

Four Pillars of Sustainability

An Interview with
John B. Veihmeyer, Chairman, KPMG International

EDITORS' NOTE John B. Veihmeyer joined KPMG in 1977 and was elected to the partnership in 1987. He held a number of leadership positions within the firm prior to assuming his current post. He is a member of the Business Roundtable, the International Business Council of the World Economic Forum, and the Mendoza College Business Advisory Council of the University of Notre Dame, from which he graduated. He is a member of the British American Business International Advisory Board and serves on the board of the U.S.-India Business Council and the Board of Trustees for both the U.S. Council for International Business (USIBC) and the Financial Accounting Foundation (FAF). Veihmeyer received his B.B.A., cum laude, from the University of Notre Dame in 1977.



John B. Veihmeyer

COMPANY BRIEF KPMG International (*kpmg.com*) is a global network of professional firms providing Audit, Tax and Advisory services that operates in 155 countries and has more than 162,000 professionals working in member firms around the world.

What does the term “sustainable value creation” mean to KPMG?

At the most fundamental level, it means doing good while we're also doing well, and enacting policies that reflect the long-term goals of our organization. Our corporate responsibility pillars – integrity, diversity and inclusion, corporate citizenship, and living green – are all focused on sustainability: corporate sustainability, market sustainability, talent sustainability, community sustainability, and environmental sustainability.

KPMG strives to be a leader for sustainable value creation and we have established policies and practices that support that goal.

Is there a difference between long-term financial success for an organization and creating sustainable value?

Long-term financial success is dependent on an organization's ability to create sustainable value.

KPMG's future hinges on sustaining a vibrant and diverse pipeline of talent and fostering a culture where all of our employees can thrive.

It is vital for companies to invest in building a culture where employees can achieve

their full potential and aspirations, enabling them to better serve their clients and the greater community.

Long-term financial success requires a long-term view. Retaining the talent that organizations work so hard to attract and acquire is critical in this competitive environment, and building the right culture aids retention, ultimately helping the bottom line since the cost of attracting, hiring, and training new talent is high.

Companies cannot achieve long-term financial success, nor create sustainable value, if their people are not their priority. Providing opportunities for employees to grow and develop at work, while allowing them time and opportunities to do the same outside of work, is critical to maintaining talent sustainability.

What do you regard as the most important metrics for measuring the success of KPMG's sustainable trajectory?

KPMG's sustainability agenda is driven by the four pillars that comprise the firm's corporate responsibility strategy: integrity, diversity and inclusion, corporate citizenship, and living green. We've set goals and established clear metrics for the firm across these pillars to ensure that we continue on a sustainable trajectory.

To sustain an ethical culture that attracts, retains, and promotes people whose words and actions reflect the firm's values and expectations as articulated in the Code of Conduct, we require regular ethics and compliance courses, as well as biannual firm-wide training. All new hires are required to participate in KPMG's Code of Conduct training course.

Our people are our most important asset and that's why we are keenly focused on talent sustainability. Recruiting and retaining the best and brightest talent requires that we live our values and create a culture that is both diverse and inclusive, where everyone can achieve his or her full potential. We have sought to sustain a 60 percent diverse population at KPMG.

KPMG is known for our culture of service, which is reflected in the investments made by the firm along with individual partners and professionals working at KPMG. We encourage our partners and professionals to engage in non-profit board service and regular pro bono work.

We also offer employees 12 hours of volunteer release time to engage in service activities supported by the firm or those of their choice.

Finally, through our Living Green program, we seek continuous improvement throughout all of our operations; our results demonstrate reduced environmental impacts and positive social change, further demonstrating our commitment to be a leading corporate citizen. To date, 25 of our offices are Leadership in Energy and Environmental Design (LEED) certified.

How do you identify the unique areas in which KPMG is best positioned to achieve financial success and sustainable value for all stakeholders?

As a professional services firm, we have a central responsibility to serve as a steward of the capital markets and this obligation underscores the services we offer, the employees we hire and promote, the clients we engage with, and the way we intersect with and invest in our communities.

Understanding our unique position in the marketplace, we've built a solid reputation for professionalism by delivering on our commitments, in line with professional standards, our core values, and our stakeholders' expectations; and we continue our efforts to sustain the capital markets and our firm.

Our financial success is directly tied to the success of our clients. We win when we can help others be successful. We can only do this, however, when we live our values and maintain an innovative, diverse, and inclusive culture that brings the best and brightest individuals to each engagement. That is how we will continue to ensure future financial success for us and our clients.

What is the most significant action you believe that KPMG needs to take to achieve sustainable value creation?

KPMG is achieving sustainable value creation every day. To do so in such a competitive market requires that we live our values every day, engraining them into our culture, and continuing to develop our existing employees and build our future talent pipeline. Sustainable value creation goes beyond a slogan or tagline. We can't evaluate our success or make decisions based on short-term metrics. We know our role as a leader in the market and have a responsibility to act accordingly. ●