The stakeholders consultation brought the vision from different audiences to KMG

Definition of material topics

< GRI 3.5/4.14/4.17 >

After defining our priority stakeholder groups, we proceeded to the stakeholder engagement stage to gain an understanding of their views on our business and responsibilities as a professional services firm.

Based on their understanding of our three core practices - Audit, Tax and Advisory – Good Business identified nine topics entailing a wide range of impacts deriving from the duties and responsibilities of these practices, both toward businesses and toward the general public.

Through individual interviews (in person or by telephone) stakeholders were invited to evaluate the importance of each listed topic and to add any others they believed were material to our business.

This was important to our engagement with stakeholders and provided us with valuable feedback on our activities, helping improve our practices.

The consultation did not produce additional themes to those

suggested, which were considered sufficient to cover all issues material to KPMG in Brazil.

The findings of these interviews revealed four topics of major importance. The priority topics are strongly linked to the foundations of our global strategy and throughout this report we seek to demonstrate their interdependence with our management, policies and corporate actions (read more under *Strategy*).

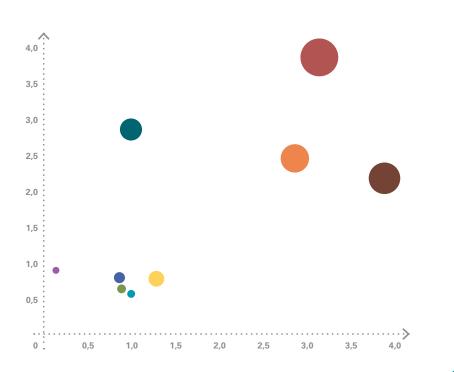
In 2012 and 2013, we conducted an internal engagement process involving our professionals so they could assess the report and review the priority topics. The topics have been maintained and, overall, the priority ranking is the same as defined in 2011.

Consultation and engagement

During the consultation and engagement process conducted in 2011, KPMG in Brazil interviewed 37 representatives from priority stakeholder groups, including 7 clients, 18 professionals from all practices (partners, partner-directors and employees in general), 3 representatives from regulators, industry specialists and/or trade associations, 5 representatives from civil society and 4 from the press.

Topics identified

- Ensuring good treatment of employees (i.e. equality, diversity, development, career, well being).
- Ensuring responsible and transparent governance systems are in place.
- Managing and reducing our direct impacts on the environment.
- Managing the supply chain in terms of social, ethical and environmental impacts.
- Making positive contributions to society and the local community (e.g. philanthropy, fund raising, voluntary work and pro bono work).
- Ensuring business is conducted ethically (e.g. guidelines on our work, and impartiality towards clients).
- Providing responsible tax advice.
- Provision of sustainability services to clients.
- Conducting quality audits (services*) with total independence.



*KPMG in Brazil believes all its services have to be provided with quality and independence; we have therefore extended the scope of this material topic. Ethical business conduct

- Good treatment of employees
- Quality and fully independent audits (services*)
- Responsible and transparent governance systems
- Positive contribution to our community
- Provision of sustainability services to clients
- Impacts on the supply chain
- Responsible tax advicel
- Environmental impacts

Material (or priority) topics

- Ethical business conduct
- Good treatment of employeesQuality and fully independent
- audits (services*)
- Responsible and transparent governance systems