it's critical that we are also part of the solution.

We're also very engaged in Junior Achievement and are in the process of finalizing a new alliance with the National Academy Foundation, a national network of high school career academies based predominantly in urban school districts.

KPMG has put a major emphasis on the environment with your Living Green program. Would you highlight this effort?

KPMG is very focused on the impact our business has on the environment as well as our local communities. We launched Living Green in 2008 to reduce the amount of waste we generate, the natural resources we consume, and our carbon footprint. Through Living Green, we're identifying best practices across the U.S. firm. In addition, along with other KPMG International member firms, we're establishing new national and local programs and processes to support our environmental goals.

The results have been impressive: In 2010, we successfully delivered on our commitment to reduce our carbon footprint by 25 percent in just two years, reducing our carbon emissions, increasing energy efficiency, and implementing more sustainable business practices across the firm. According to data collected by KPMG's Climate Change and Sustainability Services practice, the firm lowered its carbon footprint by 20 percent from 2008 to 2009

alone, and reduced electricity consumption by 9 percent and paper consumption by 33 percent. We also increased our percentage of recycled paper by 85 percent.

How do your corporate responsibility efforts align with KPMG's business strategy?

Our overall CR strategy is integrated into our business strategy, because we view it as imperative to the long-term sustainability of our business. CR efforts are also key to our ability to attract, recruit, and retain the best talent available.

Our CR efforts provide opportunities for us to engage our partners and employees in addressing critical issues in the community, like workforce readiness. They give their time and share their knowledge and professional skills with others, whether it's providing pro bono assistance to nonprofits or volunteering as individuals in their hometown.

Also, our approach to corporate responsibility as part of our business strategy gives us the opportunity to work through our Global Grants and Global Sustainability practices to provide assistance to the nonprofit and NGO sectors. This type of work enables us to showcase our professionals and our services, and strengthens our relationships as well as our reputation in the marketplace.

How do you engage employees in KPMG's social responsibility efforts?

Our people are very hands-on about their commitment to serving others. In 2010, KPMG's employees and partners gave more than 151,000 hours of their own paid and unpaid time to volunteer in our communities.

But corporate responsibility is more than community service and volunteerism. We strive to engage our employees in our CR efforts because we view this as part of the value proposition we offer to recruits, current employees, and our alumni. Our employees are key stakeholders, valuable resources, and brand ambassadors for our business, and developing and retaining them is impacted by our ability to provide them with opportunities to grow, both personally and professionally.

How critical is it to continue to support your programs and efforts, especially during challenging economic times?

Supporting CR is more important than ever during tough times. Treating corporate responsibility as anything other than a key element of a business strategy can have serious consequences for a company's reputation with its clients and employees, and ultimately its ability to succeed in the marketplace. ●