



Environmental, social and governance report FY2020

KPMG China

Appendix – Index table

March 2021

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Part 1: Introduction


The index table provides an overview of how we have applied the Stakeholder Capitalism Metrics (SCMs) recommended by the World Economic Forum's International Business Council (IBC) to report against our most material issues. You will also find links and references to where you can access associated disclosures and information in KPMG China's ESG report. The full set of SCMs can be found in the IBC's white paper, [Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#).

As this is the first year we are reporting against the SCMs, it has not been feasible for us to report on all the metrics. We have, however, shared whatever information we can, even in cases where we are unable to report on all elements. We are committed to addressing gaps in our disclosures. To support our focus on transparency, we have taken the decision to apply the 'disclose or explain' principle for all the SCMs. The superscripts in the 'Core metrics and disclosures' column in the following table represent the primary reason for each omission using the following categories:


- **Materiality – ^[M]**: Our assessment did not identify these as the most material issues for our stakeholders and organisation. We have not therefore prioritised capturing data for them in this first reporting year. In recognition that these are, nonetheless, important issues we are developing processes to collect data for future reporting. We will use this data to inform areas where we need to strengthen our response.
- **Data definitions and collection – ^[D]**: We are developing a road map to improve the scope and relevance of our reporting. This particularly includes data for several metrics in the Governance and Prosperity pillars which we have not previously collected.
- **Methodology not established – ^[MG]**: These are metrics for which there is no globally accepted methodology. For example, there is not yet a sector-based methodology to estimate the carbon impact of our professional services (i.e. our downstream Scope 3 emissions), but we are committed to continuously improving our consideration of the social, economic and environmental impact of our services.

Part 2: Index table

Pillar	Theme	Core metrics and disclosures	Corresponding metrics	Section and page no.
Principles of governance 	Governing purpose	Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	The British Academy and Colin Mayer, GRI 102-26, Embankment Project for Inclusive Capitalism (EPIC) and others	Our purpose, values and vision p. 5
	Quality of governing body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics ^[D] ; executive or non-executive ^[D] ; independence ^[D] ; tenure on the governance body ^[D] ; number of each individual's other significant positions and commitments ^[D] , and the nature of the commitments ^[D] ; gender; membership of under-represented social groups ^[D] ; stakeholder representation ^[D] .	GRI 102-22, GRI 405-1a, IR 4B	Sustainability governance p. 6 Our workplace p. 43 Data table p. 59
	Stakeholder engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	GRI 102-21, GRI 102-43, GRI 102-47	Stakeholder engagement pp. 8-9 Materiality assessment pp. 10-11
	Ethical behaviour	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region ^[D] . a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years ^[D] ; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year ^[D] . 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	GRI 205-2, GRI 205-3	Business ethics, Independence, Anti-corruption p. 12

Pillar	Theme	Core metrics and disclosures	Corresponding metrics	Section and page no.
		<p>Protected ethics advice and reporting mechanisms</p> <p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> 1. Seeking advice about ethical and lawful behaviour and organisational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity. 	GRI 102-17	Speaking up p. 13
	Risk and opportunity oversight	<p>Integrating risk and opportunity into business process^[D]</p> <p>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</p>	EPIC, GRI 102-15, World Economic Forum Integrated Corporate Governance, IR 4D	Risk management p. 14
Prosperity 		<p>Absolute number and rate of employment</p> <ol style="list-style-type: none"> 1. Total number and rate of new employee hires during the reporting period, by age group^[D], gender^[D], other indicators of diversity^[D] and region^[D]. 2. Total number and rate of employee turnover during the reporting period, by age group^[D], gender^[D], other indicators of diversity^[D] and region^[D]. 	Adapted, to include other indicators of diversity, from GRI 401-1a&b	Data table p. 59
	Employment and wealth generation	<p>Economic contribution</p> <ol style="list-style-type: none"> 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organisation’s global operations, ideally split out by: <ul style="list-style-type: none"> • Revenues^[D] • Operating costs ^[D] • Employee wages and benefits^[D] • Payments to providers of capital^[D] • Payments to government^[D] • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period. ^[D] 	GRI 201-1, GRI 201-4	Corporate social responsibility p. 24

Pillar	Theme	Core metrics and disclosures	Corresponding metrics	Section and page no.
		<p>Financial investment contribution^[D]</p> <ol style="list-style-type: none"> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders. 	As referenced in IAS 7 and US GAAP ASC 230	-
	Innovation of better products and services	<p>Total R&D expenses^[D]</p> <p>Total costs related to research and development.</p>	US GAAP ASC 730	-
	Community and social vitality	<p>Total tax paid^[D]</p> <p>The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.</p>	Adapted from GRI 201-1	-
Planet	Climate change	<p>Greenhouse gas (GHG) emissions</p> <p>For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO₂e) GHG Protocol Scope 1 and Scope 2 emissions.</p> <p>Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.^[MG]</p>	GRI 305:1-3, TCFD, GHG Protocol	Our climate action pp. 35-37 Data table p. 58
		<p>TCFD implementation</p> <p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation.^[D]</p> <p>Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.</p>	Recommendations of the TCFD; CDSB R01, R02, R03, R04 and R06; SASB 110; Science Based Targets initiative	Our climate action pp. 35-37

Pillar	Theme	Core metrics and disclosures	Corresponding metrics	Section and page no.
	Nature loss	<p>Land use and ecological sensitivity^[M] Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	GRI 304-1	-
	Freshwater availability	<p>Water consumption and withdrawal in water-stressed areas^[M] Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.</p> <p>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	SASB CG-HP-140a.1, WRI Aqueduct water risk atlas tool	-
 <p>People</p>	Dignity and equality	<p>Diversity and inclusion Percentage of employees per employee category, by age group^[D], gender and other indicators of diversity (e.g. ethnicity)^[D].</p>	GRI 405-1b	Our workplace p. 43 Data table p. 59
		<p>Pay equality^[D] Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p>	Adapted from GRI 405-2	-
		<p>Wage level^[D] Ratios of standard entry level wage by gender compared to local minimum wage.</p> <p>Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p>	GRI 202-1, Adapted from Dodd-Frank Act, US SEC Regulations	-
		<p>Risk for incidents of child, forced or compulsory labour^[D] An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:</p> <p>a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.</p>	GRI 408-1b, GRI 409-1	Employment and labour conditions p. 44

Pillar	Theme	Core metrics and disclosures	Corresponding metrics	Section and page no.
	Health and well-being	<p>Health and safety^[D] The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.</p> <p>An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	<p>GRI:2018 403-9a&b,</p> <p>GRI:2018 403-6a</p>	Occupational health and safety p. 48
	Skills for the future	<p>Training provided Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender^[D] and employee category^[D] (total number of hours of training provided to employees divided by the number of employees).</p> <p>Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees). ^[D]</p>	GRI 404-1, SASB HC 101-15	Learning and development p. 49 Data table p. 59



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